



27<sup>th</sup> June 2022

Employees of AMG Chrome Limited and AMG Aluminum UK Limited

Dear Colleagues,

**Outcome of Consultation on the Proposal to Switch Defined Contribution (DC) Pension Provision from the Members' Retirement Account (MRA) Section of the AMG UK Group 2006 Pension Plan to The Aon MasterTrust**

**This letter contains important information about changes to your DC pension benefits as an employee of AMG Chrome Limited or AMG Aluminum UK Limited (“the Company”), so please read it carefully.**

As an employee of AMG Chrome Limited or AMG Aluminum UK Limited, you are eligible to participate in the Company's pension arrangement: the Members' Retirement Account (MRA) Section of the AMG UK Group 2006 Pension Plan (the “the Plan”).

Our letter dated 14 April 2022 set out proposals to make changes to introduce a new pension arrangement, the Aon MasterTrust, from 1 July 2022. The letter included a set of ‘Questions and Answers’ about the proposed changes and marked the start of a 60-day pension consultation with impacted members and the representatives of impacted members. Your representatives are the Employee Forum or Trade Union Representatives.

During this time, information about the proposal was made available to you and you had the opportunity to ask questions and provide feedback on the proposals. We also held presentations, where information about the Aon MasterTrust was presented.

The 60-day pension consultation closed on 15 June 2022. We would like to thank all those who have asked questions and provided feedback on the proposed pension changes from 1 July. We have responded to all the questions that were asked, including responding individually to specific questions.

Having carefully considered all the comments and feedback we received, the Company has decided to fully implement the proposal set out in our letter of 14 April 2022 and move the pension arrangement for its employees to the Aon MasterTrust from 1 July 2022.

As a result of the change in pension scheme, death-in-service benefits for employees will also change leading to an improvement in these benefits (see Death in Service benefits section, page 2).



## Pension Changes

**The Company will now establish a new pension scheme with the Aon MasterTrust to accept contributions from 1 July 2022.**

The new pension scheme will be arranged as a section within the Aon MasterTrust, which is a master trust set up and run by global benefits consulting company Aon plc, is run by professional trustees and authorised by the UK Pensions Regulator.

The Aon MasterTrust provides a high-quality pension offering including:

- Access to the full range of options in how you take your pension such as drawing down an income, without having to transfer your benefits to another arrangement at retirement
- Support in the lead up to retirement and beyond, including access to guidance and access to financial advice
- Comprehensive communications and advanced modelling tools together with extensive on-line functionality including access through a mobile app.
- A sophisticated default investment strategy incorporating Environmental, Social and Corporate Governance (ESG) factors and a wide range of 'self-select' investment options
- A high-quality pension scheme administration service

Importantly, the Company is not making changes to other aspects of pension benefits. In particular:

- The amount of contributions paid by employees and by the Company will remain the same.
- Any pension benefits previously built up in the Retirement Benefits Plan section of the Plan (the DB Scheme) will remain, unchanged, in the current Plan (i.e. DB benefits will not move to The Aon Master Trust).

The Company will monitor the new pension arrangement and work with Aon to ensure that the services and support provided to members meets the high level of quality we expect from them.

## Death in Service benefits

### Current arrangement

Currently, if an employee dies whilst in employment, then a lump sum benefit is paid to dependants. This is equal to the greater of:

- i. the value of the MRA pension account; or



- ii. a multiple of salary (depending on when you joined the Plan) plus the value of any Additional Voluntary Contributions (AVCs) you've paid and any benefits you have transferred into the MRA.

### **New arrangement**

From 1 July if an employee dies whilst in employment, the lump sum benefit paid will be the sum of:

- a) the value of your DC pension account in the Aon Master Trust (or the Plan until the funds are transferred), which will include any AVCs or transfers from other pension schemes; plus
- b) the same multiple of salary as above (depending on when you joined the Plan)

This is an overall increase in benefits for all employees, the full cost of which will be met by the Company.

### **What happens next?**

We will now move forward with implementing the following changes:

- You will be automatically enrolled into the Aon MasterTrust from 1 July 2022.
- Your death in service benefits will automatically increase as above from 1 July 2022.
- All contributions, including any AVCs, to the current Plan will cease from 30 June 2022 and all future contributions will be paid to the Aon MasterTrust.
- All contributions paid to the Aon MasterTrust will be invested in the default investment strategy, the Core Retirement Pathway Funds, unless and until you select an alternative strategy through your online account.
- Aon will contact you in August with details of how you can access your online account. This will enable you to view information and take action on your investment options, preferred contact details, nomination of beneficiaries etc.

### **Your Personal Information**

We take the security of our employees' personal data very seriously. As part of the process to close the Plan and move contributions to the Aon Master Trust, we will need to send certain employee data to Aon.

To read about how we may use your personal data please refer to our Privacy Notice.



Separately, the Company has asked the Trustee of the current Plan to move your existing DC pension savings in the MRA Section across to the Aon MasterTrust, so that your past and future Company pension savings can be consolidated in one place. The Trustee will contact you about this separately.

If you have any questions or comments regarding the confirmed pension changes to switch to the Aon MasterTrust from 1 July 2022 or the contents of this letter, please email them to [pensions@amg-s.com](mailto:pensions@amg-s.com).

Yours sincerely

**For and on behalf of**

**AMG Chrome Limited and AMG Aluminum UK Limited**

Samantha Scarfe

HR Manager