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Rules of The Arconic Pension Plan

Constitutional Rules

WE CERTIFY THIS DOCUMENT AS A TRUE COPY OF
THE ORIGINAL

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DATE: 13 JANUARY 2022

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THESE RULES are made as a deed on

13 January 2022

BY

- (1) **Arconic Manufacturing (GB) Limited** (registered number 633328) whose registered office is at 170 Kitts Green Road, Kitts Green, Birmingham, England, B33 9QR (the "**Principal Employer**"); and
- (2) **Ross Trustees Services Limited** (registered number 7904277) whose registered office is at 25 Southampton Buildings, London, England, WC2A 1AL (the "**Trustee**").

BACKGROUND

- (A) The Principal Employer is the principal employer of the Arconic Pension Plan (the "**Scheme**"). The Trustee is the current trustee of the Scheme, and is the scheme administrator for the purposes of the Finance Act 2004.
- (B) The Scheme is governed by Rules dated 27 November 2019 (as amended) and is currently divided into three sections: the Constitutional Rules, which apply to all Members, and two benefit sections.
- (C) Constitutional Rule 16 (Amendment) says that the Trustees may with the consent of the Principal Employer amend the Rules by deed, subject to sections 67 to 67I of the Pensions Act 1995 and the other restrictions set out in that Rule.
- (D) On 22 June 2020 (the "**Transfer Date**"), the Scheme accepted a bulk transfer of members from the Arconic Britain Pension Scheme (the "**Former Scheme**") pursuant to a transfer agreement dated 7 May 2020 made between Arconic Manufacturing (GB) Limited, Ross Corporate Services Limited and Ross Trustees Services Limited (as amended) (the "**Bulk Transfer**"). The Trustee, with the consent of the Principal Employer, wishes to amend the Rules in order to document the benefits payable to and in respect of members who joined the Scheme as part of the Bulk Transfer.

ADOPTIVE PROVISIONS

1. In accordance with Constitutional Rule 16 (and any other relevant power), the Trustees, with the consent of the Principal Employer, amend the Rules (the "**Existing Rules**") with effect on and from the date of this deed by replacing them with these rules (the "**Rules**"). The Rules as set out below are divided into seven parts:
 - (a) the Constitutional Rules (the "**C Rules**"), which apply to all Members;
 - (b) the Alcoa Britain 2002 Section Rules, which set out the benefits payable in respect of Members who were members of the Alcoa Britain 2002 section of the Former Scheme immediately before they joined the Scheme as part of the Bulk Transfer;
 - (c) the Alcoa Britain (Pre-2002) Section Rules, which set out the benefits payable in respect of Members who were members of the Alcoa Britain section of the Former Scheme prior to 1 January 2002 and subsequently joined the Scheme as part of the Bulk Transfer;
 - (d) the AFL Section Rules, which set out the benefits payable in respect of Members who were members of the AFL section of the Former Scheme prior to 1 January 2002 and subsequently joined the Scheme as part of the Bulk Transfer;
 - (e) the BAPP Section Rules, which set out the benefits payable in respect of Members who were members of British Aluminium section of the Former Scheme prior to 1 January 2002 and subsequently joined the Scheme as part of the Bulk Transfer;
 - (f) the Kama Section Rules (comprised of the Kama Staff Section and Kama Works Section), which set out the benefits payable in respect of Members who were members of the Kama Europe Limited Retirement Benefits Scheme or the Viskase Sedgefield Retirement Benefits Scheme immediately prior to their transfer-in to the Former Scheme pursuant to a Transfer Agreement dated 5

April 2006 and subsequently joined the Scheme as part of the Bulk Transfer;
and

- (g) the Kawneer Section Rules, which set out the benefits payable in respect of Members who were members of the Kawneer UK Limited Retirement Benefits Scheme immediately prior to their transfer-in to the Former Scheme pursuant to a Transfer Agreement dated 1 April 2003 and subsequently joined the Scheme as part of the Bulk Transfer,

((b) to (g) above are each a "**Section**" and together referred to as the "**Sections**" of the Scheme).

2. This deed may be executed in any number of counterparts, each of which will constitute an original, but which will together constitute one agreement. This deed will not be effective until each party has executed at least one counterpart. The term "counterpart" includes a facsimile or scanned copy of this deed.
3. This deed and any non-contractual obligations arising out of or in connection with it will be governed by the law of England and Wales, and the courts of England and Wales have exclusive jurisdiction to determine any dispute arising out of or in connection with this deed (including in relation to any non-contractual obligations).

THE CONSTITUTIONAL RULES

These C Rules set out the Rules common to all Sections of the Scheme. They should be read together with the Rules for each Section of the Scheme.

1. **Meaning of defined terms**

Words with a capital first letter are defined in the first Rule of each of the Sections of the Scheme.

2. **Registered and contracted-out pension scheme**

This C Rule confirms that the Scheme is a registered pension scheme and provides contracted-out benefits. This Rule confirms that the Scheme is subject to various statutory requirements which override the provisions of these Rules.

The Scheme is a registered pension scheme for the purposes of section 150(2) of the Finance Act 2004.

In operating the Scheme, the Trustees and the Employers must comply with all relevant legal requirements applicable to the Scheme, including the Preservation Laws, the Revaluation Laws, the Transfer Value Laws, the Contracting-out Laws, the Registration Requirements, any legally binding requirements, directions and orders of the Pensions Regulator and of HM Revenue & Customs, and any legally binding obligation to provide information to the Board of the Pension Protection Fund.

The Scheme has contracted-out benefits and the Rules are therefore deemed to incorporate any mandatory provision that the Contracting-out Laws require to be incorporated in respect of benefits held within the Scheme which were accrued during a Member's contracted-out employment, and any optional provision that must under the Contracting-out Laws be incorporated in the Rules in order for the Trustees' administration of such benefits to comply with the Contracting-out Laws.

This **C Rule 2** overrides all other Rules in the event of any inconsistency.

3. **Trustees**

This Rule sets out the powers relating to the appointment and liability of the Trustees, and certain administrative matters relating to them.

3.1 **Appointment and removal**

The Principal Employer may at any time by deed appoint and remove trustees. Any such appointment or removal must comply with the requirements of sections 241 to 243 of the Pensions Act 2004 (member-nominated trustees and directors).

A body corporate may be appointed as sole trustee.

If at any time there is not a sole corporate trustee, the minimum number of trustees shall be three and the maximum number of trustees shall be nine.

A trustee may resign by giving one month's notice in writing to the Principal Employer and the remaining Trustees, provided that this requirement may be waived by the Principal Employer in writing. Immediately on expiry of the notice or on the granting of the written waiver the Principal Employer shall by deed give effect to the trustee's resignation. The retiring trustee need not be a party to that deed.

3.2 **Pay**

Any trustee (or officer of a corporate trustee) may be paid any fees and expenses for his or her services agreed with the Principal Employer. These fees and expenses will be treated as a Scheme expense under **C Rule 5** (scheme expenses).

3.3 **Liability**

Subject to section 33 of the Pensions Act 1995 (investment powers: duty of care), a trustee (or officer of a corporate trustee) will only be liable for the consequences of any act or omission of the Trustees or their delegates or advisers if the liability is incurred as a result of his or her own wilful wrongdoing (and his or her negligence if so agreed between the trustee and the Principal Employer).

3.4 **Indemnity**

The Employers will jointly and severally indemnify each trustee and former trustee (or officer or former officer of a corporate trustee) against any liability and expense incurred by him or her as a trustee (except where otherwise agreed between the trustee and the Principal Employer). If the Employer fails to indemnify in full any such person within a reasonable period set from time to time by the Trustees, they will be indemnified from the Scheme's assets instead, to the extent of the shortfall.

However, this indemnity does not apply to:

- 3.4.1 any liability incurred as a result of wilful wrongdoing, or covered and met by insurance either under **C Rule 3.5** (insurance) or a separate insurance arrangement; or
- 3.4.2 any liability of an officer or former officer of a corporate trustee to pay a fine imposed in criminal proceedings, or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature; or
- 3.4.3 any liability of an officer or former officer of a corporate trustee incurred in defending criminal proceedings in which he or she is convicted.

3.5 **Insurance**

The Trustees (and officers of a corporate Trustee) may take out indemnity insurance to cover any liability which they may incur under the Scheme (unless incurred as a result of wilful wrongdoing). The Trustees may pay for this from the Scheme's assets except:

3.5.1 in the case of a Trustee where this is otherwise agreed between him or her and the Principal Employer; or

3.5.2 if the insurance covers fines or penalties of a kind mentioned in section 256 of the Pensions Act 2004.

3.6 **Administration of the Scheme**

The Trustees are granted all the powers that are necessary in order to administer the Scheme. The Trustees will administer the Scheme on terms which they decide are appropriate, subject to the Rules and any legislation which applies to them.

3.7 **Quorum**

The quorum for any meeting of the Trustees will be a majority of the Trustees.

Where a company (whether a trust corporation or otherwise) is acting as sole Trustee of the Scheme, it must exercise its powers, duties and discretions under these Rules through its board of directors or its duly authorised officers, employees or agents, and must conduct its proceedings in accordance with its articles of association.

3.8 **Casting vote**

At each meeting the Chairman, who shall be appointed by the Principal Employer, shall have a casting vote in the event of equality of voting.

3.9 **Delegation**

The Trustees may delegate, or authorise the sub-delegation of, any of their powers, duties and discretions to any person or a committee consisting of any two or more of themselves, and on terms which they decide are appropriate.

3.10 **Disputes**

The Trustees will make arrangements for the resolution of disagreements in relation to the Scheme.

3.11 **Advisers**

The Trustees may seek advice from professional advisers on terms which the Trustees agree with those advisers, subject to section 47 of the Pensions Act 1995 (professional advisers). The fees of any adviser will be treated as a Scheme expense under **C Rule 5** (scheme expenses).

4. **Funding and accounts**

This Rule sets out the Trustees' key duties to get funding valuations and reports carried out, and audited accounts prepared.

4.1 **Valuations and surplus**

The Trustees will arrange for an actuarial valuation of the Scheme to be carried out at least once every three years, and (to the extent required by the Pensions Act 2004) for an actuarial report of the Scheme to be carried out for any year in which a valuation is not carried out. The Trustees will ensure that any such valuations and reports comply with the requirements of section 224 of the Pensions Act 2004 (actuarial valuations and reports).

If a valuation discloses that the value of the Scheme's assets exceeds the value of its liabilities, the Trustees may (if the Principal Employer agrees) reduce this surplus by paying all or part of it to the Employers (less tax) in such proportions as the Principal Employer and Trustees agree, and to the extent permitted by section 37 of the Pensions Act 1995 (payment of surplus to employer).

4.2 **Auditing accounts**

The Trustees will appoint an auditor to the Scheme and ensure that Scheme accounts are prepared and audited once a year.

5. **Scheme expenses**

This Rule sets out the terms on which expenses of the Scheme will be paid.

The expenses of the Scheme shall be borne by the Employers or from the Scheme's assets in such shares as the Trustees and Principal Employer decide. However, no amount may be paid from the Scheme's assets to reimburse a Trustee or former Trustee for:

- 5.1.1 expenses or liabilities incurred through wilful wrongdoing (or negligence in the case of a paid Trustee) or which are covered and met by insurance under **C Rule 3.5** (insurance); or
- 5.1.2 fines or penalties of a kind mentioned in section 256 of the Pensions Act 2004.

6. **Scheme assets**

This Rule sets out the basis on which the Trustees can invest the Scheme's assets.

6.1 **Assets held on trust**

The Trustees will hold the assets and income of the Scheme on trust for the purposes of the Scheme.

Any assets of the Scheme that relate to the provision of money purchase benefits under the Scheme (including additional voluntary contributions) will only be used to provide those benefits.

6.2 **Investment of Scheme assets**

The Trustees will invest or apply all or any part of the assets of the Scheme as they decide is appropriate and as if they were absolutely and beneficially entitled to the assets. In exercising this power, the Trustees must ensure that the restrictions on employer-related investment set out in section 40 of the Pensions Act 1995 are not exceeded.

The Trustees may (without limitation to the general power above):

- 6.2.1 make a contract or take on any obligation;
- 6.2.2 grant a charge or mortgage over any of the Scheme's assets, or give any right of recourse against;
- 6.2.3 insure Scheme assets against risk for any amount;
- 6.2.4 borrow and lend money or other property;
- 6.2.5 pool any or all of the Scheme's assets with the assets of any other occupational pension schemes, including in a common investment fund;
- 6.2.6 sell, convert, vary or transpose any assets of the Scheme; and
- 6.2.7 acquire any property (whether with a view to it producing income or a capital gain).

6.3 **Fund manager**

The Trustees must appoint one or more fund managers for the purposes of section 47(2) of the Pensions Act 1995.

7. **Participating Employers**

<p>This Rule sets out the terms on which an employer can participate and cease to participate in the Scheme.</p>
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7.1 **Process for starting to participate**

The Principal Employer with the consent of the Trustees may agree that an employer can participate in the Scheme. Such an employer must however agree by deed to comply with the Rules in respect of any period of participation in the Scheme.

7.2 **Ceasing to participate**

An Employer (including the Principal Employer, but excluding any Employer which is a "defined contribution employer" as defined in regulation 2(1) of the Occupational Pension Schemes (Employer Debt) Regulations 2005) must cease participating in the Scheme if an Insolvency Event occurs in relation to it. Any Employer must also cease to participate if the Principal Employer requires it to do so by written notice. Where an Employer ceases to participate on the date set out in the notice or (if not date is specified) the date the notice is given.

Any Employer (including the Principal Employer) may also opt to cease participating in the Scheme at any time by giving 3 months' prior notice in writing to the Trustees. The Employer will cease to participate on the date on which the notice expires.

The Trustees will treat any Active Members employed by the relevant Employer on the date it ceases to participate as having left Pensionable Service at that date.

8. **Insolvency of the Principal Employer**

This Rule sets out what happens to the powers of the Principal Employer in the event of its insolvency.

If the Principal Employer enters insolvency, or goes into liquidation or administrative receivership then all the powers of the Principal Employer and the other Employers under the Rules whether fiduciary or not shall vest in and be exercisable by the Trustees.

The Trustees shall relinquish any powers under this **C Rule 8** if another person takes over the role of the Principal Employer under **C Rule 9** (change of Principal Employer).

9. **Change of Principal Employer**

This Rule sets out the terms on which the Principal Employer of the Scheme can change.

9.1 Another person may take over the role of Principal Employer under the Scheme if:

- (a) the Principal Employer's undertaking is acquired by (or vested in) any other party and that party enters into a deed with the Trustees and the Principal Employer in which it agrees to perform the Principal Employer's obligations under the Rules;
- (b) the Principal Employer's powers are vested in the Trustees under **C Rule 8** (insolvency of the Principal Employer) and its undertaking is acquired by any other party and that party enters into a deed with the Trustees in which it agrees to perform the Principal Employer's obligations under the Rules and the powers vested in the Trustees under **C Rule 8** (insolvency of the Principal Employer) are transferred to that party as Principal Employer; and
- (c) in any other circumstances, any other party enters into a deed with the Trustees and the Principal Employer in which it agrees to perform the Principal Employer's obligations under the Rules.

9.2 If the Principal Employer is to continue to participate in the Scheme following its release as Principal Employer it shall enter into a deed in the form provided for by **C Rule 7.1**(process for starting to participate) or in such other form as the Trustees may require.

10. **Trustee discretion to make unauthorised payments**

If a benefit paid under these Rules is an unauthorised payment under the Finance Act 2004, the benefit will be reduced by a tax charge and might prejudice the registered tax status of the Scheme. This Rule gives the Trustees the discretion to decide not to pay this benefit.

Where any provision in the Rules requires the Trustees to make a payment which by virtue of section 160 of the Finance Act 2004 (payments by registered pension schemes) would be an unauthorised payment, the Trustees will have the discretion whether or not to make that payment. The Trustees will exercise this discretion subject to the other requirements of the Rules, including obtaining the consent of any other person to the relevant payment.

11. **Members who participated in the Former Scheme and admission to membership on special terms**

This Rules sets out an overriding provision that applies to Members who participated in the Former Scheme and also the terms on which the Principal Employer may admit a person to the Scheme.

11.1 The benefits provided in respect of Members who joined the Scheme as part of the Bulk Transfer will be:

11.1.1 for those who were in receipt of a pension from the Former Scheme immediately prior to the Transfer Date, such benefits in the same circumstances (including in relation to payment timing and frequency) and of the same amounts to which such persons and their contingent beneficiaries were entitled under the Former Scheme immediately prior to the Transfer Date; and

11.1.2 for those who were not yet in receipt of a pension from the Former Scheme immediately prior to the Transfer Date, deferred benefits (including, as appropriate, benefits payable to "In-Service Deferred Members" in accordance with Rule 15 of the Alcoa Britain 2002 section of the Former Scheme's rules) and increases to such benefits in the same circumstances and of the same amounts as those to which such persons and their contingent beneficiaries were entitled under the Former Scheme immediately prior to the Transfer Date.

This **C Rule 11.1** overrides all other Rules in the event of any inconsistency, apart from **C Rule 2** (Registered and contracted-out pension scheme).

11.2 The Scheme is closed to new Members, with the exception of any person whom the Principal Employer decides at any time to admit to membership of it.

11.3 The Principal Employer may direct the Trustees to permit a particular employee or group of employees to be admitted or remain in membership of the Scheme on such special terms (if any) as the Principal Employer determines, provided that the Principal Employer has first notified the relevant person or persons and the Trustees in writing of the special terms on which those persons are to be admitted to membership. The Principal Employer will pay any additional contributions which the Trustees shall notify to the Principal Employer as in the opinion of the Actuary are required to fund the relevant benefits.

12. Pension sharing

This Rule sets out the basic legal framework that applies when a Member is a party to a pension sharing order.

12.1 Effect of pension sharing orders

If a Member's benefits must be transferred to his or her former Spouse as a result of an order made under the Welfare Reform and Pensions Act 1999 ("**WRPA**"), the Trustees must comply with the requirements of the WRPA when discharging their liability to the former Spouse.

The Trustees may recover charges in respect of their costs in this regard in accordance with the Pensions on Divorce etc (Charging) Regulations 2000.

The Trustees must treat only the "safeguarded percentage" of a former Spouse's rights as his or her "safeguarded rights" (as defined in Part IIIA of the Pension Schemes Act 1993) when discharging their liability to that former Spouse.

The provisions of this **C Rule 12.1** will apply with the necessary changes in respect of equivalent Northern Ireland laws.

12.2 Benefits for a former Spouse under the Scheme

The Trustees may decide that a former Spouse should be provided with benefits from the Scheme on the following conditions:

- 12.2.1 the benefits must be provided separately from any other benefits to which the former Spouse may be entitled under the Scheme;
- 12.2.2 the Trustees must provide the former Spouse with written details of the benefits that will be provided in respect of him or her; and
- 12.2.3 if a former Spouse dies before a transfer payment to another pension arrangement can be made in respect of him or her, the Trustees may instead provide benefits in respect of the former Spouse under the Scheme from any or all of the intended transfer payment. These benefits must comply with the WRPA, and any unpaid amount will form part of the Scheme assets.

13. **Assignment and reduction of benefits**

This Rule sets out the terms on which a Member's benefits may be reduced or cease to be payable.

13.1 **General prohibition**

Benefits under the Scheme cannot be assigned, charged, surrendered, forfeited or paid for the benefit of anyone except the person entitled under these Rules, subject to the remainder of this **C Rule 13**, **C Rule 12** (pension sharing) and any relevant provision of the Sections of the Scheme which permit a Member to exchange part of his or her pension for a Dependant's pension.

This **C Rule 13** is subject to the Contracting-out Laws (where appropriate).

13.2 **Power to withhold a benefit**

Subject to sections 91 to 94 of the Pensions Act 1995 (assignment, forfeiture, bankruptcy etc), the Trustees may withhold payment of a benefit if either the person entitled to the benefit tries to assign or charge it, or anything else happens as a result of which the benefit or any part of it would become payable for the benefit of another person.

The Trustees may pay all or part of any benefit withheld to or for the benefit of the person entitled to the benefit, so long as no payment is made to the purported assignee.

13.3 **Reduction of benefits for offences and other acts or omissions**

The Trustees may decide that any part of a benefit payable or prospectively payable shall be forfeited or cease to be payable if the person entitled to the benefit has been convicted of an offence listed in section 92 of the Pensions Act 1995 (forfeiture, etc).

If a Member owes money to the Scheme as a result of his or her criminal, negligent or fraudulent act or omission, the Trustees may reduce the Member's benefits, subject to the requirements of sections 91 to 94 of the Pensions Act 1995 (assignment, forfeiture, bankruptcy etc).

If a Member owes money to an Employer as a result of his or her criminal, negligent or fraudulent act or omission, the Employer and the Trustees may agree to reduce the Member's benefits, subject to the requirements of sections 91 to 94 of the Pensions Act 1995 (assignment, forfeiture, bankruptcy etc). If the Member's benefits are reduced under this **C Rule 13**, the Trustees will pay to the Employer an amount equal to any debt owed by the Member to the Employer or, if less, the value of the Member's benefits.

13.4 **Unclaimed benefits**

The entitlement to any benefit which the Trustees have been unable to pay and which remains unclaimed for 6 years from the date it became payable will, subject to the Contracting-out Laws, cease.

The Trustees will keep the unpaid amount in the Scheme assets.

14. **Transfers to and from the Scheme**

This Rule sets out the terms on which transfers may be made to and from the Scheme (including without Members' consents), and the terms on which annuities may be bought.

14.1 **Transfers to the Scheme**

If the Principal Employer agrees, the Trustees have a discretion to accept a transfer of assets or a surrender value in respect of any person from another registered pension scheme or overseas pension scheme if this complies with section 169 of the Finance Act 2004 (recognised transfers).

Any such assets or surrender value which the Trustees accept under this **C Rule 14.1** will be used to provide the person in respect of whom the transfer is made with such benefits as the Trustees decide (after consulting the Scheme Actuary). The benefits must comply with the Preservation, Revaluation, Contracting-Out Laws (where appropriate) and Transfer Value Laws, and be consistent with the Scheme's status as a registered pension scheme.

The Trustees will not be required to obtain the Principal Employer's agreement where the proposed transfer is in respect of a Member who seeks to transfer-in money purchase assets from the Arconic UK Retirement Savings Plan (or such other registered pension scheme as the Principal Employer may notify to the Trustees from time to time).

14.2 **Transfers from the Scheme**

Subject to the following conditions, the Trustees may decide that, rather than providing benefits under the Scheme in respect of any person, they will instead arrange for benefits to be provided under another registered pension scheme or an overseas pension scheme in respect of that person by transferring such assets as they decide are appropriate (after consulting the Scheme Actuary) to that scheme. The conditions for any such transfer are that:

- 14.2.1 it must comply with section 169 of the Finance Act 2004 (recognised transfers);
- 14.2.2 the relevant Member must consent to the transfer except where this is not required under the Preservation and Contracting-Out Laws; and
- 14.2.3 the transfer must comply with the Preservation and Contracting-Out Laws and the requirements of the Finance Act 2004.

14.3 **Buy-outs**

The Trustees may decide that, rather than providing benefits under the Scheme in respect of any person, they will pay such amount as they decide is appropriate (after consulting the Scheme Actuary) to buy an insurance policy or annuity contract from an Insurance Company for that person either in the name of the Trustees or in the name of that person, or transfer a policy or contract in the name of the Trustees to that person.

The policy or contract must comply with the Preservation Laws (including any requirement for the consent of the person in respect of whom the transfer or purchase is being made), the Contracting-Out Laws (where appropriate) and the requirements of the Finance Act 2004 and the Financial Services and Markets Act 2000.

15. **Winding-up**

This Rule sets out the terms that apply in relation to winding up the Scheme.

15.1 **Power to wind-up the Scheme**

If any of the events listed in **C Rule 15.2** occur, the Trustees shall decide either:

- 15.1.1 to realise the assets of the Scheme and wind-up the Scheme; or
- 15.1.2 to defer winding-up the Scheme and continue to administer those Sections as a paid-up scheme for such period and upon such terms as they think fit having considered the advice of the Scheme Actuary. The Trustees may subsequently decide to realise the assets of the Scheme and wind-up the Scheme.

15.2 **Winding-up events**

The events referred to in **C Rule 15.1** are:

- 15.2.1 the Principal Employer going into liquidation or administrative receivership when there is no agreement under **C Rule 9** (change of Principal Employer) and the Trustees consider there is no reasonable expectation of such agreement;
- 15.2.2 the Principal Employer's undertaking is acquired by another party, there is no agreement for a person to take over the role of Principal Employer in relation to the Scheme under **C Rule 9** (change of Principal Employer) and the Trustees consider there is no reasonable expectation of such agreement;
- 15.2.3 the Employers terminate their liability to pay contributions and other future liabilities under the Scheme by giving written notice to the Trustees; or
- 15.2.4 the Trustees consider that in the best interests of the Members there is no reasonable purpose in continuing the Scheme.

15.3 **Effect of winding up on the provisions of the Scheme**

During winding-up, all the provisions of the Rules will continue to apply (including the amendment power), so far as they are consistent with this **C Rule 15**.

If the Principal Employer is dissolved before the winding-up is completed, the Trustees may exercise any powers given to the Principal Employer, unless another person has taken over the role of the Principal Employer in relation to the Scheme under **C Rule 9** (change of Principal Employer).

15.4 **Use of Scheme assets**

Once the Trustees have decided to start to wind up the Scheme, they will apply the Scheme's assets as described in **C Rule 15.5** to **C Rule 15.11** below.

15.5 **Expenses**

The Trustees must first set aside such assets as they estimate will be sufficient to pay the expenses of the Scheme until the winding-up has been completed.

15.6 **Securing benefits with an Insurance Company**

Once an amount in respect of expenses has been put aside under **C Rule 15.5** (expenses), the Trustees will apply the remaining assets to buy an insurance policy or annuity contract from an Insurance Company in the name of each person entitled to benefits under the Scheme, except where those assets are used to provide benefits under **C Rule 15.7** (transfers to other schemes) or **C Rule 15.8** (winding up lump sums).

Any such policies or contracts must:

- 15.6.1 comply with the Preservation, Contracting-Out and Revaluation Laws;
- 15.6.2 be consistent with the treatment of the Scheme as a registered pension scheme for the purposes of the Finance Act 2004; and
- 15.6.3 provide benefits which are the same (or as similar as practicable) as those benefits which would otherwise have been provided in respect of the people for whom they are bought under the Scheme.

Any policies or contracts which the Trustees bought before the winding-up began and which the Trustees consider to be appropriate may also be transferred by the Trustees into the names of the people entitled to benefits under them.

15.7 **Transfers to other schemes**

Instead of buying insurance policies or annuity contracts under **C Rule 15.6** (securing benefits with an Insurance Company) in respect of any person entitled to benefits under the Scheme when the Scheme begins to wind up, the Trustees have a discretion to make transfer payments in respect of that person in accordance with **C Rule 14.2**(transfers from the Scheme) without the Principal Employer's agreement.

Any such transfer in respect of a person in contracted-out employment must comply with the requirements of section 50 of the Pension Schemes Act 1993 (powers of Inland Revenue to approve arrangements for scheme ceasing to be certified).

15.8 **Winding up lump sums**

It may be that the value of a Member's benefit under the Scheme is such that it can be paid as a 'winding up lump sum' in accordance with paragraph 10 of Schedule 29 to the Finance Act 2004. If so, the Trustees may extinguish the Member's entitlement under the Scheme by paying him or her an immediate lump sum instead of providing other benefits.

15.9 **Surplus assets**

If the Trustees apply such of the Scheme's assets as are needed to provide the Members' benefits in full and they are then left with surplus assets in the Scheme, the Trustees:

- (a) first, (insofar as they have not already done so) shall provide pension increases in accordance with applicable legislation; and
- (b) secondly, may after obtaining advice from the Scheme Actuary exercise their powers to augment benefits in respect of Members under the relevant Rules of each Section.

Any balance then remaining shall be paid to the Employers in such proportions as the Trustees shall consider just and equitable after consulting with the Scheme Actuary after due notice has been given to Member and after deduction of tax at the applicable rate.

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.

15.10 **Funding deficit**

If there is a deficit in the Scheme's assets (such that they are insufficient to provide all benefits in full), the Scheme's assets will be first used to pay all expenses. Once these have been paid, the remaining assets will (except for assets that relate to any money purchase benefits under the Scheme) be applied in accordance with section 73 of the Pensions Act 1995 (preferential liabilities on winding up).

Any assets that relate to any money purchase benefits under the Scheme (including additional voluntary contributions) will be used to provide those benefits.

Any assets then remaining will be used to satisfy any remaining liabilities of the Scheme to any extent, and in any order of priority, as the Trustees consider appropriate.

15.11 **Partial winding up**

If an Employer either:

- (a) terminates its liability to pay contributions; or
- (b) ceases to participate in the Scheme and the Principal Employer and the Trustees have not found another party to take over the Employer or its business and assume liability for its Members,

then if the Trustees wish and the Principal Employer consents the Scheme shall be wound up in relation to the Members who are in the Service of that Employer and have not transferred to Service with another Employer. The Scheme may be wound up in relation to those Members who are no longer in Service with that Employer or another Employer.

That part of the Scheme assets which the Trustees shall on the advice of the Scheme Actuary shall decide is appropriate having regard to the rights of all the Members shall then be applied in providing benefits in accordance with this **C Rule 15**.

16. **Exit Debt**

The purpose of this Rule is to set out an additional payment that may be due from an Employer to the Scheme, in addition to a debt under section 75 of the Pensions Act 1995, on the occurrence of certain events.

16.1 For the purpose of this **C Rule 16**:

"Debt Regulations" means the Occupational Pension Schemes (Employer Debt) Regulations 2005;

"Relevant Event" means any of the following events:

- (a) the Scheme, or part of the Scheme, begins winding-up in accordance with **C Rule 15** (winding-up);
- (b) a "relevant event" (as defined by section 75(6A) of the Pensions Act 1995);
- (c) a notice is provided by the Employer to the Trustees in accordance with Regulation 9(4) of the Debt Regulations; or
- (d) any such other event that directly causes a Section 75 Debt to become due from the Employer to the Scheme,

if more than one event occurs in respect of the Employer, it shall mean the first to occur; and

"Section 75 Debt" means a debt payable under section 75 of the Pensions Act 1995.

16.2 Upon the occurrence of a Relevant Event, an amount determined by the Scheme Actuary in accordance with **C Rules 16.3 to 16.6** below (the **"Exit Debt"**) will be payable by the Employer to the Scheme.

16.3 The Exit Debt will be calculated by the Scheme Actuary as:

16.3.1 an amount equal to the debt which would have been payable by the Employer to the Scheme under Section 75 of the Pensions Act 1995 had the "liability proportion" for the purposes of the Debt Regulations been determined in accordance with **C Rule 16.4** below; less

16.3.2 the amount of any Section 75 Debt due to the Scheme from the Employer.

For the avoidance of doubt, if the calculation above produces a negative amount, no Exit Debt will be payable by the Employer to the Scheme in respect of the Relevant Event.

16.4 The liability proportion for the purposes of **C Rule 16.3.1** above will be the following relevant percentage updated in accordance with **C Rules 16.4.1 to 16.4.3** below:

Arconic Manufacturing (GB) Limited	72.6%
Kawneer U.K. Limited	27.4%

16.4.1 Each Employer's percentage as specified above will be updated by the Trustees on the occurrence of a Relevant Event in a manner which is consistent with the methodology and requirements which would apply if the Employer's "liability share" for the purposes of a Section 75 Debt were being calculated. For the

avoidance of doubt, this does not mean that the Employer's percentage for the purposes of this **C Rule 16.4** will be modified to equal the "liability share" under Section 75.

- 16.4.2 Each Employer's percentage will be updated by the Trustees where one or more (but not all) of the Employers cease to be an Employer, to reflect the removal of such Employer's liability proportion from the above calculation.
- 16.4.3 Each Employer's percentage will be updated by the Trustees where one or more employers is admitted as an Employer to reflect the addition of such Employer's liability proportion to the above calculation.
- 16.5 Where a Relevant Event occurs simultaneously for all Employers, so that an Exit Debt and Section 75 Debt become due from each Employer at the same time, the total amount of the Exit Debts shall be reduced to the extent that the total amount recovered by the Scheme as Section 75 Debts and Exit Debts shall not exceed the total amount of Section 75 Debts owed by the Employers to the Scheme.
- 16.6 The Actuary will determine the Exit Debt in a manner consistent with the requirements for the certification of a debt under Section 75 of the Pensions Act 1995.
- 16.7 The Exit Debt will become due immediately after it has been determined by the Scheme Actuary in accordance with **C Rule 16.6** above and notified to the relevant Employer in writing.
- 16.8 The Employer's liability to pay an Exit Debt to the Scheme shall apply in addition to, and separately from, its liability to pay any debt that may be due in accordance with Section 75 of the Pensions Act 1995.
- 16.9 Nothing in this **C Rule 16** will operate so as to reduce the amount of any Section 75 Debt which may be recovered by or on behalf of the Trustees, such that the Scheme would cease to be an eligible scheme by reason of regulation 2(2) of the Pension Protection Fund (Entry Rules) Regulations 2005.

17. **Amendment**

This Rule sets out the terms that apply in relation to amending the Rules.

- 17.1 The Trustees may with the consent of the Principal Employer by deed amend the Rules by altering, adding to, deleting or replacing all or any of their provisions.
- 17.2 Subject to the overriding provisions of **C Rule 17.3** no amendment shall be made which would adversely affect the beneficial interest of any Member or anyone claiming under him (calculated in the case of an Active Member by reference to Pensionable Salary at the relevant date) and no such amendment shall be made which would result in any refund or payment of any part of the Scheme assets to the Principal Employer or Employers except as already provided in the Rules.
- 17.3 The power of amendment contained in this **C Rule 17** shall not be exercised on any occasion in a manner which would or might affect any entitlement or accrued right of any Member acquired before the power is exercised unless the Trustees have satisfied themselves that the certification requirements, or the requirements for consent contained in sections 67 to 67I of the Pensions Act 1995 are met in respect of that Member.
- 17.4 The Trustees shall give notice of all amendments under this **C Rule 17** in accordance with the Occupational Pension Schemes (Disclosure of Information) Regulations 1996 (as amended).

18. Taxation

This Rule sets out terms relating to the tax treatment of benefits under the Scheme, and restrictions arising for tax reasons.

18.1 Reduction of benefits for the payment of tax

The Trustees may deduct from a benefit any tax (including any interest payable to HM Revenue & Customs and any penalties) due in relation to that benefit and pay it to HM Revenue & Customs.

If a lifetime allowance charge arises under section 215 of the Finance Act 2004 in respect of a Member's benefits, the Trustees may reduce any benefit payable in respect of him by an amount chosen by them on actuarial advice and by reference to the tax that is payable.

If a Member gives notice to the Trustees in accordance with section 237B of the Finance Act 2004 in respect of an annual allowance charge for any tax year, or if the Trustees otherwise agree to a Member's request to meet all or part of his annual allowance charge from his benefits under the Scheme, the Trustees will reduce the Member's benefit entitlement under the Scheme by an amount chosen by them on actuarial advice and by reference to the tax that is payable (and any costs incurred by the Trustees in connection with the Member's request, in a case where section 237B does not apply). This reduction may also apply to the benefits payable under the Scheme on the Member's death.

18.2 Incomplete or incorrect information provided to Trustees

If a person who is entitled to receive a benefit from the Scheme has provided a declaration that is incomplete or incorrect, or has failed to provide a declaration or an update to a declaration already provided, liability for any additional charge or tax or any unpaid tax will fall solely on that person or (as applicable) any person entitled to receive benefits upon his death (and the Trustees may deduct that charge or tax from the relevant benefits under **C Rule 18.1** (reduction of benefits for the payment of tax)).

18.3 Members with lifetime allowance protection

This **C Rule 18.3** applies where a Member qualifies for:

- (a) enhanced protection under paragraph 12 of Schedule 36 to the Finance Act 2004;
- (b) fixed protection under paragraph 14 of Schedule 18 to the Finance Act 2011;
- (c) fixed protection 2014 under paragraph 1 of Schedule 22 to the Finance Act 2013;
- (d) individual protection 2014 under paragraph 1 of Schedule 6 to the Finance Act 2014;
- (e) fixed protection 2016 or individual protection 2016 under paragraphs 1 and 9 (respectively) of Schedule 4 to the Finance Act 2016; or
- (f) any other protection enabling the Member to benefit from a higher lifetime allowance (as defined in section 218 of the Finance Act 2004) than would otherwise be the case.

Where this **C Rule 18.3** applies, benefit accrual and contributions under the Scheme will be limited to the extent (if any) required to ensure that the Member retains the benefit of that protection, unless the Trustees and the Member agree otherwise.

19. **Laws**

This Rule sets out the legal framework which governs the Rules and the administration of the Scheme.

The Rules and the administration of the Scheme will be governed by and interpreted in accordance with the laws of England and Wales.

Any rights that a third party may have under the Contracts (Rights of Third Parties) Act 1999 are excluded.

EXECUTED as a deed and delivered on the date stated at the beginning of this deed.

EXECUTED as a deed by ARCONIC MANUFACTURING (GB) LIMITED acting by a director

Director signature:

DocuSigned by:
Jim Wallace
BE4FDF43B7374C9...

Jim Wallace

Name:

in the presence of:

DocuSigned by:
Ian Sayce
51169CBE5388460...

Witness signature:

Ian Sayce

Witness name:

Witness address:

170 Kitts
Green Rd

EXECUTED as a deed by ROSS TRUSTEES SERVICES LIMITED acting by two directors

Director signature:

DocuSigned by:
Pavan Bhardwaj
46E34A08A6F6419...

Pavan Bhardwaj

Name:

Director signature:

DocuSigned by:
Manpreet Sohal
148A196762B6429...

Manpreet Sohal

Name:

EVERSHEDS
SUTHERLAND

Dated: 13 January 2022

Rules of The Arconic Pension Plan

Alcoa Britain 2002 Section

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THE ALCOA BRITAIN 2002 SECTION RULES

These are the Rules that govern the benefits payable in respect of Members who were members of the Alcoa Britain 2002 section of the Former Scheme immediately before they joined the Scheme pursuant to the ABPS Transfer Agreement and should be read together with the C Rules.

1. **Meaning of defined terms**

"ABPS Transfer Agreement"	means the transfer agreement relating to the Former Scheme dated 7 May 2020 made between Arconic Manufacturing (GB) Limited, Ross Corporate Services Limited and Ross Trustees Services Limited (as amended);
"ABPS Transfer Date"	means 22 June 2020;
"Alcoa Britain 2002 Section"	means this Alcoa Britain 2002 Section of the Scheme;
"C Rules"	means the Constitutional Rules which are common to all sections of the Scheme;
"Capped Member"	means a Member who was on 5 April 2006 subject to the 'earnings cap' for the purposes of the Income and Corporation Taxes Act 1988 in respect of the Former Scheme, or who joined the Former Scheme on or after 6 April 2006;
"Child"	means a child of the Member including a child conceived but not yet born at the date of the Member's death, and a legally adopted child under age 18. The Trustees may at their absolute discretion exclude any step-child, illegitimate child, or a child of a marriage entered into after such Member had left Service and may include a child over age 18 who is suffering from some mental or physical disability rendering him unable to support himself financially. In any case any child who is not a natural or legally adopted child of the Member must have been either living with the Member at his death or dependent upon him to a substantial extent (as to which the decision of the Trustees shall be final). The Trustees may extend the definition of Child to include any child or any stepchild of a Member not otherwise falling within this definition and whether or not living with or dependent upon the Member PROVIDED THAT it would not cause an "unauthorised payment" under the Finance Act 2004 to be paid;
"Contracting-out Laws"	means the laws on contracting-out set out in the Pension Schemes Act 1993;
"Credited Pensionable Service"	means actual or notional service which would not otherwise have been Pensionable Service but which the Trustees have at the request of the Employer agreed to treat as Pensionable Service whether on receiving a transfer to the Scheme or otherwise;

“Dependant”	means anyone who is or was financially dependent on the Member or was co-dependent at the time of that person’s death. This includes anyone who shares living expenses with or receives financial support from the Member 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;
“Employee”	means an employee or executive director of an Employer;
“Employer”	means an employer participating in the Scheme;
“Final Pensionable Salary”	such amount as was applicable under the Former Scheme immediately prior to the ABPS Transfer Date and which was notified to the Trustees under the terms of the ABPS Transfer Agreement;
“Former Scheme”	means the Arconic Britain Pension Scheme;
“GMP”	means a guaranteed minimum pension (or accrued rights to one) under the Contracting-out Laws;
“In-Service Deferred Member”	means a Member whose active membership of the Former Scheme terminated with effect on and from the end of 31 January 2019 in accordance with the terms of an agreement form entered into with the Member’s employer and who remains in Service. The Principal Employer shall notify the Trustees from time to time, and at any time on request by the Trustees, of the identity of the In-Service Deferred Members;
“Incapacity”	means physical or mental deterioration in health which in the opinion of the Trustees permanently prevents a Member from following his or her normal employment or being in any comparable remunerative employment. The Trustees must also have received evidence from a registered medical practitioner that the Member is (and shall continue to be) incapable of carrying on his or her occupation because of physical or mental impairment. The Trustees’ decision as to whether a Member is suffering from an Incapacity shall be final;
“Insurance Company”	means an “insurance company” as defined in section 275 of the Finance Act 2004;
“Legacy Pension”	means such pension as is payable to or in respect of a Legacy Section Member and which is calculated under the rules governing the relevant Legacy Section;
“Legacy Section”	means any one or more Sections of this Scheme (as defined in the C Rules), excluding this Alcoa Britain 2002 Section;
“Legacy Section Member”	means a Member of this Alcoa Britain 2002 Section who is also a member of any of the Legacy Sections;
“Member”	means a person in respect of whom the Trustees have a liability to pay or provide benefits;
“Minimum Pension Age”	means age 55, unless the Member has a “protected pension age” for the purposes of Schedule 36 of the Finance Act 2004;
“Normal Retirement Date”	means a Member’s 65th birthday;

"Pensionable Salary"	means such amount as was applicable under the Former Scheme immediately before the ABPS Transfer Date and which has been notified to the Trustees by the Former Scheme's trustees. A Capped Member's Pensionable Salary may not exceed the Scheme Earnings Cap;
"Pensionable Service"	means: (a) the pensionable service which was credited to the Member pursuant to the ABPS Transfer Agreement; and (b) where applicable, any other Credited Pensionable Service. A Member's Pensionable Service shall not exceed 40 years;
"Preservation Laws"	means the laws on preservation of benefit set out in Chapter I of Part IV of the Pension Schemes Act 1993;
"Principal Employer"	means the principal employer for the time being in relation to the Scheme;
"Prospective Pension"	means : (a) in the case of a Member who died whilst in pensionable service under the Former Scheme, the pension (excluding any pension attributable to additional voluntary contributions) to which he or she would have been entitled had he or she remained in pensionable service under the Former Scheme until Normal Retirement Date based on the Member's Final Pensionable Salary at the date of death; and (b) in the case of a Member who has left Pensionable Service and is entitled to a preserved pension which has not yet come into payment, the pension (excluding any pension attributable to additional voluntary contributions) to which he or she would have been entitled at Normal Retirement Date under Rule 4.3 (preserved pension at Normal Retirement Date) revalued in accordance with the Revaluation Laws to the date of the Member's death;
"Revaluation Laws"	means the laws on revaluation of accrued benefits set out in Chapter II of Part IV of the Pension Schemes Act 1993;
"Rules"	means the rules which govern the Scheme;
"Scheme"	means the Arconic Pension Plan;
"Scheme Actuary"	means the Scheme actuary appointed by the Trustees under Section 47 of the Pensions Act 1995 or another actuary appointed by the Trustees;
"Scheme Earnings Cap"	was the amount of £123,600 for the tax year 2010/11. It shall subsequently be increased annually by reference to either the basis set out in section 590C(5) and section 590C(5A) of the Income and Corporation Taxes Act 1988 (notwithstanding the repeal of these sections), or another more generous basis chosen by the Principal Employer and notified to the Trustees from time to time;

"Scheme Year"	means the period ending on the 5th April in each year or such other period as is determined by the Trustees;
"Service"	means employment with an Employer or an employer of the Former Scheme;
"Spouse"	means a husband, wife, widower and a widow;
"State Pension Age"	means the age specified by the Pensions Act 1995 or other legislation as the age at which a state retirement pension commences;
"Transfer Value Laws"	means the laws on transfer values set out in Chapter I of Part 4ZA of the Pension Schemes Act 1993;
"Trustees"	means the trustees from time to time of the Scheme.

2. **Membership of the Alcoa Britain 2002 Section**

2.1 **Joining the Section**

This Rule sets out the terms on which an Employee may join the Alcoa Britain 2002 Section of the Scheme.

The Alcoa Britain 2002 Section is closed to new Members, with the exception of any person whom the Principal Employer decides from time to time to admit to membership of it.

2.2 **In-Service Deferred Members**

In-Service Deferred Members are entitled to the benefits payable in accordance with **Rule 5** (Benefits for deferred members), except as set out in **Rule 15** (In-Service Deferred Members).

3. **Contributions**

This Rule sets out the terms for the payment of contributions to the Scheme.

3.1 **Employer contributions**

Each Employer shall make such contributions to the Scheme as the Trustees acting on the advice of the Scheme Actuary and after consulting the Principal Employer decide from time to time are necessary.

An Employer may give written notice at any time (such notice being long enough to comply with the Contracting-out Laws if the Employer intends or is obliged to apply to surrender or otherwise vary any relevant contracting-out certificate) to the Trustees and to the Principal Employer to suspend or reduce contributions (with power at a later date to resume payment) or terminate contributions. No Employer shall be relieved of responsibility for any contributions due before the date of the expiry of such notice.

If an Employer's contributions are suspended or reduced, the Trustees shall adjust the benefits as they think fit acting on the advice of the Scheme Actuary.

If an Employer terminates contributions or the Trustees subsequently decide it is impracticable to continue the Scheme, **C Rule 15** (winding-up) shall apply.

3.2 **Members' basic contributions**

Members will not be required to contribute to the Scheme.

3.3 **Members' additional voluntary contributions**

Members are not permitted to pay additional voluntary contributions to the Scheme. The funds attributable to a Member's additional voluntary contributions which were paid to the Former Scheme and transferred to the Scheme pursuant to the ABPS Transfer Agreement, shall be used to provide additional money purchase benefits in respect of the Member. If the Employer agrees, the Member may choose the extent to which these benefits will be paid in the form of a lump sum or a pension.

If these funds are to be used to provide a pension in respect of the Member, this pension must (unless the Principal Employer decides otherwise) be provided through the purchase of an annuity contract in respect of the Member. The Member may choose the insurance company from which this annuity contract shall be bought.

4. **Active Members' immediate pensions**

This Rule describes how pensions were calculated for active members under the Alcoa Britain 2002 section of the Former Scheme. This Alcoa Britain 2002 Section has never had any active members and this Rule is therefore included for reference purposes only.

4.1 **Pension on retirement at Normal Retirement Date**

A Member who leaves Pensionable Service at Normal Retirement Date shall receive a pension from Normal Retirement Date at a yearly rate equal to the aggregate of:

- (a) 1/60th of Final Pensionable Salary for each complete year of Pensionable Service in this Alcoa Britain 2002 Section, plus an additional proportion for each additional complete month; and
- (b) the Legacy Pension (if any) in respect of the Member.

4.2 **Pension on early retirement**

A Member who leaves Pensionable Service before Normal Retirement Date but after reaching Minimum Pension Age may, if the Employer and the Trustees agree, choose to receive an immediate pension.

A Member aged 55 or over who leaves Pensionable Service having completed 20 years' Pensionable Service may retire without the consent of his or her Employer.

The pension shall be calculated in accordance with Rule 4.1 (pension on retirement at Normal Retirement Date), based on the Member's Pensionable Service to the date of leaving and the Member's Final Pensionable Salary at the date of leaving. The pension shall be reduced for early payment at such rate (not exceeding the rate recommended as appropriate by the Scheme Actuary) as the Trustees decide.

In the case of a Legacy Section Member, the rate at which the Legacy Pension attributable to the relevant Legacy Section is reduced on grounds of early retirement shall be modified (where applicable) by the rules of that Section.

The Trustees must obtain advice from the Scheme Actuary that the benefits payable in respect of a Member who receives an early retirement pension under this **Rule 4.2** are at least equal in value to the benefits that would otherwise have been payable in respect of the Member on leaving Pensionable Service.

The amount of pension under this **Rule 4.2** shall be reduced if in the opinion of the Trustees the level of benefits prospectively payable to the Member at State Pension Age would otherwise be less than required under the Contracting-out Laws.

4.3 **Pension on Incapacity retirement**

A Member who leaves Pensionable Service at any time before Normal Retirement Date because of Incapacity may choose to receive an immediate pension. Before they can agree to the pension being paid, the Trustees must have received evidence from a registered medical practitioner that the Member is (and shall continue to be) incapable of carrying on his or her occupation because of physical or mental impairment.

The pension shall be calculated in accordance with **Rule 4.1** (pension on retirement at Normal Retirement Date), but taking into account one-half of the potential Pensionable Service which the Member would have completed if he or she had stayed in Pensionable Service up to Normal Retirement Date and the Member's Final Pensionable Salary at the date of leaving.

Until Normal Retirement Date, the Trustees may from time to time require evidence of the Member's continued Incapacity. If not satisfied, the Trustees may vary or suspend a pension payable under this **Rule 4.3**, on terms which they decide are appropriate. The Trustees may also change any benefits payable in respect of such a Member on his or her death as they consider appropriate.

The Trustees must obtain advice from the Scheme Actuary that the benefits payable in respect of a Member who receives an early retirement pension under this **Rule 4.3** are at least equal in value to the benefits that would otherwise have been payable in respect of the Member on leaving Pensionable Service.

4.4 **Pension on late retirement**

A Member who, if the Employer agrees, stays in Pensionable Service after Normal Retirement Date shall receive a pension when he or she leaves Pensionable Service. The pension shall be calculated in accordance with **Rule 4.1** (pension on retirement at Normal Retirement Date) based on all the Member's Pensionable Service to the date of leaving and Final Pensionable Salary at the date of leaving. If such a Member reaches age 75 while still in Pensionable Service, he or she shall be treated for all purposes of the Scheme as having left Pensionable Service at that time.

If the Member does not draw his or her pension until after Normal Retirement Date, the pension attributable to Pensionable Service up to the Normal Retirement Date shall be increased by such rate as the Trustees, on the advice of the Scheme Actuary, shall decide having regard to the period by which its commencement has been postponed.

5. **Benefits for deferred members**

This Rule sets out the terms for the payment of benefits to deferred members..

5.1 **Cash transfer sums and contribution refunds**

If a Member left pensionable service under the Former Scheme before Normal Retirement Date without satisfying the '**three month condition**' (as defined in section 101AA(2) of the Pension Schemes Act 1993), the Trustees shall pay the Member a contribution refund (less tax at the appropriate rate).

If a Member who satisfies the 'three month condition' left pensionable service under the Former Scheme before Normal Retirement Date with less than '**2 years Qualifying Service**' (as defined in section 71(7) of the Pension Schemes Act 1993), the Trustees must notify him or her on the terms described in Chapter 5 of Part IV of the Pension Schemes Act 1993 about his or her options to take a cash transfer sum or contribution refund within a reasonable period. If the Member does not choose a cash transfer sum within the period notified by the Trustees to the Member, the Trustees shall pay the Member a contribution refund (less tax at the appropriate rate).

Any cash transfer sum or contribution refund paid in respect of a Member under this **Rule 5.1** must comply with the requirements of Chapter 5 of Part IV of the Pension Schemes Act 1993.

5.2 Preserved pension at Normal Retirement Date

A Member who left pensionable service under the Former Scheme before Normal Retirement Date with at least 2 years' Qualifying Service (as defined in section 71 of the Pension Schemes Act 1993) without becoming entitled to an immediate pension shall receive a pension from Normal Retirement Date. The pension shall be calculated in accordance with **Rule 3.1** (pension on retirement at Normal Retirement Date), based on the Member's Pensionable Service and the Member's Final Pensionable Salary.

The pension (in excess of the GMP) shall then be increased before payment in accordance with the Revaluation Laws and the GMP shall be increased in accordance with the Contracting-out Laws PROVIDED THAT in the case of a Legacy Section Member, the rules of the relevant Legacy Section shall apply in respect of the revaluation of that part of the Member's pension as constitutes his or her Legacy Pension.

5.3 Other options for the payment of preserved pension

A Member who is entitled to a pension under **Rule 5.2** (preserved pension at Normal Retirement Date) may choose:

- 5.3.1 by giving notice to the Trustees at any time up to one year before Normal Retirement Date, to apply the cash equivalent of his or her benefits to buy one or more annuities, or to acquire rights under another pension scheme or arrangement, in accordance with the Transfer Value Laws;
- 5.3.2 subject to this option being offered by the Trustees, to commence receiving it before Normal Retirement Date (but not before reaching Minimum Pension Age, unless the Member is suffering from Incapacity). The pension shall be reduced for early payment on an actuarial basis which the Trustees may decide (after consulting the Scheme Actuary). In the case of a Legacy Section Member, the rate at which the Legacy Pension attributable to the relevant Legacy Section is reduced on grounds of early retirement shall be modified (where applicable) by the rules of that Section;
- 5.3.3 to commence receiving it after Normal Retirement Date, if the Trustees agree. The pension shall be increased for late payment on an actuarial basis which the Trustees may decide (after consulting the Scheme Actuary); or
- 5.3.4 to exchange pension for a lump sum or Dependant's pension as described in **Rule 6.1** (exchanging for a retirement lump sum) and **Rule 6.2** (exchanging for a dependant's pension).

The Trustees must receive advice from the Scheme Actuary that the benefits for a Member who chooses any of the options under this **Rule 5.3** are at least equal in value to the benefits that would otherwise have been provided for the Member under the Scheme.

6. **Exchanging pension for other benefits**

This Rule sets out the terms on which active and deferred members may exchange pension for either a cash lump sum or a Dependant's pension.

6.1 **Exchanging for a retirement lump sum**

A Member may exchange part of his or her pension for a lump sum, which shall be payable when the pension is due to commence. The Trustees shall convert pension into a lump sum on an actuarial basis which they agree with the Principal Employer and which is certified as reasonable by the Scheme Actuary.

The Member may choose the amount of his or her lump sum under this **Rule 6.1**, on the condition that it may not exceed the maximum allowable as a 'pension commencement lump sum' under Part 4 of the Finance Act 2004.

6.2 **Exchanging for a Dependant's pension**

A Member may, with the Trustees' agreement, exchange part of his or her pension before it commences for a pension payable on the Member's death to one or more of his or her Dependants.

The Dependant's pension (or the aggregate pension if paid to more than one Dependant) shall not be greater than the Member's remaining pension (including any pension given up under **Rule 6.1** (exchanging for a retirement lump sum) for a retirement lump sum). The exchange shall only be made if both the Member and the Dependant survive until the Member's pension becomes payable. If the Dependant subsequently dies before the Member, the Member's pension shall continue to be reduced.

The Trustees shall convert the Member's pension into the Dependant's pension on an actuarial basis which they decide (after consulting the Scheme Actuary).

If a Dependant's pension is payable under this Rule, it shall be paid in addition to any Dependant's pension payable under **Rule 7.6** (dependant's pension).

7. **Benefits payable on the death of a Member**

This Rule sets out the terms on which lump sums for beneficiaries and pensions for Spouses and Children are paid in respect of Members when they die.

If a Member is not survived by a Spouse, the Trustees may pay a pension of any amount up to that which would have been payable to a Spouse under this **Rule 7** or the relevant

Legacy Section (as appropriate) to any of the Member's Dependents. The Trustees may reduce or stop this pension at any time.

7.1 **Benefits on death in Pensionable Service**

No Members are in Pensionable Service under the Alcoa Britain 2002 Section. This **Rule 7.1** is included for reference purposes only and describes the benefits that were payable on death in pensionable service under the Alcoa Britain 2002 section of the Former Scheme.

7.1.1 **Lump sum**

If a pension is payable on the death of the Member, the lump sum shall be equal to three times the annual rate of the Member's Final Pensionable Salary at the date of death.

If no pension is payable on the death of the Member, the lump sum shall be equal to:

(a) 3 ½ times the annual rate of the Member's Final Pensionable Salary at the date of death; and

(b) the total contributions paid in respect of the Alcoa Britain 2002 Section by the Member (including contributions paid under a salary sacrifice arrangement on behalf of the Member, where applicable) together with interest calculated up to the date of the Member's death at the rate of 3 per cent per annum.

7.1.2 **Pension**

If the Member is survived by a Spouse, a pension shall be paid to that Spouse equal to 50 per cent of Member's Prospective Pension.

In the case of a Legacy Section Member, for the purposes of this **Rule 7.1.2** the pension payable in respect of the Member shall not include any pensionable service in respect of the relevant Legacy Section. The rules of the relevant Legacy Section shall determine the level of pension (if any) payable on death in Pensionable Service in respect of the Legacy Section Member's pensionable service in respect of that Section.

Any lump sum or pension payable under this **Rule 7.1** is subject to **Rule 7.4** (payment of lump sums on death) or **Rule 7.5** (payment of Spouse's pension on death) respectively.

7.2 **Benefits on death after pension commences**

If a Member dies while receiving a pension, a pension shall be payable, and a lump sum shall also be payable if the Member dies within 5 years after his or her pension commences.

7.2.1 **Lump sum**

If the lump sum is payable, it shall be equal to the total of 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).

The Trustees shall adjust such lump sum appropriately if the Member's pension was being paid at a reduced rate in order to provide for its increase at State Pension Age.

In the case of a Legacy Section Member, the proportion of any lump sum payable under this **Rule 7.2.1** which is attributable to the Legacy Pension shall not be payable if the rules of the relevant Legacy Section would otherwise provide that no lump sum is payable if the Member was not a Member of the Alcoa Britain 2002 Section and dies while receiving a pension.

7.2.2 **Pension**

If the Member is survived by a Spouse, a pension shall be paid to that Spouse equal to 50 per cent of the pension payable to the Member at the date of death or, if the Member exchanged pension for a lump sum or a Dependant's pension, 50 per cent of the pension which would have been payable if the Member had not done so.

In the case of a Legacy Section Member, for the purposes of this **Rule 7.2.2** the pension payable in respect of the Member shall not include any pensionable service in respect of the relevant Legacy Section. The rules of the relevant Legacy Section shall determine the level of pension (if any) payable in respect of the Legacy Section Member's pensionable service in respect of that Section.

Any lump sum or pension payable under this **Rule 7.2** is subject to **Rule 7.4** (payment of lump sums on death) or **Rule 7.5** (payment of Spouse's pension on death) respectively.

If a lump sum becomes payable under this **Rule 7.2** in respect of a Member aged 75 or more, the Trustees may decide not to pay the lump sum and to increase the value of the pension payable in respect of that Member by an amount determined by the Trustees by applying the lump sum instead.

7.3 **Benefits on death of a deferred member**

If a Member dies while entitled to a preserved pension under **Rule 5** (benefits for deferred members) that has not commenced, a lump sum and a pension shall be payable.

7.3.1 **Lump sum**

Subject to the following, the lump sum shall be equal to the aggregate of:

- (a) the total of the Member's contributions to the Alcoa Britain 2002 Section and the Alcoa Britain 2002 Section of the Former Scheme (including any additional voluntary contributions, any amount or value which is to be treated as a contribution paid by a Member when received on a transfer to the Scheme and any contributions paid as part of a salary sacrifice arrangement where applicable) with interest at the rate of 3% per annum; and
- (b) in respect of a Legacy Section Member, such lump sum (if any) as is payable under the provisions of the relevant Legacy Section if the Member dies while entitled to a preserved pension.

If the Member dies while still in Service on or after Normal Retirement Date with a preserved pension that has not commenced, the lump sum shall be equal to five years' instalments of the pension which would have been payable to the Member had it commenced payment immediately prior to the date of death.

7.3.2 **Pension**

If the Member is survived by a Spouse, a pension shall be paid to the Spouse equal to 50 per cent of the Member's Prospective Pension except to the extent that in the case of a Legacy Section Member the relevant Legacy Section provides otherwise in respect of the period of pensionable service which is attributable to that Legacy Section.

If a pension is payable in respect of a Member who dies while still in Service on or after Normal Retirement Date with a preserved pension that has not commenced, it shall be equal to 50 per cent of the pension payable to the Member at the date of death on the assumption that the Member did not give up pension for a lump sum or a Dependant's pension.

Any lump sum or pension payable under this **Rule 7.3** is subject to **Rule 7.4** (payment of lump sums on death) or **Rule 7.5** (payment of Spouse's pension on death) respectively.

7.4 **Payment of lump sums on death**

The Trustees shall pay any lump sum death benefit to (or for the benefit of) one or more of the Beneficiaries in such shares as the Trustees decide.

A Member's "**Beneficiaries**" for these purposes are the Member's widow or widower; the Member's grandparents and their descendants and the Spouses of those descendants; the Member's Dependants; 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 any person nominated by the Member in writing to the Trustees.

If any part of the lump sum has not been paid or applied within 2 years of the Member's death (or such later date as the Trustees were made aware of the death), the Trustees shall keep that part in a separate account outside the Scheme and pay it to a Beneficiary in accordance with this **Rule 7.4** as soon as possible afterwards. No lump sum shall be paid if there are no surviving Beneficiaries when the Member dies. In that event, the lump sum otherwise payable will instead form part of the Scheme's assets.

The Trustees may:

- 7.4.1 pay all or part of any lump sum payable under this **Rule 7** to the trustees of a different trust (providing that the deceased has nominated that trust in writing and only Beneficiaries may be entitled to any pension from this trust); or
- 7.4.2 hold, or require other trustees to hold, all or part of any lump sum payable under this **Rule 7** on trust for the benefit of one or more of the Beneficiaries from time to time. This trust shall include any powers and provisions (including as to selection and variation) as the Trustees consider appropriate.

7.5 **Payment of Spouse's pension on death**

If a Member is survived by a Spouse, the Trustees shall pay the pension to the Spouse for life on the terms of this **Rule 7**.

The amount of the Spouse's pension shall be as set out in **Rule 7.1** to **Rule 7.3** or the relevant Legacy Section (as applicable) unless the Spouse was not living with the Member at the date of the Member's death. If this happens, the Trustees may instead decide not to pay some or all of the pension to the Spouse (other than any pension payable to the Spouse under the Contracting-out Laws).

If the marriage took place within 6 months of the Member's death, the Trustees may elect to withhold a Spouse's pension which would otherwise be payable, other than any pension payable to the Spouse under the Contracting-out Laws.

If the Trustees decide in accordance with this **Rule 7.5** to pay a Spouse no (or a reduced) pension, the Trustees may instead pay a pension to any of the Member's Dependants equal in aggregate to the balance of the Spouse's normal pension (or less).

Where a Member dies leaving more than one surviving Spouse, the Spouse's pension shall be paid to one or more of them in such shares as the Trustees decide (subject to the Contracting-out Laws).

The Trustees may, subject to the following conditions, allow a Spouse or Dependant to exchange pension for a lump sum. The conditions are that:

- 7.5.1 the Trustees may impose such terms for the exchange as they consider appropriate;
- 7.5.2 the Trustees shall convert pension into a lump sum on an actuarial basis which they decide (after consulting the Scheme Actuary);
- 7.5.3 the Spouse's pension must comply with the requirements of the Contracting-out Laws.

7.6 **Dependant's pension**

If a Member is not survived by a Spouse, the Trustees may pay a pension of any amount up to that which would have been payable to a Spouse under this **Rule 7** or the relevant Legacy Section (as appropriate) to any of the Member's Dependants. The Trustees may reduce or stop this pension at any time.

The Trustees may, subject to the following conditions, allow a Dependant to exchange pension for a lump sum. The conditions are that:

- 7.6.1 the Trustees may impose such terms for the exchange as they consider appropriate; and
- 7.6.2 the Trustees shall convert pension into a lump sum on an actuarial basis which they decide (after consulting the Scheme Actuary).

Where the value of the Dependant's pension does not exceed the maximum trivial commutation lump sum payable under paragraph 20 of Schedule 29 to the Finance Act 2004, the Trustees may pay the whole of that pension as a lump sum in accordance with that paragraph. This shall extinguish the Dependant's entitlement under the Scheme.

7.7 **Young Spouse**

If the Spouse was more than 15 years younger than the Member, the Spouse's pension shall be reduced on a basis which the Trustees decide.

Any reduction to the pension must comply with the Contracting-out Laws.

8. Terms for the payment of benefits

This Rule sets out how often benefits are paid, and the terms for reducing or stopping the payment of benefits in certain circumstances (such as where benefits are insured or where a Member provides inaccurate information).

8.1 Frequency of pension payment

Pensions are payable monthly in arrears or on any other basis which the Trustees decide. Pension paid to a pensioner after death must be repaid.

8.2 Incapable beneficiary

If a person entitled to a benefit is a minor, or is suffering (in the opinion of the Trustees) from any incapacity making the person unable to manage his or her affairs or to give a proper receipt, the Trustees may pay the benefit to anyone whom they consider a proper person to receive it on his or her behalf or the Trustees may apply it upon trust subject to such terms as the Trustees decide from time to time.

The Trustees may also, for the relevant person, make any choice that he or she has under the Scheme.

8.3 Reduction of benefits for the payment of tax

The Trustees may deduct any tax (including any interest payable to HM Revenue & Customs and any penalties) due from a benefit and pay it to HM Revenue & Customs.

In particular, if a lifetime allowance charge arises in respect of a Member's benefits under section 215 of the Finance Act 2004, the Trustees may reduce any benefit payable in respect of him or her by an amount chosen by them on actuarial advice and by reference to the tax that is payable.

8.4 Insured benefits

If any benefits under the Scheme are insured, they shall be subject to any restrictions imposed by the Insurance Company with whom they are insured. Accordingly, if the Trustees cannot obtain insurance for any Member or Members in respect of certain benefits, these benefits shall not be paid.

Subject to the Disability Discrimination Act 1995, the Trustees may decide that benefits shall also be restricted for any Member who fails to provide evidence of good health satisfactory to the Trustees, or whose death or ill-health results from a cause specified in a notice to that Member.

8.5 Information from Members and others

If a Member, or the recipient of death benefits, has provided a declaration that is incomplete or incorrect, or has failed to provide a declaration or an update to a declaration already provided, liability for any additional charge or tax (including any charge to income tax, any interest payable to Her Majesty's Revenue & Customs and any penalties) or any unpaid tax shall fall solely on the Member or the recipient of death benefits which the Trustees may deduct from benefits under **Rule 8.3** (reduction of benefits for the payment of tax).

9. Pension increases

This Rule sets out the terms for increasing pensions in payment in respect of Members whose pensions commence to be paid on or after the effective date of these Rules.

9.1 Periods of review

The Trustees shall review pensions in payment within twelve months of their last review on a date which the Trustees decide.

9.2 The rates of increase

Subject to **Rule 9.3** below, the Trustees shall increase:

- 9.2.1 any part of a pension in excess of the GMP at the intervals and by the percentage required by the Pensions Act 1995;
- 9.2.2 the part of the GMP which is attributable to earnings for the tax years from 1988-89 to 1996-97, in accordance with the requirements of section 109 of the Pension Schemes Act 1993; and
- 9.2.3 any pension or part of a pension which is derived from additional voluntary contributions or provided under **Rule 10.1** (discretionary benefits) or **C Rule 14.1** (transfers to the Scheme) or which relates to a pension credit under **C Rule 12** (pension sharing), in accordance with the terms on which they were granted;

A pension which has been in payment for less than one year may be increased by less than the full increase (but shall always be increased by at least $\frac{1}{12}$ th of the full increase for each complete month since the pension commenced).

9.3 Legacy Pensions: The rates of increase

In the case of a Legacy Section Member, the Trustees shall increase the part of the pension which is his or her Legacy Pension in accordance with the pension increase rule set out in the rules of the relevant Legacy Section.

9.4 Pension increase exchange

Subject to **C Rule 2** (registered and contracted-out pension scheme), the Trustees may allow any individual who is entitled to payment of a pension from the Scheme to give up all or part of any rights to receive future annual pension increases (other than those required to be paid by statute), in exchange for a one-off increase in the level of his pension.

10. **Discretionary benefits and flexible retirement**

This Rule sets out the terms on which (i) an Employer can ask the Trustees to pay someone benefits from the Scheme that are different to those described in the other provisions of the Rules, and (ii) an Employee can take his or her pension while remaining in employment.

10.1 **Discretionary benefits**

The Trustees after consultation with the Scheme Actuary and with the approval of the Principal Employer may:

- 10.1.1 increase or provide additional benefits in respect of any Member;
- 10.1.2 augment or extend or bring forward the date of payment of any benefits payable to or in respect of an Employee (whether or not such a person is a Member);
- 10.1.3 provide different benefits in respect of a Member, or on different terms, from those set out in the other provisions of the Rules; or
- 10.1.4 grant to any Member a complete or partial dispensation from liability for contributions otherwise payable by him or her,

provided that the Employer by which the Member or Employee (as appropriate) is employed agrees to pay any additional contributions which the Trustees after taking the advice of the Scheme Actuary consider appropriate.

Benefits provided under this Rule shall be consistent with the Preservation, Revaluation and Transfer Value Laws and the Scheme's tax status as a registered pension scheme under the Finance Act 2004.

10.2 **Flexible retirement**

The Trustees may pay a Member a pension under **Rule 5** (benefits for deferred members) together with any cash lump sum under **Rule 6** (exchanging pension for other benefits), or under the relevant provisions of any Legacy Section while the Member is still in Service on the following conditions:

- 10.2.1 the Employer must agree to it being paid, and shall determine the terms that shall apply to the benefit;
- 10.2.2 the Member must have reached Minimum Pension Age; and
- 10.2.3 the benefit must relate to all of a Member's Pensionable Service under the Scheme.

11. **Special benefits**

This Rule sets out the terms that apply to Members who have benefits and/or contributions provided for them under the Scheme on a different basis to that set out elsewhere in the Rules.

11.1 **Pre-6 April 2006 members of the Former Scheme**

Where an individual's entitlement or accrued rights under the Former Scheme were restricted before 6 April 2006 by reference to Chapter 1 of Part XIV of the Income and Corporation Taxes Act 1988 (notwithstanding the repeal of this chapter), those restrictions shall continue to apply to an individual's entitlement or accrued rights arising on or after 6 April 2006 except where the Rules (as amended by this deed) provide or the Former Scheme rules provided otherwise, or the Principal Employer and the Trustees agree otherwise. The details of those restrictions are contained in legislation applying before 6 April 2006 and in IR12 (2001) "Practice Notes on the Approval of Occupational Pension Schemes".

11.2 **Civil Partners**

References in this Scheme to a "Spouse" shall include a civil partner, references to a widow or widower shall include a surviving civil partner, and references to marriage shall include civil partnership (as defined in the Civil Partnership Act 2004) and references to married shall be interpreted accordingly.

This modification has effect only in relation to post 6 April 1988 Contracted Out Rights and, to the extent required by EESOR.

"accrued or payable in respect of periods of service" has the same meaning as in Regulation 25 of EESOR.

"civil partner" has the same meaning as in the Civil Partnership Act 2004.

"EESOR" means the Employment Equality (Sexual Orientation) Regulations 2003, as amended.

"Contracted-out Rights" means rights under the contracted-out provisions in Part III of the Pension Schemes Act 1993.

11.3 **Non-Standard Executive Benefits**

The benefits of certain Members who have been designated as executives by their Employer will be determined by the Employer and notified to the Trustees in writing.

12. **Legacy Section Members**

This Rule sets out the way in which the Alcoa Britain 2002 Section interacts with other Sections of the Scheme for the purposes of calculating benefits.

- 12.1 In the case of a Legacy Section Member, the benefits attributable to such Member in respect of his or her membership of the Former Scheme with effect on and from 1 January 2002 or such later date as he or she joined the Alcoa Britain 2002 section of the Former Scheme (in either case, the "**Joining Date**") shall be determined by the rules of this Alcoa Britain 2002 Section.
- 12.2 The benefits attributable to a Legacy Section Member in respect of the period prior to his or her Joining Date (including transferred-in service) shall be determined by the Legacy Section which is applicable to the Member. For the avoidance of doubt the Legacy Section Rules shall only determine the method of calculating the benefits concerned. The manner in which benefits are payable and any conditions of payment (including but without limitation the qualifying criteria for the payment of an early retirement pension on the grounds of ill-health or incapacity) shall be determined by this Alcoa Britain 2002 Section insofar as is permitted by law.
- 12.3 Pensionable Service in respect of the Legacy Section of a Legacy Section Member shall not be included in the calculation of benefits payable under this Alcoa Britain 2002 Section and as such that period of Pensionable Service which is attributable to a Legacy Section shall not be counted twice in the calculation of any benefits.

13. **Other ways of converting pension into a lump sum**

This Rule sets out the terms on which a Member's pension may be paid as a lump sum other than a tax-free cash sum on retirement.

13.1 **Trivial pension**

Subject to the following conditions, the Trustees may allow all of the Member's benefits (including those payable on death) to be exchanged for a lump sum.

13.1.1 If the value of the aggregate of all benefits payable in respect of a Member from the Scheme and from all other registered pension schemes does not exceed the maximum trivial commutation lump sum payable under paragraph 7 of Schedule 29 to the Finance Act 2004, the Trustees may pay the Member the whole of his or her benefits as a lump sum in accordance with paragraphs 7 to 9 of Schedule 29 to the Finance Act 2004 (and less tax).

13.1.2 If the value of all benefits payable in respect of a Member from the Scheme does not exceed £2000 (or such other amount as stipulated by law), the Trustees may pay the Member an amount equal to the value of the Member's benefits in accordance with part 2 of The Registered Pension Schemes (Authorised Payments) Regulations 2009.

Each of these shall extinguish the Member's entitlement under the Scheme. The Trustees shall determine the value of the Member's benefits on a basis which is consistent with the Contracting-out and Preservation Laws.

13.2 **Serious ill health**

Subject to the following conditions, the Trustees may allow a Member to exchange all his or her benefits (including those payable on death) for a lump sum. The conditions are that:

13.2.1 the Trustees (acting on advice provided to them by a registered medical practitioner) consider that the Member has less than one year to live;

13.2.2 the Member's benefits from the Scheme have not commenced to be paid;

13.2.3 payment of a 'serious ill-health lump sum' must be permitted under Part 4 of the Finance Act 2004; and

13.2.4 it must be allowed under the Contracting-out Laws.

The Trustees shall convert pension into a lump sum on an actuarial basis which they decide (after consulting the Scheme Actuary). This choice shall not affect any pensions payable on the Member's death.

13.3 **Benefits in excess of the lifetime allowance**

It may be that the value of the aggregate of all benefits payable in respect of a Member from the Scheme and from all other registered pension schemes exceeds the standard lifetime allowance under section 218 of the Finance Act 2004 (or equivalent amount if a Member has the benefit of primary protection under the Finance Act 2004) at a time when a benefit crystallisation event (as defined in section 216 of the Finance Act 2004) occurs in respect of a Member. The Trustees may then pay any excess in pension form or, if the requirements for a lifetime allowance excess lump sum are met under the Finance Act 2004, as a lump sum.

14. **Contracted-out benefits**

This Rule confirms that the Scheme includes contracted-out benefits and is therefore subject to various statutory requirements which override the provisions of these Rules.

- 14.1 The Alcoa Britain 2002 Section of the Former Scheme was contracted-out on a "protected rights" basis up to and including 5 April 2012.
- 14.2 With effect on and from 6 April 2012 until 6 April 2016, the Alcoa Britain 2002 Section of the Former Scheme was contracted-out on the "reference scheme basis" (as defined for the purposes of section 12B of the Pension Schemes Act 1993, which relates to any period of contracted-out employment with an Employer completed by a Member up to 6 April 2016). In accordance with section 24(1) of the Pensions Act 2014, the Former Scheme ceased to be a contracted-out scheme with effect from 6 April 2016.
- 14.3 The Trustees will operate the Scheme in accordance with the Contracting-out Laws which apply to it from time to time and to any contracted-out benefits provided by it. These Rules are deemed to incorporate any mandatory provision that the Contracting-out Laws require to be incorporated in respect of benefits held within the Scheme which were accrued during a Member's contracted-out employment, and any optional provision that must under the Contracting-out Laws be incorporated in the Rules in order for the Trustees' administration of such benefits to comply with the Contracting-out Laws.

15. In-Service Deferred Members

This Rule sets out the special terms and provisions which apply to those Members who ceased to be in active membership under the Former Scheme on 31 January 2019.

15.1 Application

In-Service Deferred Members shall be treated for all purposes as deferred members entitled to a preserved pension under **Rule 5** (Benefits for Deferred Members) save as set out in this **Rule 15**.

15.2 Applicable "Service"

The following definition of "Service" shall apply in respect of an In-Service Deferred Member:

""**Service**"" means continuous employment by:

- a) an Employer (including in circumstances where that Employer is acquired by a third party that is not associated or connected with his Employer and whether or not the Member subsequently leaves employment of the Employer after any such acquisition);
- b) another entity associated or connected with his Employer; and/or
- c) a third party that is not connected or associated with his Employer where his employment is transferred to that entity in accordance with the Transfer of Undertakings (Protection of Employment) Regulations 2006 (or any similar legislation) (and whether or not the Member subsequently leaves employment of any such transferee employer after any such transfer)

(and where for the purposes of this definition, 'associated or connected' shall be construed in accordance with sections 249 and 435 of the Insolvency Act 1986).

For the purposes of this definition of "Service", the term "Employer" shall also include any former participating employer in respect of the Scheme or the Former Scheme.

15.3 Deferred Pension at Normal Retirement Date, revaluation underpin

- 15.3.1 When an In-Service Deferred Member retires from or otherwise leaves Service, the rate of his pension accrued in excess of GMP shall be calculated and revalued in accordance with **Rule 5.3** and/or the relevant provisions of the relevant Legacy Section, subject to a minimum revaluation equal to the percentage increase in the Government's Index of Retail Prices (subject to **Rule 15.3.3** below) up to a maximum of 5% per annum applicable to the Member's Pensionable Service and subsequent Service as an In-Service Deferred Member.
- 15.3.2 The In-Service Deferred Member's GMP will be calculated and revalued in accordance with the Contracting-out Laws and/or the relevant provisions of the relevant Legacy Section.
- 15.3.3 If the Government's Index of Retail Prices is discontinued, the calculation carried out in respect of **Rule 15.3.1** above shall be made by reference to the Government's Consumer Prices Index plus 1% (but still subject to a maximum of 5% per annum).

15.4 Pension on early retirement

An In-Service Deferred Member may elect to take early pension in normal health in accordance with the terms of and subject to the consent requirements provided by **Rule 4.2** (Pension on early retirement).

A Member aged 55 or over will satisfy the minimum 20 years' Pensionable Service condition referred to in **Rule 4.2** if, at the date of his application, he would have completed 20 years' Pensionable Service but for the cessation of his or her active membership under the Former Scheme.

15.5 **Pension on incapacity retirement**

An In-Service Deferred Member may choose to receive an immediate pension at any time before Normal Retirement Date because of Incapacity provided that the Trustees must have received evidence from a registered medical practitioner that the Member is (and shall continue to be) incapable of carrying on his or her occupation because of physical or mental impairment.

The pension shall be calculated in accordance with **Rule 4.1** (pension on retirement at Normal Retirement Date).

If the Member's application is made on or before 31 January 2024, the calculation of his pension shall take into account one-half of the potential Pensionable Service which the Member would have completed if (a) he had stayed in pensionable service under the Former Scheme up to Normal Retirement Date and (b) as if he or she had not chosen to leave active membership of the Former Scheme (but based on his Final Pensionable Salary under the Former Scheme as at 5 April 2019 or date of leaving Service if earlier).

Until Normal Retirement Date, the Trustees may from time to time require evidence of the Member's continued Incapacity. If not satisfied, the Trustees may vary or suspend a pension payable under this **Rule 15.5**, on terms which they decide are appropriate. The Trustees may also change any benefits payable in respect of such a Member on his or her death as they consider appropriate.

The Trustees must obtain advice from the Scheme Actuary that the benefits payable in respect of a Member who receives an early retirement pension under this **Rule 15.5** are at least equal in value to the benefits that would otherwise have been payable in respect of the Member on leaving pensionable service under the Former Scheme.

15.6 **Election to become a deferred member**

An In-Service Deferred Member may by written notice to the Employer and the Trustees elect to cease to be classed as an In-Service Deferred Member and thereby become a deferred member entitled to a preserved pension under **Rule 5** (Benefits for Deferred Members) only at any point whilst remaining in Service (and without needing to leave Service).

The provisions of this **Rule 15** shall cease to apply to such Member with effect from the date specified in the written notice or such other date as the Employer and Trustees shall determine.

NON-STANDARD EXECUTIVE BENEFITS SCHEDULE

Name	Unique member reference	Pensionable Service Commencement Date	Section/Former Scheme	Date non-standard benefits started	Non-standard benefits	Non-standard calculation basis
AT Reilly	6623565	02/02/1976	Alcoa Britain Pension Scheme	01/03/1999	New executive tier	1/45th accrual rate Death in service lump sum of 4 x pensionable salary or 4.5 x pensionable salary if unmarried
GD Summerfield	6631916	01/04/1999	Alcoa Britain Pension Scheme	01/09/2005	New executive tier	1/45th accrual rate Death in service lump sum of 4 x pensionable salary or 4.5 x pensionable salary if unmarried
JC Taylor	6631495	15/01/1996	Alcoa Britain Pension Scheme	01/04/2001	New executive tier	1/45th accrual rate Death in service lump sum of 4 x pensionable salary or 4.5 x pensionable salary if unmarried
CW Ditton	6630901	23/04/1992	Alcoa Britain Pension Scheme	18/07/2001	New executive tier	1/45th accrual rate Death in service lump sum of 4 x pensionable salary or 4.5 x pensionable salary if unmarried
KJ Devonald	6629318	21/03/1988	Alcoa Britain Pension Scheme	01/01/2001	New executive tier	1/45th accrual rate Death in service lump sum of 4 x pensionable salary or 4.5 x pensionable salary if unmarried
IT Faull	6618197	04/08/1975	Alcoa Britain Senior Executive Pension Scheme	04/08/1975		Two thirds target at normal retirement age of 60 4 x pensionable salary death in service benefit
G Crowther	6624618	28/03/1977	Alcoa Britain Senior Executive Pension Scheme	28/03/1977		Two thirds target at normal retirement age of 60 4 x pensionable salary death in service benefit

Name	Unique member reference	Pensionable Service Commencement Date	Section/Former Scheme	Date non-standard benefits started	Non-standard benefits	Non-standard calculation basis
MG Wallis	WK390691A	01/03/2002	Alcoa Britain 2002 Section	01/03/2002	New executive tier	1/45th accrual rate Death in service lump sum of 4 x pensionable salary or 4.5 x pensionable salary if unmarried
CS Davies	WE865977B	03/06/1985	British Aluminium Pension Plan (Main)	01/11/2000	New executive tier	1/45th accrual rate Death in service lump sum of 4 x pensionable salary or 4.5 x pensionable salary if unmarried
DJ Hayes	YX563815B	01/02/1980	British Aluminium Pension Plan (Main)	01/01/2003	New executive tier	1/45th accrual rate Death in service lump sum of 4 x pensionable salary or 4.5 x pensionable salary if unmarried
JA Quy	WK801678C	21/01/1980	British Aluminium Pension Plan (Main)	01/04/2002	New executive tier	1/45th accrual rate Death in service lump sum of 4 x pensionable salary or 4.5 x pensionable salary if unmarried
JN Carter	YL535182D	01/09/1967	British Aluminium Pension Plan (Main)	01/04/2001	New executive tier	1/45th accrual rate Death in service lump sum of 4 x pensionable salary or 4.5 x pensionable salary if unmarried
L Burns	BT177144C	21/04/1979	British Aluminium Pension Plan (Main)	01/04/2001	New executive tier	1/45th accrual rate Death in service lump sum of 4 x pensionable salary or 4.5 x pensionable salary if unmarried
PJ Debney	NP178598A	01/06/1998	British Aluminium Pension Plan (Main)	01/04/2001	New executive tier	1/45th accrual rate Death in service lump sum of 4 x pensionable salary or 4.5 x pensionable salary if unmarried
GR Smith	YP002041D	06/06/1977	British Aluminium Supplementary Pension Plan	01/08/1996	British Aluminium Supplementary Pension Plan from	2.222% accrual rate to 31/03/2001

Name	Unique member reference	Pensionable Service Commencement Date	Section/Former Scheme	Date non-standard benefits started	Non-standard benefits	Non-standard calculation basis
					01/08/1996 until the end of 31/03/2001 and then accruing benefits in the new executive tier from 01/04/2001 Additional service credit of 1.75% from 06/06/1977 to 05/04/1978	1/45th accrual rate from 01/04/2001 Death in service lump sum of 4 x pensionable salary
J Mundie	YS666835B	24/04/1986	British Aluminium Supplementary Pension Plan	01/08/1996	British Aluminium Supplementary Pension Plan from 01/08/1996 until the end of 31/03/2001 and then accruing benefits in the new executive tier from 01/04/2001	2.222% accrual rate to 31/03/2001 1/45th accrual rate from 01/04/2001 Death in service lump sum of 4 x pensionable salary
P Warton	WL482062A	01/10/1996	British Aluminium Supplementary Pension Plan	01/10/1996	British Aluminium Supplementary Pension Plan from 01/10/1996 until the end of 31/03/2001 and then accruing benefits in the new executive tier from 01/04/2001	2.222% accrual rate to 31/03/2001 1/45th accrual rate from 01/04/2001 Death in service lump sum of 4 x pensionable salary
RJ Cotton	WM024087C	15/06/1998	British Aluminium Supplementary Pension Plan	15/06/1998	British Aluminium Supplementary Pension Plan	2.222% accrual rate
S Bird	YT198394D	15/04/1989	British Aluminium Supplementary Pension Plan	10/09/1997	British Aluminium Supplementary Pension Plan	2.222% accrual rate

Name	Unique member reference	Pensionable Service Commencement Date	Section/Former Scheme	Date non-standard benefits started	Non-standard benefits	Non-standard calculation basis
J Rae	YP513630B	01/10/1976	British Aluminium Supplementary Pension Plan	01/08/1996	British Aluminium Supplementary Pension Plan	2.222% accrual rate
MC Booth	WK184299C	01/02/1989	Cookson (AFL)	01/02/1989		1/30th accrual rate Normal retirement age 60 Pensionable salary is last 12 months' basic pay
G Williams	M200	03/09/2001	CSI	03/09/2001		No earnings cap Higher employee and employer contributions payable No Early Retirement Factor from 60
D Cooper	103-000036	08/08/1994	Howmet	01/01/2002	New executive tier	1/45th accrual rate Death in service lump sum of 4 x pensionable salary or 4.5 x pensionable salary if unmarried
DC Barrett	103-000002	01/01/1985	Howmet	01/01/2002	New executive tier	1/45th accrual rate Death in service lump sum of 4 x pensionable salary or 4.5 x pensionable salary if unmarried
DE Thompson	103-000026	09/06/1980	Howmet	01/01/2002	New executive tier	1/45th accrual rate Death in service lump sum of 4 x pensionable salary or 4.5 x pensionable salary if unmarried
GD Willis	YW445841B	01/01/1984	Howmet	01/01/2002	New executive tier	1/45th accrual rate Death in service lump sum of 4 x pensionable salary or 4.5 x pensionable salary if unmarried

Name	Unique member reference	Pensionable Service Commencement Date	Section/Former Scheme	Date non-standard benefits started	Non-standard benefits	Non-standard calculation basis
JK Bennett	103-000003	01/01/1976	Howmet	01/01/2002	New executive tier	1/45th accrual rate Death in service lump sum of 4 x pensionable salary or 4.5 x pensionable salary if unmarried
KJ Fulford	103-000012	01/09/1981	Howmet	01/01/2002	New executive tier	1/45th accrual rate Death in service lump sum of 4 x pensionable salary or 4.5 x pensionable salary if unmarried
N Effer	103-000008	01/01/1986	Howmet	01/01/2002	New executive tier	1/45th accrual rate Death in service lump sum of 4 x pensionable salary or 4.5 x pensionable salary if unmarried
R Dodd	103-000007	01/01/1980	Howmet	01/01/2002	New executive tier	1/45th accrual rate Death in service lump sum of 4 x pensionable salary or 4.5 x pensionable salary if unmarried
RC Hambleton	103-000014	13/06/1977	Howmet	01/01/2002	New executive tier	1/45th accrual rate Death in service lump sum of 4 x pensionable salary or 4.5 x pensionable salary if unmarried
RDC Husk	103-000015	01/01/1976	Howmet	01/01/2002	New executive tier	1/45th accrual rate Death in service lump sum of 4 x pensionable salary or 4.5 x pensionable salary if unmarried
SD Farrimond	103-000010	05/12/1983	Howmet	01/01/2002	New executive tier	1/45th accrual rate Death in service lump sum of 4 x pensionable salary or 4.5 x pensionable salary if unmarried

Name	Unique member reference	Pensionable Service Commencement Date	Section/Former Scheme	Date non-standard benefits started	Non-standard benefits	Non-standard calculation basis
JS Rowe	103-000023	01/10/1987	Howmet	01/01/2002	New executive tier	1/45th accrual rate Death in service lump sum of 4 x pensionable salary or 4.5 x pensionable salary if unmarried
M Nixon	103-000063	03/02/1997	Howmet	01/01/2002	New executive tier	1/45th accrual rate Death in service lump sum of 4 x pensionable salary or 4.5 x pensionable salary if unmarried
M O'Callaghan	PC630663D	05/01/1998	Howmet	01/01/2002	New executive tier	1/45th accrual rate Death in service lump sum of 4 x pensionable salary or 4.5 x pensionable salary if unmarried
TD Rose	103-000022	02/12/1985	Howmet	01/01/2002	New executive tier	1/45th accrual rate Death in service lump sum of 4 x pensionable salary or 4.5 x pensionable salary if unmarried
WM Davies	YY601860C	10/08/1998	Howmet	01/01/2002	New executive tier	1/45th accrual rate Death in service lump sum of 4 x pensionable salary or 4.5 x pensionable salary if unmarried
CM Hickman	YS702342B	04/01/1994	Howmet	01/01/2002	New executive tier	1/45th accrual rate Death in service lump sum of 4 x pensionable salary or 4.5 x pensionable salary if unmarried
DA Shuttleworth	WL729502A	01/09/1997	Kawneer	01/01/2002	New executive tier	1/45th accrual rate Death in service lump sum of 4 x pensionable salary or 4.5 x pensionable salary if unmarried

Name	Unique member reference	Pensionable Service Commencement Date	Section/Former Scheme	Date non-standard benefits started	Non-standard benefits	Non-standard calculation basis
GG Morrison	WM919539B	01/03/1994	Kawneer	01/01/2002	New executive tier	1/45th accrual rate Death in service lump sum of 4 x pensionable salary or 4.5 x pensionable salary if unmarried

EVERSHEDS
SUTHERLAND

Dated: 13 January 2022

Rules of The Arconic Pension Plan

Alcoa Britain (Pre-2002) Section

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THE ALCOA BRITAIN (PRE-2002) SECTION RULES

These are the Rules that govern the benefits payable under the Alcoa Britain (Pre-2002) Section and should be read together with the C Rules and the Rules of the Alcoa Britain 2002 Section of the Scheme.

1. **Meaning of defined terms**

Unless otherwise stated below, words with a capital first letter are defined in **Rule 1** of the Alcoa Britain 2002 Section of the Scheme.

"Alcoa Britain (Pre-2002) Section"	means this Alcoa Britain (Pre-2002) Section of the Scheme;
"Credited Pensionable Service"	means actual or notional service which would not otherwise have been Pensionable Service but which the Trustees have at the request of the Employer agreed to treat as Pensionable Service whether on receiving a transfer to the Scheme or otherwise;
"Dependant"	means anyone who is or was financially dependent on the Member or was co-dependent at the time of that person's death. This includes anyone who shares living expenses with or receives financial support from the Member 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;
"Final Pensionable Salary"	such amount as was applicable under the Former Scheme immediately prior to the ABPS Transfer Date and which was notified to the Trustees under the terms of the ABPS Transfer Agreement;
"Former Scheme"	means the Arconic Britain Pension Scheme;
"Lower Earnings Limit"	means the level of weekly earnings at which the liability for Class 1 National Insurance Contributions arises;
"Member"	means a person in respect of whom the Trustees have a liability to pay or provide benefits;
"Minimum Pension Age"	means age 55, unless the Member has a "protected pension age" for the purposes of Schedule 36 of the Finance Act 2004;
"Normal Retirement Date"	means a Member's 65th birthday;
"Payroll Scheme"	means the Alcoa Britain Payroll Pension Scheme established by trust deed dated 26 March 1970;
"Pensionable Salary"	means such pensionable salary amount as was applicable under the Alcoa Britain (Pre-2002) Section of the Former Scheme and was notified to the Trustees by the trustees of the Former Scheme.

A Capped Member's Pensionable Salary may not exceed the Scheme Earnings Cap;

"Pensionable Service"

means the period during which the Member was contributing to the Arconic Britain Pension Scheme up to and including 31 December 2001 or such earlier date as the Member left the Former Scheme, and shall where applicable include all pre-2002 Credited Pensionable Service in both cases measured in complete years and months (provided that if the Member has been in Pensionable Service for more than 25 days in the final month, this shall be treated as a complete month).

In respect of any Member who joined the Former Scheme prior to 6 April 1978 Pensionable Service shall include the 12 month waiting period required by the trust deed dated 21 December 1970 relating to the Former Scheme and all Payroll Scheme pensionable service for those Members who were members of the Payroll Scheme immediately before joining the Former Scheme.

A Member's Pensionable Service shall not exceed 40 years;

"Prospective Pension"

means:

(a) in the case of a Member who died whilst in pensionable service under the Former Scheme, the pension (excluding any pension attributable to additional voluntary contributions) to which he or she would have been entitled had he or she remained in pensionable service under the Former Scheme until Normal Retirement Date based on the Member's Final Pensionable Salary at the date of death; and

(b) in the case of a Member who has left Pensionable Service and is entitled to a preserved pension which has not yet come into payment, the pension (excluding any pension attributable to additional voluntary contributions) to which he or she would have been entitled at Normal Retirement Date under **Rule 3.2** (preserved pension at Normal Retirement Date) revalued in accordance with the Revaluation Laws to the date of the Member's death;

"Scheme Earnings Cap"

means, prior to 6 April 2006, the "permitted maximum" (as defined in Section 590C(2) of the Income and Corporation Taxes Act 1988) which applied at the time of the Member leaving Scheme.

In respect of the tax year 2006/07 it shall mean £108,600.

It shall subsequently be increased annually by reference to either the basis set out in section 590C(5) and section 590C(5A) of the Income and Corporation Taxes Act 1988 (notwithstanding the repeal of these sections), or another more generous basis chosen by the Principal Employer and notified to the Trustees from time to time;

"Scheme Year"

means the period ending on the 5th April in each year or such other period as is determined by the Trustees;

"State Pension Age"

means the age specified by the Pensions Act 1995 or other legislation as the age at which a state retirement pension commences;

2. **Membership of the Alcoa Britain (Pre-2002) Section**

This Rule confirms the Alcoa Britain (Pre-2002) Section is generally closed to new members

The Alcoa Britain (Pre-2002) Section is closed to new Members, with the exception of any person whom the Principal Employer decides from time to time to admit to membership of it.

3. **Pension benefits**

This Rule sets out the terms governing the calculation of pension benefits for members of the Alcoa Britain (Pre-2002) Section

3.1 **Pension on retirement at Normal Retirement Date**

This **Rule 3.1** describes how pensions were calculated for active members under the Alcoa Britain (Pre-2002) section of the Former Scheme. This Alcoa Britain Pre-2002 Section has never had any active members and this Rule is therefore included for reference purposes only.

A Member who leaves Pensionable Service at Normal Retirement Date shall receive a pension from Normal Retirement Date at a yearly rate of 1/57th of the amount by which Final Pensionable Salary exceeds the annual equivalent (as determined by the Trustees) of the Lower Earnings Limit (averaged over the same period as Final Pensionable Salary) for each complete year of Pensionable Service, plus an additional proportion for each additional complete month.

3.2 **Preserved pension at Normal Retirement Date**

A Member who left pensionable service under the Former Scheme without becoming entitled to an immediate pension shall be entitled to receive a pension from Normal Retirement Date.

The pension shall be calculated in accordance with **Rule 3.1** (pension on retirement at Normal Retirement Date), based on the Member's Pensionable Service and the Member's Final Pensionable Salary at the date of leaving Pensionable Service.

In the case of a Member who was in Pensionable Service in the Alcoa Britain 2002 section of the Former Scheme, the Member's Final Pensionable Salary shall be calculated as at the date of leaving Pensionable Service in respect of that section PROVIDED THAT in the case of a Member who was in Pensionable Service in the Alcoa Britain 2002 section of the Former Scheme on 31 January 2019, Final Pensionable Salary shall be calculated as at the earlier of: (a) the date of leaving service under the Former Scheme; and (b) 5 April 2019.

The pension (in excess of the GMP) shall then be increased before payment in accordance with the Revaluation Laws (including Pensionable Service prior to 1 January 1985 in circumstances where the Member left Pensionable Service prior to 1 January 1991) and the GMP shall be increased in accordance with the Contracting-out Laws.

3.3 **Early retirement**

If, subject to the consent of the Employer, the Member starts to receive his or her pension on or after Minimum Pension Age but before Normal Retirement Date (other than on grounds of Incapacity), the part of such Member's pension as is attributable to this Alcoa Britain (Pre-2002) Section shall be reduced by

such rate as the Trustees decide for each complete year (plus an additional proportion for each complete additional month) by which payment precedes the Member's 60th birthday.

3.4 **Other options for the payment of preserved pension**

This **Rule 3.4** shall only apply in respect of a Member who is not entitled to benefits payable under the Alcoa Britain 2002 Section of the Scheme.

A Member who becomes entitled to a pension under **Rule 3.2** (preserved pension at Normal Retirement Date) may choose:

- 3.4.1 by giving notice to the Trustees at any time up to one year before Normal Retirement Date, to apply the cash equivalent of his or her benefits to buy one or more annuities, or to acquire rights under another pension scheme or arrangement, in accordance with the Transfer Value Laws;
- 3.4.2 subject to this option being offered by the Trustees, to commence receiving it before Normal Retirement Date (but not before reaching Minimum Pension Age, unless the Member is suffering from Incapacity). The pension shall be reduced for early payment on an actuarial basis which the Trustees may decide (after consulting the Scheme Actuary);
- 3.4.3 to commence receiving it after Normal Retirement Date, if the Trustees agree. The pension shall be increased for late payment on an actuarial basis which the Trustees may decide (after consulting the Scheme Actuary);
- 3.4.4 to exchange pension for a lump sum or Dependant's pension as described in **Rule 6.1** (exchanging for a retirement lump sum) and **Rule 6.2** (exchanging for a dependant's pension) of the Alcoa Britain 2002 Section.

The Trustees must receive advice from the Scheme Actuary that the benefits for a Member who chooses any of the options under this **Rule 3.4** are at least equal in value to the benefits that would otherwise have been provided for the Member under the Scheme.

4. **Benefits payable on the death of a Member**

This Rule sets out the terms on which lump sums and pensions are paid in respect of Members when they die.

4.1 **Benefits on death in Pensionable Service**

No Members are in Pensionable Service under the Alcoa Britain (Pre-2002) Section. This **Rule 4.1** is included for reference purposes only and describes the benefits that were payable on death in pensionable service under the Alcoa Britain (Pre-2002) section of the Former Scheme.

4.1.1 If a Member dies in Pensionable Service in the Alcoa Britain 2002 Section, **Rule 7.1.2** of the Alcoa Britain 2002 Section shall be modified such that for the period from the date of the death of the Member until the seventh anniversary of the Member's death, that part of the pension payable to the Member's Spouse which is attributable only to the Member's Pensionable Service in respect of this Alcoa Britain (Pre-2002) Section shall be increased to 100 per cent of the Member's Prospective Pension.

4.1.2 If the Member is not survived by a Spouse, the amount calculated in accordance with **Rule 4.1.1** above shall be payable to such Child or Children (as appropriate), if any, until the seventh anniversary of the Member's death after which the percentage of the Prospective Pension calculated in accordance with **Rule 4.1.1** shall be as set out in the table below:

Number of Children	Percentage of Prospective Pension
1	50
2	70
3	80
4	90
5 or more	100

4.1.3 If the Member is survived by a Spouse, the amount calculated in accordance with **Rule 4.1.1** above shall be payable to such Child or Children (as appropriate), if any, but only if the Spouse dies before the seventh anniversary of the Member's death and in which case such amount shall only be payable until the seventh anniversary of the Member's death after which the percentage of the Prospective Pension calculated in accordance with **Rule 4.1.1** shall be as set out in the table below:

Number of Children	Percentage of Prospective Pension
1	20
2	30
3	40

4	50
5 or more	50

- 4.1.4 In the case of **Rules 4.1.2** and **4.1.3**, the Trustees shall have discretion to determine how such pension benefits shall be distributed between the Children provided that if a Child's pension ceases there shall be a consequential recalculation of the pension payable to any other surviving Child or Children.
- 4.1.5 If a Member is not survived by a Spouse or a Child, the Trustees shall have discretion to pay a pension in respect of the Member's Pensionable Service attributable to this Alcoa Britain (Pre-2002) Section to any Dependant who survives the Member. The amount and duration of any such pension shall be at the discretion of the Trustees acting on the advice of the Scheme Actuary, but shall not exceed the amount which would have been payable to a Spouse under this **Rule 4.1**.

Any pension under this **Rule 4.1** shall be paid subject to **Rule 7.5** of the Alcoa Britain 2002 Section (payment of Spouse's pension on death) or **Rule 7.6** of the Alcoa Britain 2002 Section (Dependant's pension) respectively.

4.2 **Benefits on death after pension commences**

If a Member dies while receiving a pension, a pension shall be payable, and a lump sum may also be payable if the Member dies within 5 years after his or her pension commences and no pension is payable under **Rule 4.2.2**.

In the case of a Member who is entitled to benefits payable under the Alcoa Britain 2002 Section, the provisions of this **Rule 4.2** shall only apply in respect of such Member's Pensionable Service which is attributable to this Alcoa Britain (Pre-2002) Section.

4.2.1 **Lump sum**

- (a) If the lump sum is payable, it shall be equal to the total of 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) PROVIDED THAT no such lump sum shall be payable if the Member has Pensionable Service in the Alcoa Britain 2002 Section.
- (b) In the case of a Member who left Pensionable Service in respect of the Former Scheme on the grounds of Incapacity before 31 December 2001 and who dies before Normal Retirement Date whilst in receipt of a pension on grounds of Incapacity, an additional lump sum shall be payable equal to the difference between (a) the amount equal to three times the level of the Member's Pensionable Salary as at the date immediately before the Member left Pensionable Service in respect of the Scheme; and (b) any lump sum taken in commutation of pension at the time of retirement. If no pension is payable in respect of the Member following his or her death, such lump sum shall be increased by the amount of the Member's contributions attributable to the Alcoa Britain (Pre-2002) section of the Former Scheme, plus interest, and then reduced by the balance of any lump sum payable under **Rule 4.2.1(a)**.

4.2.2 **Pension**

- (a) The pension payable under this **Rule 4.2** to a Member's surviving Spouse shall be equal to 50 per cent of the pension payable to the Member at the date of death or, if the Member exchanged pension for a lump sum or a Dependant's pension, 50 per cent of the pension which would have been payable PROVIDED THAT if the Member dies within seven years of the date on which he or she started to receive the pension from the Scheme such pension payable to the Spouse shall be increased for the balance of seven years to 100 per cent of the Member's pension.
- (b) If the Member is not survived by a Spouse, the pension payable to any Child or Children (as appropriate) who survives the Member shall be as calculated in (a) above provided that with effect from the seventh anniversary of the date on which the Member started to receive the pension from the Scheme, the percentage of the Member's pension (calculated as though the Member had not exchanged pension for a lump sum or Dependant's pension) shall be as set out in the table below:

Number of Children	Percentage of pension payable
1	50
2	70
3	80
4	90
5 or more	100

- (c) If the Member is survived by a Spouse, the amount calculated in accordance with paragraph (a) above shall be payable to such Child or Children (as appropriate), if any, but only if the Spouse dies before the seventh anniversary of the date on which the Member's pension commenced and in which case such amount shall only be payable until such seventh anniversary after which the percentage of the Member's pension (calculated as though the Member had not exchanged pension for a lump sum or Dependant's pension) shall be as set out in the table below:

Number of Children	Percentage of pension payable
1	20
2	30
3	40
4	50
5 or more	50

Any pensions paid to Children under this **Rule 4.2** are only payable for so long as the person satisfies the requirements of the definition of 'Child' (see **Rule 1** (meaning of defined terms) of the Alcoa Britain 2002 Section). The Trustees shall have discretion to determine how such pension benefits shall be distributed between the Children provided that if a Child's pension ceases there

shall be a consequential recalculation of the pension payable to any other surviving Child or Children.

- (d) If a Member is not survived by a Spouse or a Child, the Trustees shall have discretion to pay a pension in respect of the Member's Pensionable Service attributable to this Alcoa (Pre-2002) Section to any Dependant who survives the Member. The amount and duration of such pension shall be at the discretion of the Trustees acting on the advice of the Scheme Actuary, but shall not exceed the amount which would have been payable to a Spouse under this **Rule 4.2**.

Any lump sum or pension payable under this **Rule 4.2** is subject to **Rule 7.4** of the Alcoa Britain 2002 Section (payment of lump sums on death) or **Rule 7.5** of the Alcoa Britain 2002 Section (payment of Spouse's pension on death) or **Rule 7.6** of the Alcoa Britain 2002 Section (Dependant's pension) respectively.

If a lump sum becomes payable under this **Rule 4.2** in respect of a Member aged 75 or more, the Trustees may decide not to pay the lump sum and to increase the value of the pension payable in respect of that Member by an amount equal to the lump sum instead.

4.3 **Benefits on death of a deferred member**

If a Member dies while entitled to a preserved pension under **Rule 3.2** (benefits for deferred members) that has not commenced, a pension shall be payable and lump sum may be payable if no pension is payable under this **Rule 4.3**.

In the case of a Member who has Pensionable Service in the Alcoa Britain 2002 Section, the provisions of this **Rule 4.3** shall only apply in respect of such Member's Pensionable Service which is attributable to this Alcoa Britain (Pre-2002) Section.

4.3.1 **Lump sum**

If no pension is payable under this **Rule 4.3**, subject to the following, the lump sum shall be equal to the total of the Member's contributions to the Alcoa Britain (Pre-2002) section of the Former Scheme (including any additional voluntary contributions and any amount or value which is to be treated as a contribution paid by a Member when received on a transfer to the Scheme) with interest at a rate to be determined by the Trustees.

If the Member dies while still in Service on or after Normal Retirement Date with a preserved pension that has not commenced and no pension is payable to a Spouse or Dependant, the lump sum shall be equal to five years' instalments of the pension which would have been payable to the Member had it commenced payment immediately prior to the date of death (but disregarding any future increases).

4.3.2 **Pension**

- (a) If the Member dies while entitled to a preserved pension, the pension payable on his or her death shall be calculated and paid on the same basis as **Rule 4.1** above but subject to the definition of Prospective Pension being applied in the context of a Member who is entitled to a preserved pension and no longer in Pensionable Service.
- (b) If the Member is not survived by a Spouse, the amount calculated in accordance with **Rule 4.3.2(a)** above shall be payable to such Child or Children (as appropriate), if any, until the seventh anniversary of the Member's death after which the percentage of the Prospective Pension

calculated in accordance with **Rule 4.3.2(a)** shall be as set out in the table below:

Number of Children	Percentage of Prospective Pension
1	50
2	70
3	80
4	90
5 or more	100

- 4.3.3 If the Member is survived by a Spouse, the amount calculated in accordance with **Rule 4.3.2(a)** above shall be payable to such Child or Children (as appropriate), if any, but only if the Spouse dies before the seventh anniversary of the Member's death and in which case such amount shall only be payable until the seventh anniversary of the Member's death after which the percentage of the Prospective Pension calculated in accordance with **Rule 4.3.2(a)** shall be as set out in the table below:

Number of Children	Percentage of Prospective Pension
1	20
2	30
3	40
4	50
5 or more	50

- 4.3.4 In the case of **Rules 4.3.2** and **4.3.3**, the Trustees shall have discretion to determine how such pension benefits shall be distributed between the Children provided that if a Child's pension ceases there shall be a consequential recalculation of the pension payable to any other surviving Child or Children.
- 4.3.5 If a Member is not survived by a Spouse or a Child, the Trustees shall have discretion to pay a pension in respect of the Member's Pensionable Service attributable to this Alcoa Britain (Pre-2002) Section to any Dependant who survives the Member. The amount and duration of such pension shall be at the discretion of the Trustees acting on the advice of the Scheme Actuary, but shall not exceed the amount which would have been payable to a Spouse under this **Rule 4.3**.

Any lump sum or pension payable under this **Rule 4.3** is subject to **Rule 7.4** of the Alcoa Britain 2002 Section (payment of lump sums on death) or **Rule 7.5** of the Alcoa Britain 2002 Section (payment of Spouse's pension on death) or **Rule 7.6** of the Alcoa Britain 2002 Section (Dependant's pension) respectively.

5. Pension increases

This Rule sets out the terms for increasing pensions in payment in respect of Members whose pensions commence to be paid on or after the effective date of these Rules.

5.1 Periods of review

The Trustees shall review pensions in payment within twelve months of their last review on a date which the Trustees decide.

5.2 The rates of increase

The Trustees shall increase:

- 5.2.1 any part of a pension in excess of the GMP at the intervals and by the percentage required by the Pensions Act 1995;
- 5.2.2 the part of the GMP which is attributable to earnings for the tax years from 1988-89 to 1996-97, in accordance with the requirements of section 109 of the Pension Schemes Act 1993; and
- 5.2.3 any pension or part of a pension which is derived from additional voluntary contributions or provided under **Rule 10.1** of the Alcoa Britain 2002 Section (discretionary benefits) or **C Rule 14.1** (transfers to the Scheme) or which relates to a pension credit under **C Rule 12** (pension sharing), in accordance with the terms on which they were granted;

A pension which has been in payment for less than one year may be increased by less than the full increase (but shall always be increased by at least $\frac{1}{12}$ th of the full increase for each complete month since the pension commenced).

5.3 Former ICI Members

In the case of Members who transferred to the Former Scheme from the ICI Pension Scheme, such additional pension increases shall be payable as notified to the Member by or on behalf of the Trustees from time to time.

5.4 Pension increase exchange

Subject to **C Rule 2** (registered and contracted-out pension scheme), the Trustees may allow any individual who is entitled to payment of a pension from the Scheme to give up all or part of any rights to receive future annual pension increases (other than those required to be paid by statute), in exchange for a one-off increase in the level of his pension.

EVERSHEDS
SUTHERLAND

Dated: 13 January 2022

Rules of the Arconic Pension Plan

AFL Section

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THE AFL SECTION RULES

These are the Rules that govern the benefits payable under the AFL Section and should be read together with the C Rules and the Rules of the Alcoa Britain 2002 Section.

1. **Meaning of defined terms**

Unless otherwise stated below, words with a capital first letter are defined in **Rule 1** of the Alcoa Britain 2002 Section of the Scheme.

"AFL Rules" means, together with the C Rules, the Rules that govern the benefits payable under the AFL Section;

"AFL Scheme" means The AFL Telecommunications Group Pension Plan;

"AFL Section" means the AFL section of the Scheme to which these Rules apply;

"AFL Transfer Agreement" means the agreement which gave effect to the transfer of accrued benefits from the AFL Scheme to the Former Scheme;

"Final Pensionable Salary" means such amount as was applicable under the Former Scheme immediately prior to the ABPS Transfer Date and which was notified to the Trustees under the terms of the Transfer..

For the avoidance of doubt, in respect of a Member who has Pensionable Service in the Alcoa Britain 2002 Section, Final Pensionable Salary shall be calculated as at the date on which the Member left pensionable service under the Alcoa Britain 2002 section of the Former Scheme PROVIDED THAT in the case of a Member who was in Pensionable Service in the Alcoa Britain 2002 section of the Former Scheme on 31 January 2019, Final Pensionable Salary shall be calculated as at the earlier of: (a) the date of leaving Service; and (b) 5 April 2019;

"Member" means a person who joined the Former Scheme pursuant to the AFL Transfer Agreement and subsequently joined the Scheme pursuant to the ABPS Transfer Agreement and in respect of whom the Trustees have a liability to pay or provide benefits;

"Minimum Pension Age" means age 55, unless the Member has a "protected pension age" for the purposes of Schedule 36 of the Finance Act 2004;

"Normal Retirement Date" means a Member's 65th birthday;

"Pensionable Service" means for the purposes of this AFL Section the pensionable service which was credited to the Member following his or her transfer to the Scheme pursuant to the ABPS Transfer Agreement. For the avoidance of doubt it shall not include any Service whilst the Member was in "pensionable service" in the Alcoa Britain 2002 section of the Former Scheme;

"Rules" means the rules which govern this AFL Section of the Scheme;

2. **Membership of the Scheme**

The AFL Section is closed to new Members.

3. Pension benefits

This Rule sets out the terms governing the calculation of pension benefits for Members of the AFL Section.

3.1 Pension at Normal Retirement Date

A Member shall receive a pension from Normal Retirement Date at a rate of 1/60th of Final Pensionable Salary for each complete year of Pensionable Service in respect of this AFL Section, plus an additional proportion for each complete additional month.

3.2 Preserved pension at Normal Retirement Date

A Member who left pensionable service in respect of the Alcoa Britain 2002 section of the Former Scheme without becoming entitled to an immediate pension shall be entitled to receive a pension from Normal Retirement Date.

The pension from the Scheme which is attributable to the Member's Pensionable Service in respect of this AFL Section shall be calculated in accordance with **Rule 3.1** above based on the Member's Pensionable Service in this AFL Section and the Member's Final Pensionable Salary.

In the case of a Member who has Pensionable Service in the Alcoa Britain 2002 Section the Member's Final Pensionable Salary shall be calculated as at the date of leaving pensionable service in respect of the Alcoa Britain 2002 section of the Former Scheme PROVIDED THAT in the case of a Member who was in pensionable service in the Alcoa Britain 2002 section of the Former Scheme on 31 January 2019, Final Pensionable Salary shall be calculated as at the earlier of: (a) the date of leaving Service; and (b) 5 April 2019.

The pension (in excess of the GMP) shall then be increased before payment in accordance with the Revaluation Laws and the GMP shall be increased in accordance with the Contracting-out Laws.

3.3 Other options for the payment of preserved pension

This **Rule 3.3** shall only apply in respect of a Member who does not have Pensionable Service in the Alcoa Britain 2002 Section of the Scheme.

A Member who becomes entitled to a pension under **Rule 3.2** (preserved pension at Normal Retirement Date) may choose:

- 3.3.1 by giving notice to the Trustees at any time up to one year before Normal Retirement Date, to apply the cash equivalent of his or her benefits to buy one or more annuities, or to acquire rights under another pension scheme or arrangement, in accordance with the Transfer Value Laws;
- 3.3.2 subject to this option being offered by the Trustees, to commence receiving it before Normal Retirement Date (but not before reaching Minimum Pension Age, unless the Member is suffering from Incapacity). The pension shall be reduced for early payment on an actuarial basis which the Trustees may decide (after consulting the Scheme Actuary);
- 3.3.3 to commence receiving it after Normal Retirement Date, if the Trustees agree. The pension shall be increased for late payment on an actuarial basis which the Trustees may decide (after consulting the Scheme Actuary);

3.3.4 to exchange pension for a lump sum or Dependant's pension as described in **Rule 6.1** (exchanging for a retirement lump sum) and **Rule 6.2** (exchanging for a dependant's pension) of the Alcoa Britain 2002 Section.

The Trustees must receive advice from the Scheme Actuary that the benefits for a Member who chooses any of the options under this **Rule 3.3** are at least equal in value to the benefits that would otherwise have been provided for the Member under the Scheme.

4. **Benefits payable on the death of a Member**

This Rule sets out the terms on which lump sums and pensions are paid in respect of Members when they die.

4.1 **Benefits on death in Pensionable Service**

No Members are in Pensionable Service under the AFL Section. This **Rule 4.1** is included for reference purposes only and describes the benefits that were payable on death in pensionable service under the AFL section of the Former Scheme.

If a Member dies in Pensionable Service, a pension shall be payable:

- (a) to the Member's Spouse equal to 50 per cent. of the pension which the Member was entitled to at the date of death but which is attributable only to the Member's Pensionable Service in respect of this AFL Section. Such pension shall be paid subject to **Rule 7.5** of the Alcoa Britain 2002 Section (payment of Spouse's pension on death) or **Rule 7.6** of the Alcoa Britain 2002 Section (dependant's pension) if the Member is not survived by a Spouse; and
- (b) if the Member is survived by a Child, to or for the benefit of such Child or Children (as applicable) of the Member. Such pension shall be payable to each Child and be equal to 10 per cent. (subject to a maximum aggregate of 50 per cent.) of the pension which the Member was entitled to at the date of death in respect of his or her Pensionable Service in the AFL Section only. Any pensions paid under this **Rule 4.1(b)** are only payable for so long as the person satisfies the requirements of the definition of 'Child' (see **Rule 1** (meaning of defined terms) of the Alcoa Britain 2002 Section).

4.2 **Benefits on death of a deferred member**

4.2.1 **Lump sum**

If a Member dies while entitled to a preserved pension under **Rule 3** (pension benefits), the Trustees shall have discretion to pay a lump sum equal to the value of the Member's contributions in respect of this AFL Section (which shall include the contributions which the Member had made to the AFL Scheme and which were transferred to the Scheme pursuant to the AFL Transfer Agreement and which the Member had made to the AFL section of the Former Scheme and which were transferred to the Scheme pursuant to the ABPS Transfer Agreement).

Any lump sum payable under this **Rule 4.2** is payable subject to **Rule 7.4** of the Alcoa Britain 2002 Section (payment of lump sums on death).

4.2.2 **Pension**

If a Member who has no Pensionable Service in respect of the Alcoa Britain 2002 Section dies while entitled to a preserved pension under **Rule 3.2** (pension benefits), a pension shall be payable to the Member's Spouse equal to 50% of the preserved pension calculated in accordance with **Rule 3.2** that would have been payable to the Member.

In the case of a Member who also has Pensionable Service in the Alcoa Britain 2002 Section, the provisions of this **Rule 4.2.2** shall only apply in respect of such Member's Pensionable Service which is attributable to this AFL Section and therefore the pension payable under this **Rule 4.2.2** shall be 50% of the

preserved pension that would have been payable to the Member attributable to the Pensionable Service in this AFL Section.

If the Member is not survived by a Spouse, the Trustees shall have discretion to pay a pension in respect of the Member's Pensionable Service attributable to this AFL Section to any Dependant who survives the Member. The amount and duration of such pension shall be at the discretion of the Trustees acting on the advice of the Scheme Actuary, but shall not exceed the amount which would have been payable to a Spouse under this **Rule 4.2**.

Any pension payable under this **Rule 4.2** is payable subject to **Rule 7.5** of the Alcoa Britain 2002 Section (payment of Spouse's pension on death) or **Rule 7.6** of the Alcoa Britain 2002 Section (Dependant's pension) respectively.

4.3 **Benefits on death after pension commences**

If a Member dies while receiving a pension, a pension shall be payable and a lump sum may also be payable subject to this **Rule 4.3** and **Rule 7.2.1** of the Alcoa Britain 2002 Section.

4.3.1 **Lump sum**

This **Rule 4.3.1** shall only apply to a Member who has no Pensionable Service in respect of the Alcoa Britain 2002 Section.

If a Member dies while receiving a pension, a lump sum will be payable if the Member dies within 5 years after his or her pension commences. If the lump sum is payable, it shall be equal to the total of 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).

If a lump sum becomes payable under this **Rule 4.3.1** in respect of a Member aged 75 or more, the Trustees may decide not to pay the lump sum and to increase the value of the pension payable in respect of that Member by an amount equal to the lump sum instead.

4.3.2 **Pension**

If a Member is survived by a Spouse, a pension shall be paid to that Spouse equal to 50 per cent. of the pension payable to the Member at the date of death or, if the Member exchanged pension for a lump sum or a Dependant's pension, 50 per cent. of the pension which would have been payable if the Member had not done so.

In the case of a Member who has Pensionable Service in the Alcoa Britain 2002 Section, the provisions of this **Rule 4.3.2** shall only apply in respect of such Member's Pensionable Service which is attributable to this AFL Section.

If the Member is not survived by a Spouse, the Trustees shall have discretion to pay a pension in respect of the Member's Pensionable Service attributable to this AFL Section to any Dependant who survives the Member. Such pension is in addition to any pension payable to a Dependant arising from the Member having given up pension for a Dependant's pension. The amount and duration of such pension shall be at the discretion of the Trustees acting on the advice of the Scheme Actuary, but shall not exceed the amount which would have been payable to a Spouse under this **Rule 4.3**.

Any lump sum or pension payable under this **Rule 4.3** is subject to **Rule 7.4** of the Alcoa Britain 2002 Section (payment of lump sums on death) or **Rule 7.5** of the Alcoa Britain 2002 Section (payment of Spouse's pension on death) or **Rule 7.6** of the Alcoa Britain 2002 Section (Dependant's pension) respectively.

5. **Pension increases**

This Rule sets out the terms for increasing pensions in payment in respect of Members of this AFL Section.

5.1 **The rates of increase**

The Trustees shall increase pensions in payment which are attributable to this AFL Section as follows:

- 5.1.1 any part of such pension in excess of the GMP at intervals and by a percentage required by the Pensions Act 1995; and
- 5.1.2 the part of the GMP which is attributable to earnings for the tax years from 1988-89 to 1996-97, in accordance with the requirements of section 109 of the Pension Schemes Act 1993.

A pension which has been in payment for less than one year may be increased by less than the full increase (but shall always be increased by at least $\frac{1}{12}$ th of the full increase for each complete month since the pension commenced).

EVERSHEDS
SUTHERLAND

Dated: 13 January 2022

Rules of The Arconic Pension Plan

British Aluminium Section

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THE BRITISH ALUMINIUM SECTION RULES

These are the Rules that govern the benefits payable under the British Aluminium Section and should be read together with the C Rules and the Rules of the Alcoa Britain 2002 Section of the Scheme.

1. **Meaning of defined terms**

Unless otherwise stated below, words with a capital first letter are defined in **Rule 1** of the Alcoa Britain 2002 Section of the Scheme.

"BAPP Section"	means this British Aluminium Section of the Scheme;
"Basic State Pension"	means the annual basic rate of the basic state pension as set out in Section 44(4) of the Social Security Contributions and Benefits Act 1992, as amended by any subsequent Social Security Benefits Up-rating Orders or other legislation in force from time to time;
"Bridging Pension"	means a limited term pension payable under Rule 3.2 between the date of early retirement and the Member's State Pension Age;
"Credited Pensionable Service"	means actual or notional service which would not otherwise have been Pensionable Service but which the Trustees have at the request of the Employer agreed to treat as Pensionable Service whether on receiving a transfer to the Scheme or otherwise;
"Final Pensionable Salary"	means such amount as was applicable under the Former Scheme immediately prior to the ABPS Transfer Date and which was notified to the Trustees under the terms of the Transfer. For the avoidance of doubt, in respect of a Member who has Pensionable Service in the Alcoa Britain 2002 Section, Final Pensionable Salary shall be calculated as at the date on which the Member left pensionable service under the Alcoa Britain 2002 section of the Former Scheme PROVIDED THAT in the case of a Member who was in Pensionable Service in the Alcoa Britain 2002 section of the Former Scheme on 31 January 2019, Final Pensionable Salary shall be calculated as at the earlier of: (a) the date of leaving Service; and (b) 5 April 2019;
"Lower Earnings Limit"	means in respect of a Member at the date of leaving pensionable service under the BAPP section of the Former Scheme, the annual amount of weekly earnings at which liability for Class 1 National Insurance Contributions arises;
"Member"	means a person who was previously a member of the BAPP section of the Former Scheme and joined the Scheme pursuant to the ABPS Transfer Agreement and in respect of whom the Trustees have a liability to pay or provide benefits;
"Minimum Pension Age"	means age 55, unless the Member has a "protected pension age" for the purposes of Schedule 36 of the Finance Act 2004;
"Money Purchase Guarantee"	means in respect of Pensionable Service accrued after 6 April 1997 the amount of pension (as determined by the Scheme Actuary) which can be secured by the sum of: <ul style="list-style-type: none"> (a) the Member's contributions to the Scheme under this BAPP Section; and

- (b) the Employer's protected rights contributions paid under the Contracting-out Laws (including all incentive payments and age-related rebates);

adjusted by an amount certified as reasonable by the Scheme Actuary based (unless the Principal Employer determines otherwise) on the investment return on the appropriate part of the Scheme's investments over the period in which such contributions have been held by the Scheme in respect of the Member;

"Normal Retirement Date"

means a Member's 65th birthday;

"Notional Earnings"

means the contractual salary payable to a given category of Employee for the purposes of calculating Plan Salary;

"Pensionable Service"

means the period during which the Member was contributing to the BAPP section of the Former Scheme up to and including 31 December 2001 or such earlier date as the Member left the Scheme, and shall where applicable include all pre-2002 Credited Pensionable Service.

A Member's Pensionable Service shall not exceed 40 years;

"Plan Salary"

means Salary less an amount equal to the Lower Earnings Limit (or on or after 1 July 1998 the lesser of the Lower Earnings Limit and Basic State Pension).

Where a Member's Gross Earnings in any tax year have been reduced because of absence due to injury or illness, Plan Salary may at the direction of the Principal Employer be calculated by reference to Notional Earnings;

"Pre-1992 Member"

means a Previous Scheme Transferee who joined the Previous Scheme prior to 1 January 1992 and any other Member designated as such by the Principal Employer;

"Previous Scheme"

means the British Alcan Retirement Income and Life Assurance Plan;

"Previous Scheme Transferee"

means a Member who was a member of the Previous Scheme and in respect of whom a transfer of assets was made from the Previous Scheme to the British Aluminium Pension Plan;

"Prospective Pension"

means:

- (a) in the case of a Member who died whilst in pensionable service under the Former Scheme (including in respect of the Alcoa Britain 2002 section of the Former Scheme at the date of death), the pension (excluding any pension attributable to additional voluntary contributions) to which he or she would have been entitled at Normal Retirement Date based on the Member's Final Pensionable Salary and Pensionable Service in respect of this BAPP Section at the date of death (provided that in the case of a Member who was in pensionable service under the Alcoa Britain 2002 section of the Former Scheme at the date of death, Final Pensionable Salary for these purposes shall be calculated as at the date of the Member's death);

and

- (b) in the case of a Member who has left Pensionable Service and is entitled to a preserved pension which has not yet come into payment, the pension (excluding any pension attributable to additional voluntary contributions) to which he or she would have been entitled at Normal Retirement Date under **Rule 5.3** (preserved pension at Normal Retirement Date) revalued in accordance with the Revaluation Laws to the date of the Member's death;

"Salary"

means such part of a Member's Gross Earnings as are defined as pensionable by the Principal Employer for the purposes of this BAPP Section (which may at the direction of the Principal Employer be based on Notional Earnings in cases of ill-health followed by death in Service);

2. **Membership of the British Aluminium Section**

The British Aluminium Section is closed to new Members.

3. Pension benefits

This Rule sets out the terms governing the calculation of pension benefits for members of the British Aluminium Section.

3.1 Pension on retirement at Normal Retirement Date

This **Rule 3.1** describes how pensions were calculated for active members under the British Aluminium section of the Former Scheme. This BAPP Section has never had any active members and this Rule is therefore included for reference purposes only.

A Member who leaves Pensionable Service at Normal Retirement Date shall receive a pension from Normal Retirement Date at a yearly rate of 1.75% of Final Pensionable Salary multiplied by the Member's Pensionable Service.

In respect of Pensionable Service accruing after 6 April 1997 the pension payable will not be less than the Money Purchase Guarantee.

Members shall be notified accordingly to the extent that any part of the pension payable to a Previous Scheme Transferee may be calculated on a different basis in respect of pensionable service treated as "credited pensionable service" in the Previous Scheme.

British Aluminium Supplementary Pension Plan Members

A Member who was previously a Member of the British Aluminium Supplementary Pension Plan shall, if notified accordingly in writing, receive an additional non-commutable pension of 0.472% of Final Pensionable Salary multiplied by the Member's Pensionable Service under the BAPP Section.

3.2 Preserved pension at Normal Retirement Date

A Member who leaves Pensionable Service without becoming entitled to an immediate pension shall be entitled to receive a pension from Normal Retirement Date.

The pension shall be calculated in accordance with **Rule 3.1** (pension on retirement at Normal Retirement Date) based on the Member's Pensionable Service in the BAPP Section and the Member's Final Pensionable Salary at the date of leaving Pensionable Service.

The pension (in excess of the GMP) shall then be increased before payment in accordance with the Revaluation Laws and the GMP shall be increased in accordance with the Contracting-out Laws.

Early retirement

A Member who leaves Pensionable Service before Normal Retirement Date but after reaching Minimum Pension Age may, if the Employer and the Trustees agree, choose to receive an immediate pension PROVIDED THAT a Pre-1992 Member may retire at any age after 55 without consent provided the Member's age plus Pensionable Service together totals at least 75 years.

The pension shall be calculated in accordance with **Rule 3.1** (pension on retirement at Normal Retirement Date), based on the Member's Pensionable Service and the Member's Final Pensionable Salary at the date they left Pensionable Service. The pension shall be reduced for early payment at the rate of 4% per annum for each year retirement precedes Normal Retirement Date up to a maximum of 10 years and at a rate of 2% per annum for each year in excess of 10.

Pre-1992 Members

No reduction for early payment shall apply to the pension of a Pre-1992 Member in respect of Pensionable Service up to and including 30 June 1998 where the pension commences payment on or after the Member has reached age 60. The pension in respect of Pensionable Service from 1 July 1998 shall be reduced for early payment at the rate of:

- (a) 2% per annum in respect of each year that payment of the pension precedes Normal Retirement Date but post dates age 60;
- (b) 4% per annum in respect of each year that payment of the pension precedes age 60 up to a maximum of 5 years; and
- (c) 2% per annum in respect of each year that payment of the pension precedes age 55.

Bridging Pension

In addition a Bridging Pension shall be payable until State Pension Age unless the pension under the Money Purchase Guarantee is greater than otherwise provided by this **Rule 3.2**.

The Bridging Pension will be calculated as the same proportion of the Lower Earnings Limit, where retirement is before 1st July 1998 (or of the lesser of the Lower Earnings Limit and the Basic State Pension where retirement is on or after 1st July 1998) as the early retirement pension is of the Member's Final Pensionable Salary. A reduced Bridging Pension may be payable if the pension secured by the Money Purchase Guarantee exceeds the pension otherwise payable under this **Rule 3.2** but does not exceed the combined value of such pension and the Bridging Pension.

The Trustees must obtain advice from the Scheme Actuary that the benefits payable in respect of a Member who receives an early retirement pension under this **Rule 3.2** are at least equal in value to the benefits that would otherwise have been payable in respect of the Member on leaving Pensionable Service.

The amount of pension under this **Rule 3.2** shall be reduced if in the opinion of the Trustees the level of benefits prospectively payable to the Member at State Pension Age would otherwise be less than required under the Contracting-out Laws.

3.3 **Other options for the payment of preserved pension**

This **Rule 3.3** shall only apply in respect of a Member who does not have Pensionable Service in the Alcoa Britain 2002 Section of the Scheme.

A Member who becomes entitled to a pension under Rule 3.2 (**preserved pension at Normal Retirement Date**) on leaving Pensionable Service may choose:

- 3.3.1 by giving notice to the Trustees at any time up to one year before Normal Retirement Date, to apply the cash equivalent of his or her benefits to buy one or more annuities, or to acquire rights under another pension scheme or arrangement, in accordance with the Transfer Value Laws;
- 3.3.2 subject to this option being offered by the Trustees, to commence receiving it before Normal Retirement Date (but not before reaching Minimum Pension Age, unless the Member is suffering from Incapacity). The pension shall be reduced for early payment on an actuarial basis determined by the Trustees which is certified as reasonable by the Scheme Actuary. The Money Purchase Guarantee shall apply if it produces a greater pension;
- 3.3.3 to commence receiving it after Normal Retirement Date, if the Trustees agree. The pension shall be increased for late payment on an actuarial basis which the Trustees may decide (after consulting the Scheme Actuary);
- 3.3.4 to exchange pension for a lump sum or Dependant's pension as described in **Rule 6.1** (exchanging for a retirement lump sum) and **Rule 6.2** (exchanging for a dependant's pension) of the Alcoa Britain 2002 Section.

The Trustees must receive advice from the Scheme Actuary that the benefits for a Member who chooses any of the options under this **Rule 3.3** are at least equal in value to the benefits that would otherwise have been provided for the Member under the Scheme.

4. **Benefits payable on the death of a Member**

This Rule sets out the terms on which lump sums for beneficiaries and pensions for Spouses and Children are paid in respect of Members when they die.

4.1 **Benefits on death in Pensionable Service**

This Rule 4.1 describes how pensions were calculated for active members under the British Aluminium section of the Former Scheme. This BAPP Section has never had any active members and this Rule is therefore included for reference purposes only.

If a Member dies in Pensionable Service in the Alcoa Britain 2002 Section, a pension shall be paid to the Member's Spouse equal to 60% of the Member's Prospective Pension which is attributable only to the Member's Pensionable Service in respect of this BAPP Section.

If a Member is not survived by a Spouse, the Trustees shall have discretion to pay a pension in respect of the Member's Pensionable Service attributable to this BAPP Section to any Dependant who survives the Member. The amount and duration of such pension shall be at the discretion of the Trustees acting on the advice of the Scheme Actuary, but shall not exceed the amount which would have been payable to a Spouse under this **Rule 4.1**.

If no pension is payable under the preceding paragraphs of this **Rule 4.1**, a lump sum shall be payable equal to the total contributions paid in respect of the BAPP Section by the Member together with interest calculated up to the date of the Member's death at the rate of 3 per cent per annum.

Any lump sum or pension payable under this **Rule 4.1** is subject to **Rule 7.4** of the Alcoa Britain 2002 Section (payment of lump sums on death) or **Rule 7.5** of the Alcoa Britain 2002 Section (payment of Spouse's pension on death) or **Rule 7.6** of the Alcoa Britain 2002 Section (Dependant's pension) respectively.

4.2 **Benefits on death after pension commences**

If a Member dies while receiving a pension, a pension shall be payable, and a lump sum shall also be payable if the Member dies within 5 years after his or her pension commences and no pension is payable under this **Rule 4.2**.

4.2.1 **Lump sum**

This **Rule 4.2.1** shall not apply in respect of a Member who has Pensionable Service in the Alcoa Britain 2002 Section.

If the lump sum is payable, it shall be equal to the total of 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).

The Trustees shall adjust such lump sum appropriately if the Member's pension was being paid at a reduced rate in order to provide for its increase at State Pension Age.

A further lump sum of £1,000 shall be paid on the death of a Pre-1992 Member who retired from Service at the same time as he or she commenced to draw pension or on the death of any other Member in receipt of pension who retired from Service at the same time as he or she commenced to draw pension where death occurs on or after 1 July 1998.

An additional sum of at least £250 shall be payable on the death of a Pre-1992 Member who before starting to receive the pension was no longer in Pensionable Service or on the death on or after 1 July 1998 of any other Member who before starting to receive the pension was no longer in Pensionable Service. The actual amount payable shall be calculated by the Scheme Actuary by reference to such Member's Pensionable Service.

4.2.2 Pension

In the case of a Member who has Pensionable Service in the Alcoa Britain 2002 Section, the provisions of this **Rule 4.2.2** shall only apply in respect of such Member's Pensionable Service which is attributable to this BAPP Section.

If the Member is survived by a Spouse, a pension shall be paid to that Spouse equal to 60 per cent. of the pension payable to the Member at the date of death or, if the Member exchanged pension for a lump sum or a Dependant's pension, 60 per cent. of the pension which would have been payable if the Member had not done so PROVIDED THAT if the Member dies within 5 years after his or her pension commences, the pension payable shall continue to be paid at the rate payable to the Member at the date of death for the remainder of that 5-year period.

If a Member is not survived by a Spouse, the Trustees shall have discretion to pay a pension in respect of the Member's Pensionable Service attributable to this BAPP Section to any Dependant who survives the Member. The amount and duration of such pension shall be at the discretion of the Trustees acting on the advice of the Scheme Actuary, but shall not exceed the amount which would have been payable to a Spouse under this **Rule 4.2**.

Any lump sum or pension payable under this **Rule 4.2** is subject to **Rule 7.4** of the Alcoa Britain 2002 Section (payment of lump sums on death) or **Rule 7.5** of the Alcoa Britain 2002 Section (payment of Spouse's pension on death) or **Rule 7.6** of the Alcoa Britain 2002 Section (Dependant's pension) respectively.

If a lump sum becomes payable under this **Rule 4.2** in respect of a Member aged 75 or more, the Trustees may decide not to pay the lump sum and to increase the value of the pension payable in respect of that Member by an amount determined by the Trustees by applying the lump sum instead.

4.3 **Benefits on death of a deferred member**

If a Member dies while entitled to a preserved pension under **Rule 3.2** (preserved pension at normal retirement date) that has not commenced, a lump sum and a pension shall be payable.

In the case of a Member who has Pensionable Service in the Alcoa Britain 2002 Section, the provisions of this **Rule 4.3** shall only apply in respect of such Member's Pensionable Service which is attributable to this BAPP Section.

Lump sum

The lump sum shall be equal to the amount which the Scheme Actuary determines is the Member's actuarial interest in respect of the BAPP Section of the Scheme, less such sum as the Scheme Actuary considers necessary to meet the pension payable under this **Rule 4.3**.

Alternatively, if the Member dies while still in Service on or after Normal Retirement Date with a preserved pension that has not commenced and no pension is payable under this **Rule 4.3**, a lump sum shall be payable equal to five years' instalments of the pension which would have been payable to the Member had it commenced payment immediately prior to the date of death.

Pension

If the Member is survived by a Spouse, a pension shall be paid to the Spouse equal to the pension payable under the Contracting-out Laws or if greater the Money Purchase Guarantee.

Alternatively, if a pension is payable in respect of a Member who dies while still in Service on or after Normal Retirement Date with a preserved pension that has not commenced, it shall be equal to 60 per cent of the pension payable to the Member at the date of death on the assumption that the Member did not give up pension for a lump sum or a Dependant's pension provided that for the first 5 years of payment the pension shall be equal to the pension which would have been payable under **Rule 3** had the Member started to receive the pension at the date of death and not given up pension for a lump sum or a Dependant's pension.

If a Member is not survived by a Spouse, the Trustees shall have discretion to pay a pension in respect of the Member's Pensionable Service attributable to this BAPP Section to any Dependant who survives the Member. This is in addition to any pension payable to a Dependant arising from the Member having given up pension for a Dependant's pension. The amount and duration of such pension shall be at the discretion of the Trustees acting on the advice of the Scheme Actuary, but shall not exceed the amount which would have been payable to a Spouse under this **Rule 4.3**.

Any lump sum or pension payable under this **Rule 4.3** is subject to **Rule 7.4** of the Alcoa Britain 2002 Section (payment of lump sums on death) or **Rule 7.5** of the Alcoa Britain 2002 Section (payment of Spouse's pension on death) or **Rule 7.6** of the Alcoa Britain 2002 Section (Dependant's pension) respectively.

5. **Pension increases**

This Rule sets out the terms for increasing pensions in payment in respect of Members whose pensions commence to be paid on or after the effective date of these Rules.

5.1 **Periods of review**

The Trustees shall review pensions in payment within twelve months of their last review on a date which the Trustees decide.

5.2 **The rates of increase**

In the case of a Member who has Pensionable Service in the Alcoa Britain 2002 Section, the provisions of this **Rule 5.2** shall only apply in respect of such Member's Pensionable Service which is attributable to this BAPP Section.

The Trustees shall increase:

- 5.2.1 any part of a pension in excess of the GMP attributable to Pensionable Service before 6 April 1997 by the lower of the increase in the retail prices index over the year to the previous 1 November and 3 per cent per annum;
- 5.2.2 the part of the GMP which is attributable to earnings for the tax years from 1988-89 to 1996-97, in accordance with the requirements of section 109 of the Pension Schemes Act 1993;
- 5.2.3 any part of a pension in excess of the GMP attributable to Pensionable Service after 6 April 1997 by the lower of the increase in the retail prices index over the year to the previous 1 November and 5 per cent per annum; and
- 5.2.4 any pension or part of a pension which is derived from additional voluntary contributions or provided under **Rule 10.1** of the Alcoa Britain 2002 Section (discretionary benefits) or **C Rule 14.1** (transfers to the Scheme) or which relates to a pension credit under **C Rule 12** (pension sharing), in accordance with the terms on which they were granted.

A pension which has been in payment for less than one year may be increased by less than the full increase (but shall always be increased by at least $\frac{1}{12}$ th of the full increase for each complete month since the pension commenced).

6. **Contracting-out status**

This Rule confirms that the BAPP Section is contracted-out and so is subject to various statutory requirements which override the provisions of these Rules.

- 6.1 The British Aluminium section of the Former Scheme was contracted-out before 6 April 1997 on a GMP basis and was contracted-out from 6 April 1997 on a "protected rights" basis.
- 6.2 The Trustees will operate the Scheme in accordance with the Contracting-out Laws which apply to it and to any contracted-out benefits provided by it. As the benefits provided by this BAPP Section derived from a previously contracted-out scheme, these Rules will be treated as including any mandatory provision that the Contracting-out Laws require to be incorporated in respect of benefits held within the Scheme which were accrued during a Member's contracted-out employment, and any optional provision that under the Contracting-out Laws must be incorporated in the Rules in order for the Trustees' administration of such benefits to comply with the Contracting-out Laws.

EVERSHEDS
SUTHERLAND

Dated: 13 January 2022

Rules of The Arconic Pension Plan

Kama Staff Section

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THE KAMA STAFF SECTION RULES

These are the Rules that govern the benefits payable under the Kama Staff Section and should be read together with the C Rules and the Rules of the Alcoa Britain 2002 Section.

1. **Meaning of defined terms**

Unless otherwise stated below, words with a capital first letter are defined in **Rule 1** of the Alcoa Britain 2002 Section of the Scheme.

"C Rules" means the Constitutional Rules which are common to all sections of the Scheme;

"Commencing Date" means 1 April 1997;

"Company" means Kama Europe Limited or any other company or firm which shall as a result of any amalgamation, reconstruction, purchase or otherwise carry on or succeed to the business of the Company and which shall expressly assume the obligations under the Former Scheme or the Scheme of its predecessors in business;

"Final Pensionable Salary" means at the Normal Retirement Date or at any earlier date of calculation, as the case may be, means

(a) for a Member who is a Staff Employee, an amount calculated by taking the yearly average of the Member's Pensionable Salaries for each three year period or such shorter period as is available within the ten years ending immediately before the Normal Retirement Date (or the appropriate earlier date) and then taking the highest of these average amounts;

(b) for a Member who is a Works Employee, an amount calculated by taking the yearly average of the Member's Pensionable Salaries for each five year period or such shorter period as is available within the ten years ending immediately before the Normal Retirement Date (or appropriate earlier date) and then taking the highest of these average amounts;

Provided that on Service ending more than ten years before Normal Retirement Date Final Pensionable Salary will be Pensionable Salary, if higher.

For the avoidance of doubt, in respect of a Member who has Pensionable Service in the Alcoa Britain 2002 Section, Final Pensionable Salary shall be calculated as at the date on which the Member left pensionable service under the Alcoa Britain 2002 section of the Former Scheme PROVIDED THAT in the case of a Member who was in Pensionable Service in the Alcoa Britain 2002 section of the Former Scheme on 31 January 2019, Final Pensionable Salary shall be calculated as at the earlier of: (a) the date of leaving Service; and (b) 5 April 2019;

"Final Upper Earnings Limit" means at any date of calculation of Final Pensionable Salary, the average of Upper Earnings Limit calculated over the same period as Final Pensionable Salary provided that if Service ends more than ten years before Normal Retirement Date, Final Upper Earnings Limit will be Upper Earnings Limit;

"Kama Scheme" means the Kama Europe Limited Retirement Benefits Scheme;

"Kama Staff Section"	means this Kama Staff section of the Scheme to which these Rules apply;
"Kama Transfer Agreement"	means the agreements which gave effect to the transfer of accrued benefits from the Kama Scheme to the Former Scheme;
"Lower Earnings Limit"	means the annual equivalent of the lower earnings limit for Class I National Insurance Contributions under section 5(1) Social Security Contributions and Benefits Act 1992, the annual equivalent being 52 times the weekly amount;
"Member"	means a person who joined the Former Scheme pursuant to the Kama Transfer Agreement and joined the Scheme pursuant to the ABPS Transfer Agreement and in respect of whom the Trustees have a liability to pay or provide benefits;
"Middle Band Final Pensionable Salary"	means at any date of calculation of Final Pensionable Salary the average of Middle Band Pensionable Salaries calculated over the same period as Final Pensionable Salary provided that if Service ends more than ten years before Normal Retirement Date, Middle Band Final Pensionable Salary will be Middle Band Pensionable Salary, if higher;
"Middle Band Pensionable Salary"	is calculated at the date of joining and thereafter at the Renewal Date in each year and means <ul style="list-style-type: none"> (a) in the case of a Member who is a Staff Employee, annual Salary between the Lower Earnings Limit and the Upper Earnings Limit, such limits being those applicable at the date of calculation, or (b) in the case of a Member who is a Works Employee, the gross taxable earnings from the Employer for the income tax year ending on the previous 5 April between the Lower Earnings Limit and the Upper Earnings Limit, such limits being those applicable at the date of calculation;
"Minimum Pension Age"	means age 55, unless the Member has a "protected pension age" for the purposes of Schedule 36 of the Finance Act 2004;
"Normal Retirement Date"	means a Member's 65th birthday;
"Old Scheme"	means the Filmco International Inc Staff Pension Scheme which commenced on 1 July 1969;
"Pensionable Salary"	is calculated at the date of joining and thereafter at the Renewal Date in each year and means <ul style="list-style-type: none"> (a) in the case of a Member who is a Staff Employee annual Salary, or (b) in the case of a Member who is a Works Employee the gross taxable earnings from the Employer for the income tax year ending on the previous 5 April less an amount approximately equal to the Lower Earnings Limit; <p>PROVIDED THAT a Member's Pensionable Salary may not exceed the Scheme Earnings Cap;</p>

- "Pensionable Service"** means for the purposes of this Kama Staff Section the pensionable service which was credited to the Member following his or her transfer to the Scheme pursuant to the ABPS Transfer Agreement.
- For the avoidance of doubt it shall not include any Service whilst the Member is in "pensionable service" in the Alcoa Britain 2002 Section;
- "Previous Scheme"** means the Viskase Sedgefield Retirement Benefits Scheme;
- "Qualifying Child"** in relation to a deceased Member means any person who
- is a child of the Member or an adopted child of the Member; or
- is a step-child of the Member who was living with the Member immediately before the Member's death and was wholly or partly dependent on the Member for the ordinary necessities of life;
- and
- (a) has not attained age 18, or
- (b) is in full-time education and has not attained age 21;
- "Qualifying Pensionable Service"** means
- (a) in respect of a Member who was a member of the Previous Scheme at 31 March 1997 and transferred to the Former Scheme on 1 April 1997, Service counting for pension under the Previous Scheme plus Service while a Member of the Former Scheme up to Normal Retirement Date,
- (b) in respect of any other Member, Service from the date of joining the Company up to Normal Retirement Date provided that in the case of employees who had effected a personal pension plan and who subsequently ceased to pay contributions to that plan on becoming a Member, Qualifying Pensionable Service will mean Service from the date of becoming a Member up to Normal Retirement Date;
- "Renewal Date"** means
- (a) in respect of Qualifying Pensionable Service completed from the Commencing Date, each 1 April, and
- (b) in respect of Qualifying Pensionable Service completed under the Previous Scheme, each 1 January;
- "Rules"** means the rules which govern the Kama Staff Section of the Scheme;
- "Salary"** means basic salary or wage and does not include bonuses, overtime, commission, directors' fees or similar payments. Annual salary is twelve times the monthly salary or fifty two times the weekly wage;

"Scheme Earnings Cap" means, prior to 6 April 2006, the "permitted maximum" (as defined in Section 590C(2) of the Income and Corporation Taxes Act 1988) which applied at the time of the Member leaving Scheme.

In respect of the tax year 2006/07 it shall mean £108,600.

It shall subsequently be increased annually by reference to either the basis set out in section 590C(5) and section 590C(5A) of the Income and Corporation Taxes Act 1988 (notwithstanding the repeal of these sections), or another more generous basis chosen by the Principal Employer and notified to the Trustees from time to time;

"Staff Employee" means a Member who is either designated by the Employer as a staff employee or who is a full-time salaried director of the Employer which has been notified to the Trustees by the Former Scheme's trustees pursuant to the ABPS Transfer Agreement;

"Upper Band Final Pensionable Salary" means at any date of calculation of Final Pensionable Salary the average of Upper Band Pensionable Salaries calculated over the same period as Final Pensionable Salary provided that if Service ends more than ten years before Normal Retirement Date, Upper Band Final Pensionable Salary will be Upper Band Pensionable Salary;

"Upper Band Pensionable Salary" is calculated at the date of joining and thereafter at the Renewal Date in each year and means

(a) in the case of a Member who is a Staff Employee, annual Salary above the Upper Earnings Limit, such limit being that applicable at the date of calculation, or

(b) in the case of a Member who is a Works Employee, the gross taxable earnings from the Employer for the income tax year ending on the previous 5 April above the Upper Earnings Limit, such limit being that applicable at the date of calculation;

"Upper Earnings Limit" means the annual equivalent of the upper earnings limit for Class 1 National Insurance Contributions as set out in section 5(1) of the Social Security Contributions and Benefits Act 1992, the annual equivalent being 52 times the weekly amount;

"Works Employee" means a Member who is designated by the Employer as a works employee which has been notified to the Trustees by the Former Scheme's trustees pursuant to the ABPS Transfer Agreement;

2. **Membership of the Scheme**

The Kama Staff Section is closed to new Members.

3. **Pension benefits**

This Rule sets out the terms governing the calculation of pension benefits for Members of the Kama Staff Section.

The amount of annual pension at Normal Retirement Date, the date of early retirement or the date of leaving (including revaluation to Normal Retirement Date), as appropriate, will be **PEN A**, plus for a Member previously a member of the Old Scheme **PEN B**.

For the purposes of this **Rule 3** the following terms shall be described as set out below:

ERF₆₀	the adjustment determined by the Trustees from time to time, certified as reasonable by the Scheme Actuary, to take account of the early payment of benefit. The adjustment is based on the number of complete years and complete months between the date of early retirement and the Member's 60 th birthday.
ERF₆₅	the adjustment determined by the Trustees from time to time, certified as reasonable by the Scheme Actuary, to take account of the early payment of benefit. The adjustment is based on the number of complete years and complete months between the date of early retirement and the Member's Normal Retirement Date.
FPS	Final Pensionable Salary calculated at Normal Retirement Date, the date of early retirement, or the date of leaving, as appropriate.
FPS₁	Middle Band Final Pensionable Salary calculated at Normal Retirement Date, the date of early retirement, or the date of leaving, as appropriate.
FPS₂	Upper Band Final Pensionable Salary calculated at Normal Retirement Date, the date of early retirement, or the date of leaving, as appropriate.
FPS₃	Final Pensionable Salary below the Final Upper Earnings Limit calculated at Normal Retirement Date, the date of early retirement, or the date of leaving, as appropriate.
FPS₆₀	Final Pensionable Salary calculated at the Member's 60 th birthday.
FPS_{60,1}	Middle Band Final Pensionable Salary calculated at the Member's 60 th birthday.
FPS_{60,2}	Upper Band Final Pensionable Salary calculated at the Member's 60 th birthday.
FPS_{60,3}	Final Pensionable Salary below Final Upper Earnings Limit calculated at the Member's 60 th birthday.
LRF	the adjustment determined by the Trustees from time to time, certified as reasonable by the Actuary to the Scheme, to take account of the late payment of benefit.
QPS	Qualifying Pensionable Service on or after 1 July 1977, or later date of joining the Former Scheme, and prior to Normal Retirement Date, the

date of early retirement, or the date of leaving, as appropriate, calculated in complete years, with a proportion for additional complete months.

QPS_A Qualifying Pensionable Service on and after 1 July 1977, or later date of joining the Former Scheme, and prior to 1 July 1988, calculated in complete years, with a proportion for additional complete months (Staff Employees only).

QPS_B

a) For a male Staff Employee who was an active member of the Previous Scheme at 17 May 1990, Qualifying Pensionable Service on and after 17 May 1990, or later date of joining the Scheme and prior to 19 August 1991

b) For a female Staff Employee who was an active member of the Previous Scheme at 17 May 1990, Qualifying Pensionable Service on or after 1 July 1988 or later date of joining the Scheme and prior to 19 August 1991

calculated in complete years, with a proportion for additional complete months.

QPS_{EX} Qualifying Pensionable Service prior to 1 July 1977, calculated in complete years, with a proportion for additional complete months.

RV₆₀ the revaluation factor required on preserved benefits between the date of leaving and the Member's 60th birthday (the pension (in excess of the GMP) shall be increased before payment in accordance with the Revaluation Laws and the GMP shall be increased in accordance with the Contracting-out Laws).

RV₆₅ the revaluation factor required on preserved benefits between the date of leaving and Normal Retirement Date (pension (in excess of the GMP) shall then be increased before payment in accordance with the Revaluation Laws and the GMP shall be increased in accordance with the Contracting-out Laws).

3.1 Pension at Normal Retirement Date

This **Rule 3.1** describes how pensions were calculated for active members under the Kama section of the Former Scheme. This Kama Section has never had any active members and this Rule is therefore included for reference purposes only.

A Member shall receive a pension from Normal Retirement Date as follows:

3.1.1 A Staff Employee who joined the Former Scheme or the Previous Scheme on or after 17 May 1990

$$\mathbf{PEN A} = \frac{QPS}{80} \times FPS_3 + \frac{QPS}{60} \times FPS_2$$

3.1.2 A male Staff Employee who joined the Previous Scheme before 17 May 1990

$$\mathbf{PEN A} = \frac{QPS_A}{140} \times FPS_3 + \frac{(QPS - QPS_A - QPS_B)}{80} \times FPS_3$$

$$+ \frac{QPS_B}{80} \times FPS_{60,3} \times LRF + \frac{QPS - QPS_B}{60} \times FPS_2$$

$$+ \frac{QPS_B}{60} \times FPS_{60,2} \times LRF$$

$$\mathbf{PEN B} = \frac{QPS_{EX}}{60} \times FPS$$

3.1.3 A female Staff Employee who joined the Previous Scheme before 17 May 1990

$$\mathbf{PEN A} = \frac{QPS_A}{140} \times FPS_{60,3} \times LRF + \frac{(QPS - QPS_A - QPS_B)}{80} \times FPS_3$$

$$+ \frac{QPS_B}{80} \times FPS_{60,3} \times LRF + \frac{(QPS - QPS_B)}{60} \times FPS_2$$

$$+ \frac{QPS_B}{60} \times FPS_{60,2} \times LRF$$

$$\mathbf{PEN B} = \frac{QPS_{EX}}{60} \times FPS_{60} \times LRF$$

Provided that:

- (a) for a Staff Employee who becomes a Works Employee PEN A and PEN B will be based on Service while a Staff Employee and on Upper Band Pensionable Salary, Pensionable Salary below the Upper Earnings Limit and Pensionable Salary on the Renewal Date immediately prior to becoming a Works Employee and the pension (in excess of the GMP) shall then be increased before payment in accordance with the Revaluation Laws and the GMP shall be increased in accordance with the Contracting-out Laws; and
- (b) for a Works Employee who becomes a Staff Employee PEN A will be based on Qualifying Pensionable Service while a Staff Employee.

3.2 Pension on early retirement

A Member who leaves Pensionable Service before Normal Retirement Date but after reaching Normal Minimum Pension Age may, with the consent of the Employer, choose to receive a pension as follows:

3.2.1 A Staff Employee who joined the Former Scheme or the Previous Scheme on or after 17 May 1990

$$\mathbf{PEN A} = \frac{QPS}{80} \times FPS_3 \times ERF_{65} + \frac{QPS}{60} \times FPS_2 \times ERF_{65}$$

3.2.2 A male Staff Employee who joined the Previous Scheme before 17 May 1990

PEN A =

where retirement takes place before the Member's 60th birthday

$$\begin{aligned} & \frac{QPS_A}{140} \times FPS_3 \times ERF_{65} + \frac{(QPS - QPS_A - QPS_B)}{80} \times FPS_3 \times ERF_{65} \\ & + \frac{QPS_B}{80} \times FPS_{60,3} \times ERF_{60} + \frac{(QPS - QPS_B)}{60} \times FPS_2 \times ERF_{65} \\ & + \frac{QPS_B}{60} \times FPS_{60,2} \times ERF_{60} \end{aligned}$$

where retirement takes place on or after the Member's 60th birthday

$$\begin{aligned} & \frac{QPS_A}{140} \times FPS_{60,3} \times LRF + \frac{(QPS - QPS_A - QPS_B)}{80} \times FPS_3 \times ERF_{65} \\ & + \frac{QPS_B}{80} \times FPS_{60,3} \times LRF + \frac{(QPS - QPS_B)}{60} \times FPS_2 \times ERF_{65} \\ & + \frac{QPS_B}{60} \times FPS_{60,2} \times LRF \end{aligned}$$

$$\mathbf{PEN B} = \frac{QPS_{EX}}{60} \times FPS \times ERF_{65}$$

3.2.3 A female Staff Employee who joined the Previous Scheme before 17 May 1990

PEN A = where retirement takes place before the Member's 60th birthday,

$$\begin{aligned} & \frac{QPS_A}{140} \times FPS_3 \times ERF_{60} + \frac{(QPS - QPS_A - QPS_B)}{80} \times FPS_3 \times ERF_{65} \\ & + \frac{QPS_B}{80} \times FPS_3 \times ERF_{60} + \frac{(QPS - QPS_B)}{60} \times FPS_2 \times ERF_{65} \\ & + \frac{QPS_B}{60} \times FPS_2 \times ERF_{60} \end{aligned}$$

where retirement takes place on or after the Member's 60th birthday,

$$\begin{aligned} & \frac{QPS_A}{140} \times FPS_{60,3} \times LRF + \frac{(QPS - QPS_A - QPS_B)}{80} \times FPS_3 \times ERF_{65} \\ & + \frac{QPS_B}{80} \times FPS_{60,3} \times LRF + \frac{(QPS - QPS_B)}{60} \times FPS_2 \times ERF_{65} \\ & + \frac{QPS_B}{60} \times FPE_{60,2} \times LRF \end{aligned}$$

PEN B = where retirement takes place before the Member's 60th birthday,

$$\frac{QPS_{EX}}{60} \times FPS \times ERF_{60}$$

where retirement takes place on or after the Member's 60th birthday,

$$\frac{QPS_{EX}}{60} \times FPS_{60} \times LRF$$

Provided that:

- (a) for a Staff Employee who becomes a Works Employee PEN A and PEN B will be based on Service while a Staff Employee Upper Band Pensionable Salary, Pensionable Salary below the Upper Earnings Limit and Pensionable Salary on the Renewal Date immediately prior to becoming a Works Employee and the pension (in excess of the GMP) shall then be increased before payment in accordance with the Revaluation Laws and the GMP shall be increased in accordance with the Contracting-out Laws; and
- (b) for a Works Employee who becomes a Staff Employee PEN A will be based on Qualifying Pensionable Service while a Staff Employee.

3.3 Preserved pension at Normal Retirement Date

A Member who left Pensionable Service in respect of the Alcoa Britain 2002 section of the Former Scheme without becoming entitled to an immediate pension shall be entitled to receive a pension from Normal Retirement Date. The pension from the Scheme which is attributable to the Member's Pensionable Service in respect of this Kama Staff Section shall be calculated as follows based on the Member's Pensionable Service in this Kama Staff Section and the Member's Final Pensionable Salary at the date of leaving Pensionable Service, or in the case of a Member who is in Pensionable Service in the Alcoa Britain 2002 section of the Former Scheme and elected in accordance with requirements set down by the Principal Employer pursuant to the Kama Transfer Agreement at the time of leaving Pensionable Service in respect of that Section:

3.3.1 A Staff Employee who joined the Former Scheme or the Previous Scheme on or after 17 May 1990.

$$PEN A = \frac{QPS}{80} \times FPS_3 \times RV_{65} + \frac{QPS}{60} \times FPS_2 \times RV_{65}$$

3.3.2 a male Staff Employee who joined the Previous Scheme before 17 May 1990,

PEN A=

where retirement takes place before the Member's 60th birthday

$$\begin{aligned} & \frac{QPS_A}{140} \times FPS_3 \times RV_{65} + \frac{(QPS - QPS_A - QPS_B)}{80} \times FPS_3 \times RV_{65} \\ & + \frac{QPS_B}{80} \times FPS_{60,3} \times RV_{60} + \frac{(QPS - QPS_B)}{60} \times FPS_2 \times RV_{65} \\ & + \frac{QPS_B}{60} \times FPS_{60,2} \times RV_{60} \end{aligned}$$

where retirement takes place on or after the Member's 60th birthday

$$\frac{QPS_A}{140} \times FPS_{60,3} \times LRF + \frac{(QPS - QPS_A - QPS_B)}{80} \times FPS_3 \times RV_{65}$$

$$+ \frac{QPS_B}{80} \times FPS_{60,3} \times LRF + \frac{(QPS - QPS_B)}{60} \times FPS_2 \times RV_{65}$$

$$+ \frac{QPS_B}{60} \times FPS_{60,2} \times LRF$$

$$PEN B = \frac{QPS_{EX}}{60} \times FPS \times RV_{65}$$

3.3.3 A female Staff Employee who joined the Previous Scheme before 17 May 1990.

PEN A =

where the date of leaving is before the Member's 60th birthday,

$$\frac{QPS_A}{140} \times FPS_3 \times RV_{60} \times LRF + \frac{(QPS - QPS_A - QPS_B)}{80} \times FPS_3 \times RV_{65}$$

$$+ \frac{QPS_B}{80} \times FPS_3 \times RV_{60} \times LRF + \frac{(QPS - QPS_B)}{60} \times FPS_2 \times RV_{65}$$

$$+ \frac{QPS_B}{60} \times FPS_2 \times RV_{60} \times LRF$$

where the date of leaving is on or after the Member's 60th birthday,

$$\frac{QPS_A}{140} \times FPS_{60,3} \times LRF + \frac{(QPS - QPS_A - QPS_B)}{80} \times FPS_3 \times RV_{65}$$

$$+ \frac{QPS_B}{80} \times FPS_{60,3} \times LRF + \frac{(QPS - QPS_B)}{60} \times FPS_2 \times RV_{65}$$

$$+ \frac{QPS_B}{60} \times FPS_{60,2} \times LRF$$

PEN B = where the date of leaving is before the Member's 60th birthday.

$$\frac{QPS_{EX}}{60} \times FPS \times RV_{60} \times LRF$$

where the date of leaving is on or after the Member's 60th birthday.

$$\frac{QPS_{EX}}{60} \times FPS_{60} \times LRF$$

Provided that:

- (a) for a Staff Employee who becomes a Works Employee PEN A and PEN B will be based on Service while a Staff Employee Upper Band Pensionable Salary, Pensionable Salary below the Upper Earnings Limit and Pensionable Salary on the Renewal Date immediately prior to becoming a Works Employee and the pension (in excess of the GMP) shall then be increased before payment in accordance with the Revaluation Laws and the GMP shall be increased in accordance with the Contracting-out Laws; and
- (b) for a Works Employee who becomes a Staff Employee PEN A will be based on Qualifying Pensionable Service while a Staff Employee.

3.4 **Other options for the payment of preserved pension**

This **Rule 3.4** shall only apply in respect of a Member who does not have Pensionable Service in the Alcoa Britain 2002 Section of the Scheme.

A Member who is entitled to a pension under **Rule 3.3** (preserved pension at Normal Retirement Date) on leaving Pensionable Service may choose:

- 3.4.1 by giving notice to the Trustees at any time up to one year before Normal Retirement Date, to apply the cash equivalent of his or her benefits to buy one or more annuities, or to acquire rights under another pension scheme or arrangement, in accordance with the Transfer Value Laws;
- 3.4.2 subject to this option being offered by the Trustees, to commence receiving it before Normal Retirement Date (but not before reaching Minimum Pension Age, unless the Member is suffering from Incapacity). The pension shall be reduced for early payment on an actuarial basis which the Trustees may decide (after consulting the Scheme Actuary);
- 3.4.3 to commence receiving it after Normal Retirement Date, if the Trustees agree. The pension shall be increased for late payment on an actuarial basis which the Trustees may decide (after consulting the Scheme Actuary);
- 3.4.4 to exchange pension for a lump sum or Dependant's pension as described in **Rule 6.1** (exchanging for a retirement lump sum) and **Rule 6.2** (exchanging for a dependant's pension) of the Alcoa Britain 2002 Section.

The Trustees must receive advice from the Scheme Actuary that the benefits for a Member who chooses any of the options under this **Rule 3.4** are at least equal in value to the benefits that would otherwise have been provided for the Member under the Scheme.

4. **Benefits payable on the death of a Member**

This Rule sets out the terms on which lump sums and pensions are paid in respect of Members when they die.

4.1 **Benefits on death in Service**

4.1.1 **Death whilst in pensionable service in the Alcoa Britain 2002 Section before Normal Retirement Date**

No Members are in Pensionable Service under the Kama Staff Section. This **Rule 4.1** is included for reference purposes only and describes the benefits that were payable on death in pensionable service under the Kama Staff section of the Former Scheme.

If a male Member died in pensionable service under the Alcoa Britain 2002 section of the Former Scheme before Normal Retirement Date, a pension will be payable to his Spouse equal to 50% of the pension to which the Member would have been entitled at the date of death but which is attributable only to the Member's Pensionable Service in respect of this Kama Staff Section, assuming the Member had survived to Normal Retirement Date without any change in Pensionable Salary (or of Final Pensionable Salary at the date of death, if higher).

If a female Member dies in pensionable service under the Alcoa Britain 2002 section of the Former Scheme before Normal Retirement Date, a pension will be payable to her Spouse equal to 50% of the pension to which the Member would have been entitled at the date of death in respect of Qualifying Pensionable Service from 17th May 1990 but which is attributable only to the Member's Pensionable Service in respect of this Kama Staff Section, assuming the Member had survived to Normal Retirement Date without any change in Pensionable Salary (or of Final Pensionable Salary at the date of death, if higher).

If a Member dies in pensionable service under the Alcoa Britain 2002 section of the Former Scheme before Normal Retirement Date, a pension shall be payable in respect of each Qualifying Child of 10% of the Member's pension at Normal Retirement Date which is attributable only to the Member's Pensionable Service in respect of this Kama Staff Section, assuming the Member had remained in Service and survived to Normal Retirement Date without any change in Pensionable Salary (or of Final Pensionable Salary at the date of death, if higher) PROVIDED THAT in the event of both parents being dead the children's pension will be doubled.

4.1.2 **Death whilst in pensionable service in the Alcoa Britain 2002 Section on or after Normal Retirement Date**

No Members are in Pensionable Service under the Alcoa Britain 2002 Section. This **Rule 4.1.2** is included for reference purposes only and describes the benefits that were payable under the Kama Staff section of the Former Scheme where the member died whilst in pensionable service under the Alcoa Britain 2002 section of the Former Scheme.

If a male Member dies in Service on or after Normal Retirement Date a pension will be payable to his Spouse equal to 50% of the pension to which the Member was entitled at Normal Retirement

Date, assuming the Member had not exchanged any pension for a lump sum or Dependant's pension.

If a female Member dies in Service on or after Normal Retirement Date a pension will be payable to her Spouse equal to 50% of the pension to which the Member was entitled at Normal Retirement Date in respect of Qualifying Pensionable Service from 17th May 1990, assuming the Member had not exchanged any pension for a lump sum or Dependant's pension.

If a Member dies in Service on or after Normal Retirement Date, a pension shall be payable in respect of each Qualifying Child of 10% of the pension to which the member was entitled at Normal Retirement Date, assuming the Member had not exchanged any pension for a lump sum or Dependant's pension PROVIDED THAT in the event of both parents being dead the children's pension will be doubled.

If a Member dies in Service before pension has commenced but on or after Normal Retirement Date and he or she dies leaving a Spouse or dependent child, a pension shall be payable of sixty monthly instalments of the pension which would have been payable if the Member had retired on the day before his or her death.

In addition any transferred Spouse's and children's pension which may apply on death within the period decided by the Trustees will be payable.

In respect of any pension payable under this **Rule 4.1**, if the Member is not survived by a Spouse and no Child's pension is payable, the Trustees shall have discretion to pay a pension in respect of the Member's Pensionable Service attributable to this Kama Staff Section to any Dependant who survives the Member. The amount and duration of such pension shall be at the discretion of the Trustees acting on the advice of the Scheme Actuary, but shall not exceed the amount which would have been payable to a Spouse under this **Rule 4.1**. The total Spouse's pension will be reduced if the Member's Spouse is more than ten years younger than the Member by 2.5% (or such other percentage as the Trustees, with the agreement of the Employer, may decide in any individual case) for each complete year in excess of ten by which the Member's Spouse is younger.

Any lump sum or pension payable under this **Rule 4.1** is subject to **Rule 7.4** (payment of lump sums on death) or **Rule 7.5** (payment of Spouse's pension on death) or **Rule 7.6** (Dependant's pension) of the Alcoa Britain 2002 Section respectively.

4.2 **Benefits on death of a deferred member**

Lump sum

If a Member dies while entitled to a preserved pension under **Rule 3** (pension benefits) any contributions paid by the Member in respect of this Kama Staff Section, including any contributions paid to the Former Scheme, will be repaid if the Member dies before Normal Retirement Date.

If a Member dies while entitled to a preserved pension under **Rule 3** (pension benefits) on or after Normal Retirement Date and there is no Spouse or dependent child, a lump sum shall be payable equal to sixty monthly instalments of the pension which would have been payable if the Member had retired on the day before his or her death and the Trustees may pay this as a pension or a lump sum in instalments at their discretion.

Pension

If a Member dies while entitled to a preserved pension under **Rule 3** (pension benefits) on or after Normal Retirement Date and he or she dies leaving a Spouse or dependent child, a pension shall be payable of sixty monthly instalments of the pension which would have been payable if the Member had retired on the day before his or her death.

In addition any transferred Spouse's pension which may apply on death within the period decided by the Trustees will be payable.

The total Spouse's pension will be reduced if the Member's Spouse is more than ten years younger than the Member by 2.5% (or such other percentage as the Trustees, with the agreement of the Employer, may decide in any individual case) for each complete year in excess of ten by which the Member's Spouse is younger.

In addition a pension in respect of each Qualifying Child will be payable which will be the aggregate of:

- (i) 10% of the preserved pension payable under **Rule 3.2** above, provided that in the event of both parents being dead, the pension will be doubled;
- (ii) any transferred children's pension which may apply on death within the period decided by the Trustees;
- (iii) any increased children's pension provided by the Trustees; and
- (iv) any voluntary children's pension selected by the Member and secured by voluntary contributions.

If the Member is not survived by a Spouse and no Child's pension is payable, the Trustees shall have discretion to pay a pension in respect of the Member's Pensionable Service attributable to this Kama Staff Section to any Dependant who survives the Member. The amount and duration of such pension shall be at the discretion of the Trustees acting on the advice of the Scheme Actuary, but shall not exceed the amount which would have been payable to a Spouse under this **Rule 4.2**.

Any lump sum or pension payable under this **Rule 4.2** is subject to **Rule 7.4** (payment of lump sums on death) or **Rule 7.5** (payment of Spouse's pension on death) or **Rule 7.6** (Dependant's pension) of the Alcoa Britain 2002 Section respectively.

4.3 Benefits on death after pension commences

If a Member dies while receiving a pension, a pension shall be payable and a lump sum may also be payable.

4.3.1 Lump sum

This **Rule 4.3.1** shall only apply to a Member who has no Pensionable Service in respect of the Alcoa Britain 2002 Section.

If the Member dies within 5 years after his or her pension commences without leaving a Spouse or dependent child, a lump sum will be payable equal to the total of 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). The Trustees may pay this as a pension or a lump sum in instalments at their discretion if the Member dies in Service.

4.3.2 Pension

In the case of a Member who has Pensionable Service in the Alcoa Britain 2002 Section, the provisions of this **Rule 4.3.2** shall only apply in respect of such Member's Pensionable Service which is attributable to this Kama Staff Section.

If a male Member dies after his pension commences a pension will be payable to his Spouse equal to 50% of the pension payable to the Member, or if the Member had exchanged any pension for a lump sum or Dependant's pension, 50% of the pension which would have been payable if the Member had not done so.

If a female Member dies after her pension commences a pension will be payable to her Spouse equal to 50% of the pension payable to the Member, or if the Member had exchanged any pension for a lump sum or Dependant's pension, 50% of the pension which would have been payable if the Member had not done so, but only in respect of Qualifying Pensionable Service from 17th May 1990 which is attributable to the Member's Pensionable Service in respect of this Kama Staff Section.

In addition a pension will be payable in respect of each Qualifying Child of 10% of the pension payable to the Member, or if the Member had exchanged any pension for a lump sum or Dependant's pension, 10% of the pension which would have been payable if the Member had not done so PROVIDED THAT in the event of both parents being dead the children's pension will be doubled.

In addition any transferred Spouse's and children's pension which may apply on death within the period decided by the Trustees will be payable.

If a Member dies within 5 years after his or her pension commences leaving a Spouse or dependent child, the instalments of the pension shall continue to be paid until a total of 60 monthly payments have been paid.

The total Spouse's pension will be reduced if the Member's Spouse is more than ten years younger than the Member by 2.5% (or such other percentage as the Trustees, with the agreement of the Employer, may decide in any individual case) for each complete year in excess of ten by which the Member's Spouse is younger.

If the Member is not survived by a Spouse and no Child's pension is payable, the Trustees shall have discretion to pay a pension in respect of the Member's Pensionable Service attributable to this Kama Staff Section to any Dependant who survives the Member. The amount and duration of such pension shall be at the discretion of the Trustees acting on the advice of the Scheme Actuary, but shall not exceed the amount which would have been payable to a Spouse under this **Rule 4.3**.

Any lump sum or pension payable under this **Rule 4.3** is subject to **Rule 7.4** of the Alcoa Britain 2002 Section (payment of lump sums on death) or **Rule 7.5** of the Alcoa Britain 2002 Section (payment of Spouse's pension on death) or **Rule 7.6** of the Alcoa Britain 2002 Section (Dependant's pension) respectively.

5. **Pension increases**

This Rule sets out the terms for increasing pensions in payment in respect of Members of this Kama Staff Section.

5.1 **The rates of increase**

The Trustees shall increase pensions in payment which are attributable to this Kama Staff Section as follows:

5.1.1 any part of such pension (including the GMP) which is attributable to Pensionable Service from 1 July 1977 up to and including 5 April 1997, by 3 per cent per annum compound; and

5.1.2 any part of such pension which is attributable to Pensionable Service with effect on and from 6 April 1997 the increase in the retail prices index over the year ending 30 September in the calendar year prior to that in which the increase is due to take place, subject to a maximum of 5 per cent per annum;

PROVIDED THAT only that part of the pension which could not be commuted for a tax-free cash lump sum payment shall be subject to the increases provided for by this **Rule 5.1**.

A pension which has been in payment for less than one year may be increased by less than the full increase (but shall always be increased by at least $\frac{1}{12}$ th of the full increase for each complete month since the pension commenced).

EVERSHEDS
SUTHERLAND

Dated: 13 January 2022

Rules of The Arconic Pension Plan

Kama Works Section

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THE KAMA WORKS SECTION RULES

These are the Rules that govern the benefits payable under the Kama Works Section and should be read together with the C Rules and the Rules of the Alcoa Britain 2002 Section.

1. **Meaning of defined terms**

Unless otherwise stated below, words with a capital first letter are defined in **Rule 1** of the Alcoa Britain 2002 Section of the Scheme.

"C Rules" means the Constitutional Rules which are common to all sections of the Scheme;

"Commencing Date" means 1 April 1997;

"Company" means Kama Europe Limited or any other company or firm which shall as a result of any amalgamation, reconstruction, purchase or otherwise carry on or succeed to the business of the Company and which shall expressly assume the obligations under the Scheme of its predecessors in business;

"Final Pensionable Salary" at the Normal Retirement Date or at any earlier date of calculation, as the case may be, means

(a) for a Member who is a Staff Employee, an amount calculated by taking the yearly average of the Member's Pensionable Salaries for each three year period or such shorter period as is available within the ten years ending immediately before the Normal Retirement Date (or the appropriate earlier date) and then taking the highest of these average amounts;

(b) for a Member who is a Works Employee, an amount calculated by taking the yearly average of the Member's Pensionable Salaries for each five year period or such shorter period as is available within the ten years ending immediately before the Normal Retirement Date (or appropriate earlier date) and then taking the highest of these average amounts;

Provided that on Service ending more than ten years before Normal Retirement Date Final Pensionable Salary will be Pensionable Salary, if higher.

For the avoidance of doubt, in respect of a Member who has Pensionable Service in the Alcoa Britain 2002 Section, Final Pensionable Salary shall be calculated as at the date on which the Member left pensionable service under the Alcoa Britain 2002 section of the Former Scheme PROVIDED THAT in the case of a Member who was in Pensionable Service in the Alcoa Britain 2002 section of the Former Scheme on 31 January 2019, Final Pensionable Salary shall be calculated as at the earlier of: (a) the date of leaving Service; and (b) 5 April 2019;

"Kama Scheme" means the Kama Europe Limited Retirement Benefits Scheme;

"Kama Works Section" means this Kama Works section of the Scheme to which these Rules apply;

"Kama Transfer Agreement" means the agreements which gave effect to the transfer of accrued benefits from the Kama Scheme to the Former Scheme;

"Lower Earnings Limit"	means the annual equivalent of the lower earnings limit for Class 1 National Insurance Contributions under section 5(1) Social Security Contributions and Benefits Act 1992, the annual equivalent being 52 times the weekly amount;
"Member"	means a person who joined the Former Scheme pursuant to the Kama Transfer Agreement and subsequently joined the Scheme pursuant to the ABPS Transfer Agreement and in respect of whom the Trustees have a liability to pay or provide benefits;
"Middle Band Final Pensionable Salary"	means at any date of calculation of Final Pensionable Salary the average of Middle Band Pensionable Salaries calculated over the same period as Final Pensionable Salary provided that if Service ends more than ten years before Normal Retirement Date, Middle Band Final Pensionable Salary will be Middle Band Pensionable Salary, if higher;
"Middle Band Pensionable Salary"	<p>is calculated at the date of joining and thereafter at the Renewal Date in each year and means</p> <p>(a) in the case of a Member who is a Staff Employee, annual Salary between the Lower Earnings Limit and the Upper Earnings Limit, such limits being those applicable at the date of calculation, or</p> <p>(b) in the case of a Member who is a Works Employee, the gross taxable earnings from the Employer for the income tax year ending on the previous 5 April between the Lower Earnings Limit and the Upper Earnings Limit, such limits being those applicable at the date of calculation;</p>
"Minimum Pension Age"	means age 55, unless the Member has a "protected pension age" for the purposes of Schedule 36 of the Finance Act 2004;
"Normal Retirement Date"	means a Member's 65th birthday;
"Pensionable Salary"	<p>is calculated at the date of joining and thereafter at the Renewal Date in each year and means</p> <p>(a) in the case of a Member who is a Staff Employee annual Salary, or</p> <p>(b) in the case of a Member who is a Works Employee the gross taxable earnings from the Employer for the income tax year ending on the previous 5 April less an amount approximately equal to the Lower Earnings Limit;</p> <p>PROVIDED THAT a Member's Pensionable Salary may not exceed the Scheme Earnings Cap;</p>
"Pensionable Service"	means for the purposes of this Kama Works Section the pensionable service which was credited to the Member following his or her transfer to the Scheme pursuant to the ABPS Transfer Agreement. For the avoidance of doubt it shall not include any Service whilst the Member was in "pensionable service" in the Alcoa Britain 2002 section of the Former Scheme;
"Previous Scheme"	means the Viskase Sedgefield Retirement Benefits Scheme;

"Qualifying Pensionable Service"	<p>means</p> <p>(a) in respect of a Member who was a member of the Previous Scheme at 31 March 1997 and transferred to the Former Scheme on 1 April 1997, Service counting for pension under the Previous Scheme plus Service while a Member of the Former Scheme up to Normal Retirement Date,</p> <p>(b) in respect of any other Member, Service from the date of joining the Company up to Normal Retirement Date provided that in the case of employees who had effected a personal pension plan and who subsequently ceased to pay contributions to that plan on becoming a Member, Qualifying Pensionable Service will mean Service from the date of becoming a Member up to Normal Retirement Date;</p>
"Renewal Date"	<p>means</p> <p>(a) in respect of Qualifying Pensionable Service completed from the Commencing Date, each 1 April, and</p> <p>(b) in respect of Qualifying Pensionable Service completed under the Previous Scheme, each 1 January;</p>
"Rules"	<p>means the rules which govern the Kama Works Section of the Scheme;</p>
"Salary"	<p>means basic salary or wage and does not include bonuses, overtime, commission, directors' fees or similar payments. Annual salary is twelve times the monthly salary or fifty two times the weekly wage;</p>
"Scheme Earnings Cap"	<p>means, prior to 6 April 2006, the "permitted maximum" (as defined in Section 590C(2) of the Income and Corporation Taxes Act 1988) which applied at the time of the Member leaving Scheme.</p> <p>In respect of the tax year 2006/07 it shall mean £108,600.</p> <p>It shall subsequently be increased annually by reference to either the basis set out in section 590C(5) and section 590C(5A) of the Income and Corporation Taxes Act 1988 (notwithstanding the repeal of these sections), or another more generous basis chosen by the Principal Employer and notified to the Trustees from time to time;</p>
"Staff Employee"	<p>means a Member who is either designated by the Employer as a staff employee or who is a full-time salaried director of the Employer which has been notified to the Trustees by the Former Scheme's trustees pursuant to the ABPS Transfer Agreement;</p>
"Upper Band Final Pensionable Salary"	<p>means at any date of calculation of Final Pensionable Salary the average of Upper Band Pensionable Salaries calculated over the same period as Final Pensionable Salary provided that if Service ends more than ten years before Normal Retirement Date, Upper Band Final Pensionable Salary will be Upper Band Pensionable Salary;</p>

- “Upper Band Pensionable Salary”** is calculated at the date of joining the Former Scheme and thereafter at the Renewal Date in each year and means
- (a) in the case of a Member who is a Staff Employee, annual Salary above the Upper Earnings Limit, such limit being that applicable at the date of calculation, or
- (b) in the case of a Member who is a Works Employee, the gross taxable earnings from the Employer for the income tax year ending on the previous 5 April above the Upper Earnings Limit, such limit being that applicable at the date of calculation;
- “Upper Earnings Limit”** means the annual equivalent of the upper earnings limit for Class 1 National Insurance Contributions as set out in section 5(1) of the Social Security Contributions and Benefits Act 1992, the annual equivalent being 52 times the weekly amount;
- “Works Employee”** means a Member who is designated by the Employer as a works employee which has been notified to the Trustees by the Former Scheme’s trustees pursuant to the ABPS Transfer Agreement;

2. **Membership of the Scheme**

The Kama Works Section is closed to new Members.

3. Pension benefits

This Rule sets out the terms governing the calculation of pension benefits for Members of the Kama Works Section.

The amount of annual pension at Normal Retirement Date, the date of early retirement or the date of leaving (including revaluation to Normal Retirement Date), as appropriate, will be **PEN A**.

For the purposes of this **Rule 3** the following terms shall be described as set out below:

- ERF₆₅** the adjustment determined by the Trustees from time to time, certified as reasonable by the Scheme Actuary, to take account of the early payment of benefit. The adjustment is based on the number of complete years and complete months between the date of early retirement and the Member's Normal Retirement Date.
- FPS₁** Middle Band Final Pensionable Salary calculated at Normal Retirement Date, the date of early retirement, or the date of leaving, as appropriate.
- FPS₂** Upper Band Final Pensionable Salary calculated at Normal Retirement Date, the date of early retirement, or the date of leaving, as appropriate.
- QPS** Qualifying Pensionable Service on or after 1 July 1977, or later date of joining the Scheme, and prior to Normal Retirement Date, the date of early retirement, or the date of leaving, as appropriate, calculated in complete years, with a proportion for additional complete months.
- RV₆₅** the revaluation factor required on preserved benefits between the date of leaving and Normal Retirement Date (the pension (in excess of the GMP) shall be increased before payment in accordance with the Revaluation Laws and the GMP shall be increased in accordance with the Contracting-out Laws).

3.1 Pension at Normal Retirement Date

This **Rule 3.1** describes how pensions were calculated for active members under the Kama section of the Former Scheme. This Kama Section has never had any active members and this Rule is therefore included for reference purposes only.

A Member shall receive a pension from Normal Retirement Date as follows:

$$\mathbf{PEN A} = \frac{QPS}{160} \times FPS_1 + \frac{QPS}{80} \times FPS_2$$

Provided that:

- (a) for a Works Employee who becomes a Staff Employee the pension for Qualifying Pensionable Service while a Works Employee will be PEN A above, based on Middle Band Pensionable Salary and Upper Band Pensionable Salary on the Renewal Date immediately prior to becoming a Staff Employee and the pension (in excess of the GMP) shall be increased before payment in accordance with the Revaluation Laws and the GMP shall be increased in accordance with the Contracting-out Laws; and
- (b) for a Staff Employee who becomes a Works Employee PEN A will be based on Qualifying Pensionable Service while a Works Employee.

3.2 Pension on early retirement

A Member who leaves Pensionable Service before Normal Retirement Date but after reaching Normal Minimum Pension Age may, with the consent of the Employer, choose to receive a pension as follows:

$$\mathbf{PEN A} = \frac{QPS}{160} \times FPS_1 \times ERF_{65} + \frac{QPS}{80} \times FPS_2 \times ERF_{65}$$

Provided that:

- (a) for a Works Employee who becomes a Staff Employee the pension for Qualifying Pensionable Service while a Works Employee will be PEN A above, based on Middle Band Pensionable Salary and Upper Band Pensionable Salary on the Renewal Date immediately prior to becoming a Staff Employee and the pension (in excess of the GMP) shall be increased before payment in accordance with the Revaluation Laws and the GMP shall be increased in accordance with the Contracting-out Laws; and
- (b) for a Staff Employee who becomes a Works Employee PEN A will be based on Qualifying Pensionable Service while a Works Employee.

3.3 Preserved pension at Normal Retirement Date

A Member who left Pensionable Service in respect of the Alcoa Britain 2002 section of the Former Scheme without becoming entitled to an immediate pension shall be entitled to receive a pension from Normal Retirement Date. The pension from the Scheme which is attributable to the Member's Pensionable Service in respect of this Kama Works Section shall be calculated as follows based on the Member's Pensionable Service in this Kama Works Section and the Member's Final Pensionable Salary at the date of leaving Pensionable Service, or in the case of a Member who was in Pensionable Service in the Alcoa Britain 2002 section of the Former Scheme and elected in accordance with requirements set down by the Principal Employer pursuant to the Kama Transfer Agreement at the time of leaving Pensionable Service in respect of that section:

$$\text{PEN A} = \frac{\text{QPS}}{160} \times \text{FPS}_1 \times \text{RV}_{65} + \frac{\text{QPS}}{80} \times \text{FPS}_2 \times \text{RV}_{65}$$

Provided that:

- (a) for a Works Employee who becomes a Staff Employee the pension for Qualifying Pensionable Service while a Works Employee will be PEN A above, based on Middle Band Pensionable Salary and Upper Band Pensionable Salary on the Renewal Date immediately prior to becoming a Staff Employee and the pension (in excess of the GMP) shall then be increased before payment in accordance with the Revaluation Laws and the GMP shall be increased in accordance with the Contracting-out Laws; and
- (b) for a Staff Employee who becomes a Works Employee PEN A will be based on Qualifying Pensionable Service while a Works Employee.

3.4 Other options for the payment of preserved pension

This **Rule 3.4** shall only apply in respect of a Member who does not have Pensionable Service in the Alcoa Britain 2002 Section of the Scheme.

A Member who became entitled to a pension under **Rule 3.3** (preserved pension at Normal Retirement Date) on leaving Pensionable Service may choose:

- 3.4.1 by giving notice to the Trustees at any time up to one year before Normal Retirement Date, to apply the cash equivalent of his or her benefits to buy one or more annuities, or to acquire rights under another pension scheme or arrangement, in accordance with the Transfer Value Laws;
- 3.4.2 subject to this option being offered by the Trustees, to commence receiving it before Normal Retirement Date (but not before reaching Minimum Pension Age, unless the Member is suffering from Incapacity). The pension shall be reduced for early payment on an actuarial basis which the Trustees may decide (after consulting the Scheme Actuary);
- 3.4.3 to commence receiving it after Normal Retirement Date, if the Trustees agree. The pension shall be increased for late payment on an actuarial basis which the Trustees may decide (after consulting the Scheme Actuary);
- 3.4.4 to exchange pension for a lump sum or Dependant's pension as described in **Rule 6.1** (exchanging for a retirement lump sum) and

Rule 6.2 (exchanging for a dependant's pension) of the Alcoa Britain 2002 Section.

The Trustees must receive advice from the Scheme Actuary that the benefits for a Member who chooses any of the options under this **Rule 3.4** are at least equal in value to the benefits that would otherwise have been provided for the Member under the Scheme.

4. **Benefits payable on the death of a Member**

This Rule sets out the terms on which lump sums and pensions are paid in respect of Members when they die.

4.1 **Benefits on death in Service**

No Members are in Pensionable Service under the Kama Works Section. This **Rule 4.1** is included for reference purposes only and describes the benefits that were payable on death in pensionable service under the Kama Works section of the Former Scheme.

4.1.1 **Death whilst in pensionable service in the Alcoa Britain 2002 Section before Normal Retirement Date**

If a male Member died in pensionable service in the Alcoa Britain 2002 section of the Former Scheme before Normal Retirement Date, a pension will be payable to his Spouse equal to 50% of the pension to which the Member would have been entitled at the date of death but which is attributable only to the Member's Pensionable Service in respect of this Kama Works Section, assuming the Member had to Normal Retirement Date without any change in Pensionable Salary (or of Final Pensionable Salary at the date of death, if higher).

If a female Member died in pensionable service in the Alcoa Britain 2002 section of the Former Scheme before Normal Retirement Date, a pension will be payable to her Spouse equal to 50% of the pension to which the Member would have been entitled at the date of death in respect of Qualifying Pensionable Service from 17th May 1990 but which is attributable only to the Member's Pensionable Service in respect of this Kama Works Section, assuming the Member had to Normal Retirement Date without any change in Pensionable Salary (or of Final Pensionable Salary at the date of death, if higher).

4.1.2 **Death whilst in pensionable service in the Alcoa Britain 2002 Section on or after Normal Retirement Date**

If a male Member died in pensionable service in the Alcoa Britain 2002 section of the Former Scheme on or after Normal Retirement Date, a pension will be payable to his Spouse equal to 50% of the pension to which the Member was entitled at Normal Retirement Date but which is attributable only to the Member's Pensionable Service in respect of this Kama Works Section, assuming the Member had not exchanged any pension for a lump sum or Dependant's pension.

If a female Member died in pensionable service in the Alcoa Britain 2002 section of the Former Scheme on or after Normal Retirement Date, a pension will be payable to her Spouse equal to 50% of the pension to which the Member was entitled at Normal Retirement Date in respect of Qualifying Pensionable Service from 17th May 1990 but which is attributable only to the Member's Pensionable Service in respect of this Kama Works Section, assuming the Member had not exchanged any pension for a lump sum or Dependant's pension.

4.1.3 In addition any transferred Spouse's pension which may apply on death within the period decided by the Trustees will be payable.

- 4.1.4A In respect of any pension payable under this **Rule 4.1**, if the Member is not survived by a Spouse, the Trustees shall have discretion to pay a pension in respect of the Member's Pensionable Service attributable to this Kama Works Section to any Dependant who survives the Member. The amount and duration of such pension shall be at the discretion of the Trustees acting on the advice of the Scheme Actuary but shall not exceed the amount which would otherwise be payable to a Spouse under this **Rule 4.1**.
- 4.1.4 The total Spouse's pension will be reduced if the Member's Spouse is more than ten years younger than the Member by 2.5% (or such other percentage as the Trustees, with the agreement of the Employer, may decide in any individual case) for each complete year in excess of ten by which the Member's Spouse is younger.
- 4.1.5 Any lump sum or pension payable under this **Rule 4.1** is subject to **Rule 7.4** (payment of lump sums on death) or **Rule 7.5** (payment of Spouse's pension on death) or **Rule 7.6** (Dependant's pension) of the Alcoa Britain 2002 Section respectively.

4.2 **Benefits on death of a deferred member**

If a Member dies while entitled to a preserved pension under **Rule 3** (pension benefits) any contributions paid by the Member in respect of this Kama Works Section will be repaid.

In addition any transferred Spouse's pension which may apply on death within the period decided by the Trustees will be payable.

The total Spouse's pension will be reduced if the Member's Spouse is more than ten years younger than the Member by 2.5% (or such other percentage as the Trustees, with the agreement of the Employer, may decide in any individual case) for each complete year in excess of ten by which the Member's Spouse is younger.

If the Member is not survived by a Spouse, the Trustees shall have discretion to pay a pension in respect of the Member's Pensionable Service attributable to this Kama Works Section to any Dependant who survives the Member. The amount and duration of such pension shall be at the discretion of the Trustees acting on the advice of the Scheme Actuary, but shall not exceed the amount which would have been payable to a Spouse under this **Rule 4.2**.

Any lump sum or pension payable under this **Rule 4.2** is subject to **Rule 7.4** of the Alcoa Britain 2002 Section (payment of lump sums on death) or **Rule 7.5** of the Alcoa Britain 2002 Section (payment of Spouse's pension on death) or **Rule 7.6** of the Alcoa Britain 2002 Section (Dependant's pension) respectively.

4.3 **Benefits on death after pension commences**

If a male Member dies after his pension commences, a pension will be payable to his Spouse equal to 50% of the pension payable to the Member in respect of this Kama Works Section, or if the Member had exchanged any pension for a lump sum or Dependant's pension, 50% of the pension which would have been payable if the Member had not done so.

If a female Member dies after her pension commences, a pension will be payable to her Spouse equal to 50% of the pension to the Member in respect of Qualifying Pensionable Service from 17th May 1990 but which is attributable only to the Member's Pensionable Service in respect of this Kama Works Section, or if the Member had exchanged any pension for a lump sum or

Dependant's pension, 50% of the pension which would have been payable if the Member had not done so.

In addition any transferred Spouse's pension which may apply on death within the period decided by the Trustees will be payable.

The total Spouse's pension will be reduced if the Member's Spouse is more than ten years younger than the Member by 2.5% (or such other percentage as the Trustees, with the agreement of the Employer, may decide in any individual case) for each complete year in excess of ten by which the Member's Spouse is younger.

If the Member is not survived by a Spouse, the Trustees shall have discretion to pay a pension in respect of the Member's Pensionable Service attributable to this Kama Works Section to any Dependant who survives the Member. The amount and duration of such pension shall be at the discretion of the Trustees acting on the advice of the Scheme Actuary, but shall not exceed the amount which would have been payable to a Spouse under this **Rule 4.3**.

Any lump sum or pension payable under this **Rule 4.3** is subject to **Rule 7.4** of the Alcoa Britain 2002 Section (payment of lump sums on death) or **Rule 7.5** of the Alcoa Britain 2002 Section (payment of Spouse's pension on death) or **Rule 7.6** of the Alcoa Britain 2002 Section (Dependant's pension) respectively.

5. **Pension increases**

This Rule sets out the terms for increasing pensions in payment in respect of Members of this Kama Works Section.

5.1 **The rates of increase**

The Trustees shall increase pensions in payment which are attributable to this Kama Works Section as follows:

5.1.1 any part of such pension (including the GMP) which is attributable to Pensionable Service from 1 July 1977 up to and including 5 April 1997, by 3 per cent per annum compound; and

5.1.2 any part of such pension which is attributable to Pensionable Service with effect on and from 6 April 1997 the increase in the retail prices index over the year ending 30 September in the calendar year prior to that in which the increase is due to take place, subject to a maximum of 5 per cent per annum;

PROVIDED THAT only that part of the pension which could not be commuted for a tax-free cash lump sum payment shall be subject to the increases provided for by this **Rule 5.1**.

A pension which has been in payment for less than one year may be increased by less than the full increase (but shall always be increased by at least $\frac{1}{12}$ th of the full increase for each complete month since the pension commenced).

EVERSHEDS
SUTHERLAND

Dated: 13 January 2022

Rules of the Arconic Pension Plan

Kawneer Section

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THE KAWNEER SECTION RULES

These are the Rules that govern the benefits payable under the Kawneer Section and should be read together with the C Rules and the Rules of the Alcoa Britain 2002 Section.

1. **Meaning of defined terms**

Unless otherwise stated below, words with a capital first letter are defined in **Rule 1** of the Alcoa Britain 2002 Section of the Scheme.

"C Rules" means the Constitutional Rules which are common to all sections of the Scheme;

"Final Pensionable Salary" means such amount as was applicable under the Former Scheme immediately prior to the ABPS Transfer Date and which was notified to the Trustees under the terms of the Transfer..

For the avoidance of doubt, in respect of a Member who has Pensionable Service in the Alcoa Britain 2002 Section, Final Pensionable Salary shall be calculated as at the date on which the Member left pensionable service under the Alcoa Britain 2002 section of the Former Scheme PROVIDED THAT in the case of a Member who was in Pensionable Service in the Alcoa Britain 2002 section of the Former Scheme on 31 January 2019, Final Pensionable Salary shall be calculated as at the earlier of: (a) the date of leaving Service; and (b) 5 April 2019;

"Kawneer Scheme" means the Kawneer U.K. Limited Retirement Benefits Scheme;

"Kawneer Section" means this Kawneer section of the Scheme to which these Rules apply;

"Kawneer Transfer Agreement" means the agreement dated 1st April 2003 (and subsequent agreement in respect of contracting-out rights, dated 24th January 2008) which gave effect to the transfer of accrued benefits from the Kawneer Scheme to the Former Scheme;

"Member" means a person who joined the Former Scheme pursuant to the Kawneer Transfer Agreement and subsequently joined the Scheme pursuant to the ABPS Transfer Agreement and in respect of whom the Trustees have a liability to pay or provide benefits;

"Minimum Pension Age" means age 55, unless the Member has a "protected pension age" for the purposes of Schedule 36 of the Finance Act 2004;

"Normal Retirement Date" means a Member's 60th birthday;

"Pensionable Service" means for the purposes of this Kawneer Section the pensionable service which was credited to the Member following his or her transfer to the Scheme pursuant to the ABPS Transfer Agreement. For the avoidance of doubt it shall not include any Service whilst the Member is in "pensionable service" in the Alcoa Britain 2002 Section;

"Rules" means the rules which govern the Kawneer Section of the Scheme.

2. **Membership of the Scheme**

The Kawneer Section is closed to new Members.

3. Pension benefits

This Rule sets out the terms governing the calculation of pension benefits for Members of the Kawneer Section.

3.1 Pension at Normal Retirement Date

No Members are in Pensionable Service under the Kawneer Section. This **Rule 3.1** is included for reference purposes only and describes the benefits that were payable under the Kawneer section of the Former Scheme.

A Member shall receive a pension from Normal Retirement Date at a rate of 1/60th of Final Pensionable Salary for each complete year of Pensionable Service in respect of this Kawneer Section, plus an additional proportion of 1/12th of a year for each complete additional month or part of a month.

3.2 Preserved pension at Normal Retirement Date

The pension from the Scheme which is attributable to the Member's Pensionable Service in respect of this Kawneer Section shall be calculated in accordance with **Rule 3.1** above based on the Member's Pensionable Service in this Kawneer Section and the Member's Final Pensionable Salary at the date of leaving Service.

In the case of a Member who was in Pensionable Service in the Alcoa Britain 2002 section of the Former Scheme the Member's Final Pensionable Salary shall be calculated as at the date of leaving Pensionable Service in respect of that section PROVIDED THAT in the case of a Member who was in Pensionable Service in the Alcoa Britain 2002 section of the Former Scheme on 31 January 2019, Final Pensionable Salary shall be calculated as at the earlier of: (a) the date of leaving Service; and (b) 5 April 2019.

The pension (in excess of the GMP) shall then be increased before payment in accordance with the Revaluation Laws and the GMP shall be increased in accordance with the Contracting-out Laws.

For the avoidance of doubt, if the Member has Pensionable Service in the Alcoa Britain 2002 Section of the Scheme any actuarial reduction for early payment or increase for late payment of the pension attributable to this Kawneer Section shall be determined by reference to the Normal Retirement Date as defined in **Rule 1** of this Kawneer Section.

3.3 **Other options for the payment of preserved pension**

This **Rule 3.3** shall only apply in respect of a Member who does not have Pensionable Service in the Alcoa Britain 2002 Section of the Scheme.

A Member who becomes entitled to a pension under **Rule 3.2** (preserved pension at Normal Retirement Date) on leaving Pensionable Service may choose:

- 3.3.1 by giving notice to the Trustees at any time up to one year before Normal Retirement Date, to apply the cash equivalent of his or her benefits to buy one or more annuities, or to acquire rights under another pension scheme or arrangement, in accordance with the Transfer Value Laws;
- 3.3.2 subject to this option being offered by the Trustees, to commence receiving it before Normal Retirement Date (but not before reaching Minimum Pension Age, unless the Member is suffering from Incapacity). The pension shall be reduced for early payment on an actuarial basis which the Trustees may decide (after consulting the Scheme Actuary);
- 3.3.3 to commence receiving it after Normal Retirement Date, if the Trustees agree. The pension shall be increased for late payment on an actuarial basis which the Trustees may decide (after consulting the Scheme Actuary);
- 3.3.4 to exchange pension for a lump sum or Dependant's pension as described in **Rule 6.1** (exchanging for a retirement lump sum) and **Rule 6.2** (exchanging for a dependant's pension) of the Alcoa Britain 2002 Section.

The Trustees must receive advice from the Scheme Actuary that the benefits for a Member who chooses any of the options under this **Rule 3.3** are at least equal in value to the benefits that would otherwise have been provided for the Member under the Scheme.

4. **Benefits payable on the death of a Member**

This Rule sets out the terms on which lump sums and pensions are paid in respect of Members when they die.

4.1 **Benefits on death in Pensionable Service**

No Members are in Pensionable Service under the Kawneer Section. This **Rule 4.1** is included for reference purposes only and describes the benefits that were payable on death in pensionable service under the Kawneer section of the Former Scheme.

If a Member died in pensionable service under the Alcoa Britain 2002 section of the Former Scheme, a pension shall be payable to the Member's Spouse equal to 50 per cent. of the pension which the Member was entitled to under the Kawneer section of the Former Scheme at the date of death but which is attributable only to the Member's Pensionable Service in respect of that section.

If a Member is not survived by a Spouse, the Trustees shall have discretion to pay a pension in respect of the Member's Pensionable Service attributable to the Kawneer section of the Former Scheme to any Dependant who survives the Member. The amount and duration of such pension shall be at the discretion of the Trustees acting on the advice of the Scheme Actuary, but shall not exceed the amount which would have been payable to a Spouse under this **Rule 4.1**.

Any pension payable under this **Rule 4.1** is subject to **Rule 7.5** of the Alcoa Britain 2002 Section (payment of Spouse's pension on death) or **Rule 7.6** of the Alcoa Britain 2002 Section (Dependant's pension) respectively.

4.2 **Benefits on death of a deferred member**

If a Member dies while entitled to a preserved pension under **Rule 3** (pension benefits), a lump sum and a pension shall be payable.

Lump sum

The lump sum shall be equal to the Member's contributions (without interest) and any additional voluntary contributions in respect of this Kawneer Section (which shall include the contributions which the Member had made to the Kawneer Scheme and which were transferred to the Scheme pursuant to the Kawneer Transfer Agreement and which were paid to the Former Scheme and transferred to the Scheme pursuant to the ABPS Transfer Agreement).

Any lump sum payable under this **Rule 4.2** is subject to **Rule 7.4** of the Alcoa Britain 2002 Section (payment of lump sums on death).

Pension

If a Member who has no Pensionable Service in respect of the Alcoa Britain 2002 Section dies while entitled to a preserved pension under **Rule 3.2** (pension benefits), a pension shall be payable to the Member's Spouse equal to 50% of the preserved pension calculated in accordance with **Rule 3.2** that would have been payable to the Member.

If a Member is not survived by a Spouse, the Trustees shall have discretion to pay a pension in respect of the Member's Pensionable Service attributable to the Kawneer Section to any Dependant who survives the Member. The amount and duration of such pension shall be at the discretion of the Trustees acting on the advice of the Scheme Actuary, but shall not exceed the amount which would have been payable to a Spouse under this **Rule 4.2**.

Any pension payable under this **Rule 4.2** is payable subject to **Rule 7.5** of the Alcoa Britain 2002 Section (payment of Spouse's pension on death) or **Rule 7.6** of the Alcoa Britain 2002 Section (Dependant's pension) respectively.

4.3 **Benefits on death after pension commences**

If a Member dies while receiving a pension, a pension shall be payable and a lump sum may also be payable subject to this **Rule 4.3** and **Rule 7.2.1** of the Alcoa Britain 2002 Section (Benefits on death after pension commences – Lump sum).

4.3.1 **Lump sum**

This **Rule 4.3.1** shall only apply to a Member who has no Pensionable Service in respect of the Alcoa Britain 2002 Section.

If a Member dies while receiving a pension, a lump sum will be payable if the Member dies within 5 years after his or her pension commences. If the lump sum is payable, it shall be equal to the total of 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).

4.3.2 **Pension**

If a Member is survived by a Spouse, a pension shall be paid to that Spouse equal to 50 per cent. of the pension payable to the Member at the date of death or, if the Member exchanged pension for a lump sum or a Dependant's pension, 50 per cent. of the pension which would have been payable if the Member had not done so.

In the case of a Member who has Pensionable Service in the Alcoa Britain 2002 Section, the provisions of this **Rule 4.3.2** shall only apply in respect of such Member's Pensionable Service which is attributable to this Kawneer Section.

If the Member is not survived by a Spouse, the Trustees shall have discretion to pay a pension in respect of the Member's Pensionable Service attributable to this Kawneer Section to any Dependant who survives the Member. Such pension is in addition to any pension payable to a Dependant arising from the Member having given up pension for a Dependant's pension. The amount and duration of such pension shall be at the discretion of the Trustees acting on the advice of the Scheme Actuary, but shall not exceed the amount which would have been payable to a Spouse under this **Rule 4.3**.

Any lump sum or pension payable under this **Rule 4.3** is subject to **Rule 7.4** of the Alcoa Britain 2002 Section (payment of lump sums on death) or **Rule 7.5** of the Alcoa Britain 2002 Section (payment of Spouse's pension on death) or **Rule 7.6** of the Alcoa Britain 2002 Section (Dependant's pension) respectively.

If a lump sum becomes payable under this **Rule 4.3** in respect of a Member aged 75 or more, the Trustees may decide not to pay the lump sum and to increase the value of the pension payable in respect of that Member by an amount equal to the lump sum instead.

5. **Pension increases**

This Rule sets out the terms for increasing pensions in payment in respect of Members of this Kawneer Section.

5.1 **The rates of increase**

The Trustees shall increase pensions in payment which are attributable to this Kawneer Section as follows:

5.1.1 any part of such pension (including the GMP) which is attributable to Pensionable Service up to and including 5 April 1997, by 3 per cent per annum; and

5.1.2 any part of such pension which is attributable to Pensionable Service with effect on and from 6 April 1997 by the greater of: (a) the intervals and percentage required by the Pensions Act 1995; and (b) 3 per cent per annum,

PROVIDED THAT only that part of the pension which could not be commuted for a tax-free cash lump sum payment shall be subject to the increases provided for by this **Rule 5.1**, where legislation does not prevent this.

A pension which has been in payment for less than one year may be increased by less than the full increase (but shall always be increased by at least $\frac{1}{12}$ th of the full increase for each complete month since the pension commenced).