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18/12/11

THE INDUSTRY-WIDE MINeworkERS' PENSION SCHEME (THE "SCHEME")

1. RECITALS

1.1 Background

- (a) UK Coal Mining Limited ("UKCML") is the sole participating employer in the UK Coal Employer's Fund within the Scheme (the "UKCML Fund").
- (b) Benefits for service in the UKCML Fund on and after 1 January 2012 (the "Benefit Change Date") were modified pursuant to resolution IWMP/2011/RA3 and, in particular, in accordance with the terms set out in Appendix IV to the Rules as introduced by that resolution. These modifications included changes to the way in which DB Members (as defined in Appendix IV) accrue defined benefits on and after the Benefit Change Date and also the introduction of a defined contribution section. The main provisions of the Rules apply to Members in the UKCML Fund to the extent and in the manner specified in Appendix IV to the Rules setting out the special provisions applicable to them.
- (c) The Trustee and UKCML wish to amend Part 2 (DB Members) of Appendix IV to make it clear that certain provisions of the main Rules relating to the administration of benefits will continue to apply to benefits provided from the defined benefit section on and from the Benefit Change Date, to clarify how guaranteed minimum pensions are revalued and to remove a redundant cross-reference to the lump sum death in service benefit under Rule 24(3) from the Third Schedule so far as relevant to Members in the UKCML Fund. The Trustee and UKCML also wish to amend the way in which Ex Spouse Participants' pensions are increased in deferment and in payment.

1.2 Amendments

- (a) Clause 38(1) of the Trust Deed provides that the Co-ordinator may amend the Trust Deed and Rules with the consent of the Committee of Management subject to certain other restrictions which are not relevant to the amendments set out in this resolution.
- (b) Clause 38 of the Trust Deed permits amendments to take effect from a past date if the Co-ordinator so determines.
- (c) Section 67 of the Pensions Act 1995 (the "Act") provides that a Regulated Modification (as defined in the Act) is voidable unless certain conditions are met.
- (d) The Co-ordinator and the Committee of Management are satisfied that the proposed amendments do not constitute Regulated Modifications.
- (e) The Actuary has confirmed to the Trustee for the purposes of Regulation 42(2) of the Occupational Pension Schemes (Contracting Out) Regulations 1996 that he is satisfied that if the amendments are made to the UKCML Fund, it will continue to satisfy the statutory standard under section 12A of the Pension Schemes Act 1993 in relation to all earners whose employments are contracted-out by reference to it.

- (f) The Co-ordinator has agreed to make the amendment set out below and a majority of the Committee of Management has consented to that amendment as required by Clause 38(4) of the Trust Deed, as evidenced by their respective signatures on this resolution.

2. RESOLUTION

- 2.1 With effect on and from the Benefit Change Date, Appendix IV (Modified UKCML Fund benefits – IWMP) of the Rules will be amended by:

- (a) deleting the defined term "Revaluation Increase1" in paragraph 1(3) of Part 1 (Definitions) of that Appendix in its entirety and replacing it with the following new defined term "Revaluation Increase1":

"Revaluation Increase1" means, in relation to any part of a deferred pension attributable to Contributing Service1 (in excess of any accrued right to a guaranteed minimum pension and equivalent pension benefit), the increases which would be applied under Rule 29 to a deferred pension until the earliest of age 60, date of commencement of pension, or death. For the avoidance of doubt, any accrued rights to a guaranteed minimum pension will be revalued at State Pension Age and increased in accordance with Appendix I (Contracting-out);

- (b) deleting the defined term "Underpin Uplift" in paragraph 1(3) of Part 1 (Definitions) of that Appendix in its entirety and replacing it with the following new defined term "Underpin Uplift":

"Underpin Uplift" means, in relation to a person who is or was in Contributing Service at the Benefit Change Date, who retires after age 60, such uplift as the Actuary determines would produce benefits actuarially equivalent at date of retirement to those which would have been payable if a pension equal to his Underpin Pension had come into payment at age 60 or the Benefit Change Date if later."

- (c) deleting paragraph 39 (Application of Schedules) in Part 2 (DB Members) of that Appendix and replacing it with the following new paragraph 39:

"39. Application of Schedules

The First Schedule, Second Schedule, Third Schedule, Fourth Schedule, Fifth Schedule and Sixth Schedule shall continue to apply on and after the Benefit Change Date except that in the table in Part 1 of the Third Schedule the words "Death in service benefit under Rule 24(3) and" that appear opposite the amount £300 shall be deleted."; and

- (d) deleting paragraph (ee) in paragraph 13(1) of Part 3 (DC Members) of that Appendix and replacing it with the following new paragraph (ee):

"(ee) Third Schedule – to the extent applicable to any benefits accrued as a DB Member and except for the words "Death in service benefit under Rule 24(3) and" that appear opposite the amount £300 in the table in Part 1 of that Schedule;"

2.2 With effect on and from the date of this resolution Appendix IV (Modified UKCML Fund benefits – IWMPS) of the Rules will be amended by:

(a) inserting the following new paragraph 35A between paragraphs 35 and 36 in Part 2 (DB Members) of that Appendix:

"35A Pension Sharing on Divorce – Rule 35A

- (1) Rule 35A (1) to (4) shall continue to apply after the Benefit Change Date.
- (2) Any pension payable to an Ex-Spouse Participant from the Scheme shall be increased:
 - i. where that pension was granted before the date of this resolution, each year in accordance with Rule 28 or 29 as is relevant; or
 - ii. where that pension was granted on or after the date of this resolution, each year in accordance with any applicable statutory requirements in force from time to time.
- (3) Rule 35A(6) to (9) shall continue to apply after the Benefit Change Date.

(b) inserting the following new paragraph 35B between new paragraph 35A (as inserted above) and paragraph 36 in Part 2 (DB Members) of that Appendix:

"35B. Application of Rules 36 to 54

Rules 36 to 54 shall continue to apply on and after the Benefit Change Date.";

2.3 This resolution may be executed in any number of counterparts each of which is an original but all of which when taken together shall constitute a single instrument.

It is HEREBY CONFIRMED that the Committee of Management consents to the above amendment in accordance with Clause 38 of the Trust Deed.

K Jones

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On behalf of the Committee

6 December 2012

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Date

It is HEREBY RESOLVED by the Co-ordinator to amend the Scheme in the manner set out above.

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On behalf of the Co-ordinator

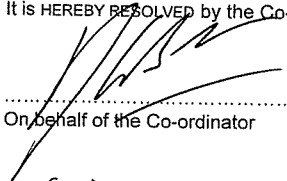
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