

**PENSIONS CONSULTATIVE COMMITTEE
REPORT TO MEMBERS FOLLOWING THE MEETING ON 14 OCTOBER 2010**

A meeting of the Pensions Consultative Committee (PCC) took place in London on 14 October 2010.

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 fourteen representatives on the Committee and their contact details are attached to this Report.

The meeting was attended by:-

Tony Kingsbury	Capability Green	Chairman
Jim Cull	Edinburgh	
James Fordyce	Edinburgh	
Christopher Guertin	Basildon	
Martin Johnson	Basildon	
Scott McMillan	Basildon	
Paul Murrell	Christchurch	
Stuart Rushworth	Capability Green	
Phil Slade	Capability Green	
Ken Thompson	Pensioner Representative	
Jim Thomson	Edinburgh	
Scott Wallace	Edinburgh	
Paul Wilton	Southampton	
Colin Wyllie	Edinburgh	
Andrew Letton	HR – SELEX Galileo	
Mike Nixon	Head of Pensions	
Angela Weston	Pensions Manager	
Helen Pass	Pensions Adviser	

The meeting was held to receive feedback from the Trustee meeting held on 28 September 2010.

Angela Weston

Angela Weston has been appointed as interim Pensions Manager while Rachael Skuse is on maternity leave.

Election of Member Nominated Directors

Jim Cull, Martin Johnson, Stuart Rushworth and Jim Thomson have been re-elected as Member Nominated Directors.

AonHewitt merger

Aon and Hewitt have merged.

This will mean a slight change in the SELEX pension scheme email address at AonHewitt, but this will not happen until March 2011. Details of the new email address will be published in In Focus.

Administration

Work levels at Aon have remained high.

Aon have reviewed the member satisfaction surveys they have received since the last meeting. 50% rated their service as very good or excellent. Aon will contact a selection of members who gave less favourable feedback.

Report and Accounts

The Annual Report and Accounts for the period to 5th April 2010 have been signed and can be viewed on the SELEX Scheme website at www.selexpensions.co.uk.

Actuarial

The quarterly funding update showed that the Scheme's estimated deficit had increased from £31 million at 31 March 2010 to £35 million at 30 June 2010. This is still ahead of the recovery plan.

The main cause of the worsened position has been a negative return on assets during Quarter 2.

CPI/RPI

Following a recent Government announcement the Trustee has received initial advice on proposed changes to the way pension increases are calculated.. The Government is currently consulting with the pensions industry and further details are expected to be announced shortly.

The Trustee will take further advice when the final changes are known at which time the Trustee will consider the impact the changes may have on the Scheme.

Investment

Investment Performance

- TIGS produced a negative performance of -4%.
- The market value of the assets within TIGS at 30 June 2010 was £203 million.
- The value of the swaps at 30 June 2010 was £44 million.

Strategy Review

The Trustee have conducted an investment strategy review and adopted a revised strategy:

- The on-risk asset allocation will be set at 80%;
- The inflation and interest rate hedging benchmark will remain at 100% with flexibility to make tactical adjustments.

Working past age 65

The PCC have received training on how benefits are calculated for members who continue working for the Company after age 65 and the options available.

Part-time working

The PCC have received training on how benefits are calculated for members who work part-time.

In Focus

The latest edition of In Focus was issued during the week beginning 18th October 2010.

Date of the Next Meeting

The next meeting of the PCC will be held on 13 January 2011.

Contact Details

Name	Location	Email Address	Phone Number
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Ken Thompson	Pensioner Representative	Contact via Tony Kingsbury	