

HIPS (Trustees) Limited

c/o Capita Employee Benefits
Hartshead House
2 Cutlers Gate
Sheffield
S4 7TL

Phone 0345 600 0591

March 2017

Dear member,

Hanson Industrial Pension Scheme (“the Scheme”)

I am writing to you to provide a number of updates regarding the Scheme. Please take time to read this as you may need to take action as a result.

The matters covered in this letter are:

- Expression of Wish Form
- Electronic communication
- Benefits in serious ill health
- Changes to the Trustee Board

1. Expression of Wish Forms

There are some benefits in the Scheme that are provided, and/or the beneficiary is decided, at the discretion of the Trustee.

For some members, the Scheme provides for a survivor’s pension to be paid on death to a married partner or civil partner. If this applies to you, the Trustee can, at its discretion, pay a pension to one or more persons who in the opinion of the Trustee are dependent on you (for example, this may be relevant if you are not legally married at the date of your death and do not have a civil partner).

In addition, the distribution of any lump sum benefits payable on your death will be decided at the discretion of the Trustee. Under the current tax regime, this ensures that lump sums payable on death will not attract inheritance tax.

You can help the Trustee decide who should receive those benefits by ensuring you have submitted an up to date expression of wish form noting the people you would like to receive a benefit. Although the Trustee will take your wishes into account, you should be aware that they cannot be legally bound by them.

It is therefore important that you inform the Trustee of your wishes regarding how you would like any benefits to be paid on your death and keep your wishes updated if your circumstances change.

We invite you to submit or resubmit an expression of wish form to the Trustee. I would encourage you to do this even if you think you have already submitted a form so that we have a note of your current wishes.

A blank copy of the expression of wish form is attached to this letter and should be completed and returned to Capita, the Scheme Administrator, at the address at the end of this letter. The form is also available, and can be updated, on your Online Pension account at Hartlink Online.

2. Electronic Communication

To make it easier and quicker for you to access Scheme information we now have two websites which you can use: Capita's Hartlink Online and the newly launched Hanson Pensions website.

The enclosed leaflet summarises the newly launched Hanson Pensions website at www.HansonPensions.co.uk. This site contains useful reference information on the Hanson UK Pension Schemes.

Your Online Pension account at Hartlink Online is Capita's online portal that allows real-time access to your pension record, and enables you to:

- view Payslip and P60 information (Pensioners only)
- amend personal details
- access a range of Scheme documents
- access links to relevant websites helping you to better understand your benefit entitlement
- check that the information we hold for you is accurate and up to date
- carry out online calculations to see how much your pension could be worth when you retire (Active and Deferred Members only). This functionality will shortly be available for the majority of the membership.

To activate your Online Pension account, if you have not done so already, please visit www.hartlinkonline.co.uk/hanson.

To complete the registration process you will need a personal email address, your National Insurance number and to answer a number of personal questions to verify you are a member of the Scheme. You will also need to create a user name. Once registered, a PIN number will be issued to you by email or text message to enable you to login.

Another benefit of activating your Online Pension account is that we can communicate with you electronically (by email and/or through the website) and reduce the amount of paper communications that are issued. Paperless communication can also help pension schemes embrace data protection and reduce the risk of fraud.

In order to communicate with you electronically (by email or through the website) we will need you to confirm your personal email address. Your personal email address can be supplied to Capita by activating your Online Pension account (see above) or by email to the email address provided below.

However, if you do wish to continue receiving communications about the Scheme by post, for example if you do not have a personal email address, you are still able to opt out of electronic communication. You can do this now or in the future if your circumstances change. To do this you will need to *complete* the enclosed response form and return by post to Capita, the Scheme Administrator, at the address at the end of this letter or send it via email to hanson@capita.co.uk.

Please note that even if you have opted out of electronic communications you will still be able to access your Online Pension account on Hartlink Online.

3. Serious Ill-Health Commutation

The Scheme provides a benefit to members who have become terminally ill before drawing any benefits from the Scheme. If a member is suffering from serious ill-health they may be able to exchange their Scheme benefits, excluding any spouse/civil partner pension, for a lump sum. In order to qualify for this benefit the Trustee must have received medical evidence that the member's life expectancy is less than 12 months. Payment of the lump sum must extinguish the member's entitlement to benefits under the Scheme.

The lump sum will be paid tax free so long as the member has enough lifetime allowance remaining and is under age 75. Any part of the lump sum that exceeds the member's lifetime allowance will be taxed at 55%. If the member is over 75 the whole of the lump sum will be taxed as income at the member's marginal rate.

It is your responsibility to inform the Trustee if you believe you are eligible for this benefit. Please contact the Scheme Administrator at the address above if you believe this to be the case. You will be asked to provide the necessary medical evidence described above from a registered medical practitioner.

4. Trustee Directors

The Trustee of the Scheme is a trustee company, HIPS (Trustees) Limited (the "Trustee").

When we wrote in November 2015 there were two vacant positions on the Trustee Board due to retirements; one Member Nominated Trustee Director ("MND") and one Company appointed Trustee Director. The Trustee was also reviewing the structure of the Board of Directors.

A further Company appointed Trustee Director, Jim Claydon retired as a Trustee Director on 30 November 2016. On behalf of the Board I would like to thank Jim for his valuable contribution.

The review has concluded that it is appropriate that the vacant positions will not be filled and that the size of the Board will be reduced from nine to six Trustee Directors. The Trustee will therefore be composed of six Trustee Directors; two MNDs and four Trustee Directors (including an independent Trustee Director who is the Chairman) appointed by the Company.

The current Trustee Directors are:

Company appointed:

Graham Wardle representing BESTrustees plc – Chairman
Marc Boone
Brian Charleton
Clare Mayo

Member nominated:

Helen Mayfield – appointed until 26 June 2017
Andy Taylor – appointed until 26 June 2019

5. Contact us

As always, if you have any questions about the Scheme, the content of this communication or your benefits, please do contact us:

Online: Using the 'Contact us' button once you have logged in to Hartlink Online.

www.hartlinkonline.co.uk/hanson

By email: hanson@capita.co.uk

By post The Hanson Industrial Pension Scheme
Capita Employee Benefits
Hartshead House
2 Cutlers Gate
Sheffield
S4 7TL

By telephone: 0345 600 0591

Please also let Capita know if you change any of your personal details such as marital status, name and/or address so that we can update our records to ensure future communications reach you.

Yours sincerely

A handwritten signature in black ink, appearing to be 'G Wardle', with a stylized, cursive script.

Graham Wardle
For and behalf of HIPS (Trustees) Limited as Trustee of the Hanson Industrial Pension Scheme

