Wood Pension Plan

Structure and Security

Q: What type of pension is the Wood Pension Plan?

The Wood Pension Plan is an occupational pension scheme for Wood employees, established as a trust-based arrangement. This means it operates within a legal trust, with appointed trustees responsible for managing the plan in the best interests of its members.

There are two sections to the Plan, a Defined Benefit (DB) section where the benefits payable are salary-related and a Defined Contribution (DC) section where funds accrue in individual pots. The DB section is closed to new entrants and future accrual.

Q: Who are the Trustees of the Wood Pension Plan?

The Wood Pension Plan is managed by a Trustee board, consisting of directors of Wood Pensions Trustee Limited, a registered corporate trustee company. The registered office of Wood Pensions Trustee Limited is 1 Booths Park, Chelford Road, Knutsford, Cheshire WA16 8QZ, and it is registered in England under the number 1889899.

Currently, there are nine directors serving on the Trustee board. Further details about each Trustee Director, including their roles and relevant experience, can be found on our website www.woodplc.com/ukpensions or by searching the company's registration details on Companies House.

Q: Who regulates the Wood Pension Plan?

The Wood Pension Plan is regulated by The Pensions Regulator, an independent body that oversees work-based pension schemes in the UK. The regulator ensures that pension plans adhere to legal requirements and are managed appropriately to protect member benefits.

Q: Who is the sponsoring employer for the Wood Pension Plan?

The sponsoring employer of the Wood Pension Plan is John Wood Group Plc. As the sponsoring employer, John Wood Group Plc has historically provided funding to the DB section to ensure the Plan can meet its future obligations to members and it makes regular employer contributions to the DC section.

Q: Who administers the Wood Pension Plan?

The day-to-day administration of the Wood Pension Plan is handled by an in-house pension administration team. The team work on behalf of the Trustee and are responsible for maintaining member records, processing contributions and benefits, and supporting members with queries about their pension entitlements.

Defined Benefit (DB) Section

Q: Are there sufficient funds in the Wood Pension Plan to pay my pension now and in the future?

Yes, the DB section is currently well-funded. According to the most recent actuarial valuation, conducted on 31 March 2023, the Plan has a healthy surplus. This surplus means that the Plan has more assets than are currently required to cover its liabilities, which include all expected future pension payments to members. Members can find additional details in the annual summary funding statement, which is accessible on our website.

Q: What would happen to the Wood Pension Plan if the sponsoring employer ceased to operate?

If John Wood Group Plc were to cease operating, the DB section is structured to continue independently. The assets of the Plan are not accessible to the employer and are managed by the Trustee. Given the Plan's healthy surplus, there is no immediate need for additional contributions from the sponsoring employer to fulfil the Plan's current obligations. The Trustee Directors would carefully review the Plan's position and could choose either to continue operating it in its current format or to secure members' benefits through an insurance policy, which would guarantee benefit payments for the future.

Q: What happens if there isn't enough money in the Wood Pension Plan to pay member benefits and the sponsoring employer ceases operations?

Currently, the Plan has a robust surplus, so this scenario is very unlikely. However, if in the future there were insufficient funds in the Plan to cover all member benefits, and the sponsoring employer had ceased to operate, the Plan would be eligible to enter the Pension Protection Fund (PPF). The PPF is a safety net for UK pension plans, designed to protect members' pensions in the event of an underfunded scheme and a dissolved employer.

Further information about the Pension Protection Fund and its role in safeguarding member benefits can be found at their website: Pension Protection Fund.

What happens to the Plan if the sponsoring company is taken over?

The Plan remains a separate legal entity, governed by the Trustee under Uk legislation. A takeover does not change your pension benefits or their administration. The new sponsor will engage with the Trustee regarding funding, governance, and plan management as is usual in any takeover. The Trustee will continue to act in the best interests of members and follow regulatory guidance.

The Trustee is actively engaging with experienced industry advisers to ensure the continued security and sustainability of the Plan. Given the Plan's current healthy surplus, the upcoming change in sponsoring employer does not present any immediate concerns.

The surplus provides a strong financial buffer, and the Trustees are confident that the Plan is well-positioned to meet its long-term obligations to members. As part of their fiduciary duties, the Trustees are carefully reviewing the implications of the corporate change, including the strength of the new employer covenant, and are taking proactive steps to safeguard member benefits.
The Trustees remain committed to maintaining a robust governance framework and will continue to monitor developments closely, ensuring that any decisions taken are in the best interests of all members.

Will my pension benefits change because of a takeover?

No, your accrued pension benefits are protected by UK law. Any changes to the scheme structure must be communicated and agreed upon. Trustees must ensure that changes do not negatively impact members.

What protections do I have as a member?

You are protected by:

- Trustee fiduciary duties.
- Scheme rules and legislation.
- Oversight by The Pensions Regulator.
- Disclosure requirements under the UK Takeover Code, which mandates bidders to declare intentions regarding pension schemes.

Defined Contribution (DC) Section

Q: How is the Defined Contribution (DC) section of the Plan managed.

Member and Employer contributions are deducted by payroll and paid into the Wood Pension Plan Trust account. The Wood Pension Plan administration team are responsible for storing member data and the maintenance of pension records for each member. Contributions are then sent to Scottish Widows.

Scottish Widows serves as the platform provider for the DC benefits within the Wood Pension Plan. This means that members' DC contributions are invested and managed through Scottish Widows.

Q: Are my DC benefits under the Wood Pension Plan protected if the sponsoring employer ceases operations?

Yes, DC benefits are held separately from the sponsoring employer's assets, within a legal trust, so they remain protected if the employer ceases operations. The DC benefits are managed and safeguarded by Scottish Widows. The Wood Pension Plan administration team would continue operations and retain ownership of the funds held by Scottish Widows on behalf of the Plan members so accumulated DC savings are protected regardless of the employer's financial status.

If the employer did cease operations, no new member or employer contributions would be paid into the Plan.

Q: What happens to my DC benefits if Scottish Widows ceases operations?

If Scottish Widows were to cease operations, several protections are in place to safeguard members' DC benefits:

1. Financial Services Compensation Scheme (FSCS): If Scottish Widows ceased trading or was unable to meet its obligations, members' investments may be protected under the Financial Services Compensation Scheme (FSCS). The FSCS offers compensation for investment-related losses if the platform provider fails. Under the FSCS, pension investments generally qualify for protection of up to 100% of the value of the fund if managed under a UK-authorized firm. More details about FSCS protection can be found on the FSCS website.
2. Trustee Oversight and Plan Protections: The Trustee Directors of the Wood Pension Plan monitor and oversee the DC benefits, including platform providers like Scottish Widows. In the event of financial instability or operational issues with Scottish Widows, the Trustee Directors have the authority to take

steps to secure members' investments, including transferring assets to an alternative provider if necessary.

3. Regulatory Oversight: Scottish Widows is regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA). These regulatory bodies impose strict capital requirements, operational standards, and risk management practices to ensure that financial institutions like Scottish Widows can meet their obligations to clients. This oversight further reduces the likelihood of financial failure.

These protections are designed to ensure that members' pension savings are safeguarded and accessible even if the current platform provider faces operational or financial difficulties.

Q. Will a change in sponsoring employer affect my pension savings?

No, your existing pension savings are legally protected. These funds are managed by regulated investment providers and are not impacted by changes in the sponsoring employer.

Q. What steps are the Trustee taking for the DC section?

The Trustee Board continually works with independent pension and investment specialists to review the DC section's governance, investment options, and provider arrangements. Their goal is to ensure continued value for money, strong performance, and member protection.

Q. What happens to future contributions after a takeover?

Future contributions will continue as normal unless the new sponsoring employer proposes changes. Any changes to contribution levels, matching arrangements, or scheme design must be communicated clearly and consulted upon.

Q. Could the new employer change the DC scheme structure?

Potentially, yes. The new employer may review the scheme design, including contribution rates, investment manager, or provider platforms. However, any changes must comply with pension regulations and be communicated and consulted with members in advance. The Trustee will assess any proposals to ensure they are in members' best interests.

Q. Will my investment options or provider change?

Not immediately. The Trustee continually reviews the current investment arrangements to ensure they remain suitable. If any changes are proposed, members will be informed and supported through the transition.

Q. What is the Trustee doing to ensure long-term value for DC members?

The Trustee is:

- Monitoring investment performance and charges.
- Reviewing provider service levels.
- Promoting member engagement and financial wellbeing.
- Ensuring that the DC section remains competitive and well-governed.