



MAERSK

**Maersk Retirement
Benefit Scheme**

The Pearl
7 New Bridge Street West
Newcastle Upon Tyne
NE1 8AQ
UK

Reg. No.: 05229374

17 March 2023

Update on your pension

Dear Member,

I wrote to you in December 2020 to say that the Maersk Retirement Benefit Scheme (the Scheme) was in good financial health and that the Trustee, with the full support of Maersk, had provided further security to members' benefits under the Rules of the Scheme by entering into an insurance contract (called a "buy-in" policy) with Legal & General.

Since then, your benefits have continued to be administered by the Trustee and paid by the Scheme's administrator, Mercer, with the cost of those benefits being met by the Legal & General buy-in policy.

I am pleased to report a number of recent developments which are significant steps towards both securing and potentially improving your Scheme benefits for the future:

- The Trustee is reaching the end of many administration projects which will both improve data held for the Scheme membership and adjust benefits for reconciliations against HMRC data and the impact of recent legal judgements.
- The Trustee has successfully sold its portfolio of illiquid investments. The Scheme's residual funds (excluding the buy-in policy) of over £110 million have since been held in sterling cash-based assets.
- For the Trustee to access residual funds in order to improve benefits for members, Maersk has agreed:
 - To form a new ring-fenced section of the Scheme (the "FW Section") consisting of £20 million of Scheme funds together with the transferred assets and liabilities of the Furness Withy Pension Scheme, a separate defined benefit scheme sponsored by a different Maersk group entity, and;
 - For the Trustee to commence the separate winding-up of the new ring-fenced MRBS Section of the Scheme, such winding-up being the start of the process to secure MRBS Section benefits in full with Legal & General. You are a member of this MRBS Section. The winding-up commenced on 19 February 2023. During the winding-up process, the remaining residual funds within the MRBS Section will be used to improve member benefits in the MRBS Section, as well as meeting the costs of winding-up the MRBS Section and the benefit adjustments mentioned above. Consequently, as required by regulations, we confirm that we do not anticipate that there will be any reduction in member benefits as part of this winding-up process.
- After due consideration, the Trustee has decided to use some of the residual funds immediately to provide an improved "cost-of-living" increase to MRBS Section pensions in payment on the Scheme's annual increase date in April 2023. Further details will be given in the individual pension increase notification letters due to be sent to pensioners shortly.

In the short-term, members will continue to receive benefits directly from the MRBS Section of the Scheme and you should continue to contact the Trustee or Mercer with any Scheme-related queries – further information is included below. As the winding-up process nears its completion, likely to be during 2024, other benefit improvements will be made and the buy-in policy with Legal & General will then be converted into individual policies and benefits will then be paid directly to all members by Legal & General.

I hope you will agree with me that these are very positive developments for members.

Nigel Pusey | Chairman
Maersk RBS Pension Trustee Ltd



You do not need to take any action. This update is for information only.

If you have any queries, you can either:



Go to the website www.contact.mercer.com



Get in touch by email maerskrbs@mercerc.com



Call **01372 200208**



Or write to **Maersk Retirement Benefit Scheme, Maclaren House,
Talbot Road, Stretford, Manchester M32 0FP**

Frequently Asked Questions (FAQs)

Why is the MRBS Section being wound up?

There are a number of complementary reasons for this. The MRBS Section remains in a strong financial position and the winding-up is the beginning of the process to secure all the MRBS Section benefits in full with Legal & General. This will improve the security for all future benefit payments and annual pension increases provided under the MRBS Section. It also means that the MRBS Section will no longer need to rely on future funding or support from Maersk. As the winding-up process nears its completion, the existing buy-in policy with Legal & General will be converted into individual policies and benefits will then be paid directly to all members by Legal & General. The winding-up of the MRBS Section also gives the Trustee full control over the use of the MRBS Section's residual funds.

What do you mean by residual funds?

These are the remaining funds which the MRBS Section holds having secured the benefits guaranteed by the MRBS Section through the purchase of the buy-in policy with Legal & General in December 2020. The value of these funds is estimated to be approximately £90m after the payment of £20m to the FW Section of the MRBS Scheme as part of the merger agreement reached with Maersk to facilitate the winding-up of the MRBS Section.

What happens to my pension entitlement once the MRBS Section is wound up?

As noted above, responsibility for paying all MRBS Section members' benefits will be fully secured with Legal & General before the MRBS Section is wound-up. There will be no change to your benefits following the wind-up, save that the Trustee expects to use the residual funds to secure benefit improvements for members of the MRBS Section, as noted on the next page. Legal & General will be responsible for paying your benefits when the existing buy-in policy is converted into individual policies.

Why are some benefits going to be adjusted?

Legislation requires the Trustee to ensure that the Guaranteed Minimum Pension element of your pension entitlement earned between May 1990 and April 1997, is equalised for males and females. This equalisation will give rise to some member's pension being adjusted.

Will you notify us of any benefit adjustments?

Yes. The Trustee will let you know of any required adjustment to your benefit once this has been established and before any benefit adjustment is made.

Why did the MRBS Scheme merge with the Furness Withy Pension Scheme if the MRBS Section was going to be wound-up?

Maersk approached the Trustee with a proposal for merging the schemes. This proposal required £20m from the MRBS Section being made available to the FW Section in return for which Maersk agreed to wind-up the MRBS Section and thereby give the Trustee full control of the remaining residual funds in the MRBS Section of c£90m.

Does the merger of the Furness Withy Pension Scheme into the MRBS Scheme impact the ability of the MRBS Section to meet its benefit promise to MRBS Section members?

No. As part of the merger, the MRBS Scheme was split into two separate sections, the MRBS Section (which you are a member of) and the FW Section (which applies in respect of the former members of the Furness Withy Pension Scheme), with each section having its own separate funds, advisers and trustee. Apart from the initial £20m that was made available from the MRBS Section to the FW Section in order to reach agreement with Maersk to facilitate the winding-up of the MRBS Section, there will be no financial link between the two sections. Maersk Line UK Ltd and Maersk Offshore (Bermuda) Limited are the Maersk entities standing behind the MRBS Section and Maersk Logistics and Services UK Ltd is the Maersk entity standing behind the FW Section.

What is the Trustee going to do with the residual funds?

The residual funds will be used to meet the MRBS Section's winding-up expenses and to improve the MRBS Section members' benefits.

What benefit improvements are the Trustee going to make with the residual funds?

The Trustee has already agreed to provide an improved "cost-of-living" increase to pensions in payment in April 2023. There is no decision just yet as to what other benefit improvements the Trustee might secure as part of the winding-up of the MRBS Section. The Trustee will notify you once this has been decided, likely to be towards the end of this year or in 2024.

Who should I contact if I have any queries about my MRBS Section benefits?

You should continue to contact the MRBS Section administrator, Mercer, with any queries you have about your benefits. You can either go to the website www.contact.mercer.com or email maerskrbs@mercerc.com