

Haynes Publishing Group P.L.C. Retirement Benefits Scheme

Recovery Plan dated 21 November 2018

Status

This recovery plan has been prepared by the Trustees of the Haynes Publishing Group P.L.C. Retirement Benefits Scheme ("the Scheme") after obtaining the advice of Ray Hughes, the Scheme Actuary, and agreed by Haynes Publishing Group P.L.C. and J. H. Haynes & Co. Limited (together "the Employer").

Meeting the Statutory Funding Objective

The Statutory Funding Objective, which is defined in section 222 of the Pensions Act 2004, states that every plan must have sufficient and appropriate assets to cover its technical provisions.

The actuarial valuation of the Scheme as at 30 June 2017 revealed a funding shortfall (technical provisions less the value of assets) of £13,688,000.

Between 30 June 2017 and 30 June 2018, Employer contributions have been paid at the rate of £685,000 per annum. Since 1 July 2018, Employer contributions have been paid at the rate of £710,000 per annum. The Employer has also paid contributions at the rate of 5.8% of Pensionable Salaries.

To eliminate the funding shortfall, the Trustees and the Employer have agreed that the Employer will increase its contributions to the Scheme to £1,100,000 per annum, backdated to 1 July 2018, until 30 September 2029. These contributions will increase by 3.5% on every 1 July, with the first increase on 1 July 2019. An additional contribution of £900,000 will be paid no later than 30 June 2022.

The Employer will also continue to pay contributions at the rate of 5.8% of Pensionable Salaries up to 30 November 2018, the date the Scheme will close to future accrual.

The Employer shall also pay any levies, life assurance premiums and the expenses of managing the Scheme, except for investment management expenses, as and when due or in accordance with agreed terms.

The level of contributions in respect of any deficit will be subject to review at the next scheme funding valuation.

Period in which the Statutory Funding Objective should be met

The funding shortfall is expected to be eliminated within 12 years 3 months of the valuation date, which is by 30 September 2029. This expectation is based on:

- The funding shortfall as at the valuation date, calculated according to the method and assumptions as set out in the agreed Statement of Funding Principles dated 21 November 2018; and
- The assumption that the return on existing assets and the return on new contributions will be 0.5% per annum above the discount rate used to calculate the technical provisions as at the valuation date, in accordance with the agreed Statement of Funding Principles dated 21 November 2018.

This recovery plan has been agreed by the Employer:

Signed on behalf of Haynes Publishing Group P.L.C. and J. H. Haynes & Co. Limited

Signature: 

Name: JAMES T. BUNKING

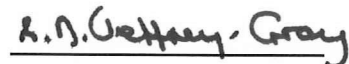
Position: Director

Haynes Publishing Group P.L.C. and J. H. Haynes & Co. Limited

Date: 21 November 2018

This recovery plan has been agreed by the Trustees:

Signed on behalf of the Trustees of the Haynes Publishing Group P.L.C Retirement Benefits Scheme

Signature: 

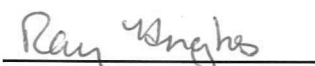
Name: SARAH D. JEFFREY-GRAY

Position: Trustee

Haynes Publishing Group P.L.C. Retirement Benefits Scheme

Date: 21 November 2018

This recovery plan has been agreed by the Trustees after obtaining actuarial advice from me:

Signature: 

Name: Ray Hughes

Position: Fellow of the Institute and Faculty of Actuaries

Actuary to the Haynes Publishing Group P.L.C. Retirement Benefits Scheme

Date: 21 November 2018