

Westland Pension Scheme

Welcome

Understand more about your Career Salary benefits

The Trustees have produced three documents so far to help you understand the new Career Salary benefit structure.

1. Scheme booklet

The new Scheme booklet was sent to all active members in March 2011.

2. Presentation

Take a look at the presentation on the Scheme website which shows you how your benefits will grow with Career Salary.

3. Block 1 Statement

All active members were sent a Block 1 statement in July 2011. This statement explains your pension entitlement on 5 April 2011, which will form "Block 1" of your pension entitlement under Career Salary.

Coming Soon - Look out for your annual benefits statement, which will be issued in the Autumn.



Elect your trustees!

In 2007 you appointed four members of the Scheme to be your Member Trustees. Their term of office will come to an end on 31 October 2011.

You need to appoint four members to be the new Member Trustees (or re-appoint the current Member Trustees).

Key information

- **Role:** Member Trustee for three or six years
- **Eligible applicants:** Any active or pensioner member of the Scheme (including the current Member Trustees)
- **Number of vacancies:** Four
- **To apply:** Complete the form by 15 September 2011 (which can be downloaded from the website or collected from the Pensions Department).

See page 2 for more details.

Equitable Life

For those who saved AVCs with Equitable Life, turn to page 4 for information.

Member Nominated Trustees

The Trustees of the Westland Pension Scheme (the “Scheme”) perform a vital role in looking after the money in our fund and making sure the right pensions are paid in accordance with the rules.

Every three years, the Scheme will offer the members the opportunity to nominate some of the trustees from among the membership.

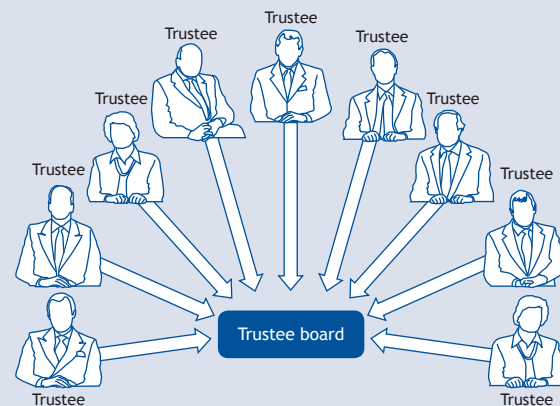
This article provides details of how the member trustee process works and, should you wish to stand for the role, details of how to put your name forward.

Change to Trustee board

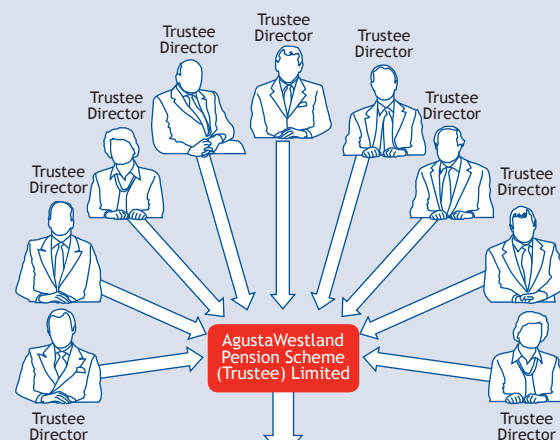
Currently the Trustee board is made up of nine individuals who act as Trustees. Going forward, it is intended that a company called AgustaWestland Pension Scheme (Trustee) Limited will be created to act as the Trustee of the Scheme. The individuals who act as trustees will become “trustee directors” of that Company.

Individual trustees and trustee directors carry out the same role for the pension scheme. One reason for the change is to provide greater protection for the individuals carrying out the trustee role. They give a huge amount of time and effort to this voluntary role and it is important that they are not exposed to personal liability (except where they have deliberately acted in a dishonest or fraudulent manner).

In addition, this change will make it easier and cheaper to administer various aspects of the Scheme.



Current arrangement



After change

Background

The law requires all pension schemes to have at least one third of the trustee board nominated by the members. The Westland Pension Scheme has always allowed the members to nominate four of the nine trustees.

The current Member Trustees were appointed on 1 November 2007 for a four year term. Their term of office will end on 31 October 2011. There are, therefore, four vacancies for Member Trustees.

More about the trustees

The rules provide for there to be nine Trustee Directors of the Scheme, five of whom are nominated by the Principal Employer (“Company Trustees”) and four of whom are nominated by members (“Member Trustees”).

The four Member Trustees consist of:

- three members of the main section of the Scheme; and
- one member of the senior sections.

Currently the Trustees are:

Company Trustees:

Alan Ladd, Janie Beizsley, Martin Flavell, Colin Grindle and Richard Smith

Member Trustees:

Malcolm Gillam, Jim Hawke, Steve Jenkins and Steve Pym

Vacancies

There are four vacancies for Member Trustees.

Who can stand? Any active or pensioner member of the Scheme. This includes the current Member Trustees - who have all offered to serve for another term. (The Trustees have decided that deferred members of the Scheme will not be able to stand.)

Who can nominate? All candidates who stand must have the support of five members. Each active and pensioner member can make one nomination so you can only back one candidate.

What is the role? The successful candidate will become a Member Trustee for a period of three or six years.

It is expected that the successful candidates will become trustee directors of AgustaWestland Pension Scheme (Trustee) Limited. If for any reason the formation of the trustee company is delayed, the successful candidates will initially be appointed as individual trustees before automatically becoming trustee directors when the formation of the trustee company is finalised.

Process

Set out below are the arrangements agreed by the Trustees for the nomination and appointment of the member trustees.

Nomination process

If you wish to put your name forward to be considered...

Step 1: Obtain a form from the Scheme website, www.westlandpensionscheme.co.uk, or request a copy from the Pensions Department. Complete the application form.

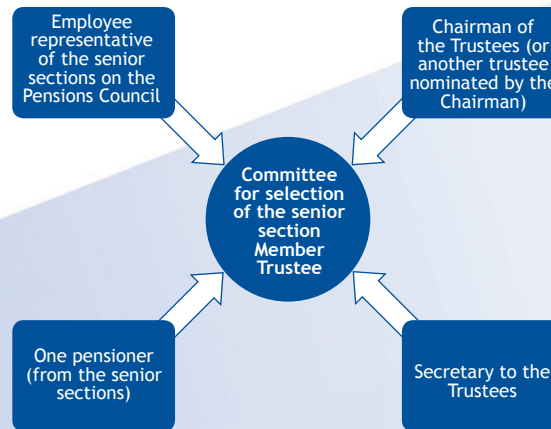
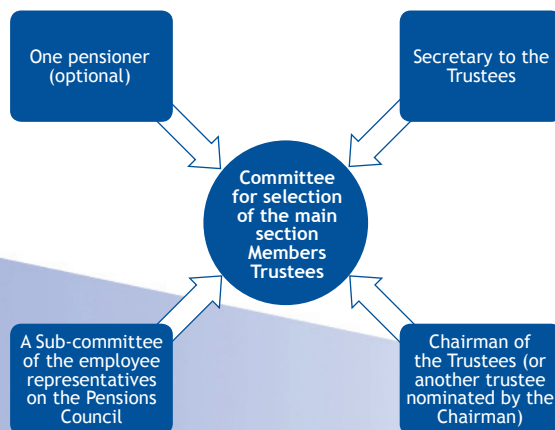
Step 2: You will need signatures of support from **five** active and/or pensioner members of the Scheme.

Step 3: Return your Application Form to the trustees at the address set out on the form by 15 September 2011.

Selection process

Two selection committees will be formed for the purpose of selecting the four Member Trustees from the nominees.

The selection committees will decide which nominees to interview, conduct the interviews and make the final decision on who is appointed.



The selection criteria to be used will include the following:

- suitability for the position of Trustee;
- ability to understand and express that as a Trustee he/she has a responsibility to hold a balance between the interests of all those with a stake in the Scheme;
- need for Member Trustees as a whole to reflect the membership of the Scheme, including having pensioner representation where possible.

The selection committees may nominate one or more applicants as a "Reserve Trustee". The decisions of the selection committees shall be final.

Where, in the opinion of the selection committees there are insufficient suitable candidates, further candidates may be sought from the eligible membership or it can be agreed with the Principal Employer and Trustees to leave one Member Trustee place vacant, provided the total number of Member Trustees does not fall below three.

If the selection committee fails to make their decision within three months of the closing date for applications, the Trustees may, at their discretion, choose to carry out the role of the selection committee.

Term of office

A Member Trustee normally serves for a period of six years although, in this process, two candidates will be appointed for three years and two candidates will be appointed for six years. This will create a rolling process where two trustees continue and two are elected every three years. At the end of his/her period in office he/she may stand for a further term of office. A Member Trustee retiring from service with an immediate pension may continue as a Member Trustee for the remaining duration of office if he/she so desires.

A Member Trustee may resign his/her appointment at any time. The appointment of a Member Trustee will be automatically terminated in the event of leaving service before retirement without receiving an immediate pension, leaving the Scheme, being removed by unanimous agreement of the other Trustees or becoming disqualified from being a trustee or trustee director.

Positions not filled

If a position is not filled because insufficient nominations are received, or a vacancy arises in circumstances other than expiry of the normal term of office, the selection committees may decide within a period of three months to:

- Fill the vacancy with a Reserve Trustee
- Select a replacement Member Trustee from amongst the candidates from the last selection exercise; or
- Leave the vacancy until the next nomination exercise is due, provided that the Trustees agree and the number of Member Trustees does not fall below three.

Where a vacancy arises which is not dealt with by the process above within a period of three months, a further nomination exercise will be commenced. If a vacancy remains after this further nomination process, the nomination and selection process will be repeated at yearly intervals until the vacancy is filled.

Role of Trustees

Successful candidates will be appointed as Member Trustees by the Principal Employer in accordance with the Rules of the Scheme. Members will be advised of the appointments.

A Member Trustee will have exactly the same functions and responsibilities as other Trustees which include:

- acting in accordance with the Rules of the Scheme and the law;
- acting prudently, conscientiously and honestly and with the utmost good faith;
- holding a balance between the interests of all those with a stake in the Scheme;
- taking advice on technical and other matters which are not understood; and
- investing the funds of the Scheme.

Training is available for the Trustees to help them carry out their duties. Training is provided by the Pensions Regulator and takes the form of a number of free online training modules which are available at: www.trusteetoolkit.com. In addition the Pensions Department and external advisers provide training.

The successful candidates will start training immediately.

Review process

The Trustees will review the nomination and selection process for Member Trustees in 3 years time.

How to apply

If you would like to apply to become a Trustee please download a form from the Scheme website or request a copy from the Pensions Department. Return your Application Form to the Trustees (at the address set out on the form) by 15 September 2011.

If you have any questions, please contact Kate Webber, Secretary to the Trustees, by email at kate.webber@agustawestland.com or telephone 01935 703218.

Equitable Life

The Scheme has some members who, in the past, saved AVCs with Equitable Life. If you are one of these members you may wish to read on.

1. Compensation provided by Government

The Government has set up a compensation programme for Equitable Life policyholders who lost money when the society hit financial problems.

The Equitable Life Payment Scheme will pay compensation for some of the losses suffered by policyholders. In brief, it is understood that with-profits policyholders will receive compensation to cover 22.4% of their loss. The scheme sets out how loss is calculated and, in addition, provides that small losses of less than £10 will not be compensated.

The Trustees have not yet received any information about whether any compensation will be paid on your behalf. It has been reported that information will be provided after June 2012.

You do not need to take any action. The Trustees will contact you with further information in due course.

2. Enhancing benefits

Equitable Life wrote to the Trustees recently to advise that it will enhance payments for with-profits policyholders by 12.5%. Equitable Life say "The Society has been looking at how we can get into policyholders' hands some of the solvency capital that we hold."

From 1 April 2011, whenever policyholders' are quoted with-profits values, the 12.5% enhancement will be included. Therefore, your next benefit statement will show the value of your Equitable Life fund including the enhancement.

The Trustees would like to highlight the following:

- Equitable Life have stated that the amount of this enhancement could go up or down in the future and the only way of guaranteeing that you receive it is to transfer your benefits out of Equitable Life by the end of March 2012 (although it is hoped to maintain the enhancement beyond then).
- Some policyholders may be better off transferring out of Equitable Life at this time but some policyholders could do worse by transferring out. The decision needs to be considered at an individual level and will depend on, amongst other things, the amount of time to your retirement, the level of penalty imposed by Equitable Life and your attitude to investment risk.

For those who are interested in exploring this option, further information about this enhancement is available on the Scheme website or from the Pensions Department.

We strongly recommend that you do not take any action before taking independent financial advice about what is the best course of action for you.

It has been reported that members who transfer benefits out of Equitable Life will not lose the right to compensation (but this has not been confirmed by Equitable Life).