

**Letter sent to members of the Clarkson PLC Pension Scheme who have pension accrued in respect of pensionable service up to and including 5 April 1997 under the Final Salary Section of the Scheme, and who were still active members of the Scheme on 17 May 2005**

16 August 2024

Dear member

**Announcement from Clarkson PLC (the "Company") and the trustees of the Clarkson PLC Pension Scheme (the "Trustees" and the "Scheme")**

I am writing to you regarding a potential issue that affects a small number of Scheme members.

This issue affects members who have pension accrued in respect of pensionable service up to and including 5 April 1997 under the Final Salary Section of the Scheme, and who were still active members of the Scheme on 17 May 2005. **You are one of the affected members.**

**1. Why we are writing to you**

The purpose of this announcement is to inform you about the court proceedings that the Company and the Trustees are bringing in order to try to correct what they think is an error made in the drafting of the Fourth Definitive Trust Deed and Rules of the Scheme dated 17 May 2005 (the "**2005 Deed and Rules**") and to explain how your interests are being looked after in those court proceedings. The process of correcting this error is called "*rectification*".

The benefits you have built-up in the Scheme (either in whole or in part) are governed by the 2005 Deed and Rules. A drafting error occurred in the 2005 Deed and Rules regarding the annual increases for certain members; these increase provisions are intended to protect members' benefits from the impact of inflation. According to the Rules, the effect of the drafting mistake was that the directly affected members were entitled to more generous increases than were intended by the Company and the Trustees.

The 2005 Deed and Rules are currently drafted to provide the following increases:

Pensionable Service up to and including 5 April 1997	4% per annum
Pensionable Service on and after 6 April 1997	5% per annum or, if less, by the increase in the Retail Prices Index

This is not what was intended and is not what has been provided in practice or communicated to members. The Trustees and the Company intended the drafting to mean, and have administered the Scheme on the basis of, the following increases:

Pensionable Service up to and including 5 April 1997	<u>4% per annum or, if less, by the increase in the Retail Prices Index</u>
Pensionable Service on and after 6 April 1997	5% per annum or, if less, by the increase in the Retail Prices Index



The previous Third Definitive Trust Deed and Rules dated 6 November 1991 are aligned with this position.

Assisted by specialist pensions lawyers, the Trustees and the Company have undertaken a thorough examination of this matter. Following meticulous review and consideration of the legal team's advice and the documentation from that period, the Company and the Trustees have reached the conclusion that the 2005 Deed and Rules do not accurately reflect the intentions of either the Company or the Trustees and that the drafting relating to pension increases was a mistake.

## **2. How will this be corrected?**

An application is being made to Court seeking a Court Order to rectify what is believed to be a drafting mistake in the 2005 Deed and Rules in relation to pension increases.

## **3. Who is representing my interests?**

It would not be practical to include all affected members as parties to the Court proceedings. Therefore, to ensure that the affected members' interests are properly represented, and so that the Court can adequately assess the merits of the application, an affected member of the Scheme has been proposed to participate in the Court proceedings as a "representative beneficiary" on behalf of all affected members. The representative beneficiary will be supported by their own independent legal advisers to offer guidance and assistance, ensuring proper consideration of the Court application. Specifically, their legal advisors will assess the viability of challenging the application to rectify the 2005 Deed and Rules, drawing upon documentation from that period and witness recollections regarding the intentions of both the Company and the Trustees at the time of the deed's execution.

Mr Alex Gray has agreed to act as the representative beneficiary in this matter. It is expected that he will be appointed by the Court to represent all affected members who stand to benefit from the application being denied. Osborne Clarke LLP are the solicitors appointed to act for Mr Gray and Mr Nicholas Hill of Outer Temple Chambers has been appointed to act as his barrister. Mr Gray's lawyers will be representing his interests, on behalf of all affected members, and their advice is independent and confidential to Mr Gray as their client.

## **4. What happens next?**

Should the Court issue an order appointing Mr Gray to represent directly affected members, the Court's decision will (unless stated otherwise by the Court) be binding on all Scheme members, the Company and the Trustees.

The Court will only order the provisions of the 2005 Deed and Rules to be rectified if it is satisfied, having reviewed the evidence and heard from all parties including the representative beneficiary, that the provisions contain an error and that there is no other reason why they should not be changed to reflect what was intended. In order to ascertain this, the Court will look at evidence of the intention of both the Company and the Trustees at the time that the 2005 Deed and Rules were executed.



**You do not need to do anything.** The interests of all impacted members of the Scheme will be represented by Mr Gray as the representative beneficiary. You have the right to participate as a party in the proceedings, whether through your own appointed lawyers or on your own behalf, but please be aware that in doing so you would have to pay any legal costs yourself. There is also a risk when participating in litigation that you may be ordered to pay other parties' legal costs in certain circumstances.

A Court hearing has been scheduled to determine this matter. The details of the hearing are as follows:

Date: 7 November 2024

Time: 10.30am

Location: The Rolls Building, 7 Rolls Buildings, Fetter Lane, London EC4A 1NL

Because Mr Gray (along with his legal advisers) will be representing the affected members' interests, you do not need to attend the Court hearing. However, the Court hearing is open to the public and you can attend it if you would like to.

We do not know when we will receive the Court's decision, however, we will update you on the proceedings as they progress. If the application is successful, then, as the Scheme has been administered as if the drafting error has not occurred, the rectification of this mistake should not have any impact on your historical, current or future benefits.

## **5. Who do I contact if I want further information?**

Until the case is concluded, the Trustees are unable to address inquiries concerning members' individual circumstances regarding this matter. Specifically, the Trustees cannot offer hypothetical benefit calculations.

If you have any queries concerning your current benefits please contact the Scheme's administrators, Isio, at:

Clarkson PLC Pension Scheme  
c/o Isio Group  
PO Box 163  
Blyth  
NE24 9GS  
Email: [clarkson@isio.com](mailto:clarkson@isio.com)  
Telephone number: 0333 016 6492



If you would like to find out anything more about the court proceedings, or if you have any information which you think might be relevant to the case, please contact Osborne Clarke LLP (the solicitors acting for Mr Gray). Please note that Osborne Clarke LLP cannot give any advice on individual members' personal circumstances.

The relevant contact details for the representative beneficiary's team at Osborne Clarke LLP are:

Charles Crowne  
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Yours sincerely

Dr Tim Miller - Chair of the Trustees  
For and on behalf of Clarkson PLC and the Trustees of the Clarkson PLC Pension Scheme