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RESOLUTION UNDER SECTION 229 PENSIONS ACT 2004  
THE INDUSTRY-WIDE MINeworkERS' PENSION SCHEME (THE "SCHEME")

This Resolution is made on

*7 December*

2012

1. RECITALS

- (A) UK Coal Mining Limited ("UKCML") is the sole participating employer in the UK Coal Employer's Fund of the Scheme (the "UKCML Section"). Benefits for service in the UKCML Section on and after 29 December 2011 were modified in accordance with the terms set out in Appendix IV to the Scheme's Trust Deed and Rules (the "Modified Basis").
- (B) The UK Coal plc group is undergoing a restructuring, under the terms of which all of the Contributors in the UKCML Section (the "Transferring Employees") transferred to the employment of UK Coal Operations Limited (the "Employer") by operation of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (the "Transfer") on 8 December 2012 (the "Transfer Date").
- (C) As a result, a new Single Employer's Fund was established in the Scheme (the "UKC Operations Section") by deed of adherence dated 8 December 2012. All of the Transferring Employees transferred to the UKC Operations Section of the Scheme in respect of benefits accrued on and from the Transfer Date.
- (D) The Trustees consider that there is an argument that the Modified Basis of accrual will no longer apply to the Transferring Employees on and from the Transfer Date and that the basis of accrual applicable to the Transferring Employees before 29 December 2011 (the "Old Basis") may apply instead. This is because the Transferring Employees are all Protected Persons under the Coal Industry (Protected Persons) Pensions Regulations 1994 (the "Protected Persons Regulations") which provide protection in the event of a change of employer and the operation of the Protected Persons Regulations in that event is unclear.
- (E) The Trustees have prepared a Schedule of Contributions in respect of the contributions due in respect of the Old Basis. A copy of the Trustees' letter is appended to this Resolution at Schedule 1.
- (F) The Employer has refused to agree to sign a Schedule of Contributions prepared on the Old Basis. The Employer has sent a letter to the Trustees to this effect in the form appended to this Resolution at Schedule 2.
- (G) The Trustees consider that it is not possible within the prescribed time to obtain the Employer's agreement to contribute at a rate which is sufficient to fund accrual in the UKC Operations Section on the Old Basis. The Trustees therefore wish to exercise the power afforded to them under section 229(2) of the Pensions Act 2004. This permits the Trustees, with the Employer's agreement (as evidenced by its execution of this Resolution) by resolution to modify the Scheme as regards the future accrual of benefits such that accrual in the UKC Operations Section will be calculated on the Modified Basis.
- (H) As required by section 229(5) of the Pensions Act 2004, the Trustees will report the failure to agree to the Pensions Regulator.
- (I) The Employer has notified the Trustees that it has been unable to consult with active members on this matter as it is required to do under section 259 of the Pensions Act 2004 due to the short timescales involved in the restructuring. Although the Pensions Regulator has not formally dispensed with this consultation requirement, it has notified the Trustees

that it accepts the view that the urgent timescale of the restructuring means the consultation requirements cannot be satisfied in these circumstances. The Trustees are satisfied that they have taken all reasonable steps to secure compliance and that the Employer has provided as much information as possible to those affected in the time available. A copy of the correspondence between the Trustees and the Pensions Regulator is appended to this Resolution at Schedule 3.

- (J) The parties are satisfied that, on taking effect, the modifications being made by this Resolution will not adversely affect the subsisting rights of any member of the Scheme or of any survivor of a member of the Scheme for the purposes of section 67A of the Pensions Act 1995 and section 229(3) of the Pensions Act 2004.
- (K) The Actuary has confirmed to the Trustees 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 UKC Operations Section, 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.

2. RESOLUTION

- 2.1 With effect on and from the date of this Resolution, the Trustees (in exercise of their powers under 229(2) of the Pensions Act 2004) hereby resolve to modify accrual in the UKC Operations Section so that it will be provided on the basis set out in Appendix VII of the Scheme's Trust Deed and Rules in force at the date of this Resolution.
- 2.2 Words and expressions used in this Resolution but not defined shall where the context so admits have the meaning given to them in the Scheme's Trust Deed and Rules.
- 2.3 The parties hereby confirm that they have approved the modifications set out above.

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For and on behalf of the Trustees

*K. Jones*  
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Date *7 December 2012*

*Robert*  
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For and on behalf of UKC Operations Limited

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Date *7 December 2012*