

PENSIONS CONSULTATIVE COMMITTEE REPORT TO MEMBERS FOLLOWING ADDITIONAL MEETING

An additional meeting of the Pensions Consultative Committee (PCC) has taken place in London on 16 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
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

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

Retention of current structure

At the last meeting the PCC had formally asked the Company whether it could achieve its objectives whilst maintaining the current Scheme structure, for example by using surplus and making changes to the actuarial assumptions.

The Company noted that this is not an option. The Scheme faces significant risk on its current actuarial assumptions and a real funding challenge as reflected in the considerable rise in the future service cost. Change is also required to address State pension changes and the extent to which the current complex design does not work in the interests of members.

The Company considers the change to Career Salary as an effective way to reduce risk and keep the Scheme sustainable for the future, while still providing competitive benefits.

FAQs

A document with Frequently Asked Questions from members in the consultation was circulated and this was reviewed. Some suggestions were made to aid understanding, including some additional clarifying questions.

The Company undertook to finalise the FAQ document and make this available to members.

PCC priorities

The PCC confirmed its willingness to continue discussions on the Company's proposal with a view to achieving an agreeable outcome in the interests of members.

A discussion took place on the issues raised in the consultation. The Company asked the PCC to consider which of these issues were their key priorities.

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 30 March 2015.

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

Contact Details

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Ken Thompson	Pensioner Representative	Contact via Tony Kingsbury	