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SCHEDULE 1

The New Provisions

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APPENDIX 3—RULES OF THE NATS SECTION

PART 1:

ADMINISTRATIVE PROVISIONS

17.

CHANGE OF SPONSORING SECTION EMPLOYER

- (a) (a) If legislation is passed for the reconstruction or reconstitution of the Sponsoring Section Employer or if the Sponsoring Section Employer is absorbed by or amalgamated with a company or another body or if the undertaking of the Sponsoring Section Employer (or the major part of it) is assigned to or vested in a company or other body, the Trustees may make such arrangements or enter into such agreements (not being arrangements or agreements of such a kind as to prejudice the continued approval of the Scheme) as they think fit for the continuance of the NATS Section and for such reconstructed or amalgamated or other company or body to take the place of and become the Sponsoring Section Employer for all purposes of the NATS Section from a date agreed with the Trustees provided that such company or body shall undertake to perform all the obligations of the Sponsoring Section Employer under the Trust Deed and the NATS Rules;
- (b) if the Sponsoring Section Employer gives notice in writing to the Trustees of termination of its liability to contribute to the NATS Section as described in Rule 44 or of termination of its willingness to continue as Sponsoring Section Employer in relation to the NATS Section, the Trustees may, provided that recognition of the Scheme as an exempt approved scheme for the purposes of Part I of Chapter XIV of the Taxes Act is not thereby prejudiced, request one of the other Employers participating in the NATS Section to assume the obligations and duties of the Sponsoring Section Employer and if such other Employer is willing to do so such Employer shall take the place of and become the Sponsoring Section Employer of the NATS Section for all purposes of the Scheme and the NATS Section from a date agreed with the retiring Sponsoring Section Employer and the Trustees,

provided always that no arrangement or agreement made under this Rule 17.1 shall be operated in such a manner that any person to whom a benefit is in course of payment from the NATS Section shall receive lower benefits than if the NATS Section were to be wound up at the expiry of a period of six months from the date such arrangement or agreement takes effect.

17.2 If it appears to the Sponsoring Section Employer that the Trustees will be unable to make arrangements as described in paragraph (a) of Rule 17.1 the Sponsoring Section Employer may, after consultation with the Trustees, request one of the other Employers participating in the NATS Section to assume the obligations and duties of the Sponsoring Section Employer on the basis described in paragraph (b) of Rule 17.1 and subject to the proviso to Rule 17.1.

17.3 If the Sponsoring Section Employer ceases to contribute to the NATS Section and if at the date of such cessation it shall appear to the Trustees, after taking advice from the Actuary, that the NATS Section is insolvent with regard to the benefits of persons then in receipt of pensions from the NATS Section and to the then value of the benefits which have accrued to the Members of the NATS Section at that date, the Sponsoring Section Employer shall pay to the Trustees within a period of seven days an amount calculated by the Actuary as being sufficient to restore the solvency of the NATS Section or of the appropriate part of it.