Associated British Foods | Pension Scheme

WELCOME!

As an employee of one of the Associated British Foods plc (ABF) group of companies, you are eligible for membership of the Defined Contribution section of the Associated British Foods Pension Scheme (the Scheme).

The Scheme is a great way to save. It puts you in control by letting you choose how much you save, how your money is invested and what benefits you receive. It is also tax efficient and provides protection for your family too.

At ABF we like to think of pension planning as a journey. The destination might seem a long way off, or it might be just around the corner. Either way, you need to prepare properly to make sure that you aren't disappointed when you get there. This guide is designed to help you do just that, and there is a lot of additional information available on the Scheme's website!

Have a read through, and if you have any questions, please get in touch with your local HR or Payroll Department, or contact Group Pensions using the details below.

Welcome to the **Associated British Foods Pension Scheme**

Website: **www.abfpensions.com/dc**

Helpline: **0800 090 2267** (free to call from a UK landline or mobile)
or +44 (0)20 7636 8111 if you are calling from abroad

The team are available Monday to Friday, from 9am to 5pm.

Email: **DCPensionAdmin@abfoods.com**

Address: **Group Pensions, 50 – 51 Russell Square, London, WC1B 4JU**

WHAT YOU NEED TO KNOW

Lots of people think pensions are complicated. But if you understand the basics, then planning for your future and investing in a pension is not as scary as you may think.

Quite simply, the Scheme works like this:

The Scheme is a Defined Contribution (DC) arrangement, which means that you and the Company pay a set level of contributions (money) into your Pension Account while you are employed.

The money in your Pension Account is used to buy units in your chosen investment fund, which may be the default Target Date fund or one of the alternative funds available.

The value of these units goes up and down depending on the investment performance of your chosen fund.

When you get to retirement, the value of your Pension Account (including contributions from you and the Company, plus any investment return) can be used to provide you with the following:

- A cash lump sum - you can take your whole Pension Account as cash and the first 25% of which will be tax-free. The remainder of the lump sum will be classed as income and will therefore be taxed.
- An annuity - a contract with an insurance company, that pays you an income for the rest of your life. You can also take 25% of your Pension Account as tax-free cash.
- You can also take your benefits flexibly either through 'flexible drawdown' or as a series of lump sums. These options aren't available through the Scheme though but you can transfer your Pension Account to another approved pension arrangement who can offer these options.

It's important that you are aware of the tax implications of taking your Pension Account flexibly, as you may have a lower limit for future contributions which can be paid with tax reflief. See the website for more information: **www.abfpensions.com/1143/taxation**.

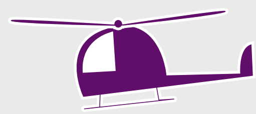
HOW MUCH DO I PAY?

Contributions to your Pension Account are calculated as a percentage of your gross cash earnings excluding:

- Bonus payments (unless the Company has told you that these will be included);
- Any cash arising from the exchange of non-cash benefits; and
- Any payment in lieu of notice.

You will automatically start paying contributions at the 4% rate, but you can increase the level of your contributions at any time. In addition to what you pay, the Company also pays into your Pension Account as shown below:

You pay +	Your employer pays =	So the total paid into your Pension Account is...
4%	6%	**10%**
5%	8%	**13%**
6%	10%	**16%**



The majority of people benefit from tax relief on their contributions - this will reduce how much it actually costs you! If you pay tax at the 20% rate, then every £10 you pay will actually only cost you £8. There are limits though to the amount you can save tax efficiently. See the ‘Know your limits’ page for more information.

Here’s an example...

Nita’s annual salary is £18,000, or £1,500 per month. Nita decides to continue to contribute at the **4%** level, so the money going into her Pension Account each month is worked out like this:

	Nita’s monthly contribution is 4% of £1,500	= £60 a month
+	The Company’s monthly contribution is 6% of £1,500	= £90 a month
=	**Total contributions to Nita’s Pension Account**	**= £150 a month**

As her contributions are deducted from her salary before tax is calculated, Nita receives tax relief at 20%. So although **£60** goes into her Pension Account, it only costs her **£48** a month.

With the contribution from the Company, the total going into her Pension Account is **£150** a month.

What if I work part-time?

If you work part-time, the same contribution rates apply. The contributions that you and the Company make will be a percentage of your actual part-time salary.

Can I pay more?

Yes, of course! As explained on the previous page, you will automatically start paying contributions at the 4% level but can increase this up to 6% which will be matched by the Company. You can pay extra contributions above the 6% level through Additional Voluntary Contributions (AVCs).

AVCs will be used to provide you with retirement benefits as outlined earlier on page 2 of this booklet. Although the Company doesn't match members' AVCs, they are still an efficient way to save for many members because these contributions are eligible for tax relief. So, if you are paying tax at the rate of 20%, every £1 that you save will only cost you 80p.

Please refer to the table below:

AVC per pay period	Tax relief	Cost to you
£10	£2	**£8**
£20	£4	**£16**
£30	£6	**£24**
£40	£8	**£32**
£50	£10	**£40**

You can use the calculators on the website (**www.abfpensions.com/766/488/contributions-calculator**) to see the real cost to you of paying more.

Can I transfer in pension benefits from a previous employer or arrangement?

If you have pension benefits in another pension arrangement, then you may be able to transfer them into the Scheme.

To start this process, you need to complete the Letter of Authority form which is available on the website at **www.abfpensions.com/644/transferring-from-another-scheme**. This form gives your previous pension provider authority to release information about the pension you hold with them to the ABF Scheme. Once we have received this information, we will contact you again to see if you want to go ahead with the transfer.

You can start, stop and increase/decrease AVCs at any time. You just need to complete the form on the website at: www.abfpensions.com/923/contribution-rates

WHERE IS MY MONEY INVESTED?

Making sure you have a decent income in retirement is not just about how much money you pay into your pension; it's also about how that money is invested.

When you are enrolled into the Scheme, we will automatically invest your money in the Target Date Funds (TDFs) for the date range covering your 65th birthday. You can choose a TDF targetting a different year range or choose to switch your investment to one of the other investment options at any time.

Which Target Date Fund will I be in?

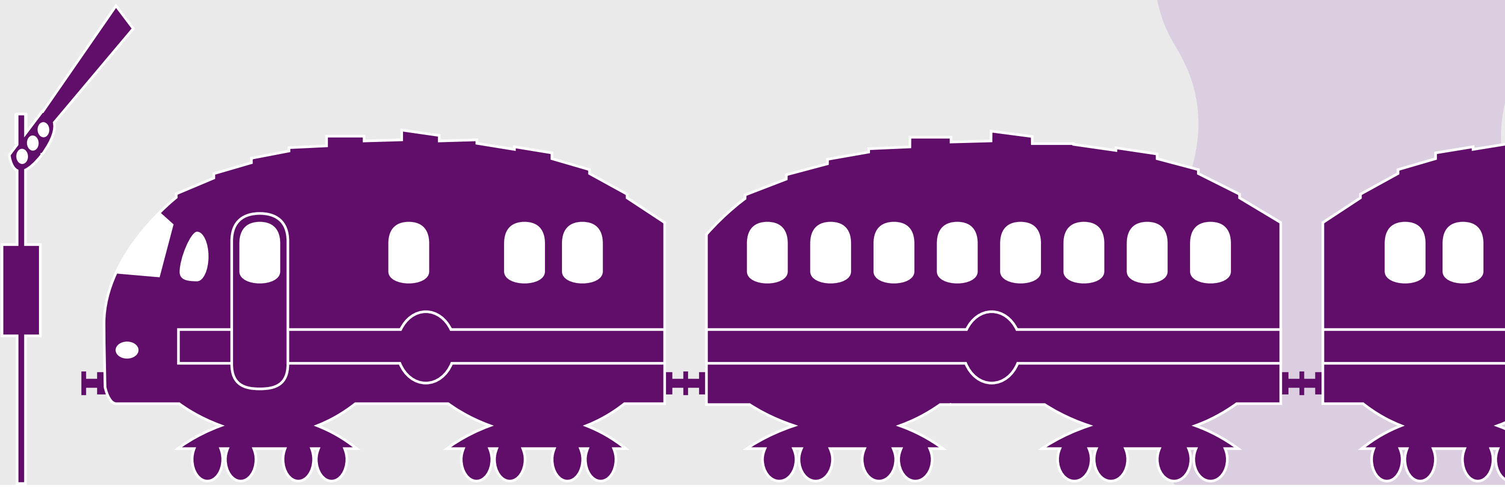
You will join a Target Date Fund that is based on your Normal Retirement Age of 65. To work out your Target Date Fund, we take the year you were born and add it to your Scheme Normal Retirement Age (65).

	Year you were born +	Your Target Retirement Age =	Your expected retirement date
James	1985	65	**2050**
You	?	?	**?**

We then invest your Pension Account in the fund with the date closest to your expected retirement date. So, in the example above, James would be invested in the Target Date Fund 2050 – 2052.

What happens if I want to retire before or after age 65?

If you are planning to retire at a different age to 65 you can switch to a different Target Date Fund. You can do this by completing the Investment Instruction Form, which is available to download at **www.abfpensions.com/752/make-changes-to-your-investments**.



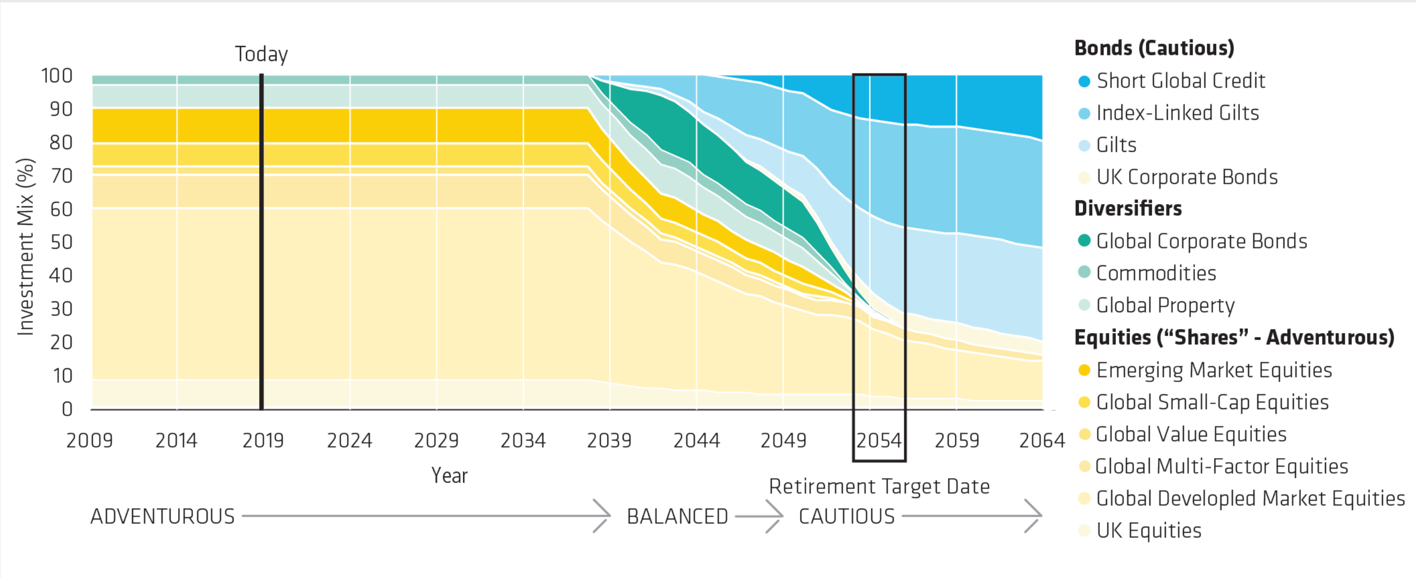
How do the Target Date Funds work?

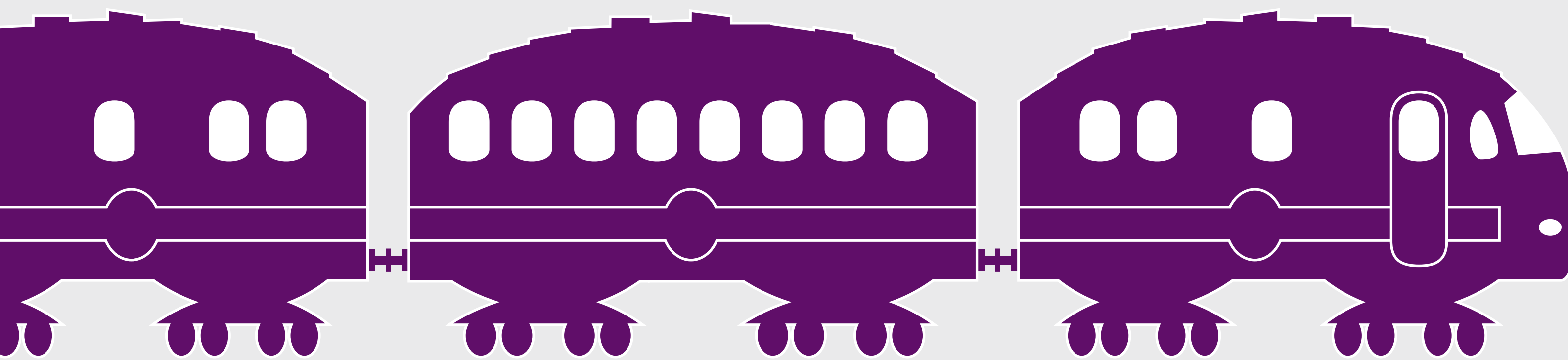
Different investment types carry different levels of risk. There is a clear link between the level of risk you are prepared to take and the potential return your investments will make. As a general rule:

High risk is usually associated with high potential returns

Low risk is usually associated with low potential returns

The Target Date Funds move you through a different mix of investments reducing risk as you get closer to retirement, so that you don't have to worry about whether you are taking the right amount of risk for your stage in life. The example Target Date Fund below maps how your investment mix might change as you move through the three main life stages towards retirement:





What makes up your Target Date Fund?

You may have heard the words equities, gilts and bonds at some point, but do you understand what they actually mean and how they have an impact on your fund?

Equities, diversifiers, alternatives, bonds and cash are all different asset classes. Your contributions are invested in units in your chosen fund with the aim of generating an investment return.

The funds have different behaviours and levels of risk which will be suitable for your pension investments at different stages of your journey. As you move through the three different life stages, the proportion of asset types that your account is linked to will change but this is all managed for you automatically.

Equities

Equities are more commonly known as company shares. When you buy shares in a company, effectively you become one of the company's owners.

Equities are typically known to grow more in value than bonds and gilts but they are quite volatile and can go up and down significantly over time.

Equities are likely to carry the highest level of risk but are generally suitable for longer term investing.

Diversifiers/ Alternatives

Diversifiers invest in a wide variety of investment types. These typically include equities, bonds and cash, as well as more specialist investments such as property, commodities and currency.

They are designed to help your Pension Account grow over the long-term, while at the same time offering some protection if one investment type performs badly.

Bonds/Cash

Bonds are loans issued by companies or governments when they need to raise money. Bonds issued by the UK government are known as gilts.

Historically bonds are prone to short term fluctuations in value, and the level of investment risk falls somewhere between equities and cash.

Life stages in the Target Date Funds

Your investment journey is split into three life stages, Early-Life, Mid-Life and Pre-Retirement. As you move through these stages your money is invested in a different mix of investments appropriate to your age and the time you have left until retirement.

Early-Life investment mix

At this stage of the journey you are under 40. You have a long time until you start to think about retiring.

Because you have time on your side, your Target Date Fund invests in funds to try to achieve growth over a long period of time.

To achieve this you will be taking higher risks during this stage, so you can expect to see bigger ups and downs in the value of your account.

Mid-Life investment mix

When you are aged between 40-55 years you are no longer in the early stages, but you're still a way off retirement.

During this stage your Target Date Fund will look to build on the returns it made earlier, whilst slowly moving you into funds which aim to reduce the dips whilst still generating growth.

You might not make as much return as in the Early-Life stage, but it's important not to have too much exposure to risk as you start thinking ahead to retirement.

Pre-Retirement investment mix

Throughout this process your Target Date Fund will automatically move you out of funds designed to grow your money and into funds designed to protect it.

Although there is still potential for your money to go up or to fall in value, the cautious approach provides short-term stability and gives you time to decide when and how you're going to retire.

You can find an animation on the website to see more about how the Target Date Funds work.

Who looks after the Target Date Funds?

The Target Date Funds are looked after by an experienced investment portfolio manager called Alliance Bernstein. Alliance Bernstein will review and adjust your investment mix so that it remains appropriate for the number of years you have left until you retire.

You can relax knowing that your pension is in good hands.

You can read the latest statement from the Chair of the Trustee Directors on the website at **www.abfpensions.com/dc**. The statement covers the default investment arrangement and its governance as well as costs and charges for the default fund.

Are there any other investment options?

Although the Trustee believes that the Target Date Funds are suitable for most members, they recognise that you may want to invest your pension savings elsewhere. That's why there are three other options available. The Target Date Funds are known as Tier 1, but there are three other Tiers on offer, each one requiring different levels of involvement from you. Working with our investment advisor, the Trustee has selected a range of different investment funds for you to choose from. The Trustee regularly monitors performance and fees for Tiers 1, 2 and 3, but not Tier 4.

The entire fund range is made available via Mobius Life's investment platform.

Tier 2:

Diversified growth/ multi asset investment funds

There are four Diversified Growth Funds to choose from, including an ESG fund. Each one is slightly different because of the split of investment types and funds they use. The Diversified Growth Funds are similar to the Target Date Funds, but are not linked to your age and don't automatically move your money as you get closer to retirement.

This Tier could be suitable if you want to actively manage when you move your money and spread your risk across different types of investments in one fund.

Tier 3:

Single asset funds

These include a wide range of funds and investment types – including equities, bonds, property and cash. You can invest in as many or as few as you want to reflect your own circumstances and appetite for risk.

This Tier could be suitable if you have a good understanding of investments and want to create your own portfolio of different investment funds.

Tier 4:

Funds 'on request'

If you want to pick your own funds but can't find what you're looking for from the funds that the Trustee has selected under Tiers 2 and 3, then that's fine, you can request your own.

On the website you are able to search the universe of funds available on the Mobius Life platform. Once you have found the fund, or funds, that you want, simply download and fill in the Investment Instruction Form from the website (see link at the bottom of the page).

This Tier could be suitable for expanding your investment portfolio.

If you would like more information about any of the Tier 2, 3 and 4 investments, visit **www.abfpensions.com/538/investments**. You can also download an Investment Instruction Form at **www.abfpensions.com/1051/investment-instruction-form**.

WHAT HAPPENS IF I LEAVE THE COMPANY OR OPT OUT OF THE SCHEME?

What happens if I leave the Company?

If you leave the Company, and you have been a member of the Scheme for more than 30 days, then you have a choice of the following two options:

1. You can leave your Pension Account in the Scheme where it will continue to be invested until you take your benefits; or
2. You may be able to transfer the value of your Pension Account to another pension scheme.

By law, you can't have a refund of your contributions if you have been a member of the Scheme for more than 30 days.

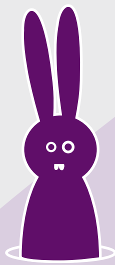
If you leave your money in the Scheme then you will become a deferred member. As a deferred member you will still be entitled to retirement and death benefits, but you will no longer be covered for the Death in Service lump sum benefit. Turn to the 'Protection' section for more information. Deferred members are still able to change their investments but they are unable to add further contributions to their Pension Account.

Can I leave the Scheme while I am still working within the ABF Group of Companies?

You can leave the Scheme while you are still working within the ABF Group of Companies but, as required by Auto Enrolment legislation, you may be opted back into the Scheme automatically at some point in the future. You can opt out again if you want to, but you will be missing out on valuable benefits from the Company.

If you decide to leave the Scheme then you will lose your death in service lump sum cover and you will have the same options as if you had left the Company (see above).

If you are considering transferring your Pension Account to another arrangement, you need to be careful to avoid Pension Scams. You can find more information about how to idenify a potential scam arrangement on the website at www.abfpensions.com/dc.



What happens if I am absent from work?

Most absences are for a relatively short time so do not affect your membership of the Scheme. However, if you have a longer period of unpaid absence away from work then neither you, nor the Company, will pay any contributions to your Pension Account for that time.

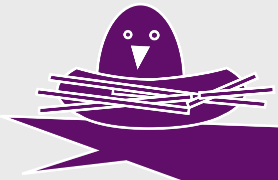
What happens if I am on maternity, paternity or adoption leave?

During ordinary maternity, paternity or adoption leave, you pay contributions based on the actual pay you receive. The Company will continue to pay contributions based on the pay you would have received if you were working normally.

Here is an example...

Sarah earns an annual salary of £24,000, or £2,000 per month. Sarah has a baby and takes maternity leave. She continues to pay contributions to her Pension Account while she is on ordinary maternity leave.

Sarah pays contributions of **5%** of her monthly salary of **£2,000**, so the money going into her Pension Account before her maternity leave is worked out like this:



	Sarah's contribution is 5% of £2,000	= £100 a month
+	The Company's contribution is 8% of £2,000	= £160 a month
=	**Total contributions to Sarah's Pension Account**	**= £260 a month**

However, while she is on ordinary maternity leave, Sarah receives maternity pay of **£151.20*** per week or **£655.20** a month. The money going into Sarah's Pension Account is worked out like this:

	Sarah's contribution is 5% of £655.20	= £32.76 a month
+	The Company's contribution is 8% of £2,000	= £160 a month
=	**Total contributions to Sarah's Pension Account**	**= £192.76 a month**

During any other period of additional maternity leave, additional paternity leave or additional adoption leave during which you are paid by the Company, you will remain a member of the Scheme but you will only pay contributions based on the actual earnings you receive. The Company will continue to pay contributions based on what you would have received if you were working normally.

During any periods of unpaid family leave, no contributions are paid by you nor the Company.

* Rate payable from 6 April 2020.

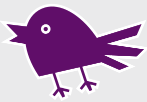
WHEN CAN I RETIRE?

The Scheme's Normal Retirement Age is 65, but you can start taking your pension from age 55.

You may also be able to start taking your pension while you are still working for the Company. So if you want to ease into retirement gradually by going part time first, then you may be able to take all of your Pension Account while still working (if the Company consents). You would have to rejoin if you wanted to maintain your life cover and further pension saving, including Company contributions.

Speak to your local HR or Payroll Department or contact Group Pensions if you would like to know more about this option.

What happens when I retire?



When you want to retire and take your benefits from the Scheme, you can:

- Take the whole account as a one-off lump sum, 25% of which is tax-free and the remainder will be taxed
- Purchase an annuity, again you can take up to 25% of your Pension Account as a tax-free lump sum and the remainder of your Pension Account will purchase an annuity with an insurance company
- Transfer the benefits to another arrangement and then take the benefits flexibly, either as a series of lump sums or by drawing down a regular income

You can find more information about the different options on the next page, but it's also important to understand the tax implications of your decision.

Tax implications

The different options give you a lot more flexibility in how you use your pension savings, but please remember that there are tax implications regardless of the decisions you make. There are two main points to note:

- Taking a cash lump sum – the first 25% of any cash lump sum you take will be tax-free (subject to the Lifetime Allowance, see the Know Your Limits section later in this booklet). The remaining amount will be taxed as income. This, combined with your other sources of income, could push you into a higher tax bracket.
- Your Annual Allowance (AA) – the standard Annual Allowance is currently £40,000*, however if you take your benefits flexibly, including taking the whole account as a one-off lump sum, your AA will reduce to £4,000, which will reduce the amount that you can save into a DC pension going forward. This is important to be aware of if you plan to continue working.

These are explained more in the Know your Limits section, later in this booklet.

*AA correct at April 2020

What are my retirement options?

A cash lump sum

You can choose to take all of the money that you have saved in your Pension Account as a one-off cash lump sum at retirement. The first 25% would be tax-free and the rest would be taxable as income.

If you want to choose this option, it's important that you consider the amount of tax you would be liable for. The remaining amount would be combined with any other income you have earnt in that tax year, which could push you into a higher tax bracket. If you take your benefits in this way, no further benefits would be payable from the Scheme in respect of this period of membership.

Purchase an annuity

When you retire, your Pension Account can be used to buy an annuity from an insurance company. In exchange for the value of your Pension Account, the insurance company will agree to pay a guaranteed income for the rest of your life.

You will need to choose what type of annuity you buy, for example whether it will increase each year, and whether it will pay an income to your spouse or lump sum in the event of your death.

You can still take up to 25% of your Pension Account as a tax-free lump sum and the remainder of your Pension Account can then be used to buy an annuity.

The Trustee will make available to you the services of a company that specialises in selecting annuities across the open market to help you obtain quotations appropriate to your individual circumstances on retirement. You can also use your own financial advisor if you wish.

Flexible income or a series of lump sums

These options are not available through the Scheme so you would need to transfer your Pension Account to another approved pension arrangement to take either of these options. Once transferred, your money remains invested and you can either draw this as a flexible income or as a series of lump sums.

If you take the flexible income, you can take your 25% tax-free lump sum and then draw an income each year. Any income you draw will be taxable.

If you wish to take a series of lump sums, the first 25% of each lump sum will be tax-free with the remainder being taxable.

Whichever option you are considering, we recommend that you take financial advice from an approved advisor before making your decision. The Government has also launched a free guidance service for DC members who are over age 50. You can find more information at **www.pensionwise.gov.uk**.

If you are considering transferring your Pension Account to another arrangement, you need to be careful to avoid Pension Scams. You can find more information about how to identify a potential scam arrangement on the website at **www.abfpensions.com/dc**.

What will my Pension Account be worth at retirement?

The value of your Pension Account will depend on the money you and the Company pay into your Pension Account, and the investment return that is achieved. We will send you a statement every year to tell you how much money is in your Pension Account and what it might be worth at your Normal Retirement Age of 65. This is called a projection and uses several assumptions including how your salary will increase and how the investment funds will perform.

We will write you to shortly before your 65th birthday to confirm the current value of your Pension Account and your different options. If you would like to retire before this, you can request a retirement quotation at any age once you've reached 55.

If you want to check the value of your Pension Account more regularly then you can log on to the website at **www.abfpensions.com/dc**. You will have been sent your login details when you joined the Scheme, but if you can't remember them then you can request a reminder from the login page on the website.

Will I receive a State Pension?

The State Pension changed in April 2016, but if you are a man born before 6 April 1951 or a woman born before 6 April 1953, then your State Pension will be paid on the old rules. You can find more information about how the State Pension is calculated for you at **www.gov.uk/state-pension/what-youll-get**.

Under the new rules, you will usually need at least 10 qualifying years to get a State Pension. You can find out more about the new State Pension and request a pension forecast at **www.gov.uk/new-state-pension**.

What happens if I have to retire early because of ill health?

If you are suffering from ill health which stops you from working (which we refer to as incapacity), you may be allowed to start taking your pension at any age (i.e. before the minimum retirement age, 55). Incapacity is ill health that the Trustee believes is serious enough to prevent you from following your normal occupation and seriously impairs your earning ability.

If the Company supports your application and the Trustee agrees to you retiring as a result of incapacity (after you have provided acceptable medical evidence), the value of your Pension Account will be increased. This increase is equal to one month's Pensionable Earnings for each complete year you could have continued to work for the Company from the date of your ill health retirement up to the Scheme's Normal Retirement Age of 65 (subject to a maximum of 24 years).

If the Trustee believes that your ill health is so serious that you will be unable to work for the Company, for any other employer or for yourself at any level of pay, this is known as total incapacity. In this case, the increase to your Pension Account will be equal to three months' Pensionable Earnings for each complete year you could have continued to work for the Company from the date of your ill health retirement to the Scheme's Normal Retirement Age of 65. Under total incapacity, the 24 year maximum does not apply.

You are only able to apply for ill health retirement if you have provided the medical information explained on page 5 and if the medical condition you are claiming for has not been notified to you as an exclusion.

Here is an example…

If you had to retire at age 39 as a result of incapacity and at that time your Pensionable Earnings were £24,000 a year and you had saved £80,000 in your Pension Account, your increased Pension Account would be worked out as:

One month's Pensionable Earnings ✖	Number of complete years until the Scheme normal retirement age date (age 65) =	Incapacity Benefit +	Pension Account =	Increased Pension Account
£2,000	24 (26 years limited to a maximum of 24)	£48,000	£80,000	£128,000

If you had to retire at age 39 as a result of total incapacity and at that time your Pensionable Earnings were £24,000 a year and you had saved £80,000 in your Pension Account, your increased Pension Account would be worked out as:

Three months' Pensionable Earnings ✖	Number of complete years until the Scheme normal retirement age date (age 65) =	Total Incapacity Benefit +	Pension Account =	Increased Pension Account
£6,000	26 (no maximum applied)	£156,000	£80,000	£236,000

The increase to your Pension Account is not invested and will be added to the value of your Pension Account when your benefits are settled. You will have the same retirement options available to you as if you were retiring normally and the increase will be added even if you decide to transfer your Pension Account to take the benefits flexibly.

If you are unable to work and would like to apply for ill health retirement, please speak to your local HR to discuss your circumstances.

Know your limits

There is not currently any limit to the amount you can pay into the Scheme, but the Government has set some limits on the amount of money that can benefit from tax relief.

Annual Allowance (AA)

All contributions paid into your Pension Account each year receive tax relief, provided that they do not exceed 100% of your annual earnings or, if lower, your personal Annual Allowance. Your contributions and the Company's contributions, as well as any contributions you may make to other pension schemes, count towards the AA.

If the total of the contributions made by you, and for you, in any year is more than your personal AA, you will have to pay tax on the amount over this allowance. The Scheme is required to measure the year from 6 April to the following 5 April.

The standard AA is currently set at £40,000*, however, you may be subject to the Tapered Annual Allowance which could be as low as £4,000*. You can find more information about this on the website at **www.abfpensions.com/dc/taxation**.

Money Purchase Annual Allowance (AA)

If you have taken any Defined Contribution benefits flexibly, including taking more than 25% as a lump sum then you may be subject to the Money Purchase Annual Allowance, which is currently £4,000*. Your previous provider would have informed you of this when you took the benefits. You are required to inform your current pension provider if this applies to you.

Lifetime Allowance (LTA)

The Lifetime Allowance (LTA) is the maximum amount you can take in pension benefits during your lifetime from all UK Revenue approved pension schemes before an additional tax charge is incurred. If the LTA is exceeded, you will be subject to the LTA tax charge. The LTA is currently £1.0731 million*.

*AA, MPAA and LTA correct at April 2020

WHAT HAPPENS IF I DIE?

What happens if I am an active contributing member?

A lump sum of four times your Pensionable Earnings plus the value of your Pension Account may be paid to your loved ones as a lump sum.

For example, if your Pensionable Earnings are £23,500 per year, and you have saved £80,000 in your Pension Account, the lump sum death benefits would be worked out as:

Pensionable Earnings	x 4	+	Pension Account	=	Lump sum death benefit
£23,500	x 4	+	£80,000	=	**£174,000**

What happens if I die after I leave the Scheme, but before taking my pension?

The value of your Pension Account will be paid as a lump sum.

Who will receive these benefits?

The Trustee will decide who receives your death benefits, but will consider your wishes.

To help the Trustee decide who should receive your death benefits, you can update your beneficiaries through your secure online account. If you are unable to update your beneficiary information online, you can download and complete the Nomination Form from the website at **www.abfpensions.com/694/nominating-your-beneficiaries**.

What happens if I die during my retirement?

The benefits payable will depend on the choices you made at retirement.

If you took your whole Pension Account as a one-off lump sum, then no further benefits will be payable.

If you transferred your Pension Account or purchased an annuity, then the benefits payable will depend on the choices you made at that time. You should contact the provider of your drawdown or annuity for more information.

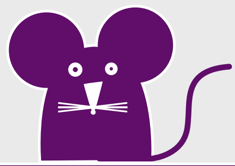
HOW TO GET IN TOUCH

If you have any questions you can contact your local HR or Payroll Department or speak to Group Pensions using the details below:

Helpline: **0800 090 2267**
this number is free to call from a UK landline or mobile
or **+44 (0)20 7636 8111** if you are calling from abroad

The team are available Monday to Friday, from 9am to 5pm.

Website: **www.abfpensions.com/dc**
Email: **DCPensionAdmin@abfoods.com**
Address: **Group Pensions, 50 – 51 Russell Square, London, WC1B 4JU**



Explore your pension community online

This booklet is only a summary of the benefits within the Scheme. You can find more information on the website at **www.abfpensions.com/dc**. You can also find information on the website about how to change the amount you pay in contributions or how these are invested and how to transfer benefits in from other pension arrangement.

The modeller

Our modelling tool lets you add in your personal details and see what your projected pension might be. You can look at how this might differ based on changing when you want to retire, how much you want to contribute and the amount of tax-free cash you would like to take.

FREQUENTLY ASKED QUESTIONS

What if I get divorced?

If you are going through a divorce and you are a member of the Scheme, your pension benefits can be affected. You can get more information by calling our Member Services Team, using the details on the previous page.

How can I trace old benefits?

If you think you may be entitled to pension benefits with a previous employer or a personal arrangement and you have lost touch with the scheme, you can use the Pension Tracing Service, which is a free service. Visit **www.gov.uk/find-lost-pension** for more information.

What should I do if I have a problem?

Group Pensions are always on hand to answer your questions and resolve any problems you may have. But, if you don't feel you're getting the response you need, we have a formal 'Internal Dispute Resolution' procedure in place under which complaints may be reviewed by the Trustee. There are also some external organisations that are available to help members with issues which cannot be resolved under the Internal Dispute Resolution Procedure.

Please contact Group Pensions if you would like a copy of the Internal Dispute Resolution procedure.

Who is the Trustee?

The Trustee of the Scheme is Associated British Foods Pension Trustees Limited, which operates through its board of directors. The Trustee's duties include ensuring that the Scheme is run in accordance with the Trust Deed and Rules, supervising and monitoring the administration of the Scheme, and choosing investment managers (it is not responsible for the investment choices you make).

Where can I get advice?

Group Pensions, the Trustee and the Company are not able to give you personal advice. For independent financial advice, visit the professional advice website **www.unbiased.co.uk**, to find local Independent Financial Advisers (IFAs) who are qualified to give personal advice. The Government has also set up a free guidance service for individuals with DC benefits, their website is **www.pensionwise.gov.uk**.

FURTHER INFORMATION

The Pensions Regulator

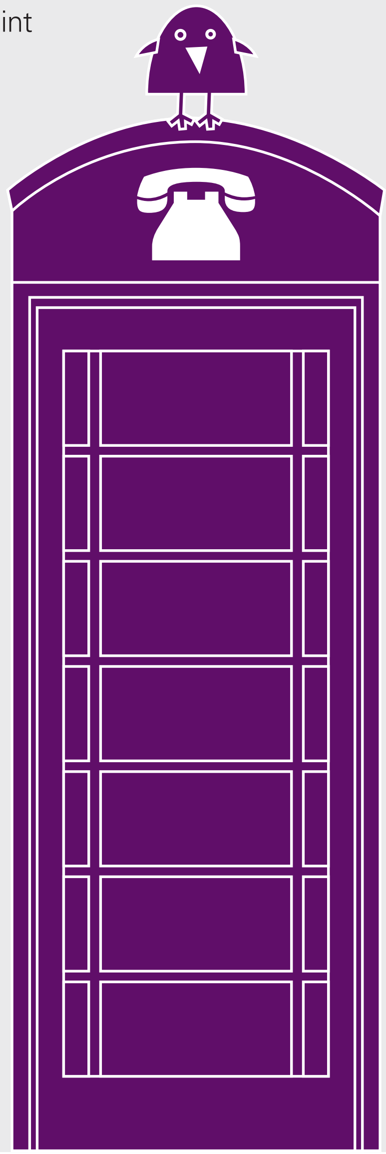
The Pensions Regulator is a supervisory body for work-based pension schemes. It has the power to intervene in the running of pension schemes where trustees, employees or professional advisers have failed in their duties. The Pensions Regulator can be contacted by writing to Napier House, Trafalgar Place, Brighton, BN1 4DW or by visiting **www.thepensionsregulator.gov.uk**.

The Pensions Advisory Service

The Pensions Advisory Service (TPAS) is available to assist members and beneficiaries of pension schemes in connection with any pension queries they may have or any difficulties they may have encountered at any time and which they may have failed to resolve with the trustees or administrators. TPAS can be contacted by writing to 11 Belgrave Road, London, SW1V 1RB, calling 0800 011 3797 or by visiting **www.pensionsadvisoryservice.org.uk**.

The Pensions Ombudsman

The Pensions Ombudsman is available to investigate and determine any complaint or dispute of fact or law in relation to a pension scheme from an individual or between an individual and the pension scheme's trustees. Pension scheme members and beneficiaries may call upon the services of the Pensions Ombudsman. The Pensions Ombudsman can be contacted by writing to 10 South Colonnade, Canary Wharf, London, E14 4PU, calling 0800 917 4487 or by visiting **www.pensions-ombudsman.org.uk**.



Free Guidance

The Government has launched a free impartial guidance service for to anyone with DC pension savings. We recommend that you use this service to get guidance and support with your retirement planning decisions. If you are approaching retirement and interested in this service, you'll find further information at **www.pensionwise.gov.uk**.

Pension wise
Your money. Your choice.

LEGAL INFORMATION ABOUT THE SCHEME

This booklet provides a summary of the Scheme. The Trustee must abide by the Trust Deed and Rules of the Scheme, which are the legal documents that govern its operation and members' rights. You can request a copy from Group Pensions.

Tax approval

The Scheme is a registered pension scheme under the Finance Act 2004. As a result of this:

- you receive full tax relief on your contributions for annual earnings up to the Annual Allowance;
- the Scheme's capital gains are not taxed; and
- cash sums taken in exchange for up to 25% of your Pension Account are tax-free, as long as that sum is not more than 25% of your available Lifetime Allowance.

Changing or closing the Scheme

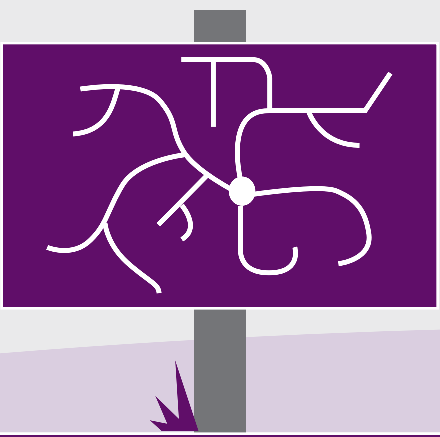
The Company is fully committed to the Scheme. However, you should be aware that the Company is legally entitled to change, close or wind up the Scheme at any time in the future (in accordance with the Trust Deed and Rules). If the Scheme was wound up, your Pension Account would be held elsewhere. The Trustee can also change the investment options available under the Scheme.

Data Protection Act 2018

Your personal data and the personal data of your relatives, dependents and nominated beneficiaries is processed by Associated British Foods Pension Trustees Limited (in relation to the Associated British Foods Pension Scheme) as a data controller.

Information about how Associated British Foods Pension Trustees Limited processes your personal data, and your rights in respect of your personal data (including the right to object in certain circumstances), is provided in the privacy notice available online at **www.abfpensions.com/dataprotection** (and is also available in printed form, please contact us if you would like to request this).

You must provide this notice to your relatives, dependents and nominated beneficiaries if you are providing their personal data. If you have any questions or need any further information, please contact us.



USEFUL DEFINITIONS

Annual Allowance (AA)

This is a limit, set by the Government, on the amount of pension benefit that you can build up in any one year in a tax-efficient manner. A tax charge may be payable in the event that the amount of contributions paid to pension arrangements (by you and your employer) over the Scheme Year exceed your personal AA.

Annual Management Charge (AMC)

The Annual Management Charge or AMC is the cost of the Fund Manager managing your chosen fund. It is built into the unit price so you won't see it as a deduction in value or units from your account. The Trustees negotiate the AMC with the Fund Manager to ensure that the members get the best value possible, as a result the AMC on the funds available for investment will often be lower than would be available if you went directly to the Fund Manager. The AMC for each fund is shown on the fund fact sheets which are available on the Scheme web site.

Annuity

The policy with an insurance company that will pay you an income for life in exchange for the value of your Pension Account.

Auto Enrolment

This is the process by which employers must automatically enrol workers who meet certain eligibility conditions into a pension scheme that meets certain statutory criteria regarding contribution rates etc. If you are enrolled, you will have the option to opt out.

Company

This is Associated British Foods plc and any subsidiary or associated company whose employees are included in the Scheme

Contribution Earnings

These are your gross cash earnings excluding any bonus payments (unless the Company has notified you in writing that these payments are to be included), any cash arising from the exchange of non-cash benefits and any payment in lieu of notice.

Dependant

This is any person who, in the opinion of the Trustee, is financially dependent on you or a person with whom you shared living expenses and whose standard of living would be affected by your death.

Incapacity

This is ill-health which, in the opinion of the Company, is serious enough to prevent you following your normal occupation and seriously impairs your earning ability.

Normal Retirement Date

This is your 65th birthday.

Pension Account

This is the account maintained by the Trustee in the Scheme for you. You can choose how it is invested if you decide to invest in one of the alternative fund options to the default Target Date Funds.

Pension Input Period

The period over which you and the Company pay contributions into the Scheme and is a year ending 5 April.

Pensionable Earnings

These are your Contribution Earnings in the last 12 complete months of Pensionable Service (or in the last complete tax year of your Pensionable Service if that is higher).

Pensionable Service

This is the period that you have been a member of the Scheme.

Scheme

This is the Associated British Foods Pension Scheme.

Scheme Administrator

The Scheme is administered on behalf of the Trustee by the ABF Group Pensions Department.

Scheme Year

This is the year ending 5 April.

Total Expense Ratio (TER)

The Total Expense Ratio or TER, is the total percentage that the Fund Manager will charge for managing your fund. This includes the Annual Management Charge (AMC) as well any additional charges such as tax and fees. It is built into the unit price so you won't see it as a deduction in value or units from your account.

Total Incapacity

This is Incapacity which is so serious that in the opinion of the Company, you will be unable to work for the Company, any other employer or for yourself at any level of pay.

Trustee

The Trustee is a trustee company, Associated British Foods Pension Trustees Limited. The directors of the Trustee Company are appointed and replaced by the Company and are responsible for the trust fund and for ensuring that the Scheme is administered in accordance with the Trust Deed and Rules. The directors are, in effect, the trustees of the Scheme.