

<Title> <Initials> <Surname>
<Address line 1>
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29 August 2018

Dear <Member name>,

Hays Pension Scheme (the “Scheme”)

I am writing to you to give you the good news that the Trustee of the Scheme has recently entered into an agreement to insure some of the Scheme benefits.

The Trustee, together with Hays plc, have carried out a detailed review of this insurance market and we are pleased to report that the Trustee signed an agreement with Canada Life to insure some of the benefits through the purchase of a Bulk Annuity Policy.

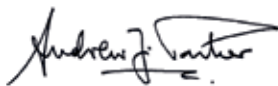
This significant move has helped to reduce the risks facing the Scheme and has improved the security of all members.

I appreciate that this news will probably raise many questions and I have therefore hopefully covered all of these on the attached Questions & Answers Appendix. If you do however have any additional questions, please feel free to call Kath Bedford, Hays Pensions Manager. Her details are also shown on the Appendix.

I would however like to put your mind at ease and emphasise that there is no change to your benefit entitlements under the Scheme and there are no actions for you to take. If you are a pensioner you will continue to receive your pension as normal from Equiniti – the Scheme’s administrators.

This letter is provided purely for your information.

Yours sincerely,



Chairman of the Trustee of the Hays Pension Scheme

Enclosed – Appendix: Questions and Answers relating to the Bulk Annuity Policy with Canada Life.

Appendix: Questions and Answers relating to the purchase of the Bulk Annuity Policy with Canada Life

1. Why am I being sent this letter?

This letter has been sent to you for information as you are either currently in receipt of a pension from the Hays Pension Scheme, or have a right to receive a pension from the Scheme in the future.

2. What decision has the Trustee made?

The Trustee has purchased a Bulk Annuity Policy which is an insurance policy, from Canada Life as an investment of the Scheme.

3. What is a Bulk Annuity Policy and what does it cover?

A Bulk Annuity Policy (also called a 'buy-in') is an insurance contract entered into between the Trustee of a pension scheme and an insurance company. It is purchased as another type of investment of the pension scheme.

Like any other type of insurance, the Trustee pays a premium to the insurance company and, in return, the insurance company guarantee to make regular payments to the scheme.

This type of policy covers the Scheme's monthly pensioner and dependants' payroll.

4. Why has the Trustee decided to purchase a Bulk Annuity Policy?

The Scheme faces a number of financial risks including changes in inflation rates and investment risks, as well as the uncertainty over life expectancy of all of its members. The Trustee's investment strategy is to reduce risk over time and to increase benefit security for all members and their dependants.

The purchase of this policy means that these risks faced by the Scheme for our pensioners have now been transferred to Canada Life under this policy. In turn, this has increased the benefit security for all members and their dependants.

5. Isn't this policy costing the Scheme a lot more – nothing in life is free?

No, the purchase of the Bulk Annuity Policy represents good value to the Scheme.

As you are aware, every three years, the Actuary carries out a valuation of the scheme. This includes a number of assumptions about the Scheme's liabilities (members' pension benefits) and the Scheme's assets needed to pay them when they are due.

The assumptions the Actuary uses have to be cautious and of course cover the total membership.

The insurers however use a different basis for this pensioner only group and have quoted a lower price than the Actuary's assessment for the same liabilities.

6. Why has the Trustee chosen Canada Life?

The Trustee and their advisers carried out an extensive exercise to obtain quotations and review proposals from a number of insurers.

In addition, the Trustee obtained detailed professional advice on reviewing all of the insurers who provided quotations to ensure they were suitable companies with which to insure members' benefits over the long-term. The review covered a number of areas including the financial strength, reputation, quality of service and the quality of its administration systems and the Trustee met with the insurers.

As a result of this exercise, the Trustee was satisfied that Canada Life was a suitable insurer with which to purchase the Bulk Annuity Policy, and was a good investment option for the Scheme.

7. What guarantees have we got that Canada Life will be here in the long term?

Insurance companies operate under a strict set of regulations and are monitored by the UK's Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA). The insurance regulatory framework is set up with strict capital reserve requirements to provide a secure environment for providing pension benefits over the long-term.

Therefore, the Scheme will also benefit from this financial security as well the ongoing Pension Protection Fund.

8. I am currently receiving a pension, what does this mean for me and what do I need to do?

Your position as a member of the Scheme is unchanged. Your benefits are still held in the Scheme. This letter is for information only and you do not need to take any action.

As you are a current pensioner, your pension will continue to be paid by the Scheme's administrators, Equiniti. Similarly, there is no change to any benefits that may be payable to your spouse or dependant(s) following your death.

Equiniti will continue to administer your pension on behalf of the Trustee and you should continue to direct all correspondence to Equiniti, just as you do now.

The Trustee is still responsible for paying your benefits and the payment of your pension will continue in exactly the same way as now.

9. I am not yet receiving a pension, what does this mean for me and my pension benefits?

There is no change to your accrued pension benefit. It is still held in the Scheme. You still have the following options:

- To leave your pension in the Scheme until you reach your normal retirement age.
- To take early retirement from the Scheme. The earliest age is 55 but your pension would be reduced for early payment.
- To transfer your benefits to another pension arrangement. Hays plc have engaged a company called Origen to provide free financial advice (paid for by Hays plc), if you wish to investigate this option.

10. Are all members being treated equally?

Yes. The transaction does not change the position of any individual members. The Bulk Annuity Policy belongs to the Scheme as a whole.

11. Will you be purchasing any more Bulk Annuity Policy Contracts?

The Trustee may decide to carry out further similar exercises in the future but it will be a number of years before we have another group of pension members sufficient in number to enable a bulk exercise to take place.

12. Who should I contact if I have any questions about this Bulk Annuity Policy?

You should contact Kath Bedford, Hays Pensions Manager.

Telephone: 0207 391 6641

Email: kath.bedford@hays.com

13. Who should I contact if I have any questions about my pension benefits?

You should continue to contact the Hays' pension team at Equiniti with any questions.

Telephone: 0129 360 4656

Email: hays@equiniti.com

Please let the Scheme's administration team know if your contact details change.

This communication will also be loaded onto www.hayspensionscheme.com for future reference.