Belron UK Pension Plan
(the "Plan")

Summary Funding Statement September 2021

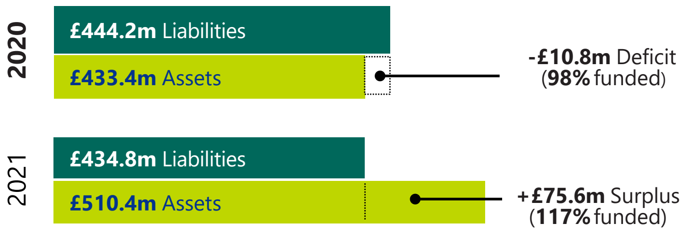
What's this statement for?

The Trustee is required to provide you with this statement giving you an update about the Plan's financial security. We hope you find it useful and easy to understand, but if you have any questions please contact XPS Administration at belronadmin@xpsgroup.com or in writing to XPS Administration, Albion, Fishponds Road, Wokingham, RG41 2QE.

The last actuarial valuation 31 March 2020

An actuarial valuation is an exercise to compare how much money the Plan has (its 'assets') with how much it needs to be able to pay everyone the benefits they are entitled to (its 'liabilities'). If the Plan's assets are more than its liabilities, there is a 'surplus'; if they are less, there is a 'shortfall' or 'deficit'.

Full valuations usually take place every three years and the last one was on 31 March 2020, with a yearly update on 31 March 2021. The results of these valuations are shown on the right.



Summary of the Recovery Plan

At the 2020 valuation there was a deficit in the funding position. This deficit has been removed following higher than assumed investment returns on the Plan's assets during the year ending 31 March 2021.

Change in funding position since previous statement

The funding of the Plan has improved since the the previous statement you received showing the position as at 31 March 2019, mainly due to higher than assumed returns on the Plan's assets which was partly offset by a change to the valuation assumptions used which increased the value placed on the liabilities.

Payments to the Company

There have been no payments to the Company out of the Plan's assets since the last summary funding statement.

Winding-up

Should the Plan be wound up, the duty to pay all members' benefits may be transferred to an insurance company. In the 2020 valuation it was estimated that the amount needed to secure all the Plan's benefits was £531.7m, which was £98.3 more than the Plan's assets. This is just an indication and does not mean that the Trustee or Company are considering winding up the Plan.

How the Plan works

This section has some information about this statement and the Plan. If you would like any more information about the Plan or your benefits, please contact XPS Administration.

How is my pension paid for?

The Plan is a defined benefit pension arrangement. This means members build up benefits based on length of service and their salary. The Plan has a pool of money (assets) to pay for these benefits as they become due; it does not hold assets separately for each individual. The Trustee's goal is for the Plan to have enough money to pay all members their benefits, both now and into the future.

How do you work out how much the Plan needs?

As part of the three-yearly actuarial valuation, the Trustee agrees a funding plan (the Statement of Funding Principles) with the Company, which aims to make sure there is enough money in the Plan to pay for pensions now and into the future. The Company pays towards the ongoing running costs of the Plan together with contributions to help meet the cost of benefits payable on death or ill-health of members who are currently employed by the Company. This is why the Plan relies on the Company's continuing support.

What would happen if the Plan started to wind up?

Whilst the Plan is still running, even though funding may temporarily be below target, benefits will still be paid in full. If the Plan did start to wind up, benefits may be secured with an insurance company. If there weren't enough assets to secure all the benefits, the Company would have to make up the difference. You might not get all of the benefits you have built up, especially if the Company is not there to pay for any shortfall. In this case, the Pension Protection Fund ('PPF') might be able to take over the Plan and pay compensation to members. Further information is available at www.pensionprotectionfund.org.uk

It is only if the Company became insolvent and assets available to the Plan were insufficient to secure PPF level benefits that the Plan would apply for entry to the PPF.

Why doesn't the Trustee aim to have enough money to secure benefits on wind up?

Insurers take a very cautious view of the future and need to make a profit; they will also take into account the future cost of running the Plan. This means the cost of securing pensions in this way is considerably more expensive than if the Plan runs normally with the continuing support of the Company. Aiming to have enough money to cover that cost would likely mean that the Plan will have far more than it actually needs if it keeps running.

The Pensions Regulator

In certain circumstances the Pensions Regulator can:

- Direct how the Plan's liabilities must be calculated
- Set the period for removing any funding shortfall
- Set the level of Company contributions to be paid
- Change the way members build up benefits in the future

None of these things have happened in the Plan.

How are the Plan's assets invested?

The Trustee's policy is to invest in a broad range of assets, targeting the following splits:

Government securities	50%
Corporate bonds	40%
Shares in companies	10%

Thinking of leaving the Plan?

If you are thinking of leaving the Plan for any reason, you should talk to an independent financial adviser before doing so; you can find one local to you at www.unbiased.co.uk

Stay in touch

If any of your personal details are changing, such as your name or address, please tell XPS Administration.