

Options

Uniper Trustee newsletter

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Welcome... Trustee's message

Hello to all our readers and welcome to the first edition of 'Options', the Trustee newsletter for members of the Uniper Group of the Electricity Supply Pension Scheme.

Why 'Options'? Well, having a pension means it gives us - as future (or current) pensioners - options for the future. In this first edition we have set out who the new Trustee Directors are, as well as a summary of the financial position of the scheme.

Being a new scheme means that we are also in the middle of a valuation,

and the results of this will be available late next year. Details of the current investment arrangements are included too.

Pensions seem to be constantly in the news, and in the next edition we will look at some of the issues that you should all be aware of. In the meantime, if you have any suggestions for articles, please contact Adrian Furnell, your Pensions Manager, at the email address on the back page.

David Bryson, Trustee Chairman ■

Group Trustee election results

➔ The trustees are pleased to announce the results of the trustee election process, which was carried out earlier this year. There were three vacancies at this election, with the results decided on a 'first past the post' basis, meaning that the three candidates who received the most votes have been elected as trustees. The election results were independently verified by Electoral Reform Services, which oversaw the ballot process on behalf of the trustees.

The three candidates who received the most votes are:

1. Howard Simmons
2. John Price
3. Gary Masters



Howard Simmons

Howard has worked in the generation business for nearly 40 years, the first 30 in power station operations in the UK and India, and latterly in a variety of asset management roles. Howard holds a Master of Business Administration (MBA).



John Price

John is a Safety, Health and Environment Team Leader and has worked in the generation business for over 35 years.



Gary Masters

Gary is an Integrity Engineer with Uniper Technologies Ltd. Since obtaining a PhD in Marine Technology over 20 years ago, he's spent his career

in the oil & gas and power generation industries. Following four years with a small corrosion consultancy in Sheffield, during which he became a Chartered Engineer, Gary spent eight years with Advantica (formerly British Gas Research & Technology) in Loughborough, before joining E.ON Power Technology ten years ago. He is currently a representative for the Trade Union Prospect at UTG.

Howard, John and Gary's period of office will run for six years from April 2016

Howard, John and Gary's period of office will run for six years from April 2016, joining the Trustee Board alongside three Uniper appointed trustees:



David Bryson

David is Chief Operating Officer, Asset Operations. He joined E.ON in 2008 as Head of Engineering Academy, following a distinguished career in

the Military. Following extensive experience in Germany, David was appointed Director of Business Excellence in 2015.

David has also been elected Chair of the Trustee Board.



Michael Spieler

Michael has been head of the Group Treasury department within the Uniper Group Finance area since the beginning of this year and has held several

roles in the E.ON Treasury organisation since 2003. Michael was involved in the set-up, funding and asset allocation of the German pension scheme and also serves as chairman of the German Trustee board of the Uniper Pension Trust.



Vian Davys

Vian is Executive Vice President of Health, Safety, Security and Environment (HSSE). With more than 30 years in the business, Vian joined Powergen in

2002, and since then has held a wide range of operational roles, including growing our capability in Brazil and Turkey. Vian is a Chartered Engineer

Vian is leaving Uniper in the New Year, and the company would like to thank him for his invaluable contribution over the years. Vian's replacement will be announced in due course. ■

The trustees would like to congratulate the successful candidates and thank all the other candidates for their interest in the role and taking part in the election process. Nearly 265 members (34% of those eligible to vote) cast a total of 695 votes in the election. The trustees would also like to thank members for voting and for taking an active interest in the management of the scheme.



Investment arrangements

➔ Investing the assets of the scheme is one of the trustees' most important duties. Whilst the trustees are ultimately responsible for determining the investment strategy, they take advice from their investment consultants, Aon Hewitt.

The trustees have appointed Hewitt Risk Management Services Limited (HRMSL) as fund manager, and will use its fiduciary management service, Delegated Consulting Service (DCS), to manage the scheme's assets. DCS has a 'Growth Component' and a 'Liability Hedging Component', and the trustees have delegated responsibility to HRMSL to set the asset allocation within each of these components.

The current planned asset allocation strategy, chosen to meet the trustees' investment objective, is set out in the table below:

Asset class	Target weighting %
DCS Growth Component	75
DCS Liability Hedging Component	25

The DCS Growth Component invests with the aim of achieving asset growth over the long term. The DCS Liability Hedging Component aims to broadly match changes in the value of the scheme's liabilities. The trustees' overall aim is to achieve a return greater than the change in the value of the liabilities in a prudent and risk-controlled way. ■

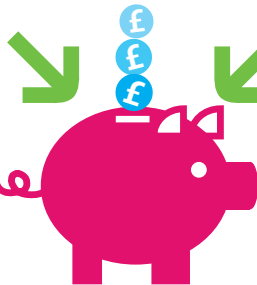
Summary of the scheme's Financial Statements

→ The following is a summary of the audited financial statements for the period ended 31 March 2016. Each year, the trustees publish a detailed Annual Report and Financial Statements for the scheme. PricewaterhouseCoopers LLP, the auditors appointed by the trustees, audit the Annual Report and Financial Statements to ensure that they present a true and fair view.

Income:

Contributions
from Company
and members

£10m



Bulk transfer value
received from the E.ON
UK Group of the ESPS

£274.8m

Total received: £284.8m

Expenditure:

Benefits
£0.6m



Administration
expenses

£0.2m

Total expenditure: £0.8m



Fund value:
(as at 31 March 2016)

£284m

Scheme funding



The Scheme Actuary carries out an actuarial valuation every three years to establish there are sufficient funds in the scheme to pay out all the benefits. After each valuation is completed, the trustees and the Company agree the level of contributions needed.

The first actuarial valuation, due 31 March 2016, is currently being carried out and will be finalised by 30 June 2017, after which the results will be communicated to members. In the meantime, the Scheme Actuary has calculated an interim rate of contributions payable by the Company based on the most recent actuarial valuation carried out for the E.ON UK Group of the Electricity Supply Pension Scheme (ESPS). ■

New pensions manager



The trustees are pleased to confirm that Adrian Furnell was appointed as the Company's Pensions Manager with effect from 10 October 2016. Adrian has nearly 40 years' experience in the pensions industry and has worked for companies such as CSC, the AA, Saga and IBM. ■



Who advises the trustees?

Scheme Actuary



Rebecca McGowan
(Aon Hewitt Limited)

Principal legal advisers



Investment adviser



Auditors





Electricity Supply Pension Scheme Annual General Meeting

➔ The Electricity Supply Pension Scheme (ESPS) Annual General Meeting relates to the scheme as a whole and does not cover any business that is specific to the individual group members of the ESPS.

The purpose of the AGM is to: receive the Annual Report, Financial Statements and the Auditors' Report; receive the report of the ESPS Trustee; and conduct any general business.

This year's AGM was held on Wednesday 23 November 2016, at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London, EC2A 2EG. ■



Further information

If you need specific information about your pension, contact the pension scheme administrator:

RPMI EPAL
2 Rye Hill Office Park
Birmingham Road
Coventry
CV5 9AB

Email: enquiries@rpmico.uk
Telephone: 0247 6472 541

(Monday to Friday, 8am to 5pm)

If you have a question for the trustees, please write to RPMI EPAL, or you can email Adrian Furnell, Uniper's Pensions Manager, at: adrian.furnell@uniper.energy.

We hope that the information contained in this first newsletter is of help, but if you wish to comment or see some specific information please e-mail Adrian Furnell, Uniper's Pensions Manager, at: adrian.furnell@uniper.energy with your suggestions.