



Hain Celestial UK Pension Plan

Your benefits
explained

November 2017

contents

Terms used in this booklet

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Terms used in this booklet

Annual Allowance	The maximum level of tax-relievable contributions that can be paid into the Scheme and other pension arrangements (including Company contributions). It is set by the Government and reviewed each tax year (£40,000 for 2017/18).
Company	Hain Daniels Group Limited.
Contracted-Out Status	This Plan is not Contracted-Out. Plans such as this pay benefits which are on top of the additional pension paid under the State Plans.
Dependant	Means anyone who is financially dependent on you at the time of your death.
Flexi-access Drawdown	A method of withdrawing benefits by taking up to 25% as a tax free lump sum and then investing the remainder into funds that allow you to take a taxable income when suits.
HMRC	Her Majesty's Revenue and Customs.
Lifetime Allowance	The maximum level of tax privileged savings that can be drawn at retirement, taking into account all pension arrangements. It is set by the Government and reviewed each tax year (£1,000,000 for 2017/18).
Money Purchase Annual Allowance (MPAA)	<p>The maximum tax relievable savings that can be made into a defined contribution arrangement after withdrawing funds through a UFPLS or after drawing income through Flexi-access Drawdown.</p> <p>The MPAA for 2017/18 is set to be reduced to £4,000.</p>
Normal Retirement Age	is your 65 th birthday.
Pension Account	The individual account into which all the monthly contributions are paid. The value of your Account is linked to the investment performance of the fund(s) in which your Account is invested.
Pensionable Salary	For the purposes of contributions, Pensionable salary is determined by the Company. It is basic pay, shift pay plus other payment's at the Company's discretion (for members utilising the Salary Sacrifice option this is the notional salary)

Terms used in this booklet

Plan	Hain Celestial UK Pension Plan.
Plan Administrators	Capita (see Useful Contacts).
Uncrystallised Pension (UFPLS)	Funds Lump Sum A cash withdrawal that does not pay any income. The first 25% is tax free and the remainder is taxed at your marginal rate.

Introduction

This guide applies to employees who join the Hain Celestial UK Pension Plan.

The Company has set up the Plan for the benefit of you and your dependants. It provides a range of benefits giving you and your family security in many situations – not only at retirement.

Under the Plan you have your own individual Account. When you retire the money built up in your Account is used to provide your choice of retirement benefits.

The Plan is set up under a trust, managed by Trustees, and the assets are held completely separately from the Company.

This booklet gives you only a summary of the benefits the Plan provides. It cannot override the legal Trust Deed and Rules, which are the definitive documents that govern the Plan.

If you have any questions either about the Plan or your own benefits please contact your HR Department or Capita (the Plan Administrators).

Plan information is available via the dedicated website www.hcukpensionplan.co.uk.

Summary of the Plan

Your contributions to the Plan are 3, 4 or 5% of your Pensionable Salary (in line with Salary Sacrifice if applicable – see page 5)

The **Company** currently contributes 1% of your Pensionable Salary above the rate you contribute at, i.e. 4, 5 or 6%.

until

**You
leave**

**You
die in
service**

**You
retire**

**After 2 or more
years'
Pensionable
Service:**

Either:

You can leave
your Account
invested in the
Plan until your
death or
retirement

or

transfer the value
of your Account
either to your new
employer's
scheme or into a
personal pension
of your own
choosing. .

Your dependants
or nominees will
receive the benefit
of:

- ❑ a lump sum
equal to 6
times your
Basic Salary

plus

the value of
your account
by way of a
lump sum

The value of your
Account will be
used to provide
you (or you and
your dependants)
with benefits that
are based on the
options you have
selected.

Under current
HMRC rules, part
of the money in
your Account may
be taken as a tax-
free cash sum.

Contributions

Giving you choice and flexibility

Why should I contribute?

The State pension is likely to provide a very basic income in retirement. You will probably want to provide for an additional income that will meet your needs in retirement. Membership of the Plan provides you with an easy and flexible way to save for your retirement. The Plan allows you to make contributions that best suit your personal circumstances both now and in the future. The Plan also offers investment choices that are similarly suited to your personal requirements and retirement needs.

By contributing will benefit from the contributions the Company makes to your Account in addition to your own contributions and the favourable tax treatment that the Plan receives.

How can I join?

This arrangement is no longer open to new members and membership of a Hain Daniels arrangement will be offered as an alternative. Please contact your HR department for further details.

The Company reserves the right to review this decision at any time.

What evidence may I need to produce (initially or later)?

The Trustees may require you to provide evidence of good health (for the Trustees' insurers in respect of death benefits) and other information such as:

- Birth certificate
- Marriage certificate

What happens if I already have a personal pension?

You may contribute to a personal pension arrangement whilst being a Full Member of this Plan.

Can I transfer benefits into the Plan from previous pension arrangements?

It maybe possible to transfer benefits from another arrangement into the Plan; you do not have the automatic right to do this and this will be at the discretion of the Trustees.

If you have other benefits from another arrangement that replace part of your State pension benefits, these cannot be transferred.

Contributions

Deciding how much to pay

The following information explains the contribution amounts you can pay into the Plan and the amount the Company pays.

The Company reserves the right to vary the rate of contributions.

How much do I pay?

You can choose to pay either 3, 4 or 5% of your Pensionable salary.

AVCs can be made as a percentage of your Pensionable Salary, a fixed monthly amount (subject to a minimum of £20 per month) or one off payments (subject to a minimum of £500).

How much does the Company pay?

The Company currently will match your contributions and add a further 1% of your Pensionable Salary.

So, if you contribute 5%, the Company will contribute 6%.

The Company also pays the premiums for the life cover on death in service plus all the costs associated with the running of the Plan, except for the charges for investment management that are included with each fund's unit price.

What are Additional Voluntary Contributions?

Additional Voluntary Contributions (AVCs) can be made to supplement your retirement benefits. You will receive income tax relief at source at your highest rate on any AVCs that you pay.

AVCs can be invested in exactly the same way as the Company's contributions or you may choose a different investment style. The AVC facility is intended to provide you with a simple, flexible and tax efficient way to top up your retirement benefits to suit your personal circumstances.

You should take a closer look at the possibility of making AVCs if you:

- have not had an opportunity to join a pension arrangement from the start of your career.
- intend to retire early (subject to restrictions).
- have taken career breaks or worked part time.
- have Remuneration which is not pensionable under the Plan.
- would like to provide extra pension for yourself, your spouse or any other dependant.

If you wish to pay AVCs you should complete a form available from the HR Department.

Remember total annual contributions, including those received by the Company made to all your pension arrangements are restricted to the Annual Allowance, set by HMRC, which for 2017/18 is £40,000 (unless the MPAA applies).

Contributions

Can I change the rate at which I contribute?

Yes, you can change your rate of contributions once a year effective on 1st August. You will need to complete a 'Change of Contribution' form available from the HR Department or Capita.

How do I make my contributions?

Your contributions will be deducted automatically from your weekly or monthly salary via Payroll.

Remind me where my contributions go

Your contributions are invested by the Trustees of the Plan to purchase units in accordance with your investment allocation instructions.

How do I keep track of my Contributions?

At least once a year you will receive a statement showing the contributions you and the Company have made to the Plan, the units purchased and their current value.

There is also a dedicated web site, www.hcukpensionplan.co.uk, where you are able to check your fund and make investment changes.

Contributions

Salary Sacrifice Arrangement

The Salary Sacrifice arrangement became effective from 1 April 2010.

Each member will be automatically enrolled into the arrangement when joining the Hain Celestial UK Pension Plan but may opt out by completing the relevant box on the Application Form.

Members may move in or out of the Salary Sacrifice arrangement at any time by completing a Salary Sacrifice Opt Out form which can be obtained from HR.

The arrangement applies to all levels of member contribution, including AVC's (until further notice).

Under the arrangement, contributions normally paid by the member are paid instead by the Company, in addition to the usual contributions paid by the Company. The member agrees as a consequence to a reduction in earnings equal to the net cost of their contributions.

This enables you to gain from favourable tax and national insurance savings whereas normal pension contributions only receive tax relief.

There is no change in the pension benefits provided by the Plan, i.e. earnings based benefits will be based on pre-exchanged earnings, known as the reference earnings.

In circumstances where a refund of member contributions is payable following the death of the member, these will include the Company contributions that have been paid in lieu of those that would otherwise have been paid by the member.

The Company contributions referred to above will be paid by the Company into the Plan, and the Trustees will have discretion regarding the beneficiary(ies).

Leaving the Plan

If a member leaves the Plan and is entitled to a refund of contributions, the amount of the contributions paid by the Company in lieu of those that would otherwise have been paid by the member will be refunded by the Company acting on information provided by the Plan Administrators.

IMPORTANT REMINDER

Tax and National Insurance savings will vary dependent upon your level of earnings.

Retirement Benefits

When you start drawing your benefits

When can I start drawing my benefits?

The Scheme's Normal Retirement Date is your 65th birthday. However, under the rules of the Scheme, you are entitled to receive your benefits on retiring at any date between your 55th and your 65th birthday. If you wish to take your pension before age 65, you will need to obtain the consent of the Company and the Trustee Board.

If the Company agrees, you can start drawing your benefits before age 65 and continue working. You may also be eligible to re-join the Scheme

If you intend to retire early it is extremely important to ensure that you have chosen an appropriate Selected Retirement Date (see page 10).

With the consent of the Trustee Board and the Company, you may continue working after age 65.

If you continue working after age 65, you can draw your benefits at age 65 and rejoin the Defined Contribution section with the consent of the Company and the Trustee Board; or you can continue working without drawing your pension, in which case you may continue paying contributions and your benefits will commence on the day of your actual retirement.

What benefits will I receive?

The value of your units that has built up in your Account will be used to provide your retirement benefits.

Shortly before your retirement you will be given the opportunity to tell the Trustee Board what retirement benefits you wish to receive.

Following the changes introduced by the Government from April 2015 there are additional flexibilities available, some of which have been adopted by the Trustee Board. Please see the following pages for further details.

How do I receive details of my options?

The Scheme administrators will automatically write to you at least four months prior to your retirement date to outline your options and will then send a full pack with forms for completion.

Can I take a tax-free lump sum when I retire?

Yes, you can take part of the value of your Account as a tax free cash lump sum.

However, the amount of the lump sum is normally restricted to 25% of your Account value at retirement.

Please note that the cash lump sum may have to be restricted to ensure that sufficient funds remain to purchase a pension annuity.

Retirement Benefits

What are my benefit options within the Scheme?

Option	What it means	Things to think about
<p>Use your pension Account to buy a guaranteed income for life (annuity)</p>	<p>This is the option that has existed to date, and continues to be available You can use up to 25% of your Account to provide a tax free cash lump sum, and use the remainder to buy a guaranteed income paid by an insurance company</p>	<ul style="list-style-type: none"> You will need to shop around to get the best annuity rate (the difference between best and worst market terms can be very significant) If you are in poor health you may be eligible for enhanced terms You will need to consider what sort of annuity to buy, for example whether it will increase each year or whether to provide an income for your spouse or other dependant on your death
<p>Take your whole Account as cash in one go via an UFPLS (see note)</p>	<p>The new flexibilities allow you to take your entire pot as a cash lump sum 25% would be tax free with the remainder taxed as income at your marginal rate</p>	<ul style="list-style-type: none"> A lump sum gives you a lot of flexibility. However, you will need to think about how you can use this amount together with other savings to provide an income through your retirement. Remember that people aged 55 today will typically live to their mid-to-late 80s, with many living longer You will also need to think about the impact on the tax you pay

Note:

By drawing your benefits wholly as a cash sum you will be treated as flexibly accessing your pension rights and will be subject to the Money Purchase Annual Allowance (MPAA), set to be reduced to £4,000, for future money purchase pension savings.

Full details will be provided in the retirement pack but for further information in advance please contact the Scheme Administrators.

Retirement Benefits

What are my benefit options outside of the Scheme?

Option	What it means	Things to think about
<p>Use your Account to provide a flexible retirement income (Flexi-access drawdown)</p>	<p>You can take up to 25% as a tax free cash lump sum and continue to keep the remainder of your pension Account invested</p> <p>You can then draw an income from it each year, which can vary according to your needs</p>	<ul style="list-style-type: none"> • As with every investment its value can go up and down. You will need to think carefully about how you invest your money, much you will need to take out each year and how long your money needs to last • A number of products are available, and you will need to choose the right one for you, bearing in mind the charges that may apply, available guidance and investment options etc • You will also need to think about how the income you draw affects your tax situation
<p>Take your Account as cash in several stages (multiple UFPLSs)</p>	<p>Take the whole Account as a cash lump sum but spreading this over a number of years</p> <p>25% of each payment is tax free with the remainder taxed as income at your marginal rate</p>	<ul style="list-style-type: none"> • Spreading the lump sum over a number of years may help to manage your tax liability, but you will need to think about your own circumstances • If you keep your pension invested the value can go up or down, and you will also need to think about the impact of any charges • You will need to think about how you provide yourself with an income through your retirement

Note:

The options above are available by transferring your benefits away from Scheme. Relevant forms will be provided upon request to the Scheme administrators.

Under both the above options the MPAA will also apply.

Death Benefits

Death in service benefits

What benefits are payable if I die in service?

If you die in service, the Trustees will provide a lump sum equal to:

- ❑ 6 times your Basic Salary at the date of your death (restricted, if appropriate, to a maximum of the Earnings Cap);

plus

- ❑ the value of your own contributions by way of a lump sum

The lump sum is insured with a leading insurance company and, in normal circumstances, the full cover will be provided automatically without any enquiry into the state of your health.

However, if your benefits exceed a certain level or if you do not join the Plan at your first opportunity, you may be required to attend a medical examination and have special terms imposed, or cover restricted. You will be notified if this affects you.

If you fail to attend a medical, or do not complete the relevant forms when required for underwriting purposes, your cover may also be restricted.

Who decides who will receive any lump sums paid on my death before retirement?

The Trustees will make this decision as this normally enables payment to be made free of Inheritance Tax.

The Trustees can choose to whom the lump sum will be paid from the following: your spouse, parents, grandparents and their children and grandchildren, any of their spouses, widows or widowers, any of your dependants, or any other person you notify to the Trustees.

Nomination Forms

You can help the Trustees in making their decision by completing a Nomination Form, on which you can indicate the beneficiaries you would like to receive the benefit.

The Trustees will bear your wishes in mind but are not legally bound by them.

You should change your Nomination Form if and when your personal circumstances change.

A Nomination Form is attached to this booklet; however, if you need a further form, please contact the HR Department.

IMPORTANT REMINDER

If there are any changes in your personal circumstances you should complete a new Nomination Form and return it to the HR Department.

Investment

Deciding which investment style best suits you

Once you have decided if you wish to join the Plan, and if so, the level of your contributions, you will then need to decide how you wish your money to be invested.

What happens to the contributions?

Your contributions and those that the Company makes on your behalf are paid into your individual Account. The contributions are used to buy units in your chosen funds. The funds are described in the Investment Options section. The contributions are invested according to your instructions, until you retire, at which point the Trustees will use the proceeds of your Account to provide you with retirement benefits. The types of benefits that are provided are discussed further on page 6.

Who invests the contributions?

The Trustees of the Plan have selected experienced investment manager (Legal & General) to be responsible for investing all contributions.

The Trustees regularly monitor the performance of the investment providers and periodically review the range of funds offered.

Therefore, over time, the investment provider and/or the range of funds offered may change.

Investment styles

You must decide between one of these two investment style options:

- ❑ Lifestyle – an investment strategy that automatically makes regular investment decisions on your behalf.
- ❑ Self-Select – where you can select your own investment mix (*ie* the percentage in each fund) from the seven funds available, namely:
 1. Diversified
 2. Global Equity
 3. UK Equity
 4. Overseas Equity
 5. Pre-Retirement Fund
 6. Index linked gilts
 7. Cash

You will need to specify on the Application to join the Plan how you wish your contributions to be invested.

Lifestyle – if you do not want to make investment decisions yourself

Lifestyle is designed to address the different investment risks you face throughout your working life. Your mix of investment funds will change, automatically, according to the number of years you have before your expected retirement.

If you adopt the Lifestyle approach you must indicate your anticipated retirement age on the Application form.

Investment

Your changing requirements with Lifestyle

Initially, your Account will be invested in the Diversified Fund. This is a fund that invests in company shares, global bonds, property and alternatives such as commodities and infrastructure.

In the longer term the Diversified Fund would be expected to provide better returns than the Cash Fund.

However the value of the Diversified Fund units may go down as well as up in line with the Stock Market and thus cannot be guaranteed in money terms. This fund may therefore be less suitable for those members close to retirement. Therefore from 3 years before your Selected Retirement Date (SRD) the units held within your Account will automatically be switched out of the Diversified Fund and will be gradually moved into the Cash Fund.

The Cash Fund will provide part of your tax-free cash lump sum. Cash is safe when you are very close to retirement, as its value does not usually fall.

By adopting a structured approach to the investment strategy adopted at each age, the Lifestyle approach is designed to take account of these risks in a sensible way in eliminating the need for individuals to make their own investment decisions.

Selected Retirement Date

If you select the Lifestyle investment approach you will need to decide on a Selected Retirement Date (SRD). This is the year (or date) when you think you may retire. It allows us to take the necessary actions for the automatic switching of your units and contributions over the period close to your SRD.

Your SRD is only an indication of when you intend to retire. This information does not represent an undertaking by you and is strictly confidential.

Selecting the right SRD is extremely important if you are within five years of your actual expected retirement.

Selecting a SRD later than your actual retirement date will mean that more of your funds are invested in a potentially more volatile asset allocation, i.e. a higher equity content than perhaps is justified by your proximity to retirement. Selecting a SRD earlier than your actual retirement date will potentially mean that more of your funds are invested in less volatile but potentially lower return asset classes when you retire.

Investment

Can I change my Selected Retirement Date?

Yes, at any time.

This is particularly important as you get close to retirement. Remember: age 55 is your earliest retirement age and this may mean making a decision about when to retire before you reach age 49. "Lifestyle" as a concept is based on your years to retirement rather than your absolute age.

Self-Select – making your own investment decisions

If you do not choose Lifestyle, then you will need to 'self-select' your own investments from the choices available.

How do I decide which Funds to invest in?

You will need to consider what level of investment risk you are willing to take against the return that might be achieved. Risk is related to the probability that an investment will lead to a gain or loss. Generally speaking, the greater the risk, the greater the possible gain – or loss.

You should also bear in mind how many years you are from your planned or expected retirement date. The further away, the more prepared you may be to take a relatively higher degree of risk with your investment, as you will have more time to take corrective action. In particular you may choose a higher investment risk.

How do I track my fund?

Annual benefit statements are issued to all members of the Plan. These show current unit totals and values.

You can also view your fund at any time via the Plan website, www.hcukpensionplan.co.uk.

Can I change my mind about my investments?

Yes. You can change your investment strategy between Lifestyle and Self-Select or change your Self-Select allocation at any stage. Currently, such switches are free of charges.

The Trustees will initially allow you to change your investment strategy only 4 times in 12 months.

If you wish to make changes to your investments more than this, then the Trustees will consider any reasonable request.

Changes can be made via the Plan website, www.hcukpensionplan.co.uk, or by completing a 'Changing Investments' form available from your HR Department.

Further information on the range of funds available and the investment choices are detailed at the end of this booklet.

IMPORTANT REMINDER

If you are uncertain about what decisions to make, then you should consider seeking independent financial advice.

Leaving the Plan

Can I Opt-out of the Plan and still work for the Company?

Yes. You may opt-out of the Plan at any time by giving one month's written notice to the Company and Trustees. You should think carefully about the consequences of your decision to opt-out of the Plan. If you leave the Plan you will not be able to rejoin at a later date.

If you opt-out of the Plan your pension benefits will be the same as if you had left the Company (see below).

Cessation of Company Contributions

Contributions by the Company into your Account will cease upon:

1. Withdrawal from Membership of the Plan; or
2. Termination of your Contract of Employment

What happens if I leave the Company?

If you cease to be employed by the Company, you will no longer be able to contribute to the Plan.

Company Contributions will cease upon termination of your Contract of Employment and you will receive benefits as detailed on the 'Summary of the Plan'.

What happens to my benefits?

If you become a deferred member, you will receive a leaver's statement that shows the units held in your Account and you will continue to receive statements on an annual basis.

Please ensure any changes of address are notified to Capita.

Between the date you leave the Plan and retirement, your Account will continue to be invested. Your benefits will normally be paid to you at age 65, unless you request that they be paid earlier or later than this. You cannot receive your pension until you reach age 55 unless you are suffering from incapacity.

Can I transfer the value of my Account elsewhere?

Yes. It is possible to transfer the value of your Account to another approved pension arrangement, for example, to a Plan sponsored by your new employer or to a personal pension. A transfer will only be possible if the other Plan agrees to accept it.

If you wish to do this, you should write to the Trustees or the administrator of your new pension arrangement. You must normally make your request to transfer out of the Plan before your 65th birthday (or, if later, within six months of leaving employment).

You cannot transfer your benefits if your pension has started.

Leaving the Plan

What happens if I am a deferred member of the Plan and I die before retirement?

If you die after you have left the Company but before you retire and you have not transferred the value of your Account out of the Plan, the Trustees will, taking into account the instructions you have given, use your Account to:

- pay a lump sum up to the Lifetime Allowance;

and to the extent, if any, that your funds are in excess of those limits:

- provide a pension for your Spouse, Children or Dependants.

If you have not given the Trustees any instructions the Trustees will decide whom they should pay your benefits to.

IMPORTANT REMINDER

It is important that you notify the Plan Administrators of any change of address to avoid any possible delay in the payment of your pension benefits and in order that you will continue to receive statements if you leave the Plan.

Temporary Absence

Special provisions

Do I have to make contributions if I am off work due to ill health?

If you are off work due to ill health and are continuing to receive your salary from the Company, yours and the Company's contributions will continue on an unreduced basis.

If you are receiving no pay, pension contributions will not continue (either from you or the Company). Your Life Assurance cover will continue for up to 12 months.

What happens if I take maternity leave?

During your statutory maternity leave period, you and the Company will continue to contribute to your Account and your membership of the Plan will continue.

What happens if I take a Personal Leave of Absence or career break?

If you are granted leave of absence from work the Company will consider whether your membership should be continued and for how long.

Life cover under the Plan (other than benefits provided on leaving service) will cease if you are absent for more than 12 months.

Further Information

Other information

Who are the Trustees?

The Plan is set up under Trust and the assets are held completely separate from those of the Company.

The Trustees are responsible for ensuring that the Plan is efficiently run and that the investment providers are carrying out their duties correctly.

The Trustees also ensure that the Plan is run in accordance with the terms of the Plan Rules. These set out the legal basis on which the Plan operates.

A list of the current Trustees may be obtained from Capita.

Further information

A copy of the annual report of the Trustees containing audited accounts and an investment report and a list of Trustee and professional advisers is available from the Trustees on request. You can also request from the Trustees a copy of the Rules of the Plan by contacting Capita.

What happens about Tax?

The Scheme is registered with Her Majesty's Revenue & Customs (HMRC). As a result of this registration the Scheme and its members benefit from valuable tax concessions.

Any contributions you make are deducted from your salary before tax, so you benefit from tax relief at your highest rate. Any lump sums that may be paid at retirement are not subject to tax under current legislation. The investment returns credited to your Account are largely tax-free.

Further Information

Can I use my benefits as a security on a loan?

No. Your benefits in the Plan are held in trust and you cannot dispose of or promise your benefits to anyone else.

Future of the Plan

Whilst the Company fully intends to continue the Plan it reserves the right to amend and discontinue the Plan at any time. If the Plan were to be discontinued, your benefits would be secured out of the Plan assets in accordance with the terms of the Trust Deeds and Rules.

Data Protection Act

Information about you and your entitlements held by the Trustees, or by the Plan Administrators, who act on their behalf, is kept secure and is only disclosed in limited circumstances, such as:

- ❑ to the Plan Administrators to advise you and the Company in connection with entitlements under this Plan;
- ❑ to the Company and other companies in the same corporate group as is necessary for the administration of the Plan and to advise you of your entitlements under the Plan;
- ❑ to insurance companies to arrange particular entitlements;
- ❑ to actuaries to advise the Trustees and the Company and any future potential employers; and
- ❑ if the Trustees are so obliged, to government or other regulatory organisations.

Useful Contacts

Useful contacts

Plan Administrators

Capita
Whitstable Operations
PO Box 4990
Sheffield
S1 9GE

☎ 01227 771445

www.hcukpensionplan@capita.co.uk

How we deal with queries and complaints (Internal Dispute Resolution Procedure)

If you have any queries about the Plan or about your entitlement to benefits, the HR Department will be happy to help and should always be your first point of communication.

If the HR Department are unable to deal with your query, or if you wish to make a formal written complaint, you should request a Complaint Form from Capita.

Once completed and returned, your complaint will be considered by the person nominated by the Trustees to consider such disputes. You will normally receive a formal response to your complaint within two months. If your complaint is not dealt with in two months you will be sent a letter explaining the reason for the delay. This letter will also tell you when a formal response will be provided.

If you are not satisfied with the decision reached, you can escalate the matter to the Trustees.

Details of this option will be provided with the response.

In the event that Capita or the Trustees are unable to resolve your query other organisations that can help you are:

The Pensions Advisory Service (TPAS)

TPAS is an independent body that assists members and beneficiaries of occupational pension Plans with difficulties that they have failed to resolve with the Trustees or administrators of their Plan.

It can be contacted at:

TPAS
11 Belgrave Road
London SW1V 1RB

☎ 0845 601 2923

Pensions Ombudsman

The Pensions Ombudsman has the power to investigate and determine complaints or disputes of fact or law in relation to occupational pension Plans. The Pensions Ombudsman will expect the Administrators and the Trustees of a Plan and TPAS to have been approached and both stages of the Internal Disputes Resolution procedure to have been completed before they will investigate any complaint.

The Pensions Ombudsman can be contacted at:

Pensions Ombudsman
11 Belgrave Road
London SW1V 1RB

☎ 020 7834 9144

Useful Contacts

The Pensions Regulator

The Pensions Regulator has extensive powers, with a proactive and risk-focused approach to regulation. Useful information about the Regulator (and copies of the Codes of Practice) can be found at:

www.thepensionsregulator.gov.uk

In addition, the Pensions Regulator has taken over most of the work of the Pensions Registrar. Details of the Plan have been duly registered.

The Pensions Regulator can be contacted at:

Napier House
Trafalgar Place
Brighton BN1 4DW

☎ 0870 606 3636

The Pension Service

To trace a pension Plan to which you have previously belonged you should contact the Pension Service on:

☎ 0845 60 60 265

or the website at:

www.thepensionservice.gov.uk

State benefits

Your local Department for Works and Pension (DWP) office should be contacted for information on the State Pension.

Also, to find out more about your expected State pension you should contact the Retirement Pension Forecasting Team (RPFT) and ask for a forecasting form (BR19), at:

RPFT
The Pension Service
Tyneview Park
Whitley Road
Newcastle upon Tyne
NE98 1BA

☎ 0845 3000 168

The form may also be downloaded from the resource centre of the Pension Service website:

www.thepensionservice.gov.uk

IMPORTANT REMINDER

All queries about the Plan should be raised in the first instance with your HR Department or Capita.

Investment Options

Investment Manager

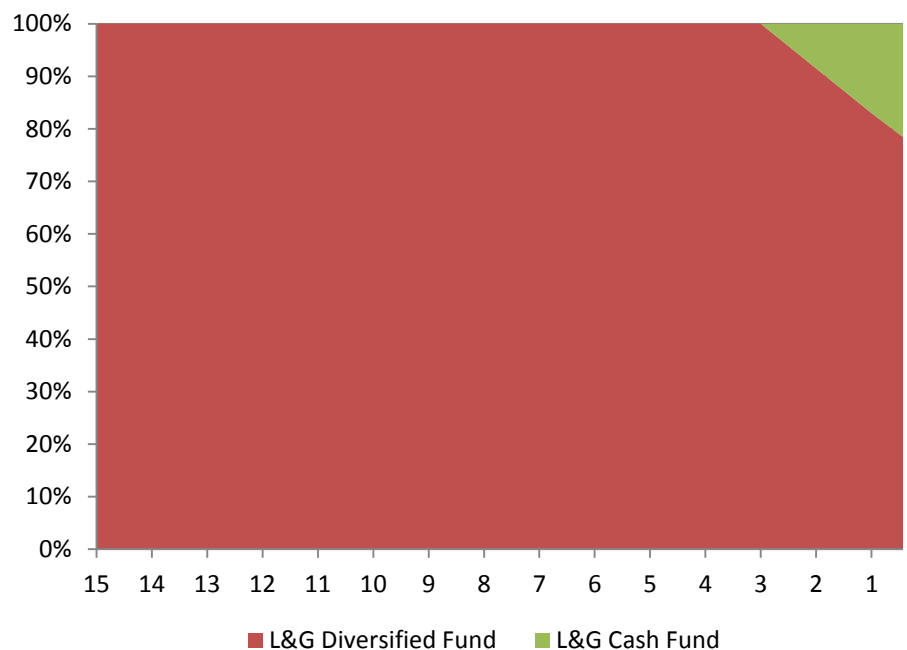
The selected Investment Manager is Legal & General Investment Management Limited – referred to as L&G.

L&G is a large and long established publicly quoted insurance company. The investment arm specialises in offering passive (or indexed) investment products and is one of the largest providers for UK pension fund clients.

Fund factsheets are available from the Plan Administrator.

Lifestyle Fund The Lifestyle Fund uses two L&G funds.

Up to three years before your selected retirement age, all monies will be invested in the Diversified Fund. Thereafter a proportion of the monies will be switched on a gradual basis to the Cash Fund. The Graph below illustrates how this will work in practice:



The aim is to have the whole of your Account invested in diversified assets (75%) and cash (25%) by your selected retirement age.

The Trustees will keep the switching process under review and must retain the right to change it if circumstances require.

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Please note that the Lifestyle Fund will be used unless you indicate otherwise using the Self Select option. However the Trustees cannot provide any form of financial advice – please contact an Independent Financial Adviser if you require any assistance in this regard.

Passive Management

The Trustees have selected a Passive style of investment.

For a passively managed fund, the aim is to achieve a return as close as possible to a particular market. The performance of a market is measured by an index and passive management is therefore also known as index-tracking. For example, one measure of the performance of the UK equity market is the return of the FTSE All-Share Index, which is based on the share prices of over 800 UK companies.

With passive funds, the subjective element of deciding what investment types and which individual shares to invest in are removed. Passive funds effectively invest in the same stocks as the index and in the same proportions. This enables passive investors to achieve returns close to the chosen index.

The Plan's investment options are made up of one or a combination of the 3 basic types of investments below.

Shares

Shares are also known as 'equities' and buying shares means buying a stake in a company. The price of shares usually goes up if a company does well and fall if a company performs badly. Shareholders may also get a part of the company's profits each year – this is known as the dividend.

Over time, company shares have produced much higher returns than any of the other types of investment but shares also involve higher risks. Recently, there have been some disappointing years, however, many experts feel that if you invest for the longer term, funds which invest in shares still offer the greatest potential growth. An equity fund usually invests across a broad range of shares, to give opportunities for growth while limiting the risks if any one share should perform badly.

The funds available let you invest in UK companies, or overseas. Investing internationally can give you better opportunities to spread risk but you should be aware that movements in exchange rates can affect your returns. You could lose money if the value of your investments held in other currencies were to fall against UK Sterling.

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Cash These funds invest in cash deposits, similar to a building society account. Interest is paid regularly. Usually, cash funds can get higher rates of interest than individual savers because they have such large sums of money to invest. Cash investments attract a lower level of risk, but generally give only modest returns, especially at a time of low interest rates. Inflation can also eat away at the value of your money over time. This means that cash funds may not be an appropriate choice when investing for the long term.

Bonds & Gilts Bonds are IOUs issued by Governments and businesses. UK Government bonds are called gilts. In return for investor's money, bonds pay regular interest and repay the amount invested at a pre-determined date. The interest can be fixed (a specific amount each year), or index-linked, which means it will move each year in line with inflation. Bonds are generally seen as lower risk than shares, and offer a useful 'middle way' between share and cash.

Gilts are the lowest risk UK bonds as they are backed by the UK Government. Corporate bonds are issued by large companies. These will vary in terms of risk: bonds issued by well established companies with strong financial standing will usually be rated as lower risk; less stable companies' bonds maybe rated higher risk and may have to offer higher rates of interest to attract investors.

Investment charges The Company meets the costs of running the Plan. However the investment management charges are automatically allowed for within the unit prices of each fund.

Funds available & charges As detailed earlier, there are various fund that you can choose to have your and the Company's contributions invested in. These are detailed with the annual fees as follows:-

Fund	Annual charge
Diversified*	0.30%
Global Equity	0.165%
UK Equity	0.10%
Overseas Equity	0.22%
Pre Retirement (Bond) Fund	0.15%
Index linked gilts	0.10%
Cash *	0.125%

Further information about each fund can be found on the Plan website www.hcukpensionplan.co.uk.

*The funds marked with an asterisk are those included in the Lifestyle option.

Your Notes

