

EXECUTIVE SECTION

This leaflet gives information about the provisions of the Plan relating to members of the Executive Section, where those provisions differ from the provisions relating to the Plan in general. The general provisions are set out in the Explanatory Booklet. This leaflet does not attempt to describe any special guarantees or other terms which apply to certain members of the Plan and which may favourably affect the provisions contained in this leaflet.



WHAT ASPECTS OF THE PLAN DIFFER IF I AM AN EXECUTIVE MEMBER?

Eligibility

You are eligible for the Executive Section of the Plan if your Grade is 15 or above.

The Grade 15 eligibility rule does not affect those below Grade 15 who were already members of the Executive Section at 6 April 2006.

Normal Retirement Pension

Your Normal Retirement Pension will be as set out in the Explanatory Booklet, except that you have an entitlement to an extra 5/60ths which is deemed to accrue over the whole of your service as an active member to age 60. Each 'slice' of pension earned for a year of service is enhanced by applying the following factor:

$$(NS + 5)/NS$$

where NS = the total number of years and months of actual service you will have completed by the time you reach age 60 (excluding any service credits and transfer-in credits received prior to 1 January 2009).

If you were a member of the Plan before 1 January 2009, any pension earned to 31 December 2008 will include the proportion of the 5 years accrued to that date.

Your pension earned on service as an active member from 1 January 2009 is enhanced to take account of the additional portion of the 5 years granted at age 60.

For example:

Date of birth	1 June 1959
Normal Retirement Date	1 June 2019
Date joined Plan	1 January 2006
Service to age 60	13 years 5 months

In this case the enhancement factor would be 1.373 (i.e. 18 years 5 months/13 years 5 months). For example, if your pension at age 60 (in respect of service from 1 January 2009 only) was £10,000, calculated as described in the Explanatory Booklet, then this would be increased to £13,730.

Normal Retirement Date

Members of the Plan have a Normal Retirement Date of their 65th birthday. As an executive member however, your target age for building up the full extra 5/60ths is age 60. This does not imply that Executive Section members are required to retire at age 60.

Early Retirement

If you retire from age 55 onwards there is no reduction to your pension for early payment. If you retire before 55 then an early retirement factor is applied.

Late Retirement

In respect of any pension you earn for service prior to 1 January 2009, the age for determining whether late retirement applies is 55 for Executive Section members.

In respect of service after 1 January 2009, irrespective of your age at retirement your pension will not be regarded as a late retirement pension if you retire from service as an active member of the Plan.

Leaving Service

Please refer to the Explanatory Booklet for information about leaving service.



EXECUTIVE SECTION

Flexible Retirement

If you elect to take **Flexible Retirement** (having obtained the **Company's** consent), you can draw benefits based upon your service from the date you joined the **Plan** to your chosen date of retirement.

You should note however, that in respect of the additional 5/60ths of enhancement awarded for Executive Section members, this will be pro-rated between the period up to the date of first drawing pension and any subsequent period of service until age 60, when the additional 5/60ths will have accrued in full.

If you opt out of the **Plan** and rejoin, to determine the value of "NS" in applying the enhancement (see Normal Retirement Pension overleaf), any period you were not a member will be ignored. Note: The maximum additional enhancement for executives is 5/60ths, regardless of separate periods of service.

Step-up

The **Guaranteed Minimum Pension (GMP)** element of your pension will be increased at age 65 (if you are male) or 60 (if you are female) to take account of the statutory revaluation required for **GMP** from age 55, or the date of your retirement if later, to **State GMP Age**.

Death in Service

If you die in service your spouse's, civil partner's or dependant's pension and any children's allowances will be based on your expected Normal Retirement Pension at age 60, or on your date of death if later.

Loss of Eligibility

If you are demoted to an employment category below Grade 15, or your employment is downgraded to a category below Grade 15, you will be transferred from the Executive Section to the general section of the **Plan**. You will retain entitlement to enhanced benefits for the proportion of your service as an Executive Member.

For further information contact:

Coats Pensions Office
Pacific House,
70 Wellington Street,
Glasgow G2 6UB
Tel: 0141 207 6800
Fax: 0141 207 6856
www.coatspensions.co.uk