

PENSIONS CONSULTATIVE COMMITTEE REPORT TO MEMBERS FOLLOWING ADDITIONAL MEETINGS

An additional meeting of the Pensions Consultative Committee (PCC) has taken place in London on 2 March 2015.

The PCC has been set up to discuss, co-ordinate, advise and represent the views of the members of the Selex Pension Scheme. There are currently eleven representatives on the Committee and their contact details are attached to this Report. Those participating in the meeting were:-

Tony Kingsbury	Capability Green	Chairman
Jim Cull	Edinburgh	
James Fordyce	Edinburgh	
Martin Johnson	Basildon	
Stuart Rushworth	Capability Green	
Phil Slade	Capability Green	
Ken Thompson	Pensioner Representative	
Scott Wallace	Edinburgh	
Paul Wilton	Southampton	
Colin Wyllie	Edinburgh	

Company & Pensions Management Representatives:

Martin Flavell	HR - Finmeccanica
Andrew Letton	HR – Selex ES
Mike Nixon	Head of Pensions
Rachael Skuse	Pensions Manager

The additional meeting had been arranged to discuss proposals from the Company for changes to the Selex Pension Scheme.

Communications

The Company informed the PCC that it has issued a written communication to all active members, in the form of a Pension Bulletin, with detailed proposals for changes to the Selex Pension Scheme which initiates a formal consultation process from 1 March to 1 May 2015. The proposed changes include a move to a Career Salary benefit structure.

A Company Pensions Intranet page has been set up containing the Pension Bulletins, the PCC Reports to Members and it will also be used to publish the 'frequently asked questions' documentation in due course.

The Company issued two email communications on 2 March 2015. The first advises members that the online pension modeller has now been re-launched and updates on the expected mid-March benefit statement issue date. The second notifies members of the Company Pensions Intranet page and the pensions@selex-es.com email address for feedback on the consultation.

Questions & Answers

The Company discussed with the PCC the questions which had been received so far in response to the initial member communication. Additional feedback was awaited now that members had received the more detailed Pension Bulletin and a 'frequently asked questions' document would be prepared shortly.

PCC Feedback

The timing of the proposed changes was discussed. The PCC expressed the view that October 2015 may be too early and the Company will consider this as part of the consultation process.

A query was raised regarding whether the 60 day period of consultation was sufficient. The Company confirmed that there had been extended discussion with the PCC prior to commencing the formal period. The Company was now awaiting feedback from members and could then determine whether a final position could be concluded within the proposed timescale.

The PCC and Company discussed in further detail how the proposed changes would work in relation to the various Sections of the Scheme. The PCC provided feedback on the proposals and requested additional information in respect of certain elements. The Company will now await feedback from members before considering whether any changes to the proposals are appropriate.

The preliminary results of the 2014 actuarial valuation have shown that the cost of providing pensions in the future has increased since the last actuarial valuation by an amount equivalent to an additional contribution of 5.6% of earnings. The PCC formally asked the Company whether it could achieve the current future service contribution rate whilst also maintaining the current Selex Pension Scheme structure, for example by using past service funding surplus or by making changes to the actuarial assumptions. The Company confirmed that it would consider and respond to this.

Further meetings

Discussions between the Company and the PCC on these matters will continue during the consultation. The next meeting is due to be held on Monday 16 March 2015.

Members can provide feedback to pensions@selex-es.com which will be discussed with the PCC.

Contact Details

Name	Location	Email Address	Phone Number
Jim Cull	Edinburgh	James.Cull@selex-es.com	0131 343 8768
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Ken Thompson	Pensioner Representative	Contact via Tony Kingsbury	