


EM News Distribution (NI) Pension Plan

Retirement Planning

Contents

Introduction

The EM News Distribution (NI) Pension Plan ("the Plan") is administered by Standard Life and is a tax-efficient way for you to put money aside while you are working, to provide a pension for when you retire.

Our advisers are Aon Consulting Limited. Aon Consulting Limited (Aon) are independent financial advisers and are authorised and regulated by the Financial Services Authority for investment business. Based on their review of the market, they have recommended that the Plan should be established with Standard Life.

This booklet provides the answers to many of the questions you may have about how the Plan works and the benefits to which you and your dependants will become entitled.

The Plan is a 'defined contribution' pension plan. This means that you know in advance how much you will be paying into the Plan and how much the Company is going to pay on your behalf.

The Company means **EM News Distribution (NI) Ltd** or an associated employer.

This is how the Plan works:

- It works like a savings account or an investment plan but is exclusively for you and specifically for your retirement benefits.
- The Company will pay money into your individual fund.
- You also pay money into your individual fund.
- After reading this booklet and accompanying enclosures produced by Standard Life, you decide how the money in your individual fund is invested.
- The money in your individual fund is used to provide benefits for you and/or your family when you retire, or die.

Your individual Plan will grow in the period up to your retirement. The actual size of the fund at your retirement date will depend on a number of factors, including:

- The amount of contributions paid into the fund.
- The performance of the fund(s) in which you decide to invest.

The information in this booklet reflects current legislation. The details contained will be reviewed regularly and changes made by the Company or due to legislation will be communicated to you accordingly.

As individual circumstances may vary, the Plan may not be suitable for every employee. If you are unsure whether the Plan, or anything else referred to in this booklet, is appropriate to your own retirement planning needs, you are recommended to seek advice from an appropriate financial adviser.

You should note that contributing to the Plan could affect your future entitlement to certain State benefits. In deciding whether or not to join the Plan you should remember that both the availability and the amount of future State benefits cannot be guaranteed in advance.

Joining

Who can join?

Joining the Plan is not compulsory - it is up to you whether you join.

You are eligible to join the Plan if you are a permanent full or part-time employee of EM News Distribution (NI) Limited and are a UK resident aged between 16 and 65, with UK taxable earnings, subject to current legislation.

There is no waiting period to become a member, you are eligible to join on the 1st day of the month as soon as you become a permanent employee.

How do I join?

You will need to complete an application form which is available from the Menzies Pensions Department. The form should then be forwarded to:

Pensions Department, John Menzies plc,
108 Princes Street, Edinburgh EH2 3AA

If you do not join the Scheme at the first opportunity, or decide to opt-out at a later date, you may be allowed to join the Plan later but you may need to undergo a medical examination to benefit from full cover in the Life Assurance Scheme. You will be told more about this if it applies to you.

Please make sure that you have read this booklet and all accompanying information before joining the Plan.

Can I join if I already have a pension arrangement?

Yes. You are allowed to contribute to more than one pension plan at the same time - subject to the conditions shown on page 4 being applied to all contributions.

However, the Company will not contribute to any other pension plan. You should contact your existing provider to discuss your options if you wish to continue contributing to your existing pension plan.

Can I transfer my previous pension(s) into the Plan?

You may be able to transfer in benefits from a previous pension plan. However, this is a complex area and you should seek appropriate financial advice before arranging a transfer. If you wish to arrange a transfer, please contact your existing provider.

Please note that different charges may apply to any funds that are transferred into the Plan.

Can I change my mind after joining?

Yes. You can opt-out of the Plan at any time after joining although you should note that you will cease to earn benefits. Your benefits will be treated as if you had left employment as described on page 6 and your life assurance benefits will be reduced.

You may be allowed to rejoin the Plan later, but you may need the agreement of the Company.

Contributions

How much do the Company and I pay into the Plan?

The Plan's contribution structure is shown below.

Employee % of Pensionable Salary	Company % of Pensionable Salary
2%	4%
3%	6%
4%	8%

In order for you to be a member of the Plan you must contribute at least 2% of Pensionable Salary. The Company will contribute double the rate you select, up to a maximum Company contribution of 8%. **Your Pensionable Salary is your gross earnings for each year ending on 5 April**. The amount that you contribute can be changed by writing to the Pensions Department at the address on page 8.

Subject to any legal requirements, the Company reserves the right to make changes to the Plan, reduce or withdraw employer contributions to the Plan.

How does tax relief work?

The net cost to you is less than it seems as your contributions are deducted from your earnings before income tax is calculated, so you automatically get full tax relief on them at the highest rate of tax you pay. If you pay tax at the basic rate of 22% (2007/8 tax year), each £1 you pay only costs you 78p from your net pay.

For example:

Annual Plan Earnings £10,000	
Your contribution (4%)	£400
Income tax relief @ 22%*	£88
Your actual net payment	£312
Company's contribution (8%)	£800
Cost to you	£312
Amount paid into your plan	£1,200

*Based on tax rates for the year starting 6 April 2007

Can I pay more?

Whilst the Company will only contribute up to a maximum of 8% of your Pensionable Salary, there are no limits on the amount of contributions you can make to the Plan in any tax year.

There are limits on the amount of tax relief that you can receive on your pension contributions. Contributions up to £3,600 gross can always be paid into the Plan in any tax year. Contributions in excess of this figure up to 100% of your UK earnings will also receive tax relief subject to a limit. This limit is known as the 'Annual Allowance'. The total pension contributions made by you and the Company are subject to the Annual Allowance. Contributions above the Annual Allowance are permitted, but will be subject to a tax charge of 40%. The Annual Allowance will not apply in the year you take your benefits.

*The **Annual Allowance** for the tax year 6 April 2007 to 5 April 2008 is £225,000. It is expected to rise to £255,000 by the tax year commencing 6 April 2010.*

Investing

Investment choice

There is a range of unit-linked and with-profits funds available to you, into which contributions paid to your individual account may be invested. It is possible to either switch existing funds or redirect future contributions to another fund at any time, so the decision you make now is not final. A full description of the funds is set out in Standard Life's "Your pension investment choices" booklet.

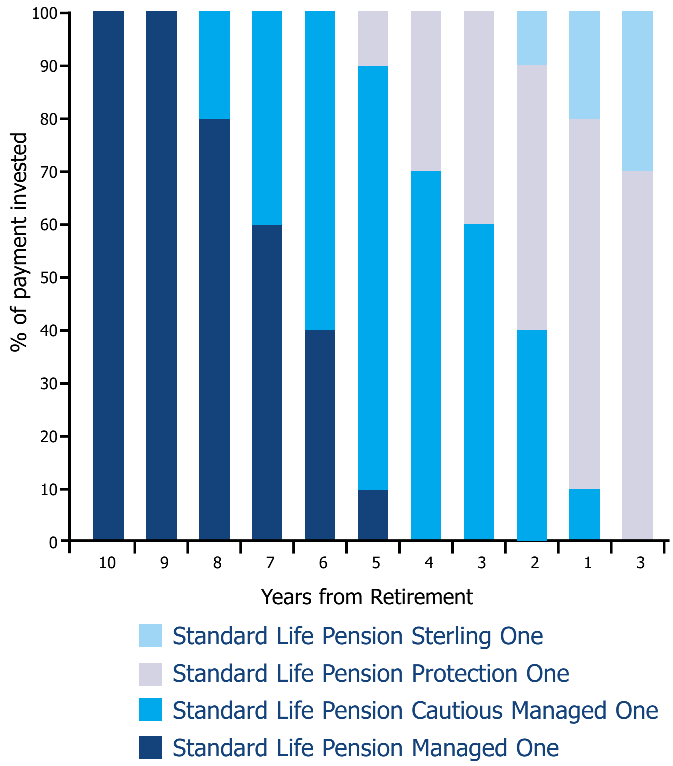
Default Investment Option

The Plan offers a 'default' investment option and if you do not want to choose a particular fund or funds from those available, your contributions will be invested automatically using the 'default' option. Following Aon's advice, the Company has decided that the 'default' option will be the *Standard Life Balanced Lifestyle Strategy*. The Balanced Lifestyle Strategy automatically moves your money into less volatile funds as you approach retirement with the aim of protecting the value of your pension fund as you near retirement.

The Standard Life Investment funds used by this strategy are described below:-

- Standard Life Pension **Managed** One Fund
  This fund is primarily equity based with significant exposure to UK equities. The remaining assets are held in overseas equities, fixed interest stocks and property.
- Standard Life Pension **Cautious Managed** One Fund This fund, whilst still investing predominately in equities also holds a proportion of its assets in the lower risk fixed interest stocks.
- Standard Life Pension **Protection** One Fund
  This fund offers investment in fixed interest stocks which will rise and fall broadly in line with long-term interest rates, one of the main factors affecting the cost of buying a pension.
- Standard Life Pension **Sterling** One Fund
  This fund is invested in banks and other financial institutions and earns interest. Over the long term, a cash fund is unlikely to produce the same investment returns as an investment in equities, but equally, its nominal value will not fall.

The graph below illustrates this strategy and shows how the funds invested in the Plan's default lifestyle strategy will vary during years preceding retirement.



The fund manager decides the split of investments in this particular fund. Further information is included in the Plan's *"Your pension investment choices"* booklet.

*In a **unit-linked fund** the assets are divided into units of equal value. The value of these units can change on a daily basis as the value of the fund's assets falls or rises. Contributions are used to buy units and the value of the units determines how much your policy is worth at any time.*

Free Choice: Other unit-linked funds

For members who wish to make their own decisions about where to invest, Standard Life offers a range of additional funds. The Plan's "Your pension investment choices" booklet gives a full description of the funds available and details any additional charges that may apply to the external fund links.

As will be seen from the Plan's *"Your pension investment choices"* booklet, several funds invest in one particular sector, with the assets within each sector being chosen by the investment manager. In general, it is suggested that members only invest in these more specialist funds if they have knowledge of these markets or are fully aware of the type of risks involved.

Free Choice: With-Profits Fund

The Standard Life With-Profits One Fund invests in a mix of assets through the general funds of Standard Life, which consists of, for example, company shares, property, government bonds, company bonds and deposits. An annual bonus rate is declared by Standard Life on the Fund and this bonus, once applied, is guaranteed to be paid if the monies remain invested for the 'lifetime' of the policy. However, it is important to note that the annual bonus rate may go up or down, depending on the performance of Standard Life.

Standard Life reserves the right to withdraw part of the bonus if the funds are removed before maturity of the policy. The reduction is known as a 'market value adjustment' (MVA). The level of the adjustment is at the discretion of Standard Life but should reflect investment market conditions at the point the funds are removed. Standard Life may also declare an additional bonus when benefits are taken. This is known as a 'terminal bonus', but is not guaranteed to be paid.

*In a **with-profits fund**, gains and losses made by the fund's assets are not passed on to your policy as and when they occur. Instead, they are spread out over a rolling period to smooth out the effect of investment fluctuations. These, together with additional returns which may be available from the general profits of Standard Life, are applied to your policy in the form of 'bonuses'.*

Important comments regarding investments

Please note that assets held in unit-linked funds can fluctuate in money terms and the unit prices can go down as well as up. If unit prices fall, you may not get back as much as you have invested.

If investment is made in the With-Profit Fund, the return on the investment depends on the level of profits that are made by Standard Life and on the decisions made by Standard Life as to their distribution. In certain circumstances a Market Value Adjustment may be applied.

If the fund you choose invests in overseas markets, changes in rates of exchange between currencies may cause the value of your holding to fall. Some of the overseas funds invest in developing markets where arrangements in relation to regulation, dealing, liquidity and custody may be less secure than in the UK. Such funds can therefore carry greater risk.

What are the charges?

For the majority of funds offered the single annual management charge that is made will be 0.83% of your fund value, ie: £0.83 for each £100 of your fund value. Some investment options, however, may incur an additional annual charge, as detailed in the Plan's *"Your pension investment choices"* booklet.

These are 'nil commission' charges, which reflect the fact that the Company pays Aon a fee for its advice rather than Standard Life paying commission to Aon (which would have increased the charges on your fund).

Benefits

How will I know how my plan is performing?

Details of your contributions, current fund value and a projection of your total benefits, based on your current contribution rates, are available online so that you can see how your fund is performing. In addition, you will receive a written benefit statement each year from Standard Life, which will include an illustration of the expected level of pension your fund may purchase at retirement.

Online information is available at
www.standardlife.co.uk/online

When can I retire?

The normal retirement age under the Plan is 65.

However, you can take your benefits from the Plan at any time between the ages of 50 and 65 without penalty, though the earliest age at which you can take your benefits will increase to 55 by 6 April 2010.

Please note if you invest funds in the With-Profits Fund, Standard Life reserves the right to apply a market value adjustment where a member requests retirement benefits before the selected retirement age chosen at outset.

Your pension will generally be smaller the earlier you retire because fewer contributions will have been paid in, your fund will have been invested for a shorter period of time and your pension will potentially be paid for a longer period. On the other hand, the later you retire the higher your pension is likely to be, because more money will have been paid into your plan, it will have been invested for longer and your pension will potentially be paid over a shorter time.

What options do I have when I retire?

The level of your benefits at retirement will depend on the value of your fund in the Plan and the type of retirement benefits you choose when you retire.

You can normally take up to one quarter (25%) of your fund value as a tax-free cash sum. The rest of your fund must be used to provide an income (annuity) for you, which can be styled to suit your personal circumstances at retirement.

An **annuity** *guarantees to provide a series of payments in retirement which are payable for life. It may have 'ancillary' benefits, such as dependants' pensions, minimum payment periods, or annual increases.*

Your options are:

- Pension for yourself - a regular income in retirement, payable for life.
- Cash sum - under current rules up to 25% of your total fund is available as a tax-free cash sum.
- Pension increases - you may choose whether your pension remains at its starting level, or increases in payment.
- Family pensions - to offer protection for your family, you can choose to have a pension paid to your spouse or other dependants in the event of your death after retirement.
- Guarantee period - you can have your pension guaranteed to be paid for a minimum period (eg: five years).

Who will pay my pension?

After you have exercised any right to take a tax-free cash sum, the remainder of your fund must be used to provide a regular income in the form of a retirement pension. Such benefits are provided in the form of an annuity.

The amount of pension you will receive will be determined principally by the following factors:

- The value of your fund when you retire.
- The type of pension you choose.
- The cost of purchasing an annuity on retirement (which is governed by the annuity rates offered by individual insurers at that time).

Before retirement you will receive a quotation from Standard Life showing full details of your options and more information about buying pensions. This quotation will assume that the annuity is purchased with Standard Life and will be based on their prevailing annuity rates.

However, you may elect to take an "open market option" and transfer the value of your individual account to another insurance company who may be able to offer better terms and more favourable annuity rates.

Once you have selected the most suitable type of pension, the basis on which the income is payable will then be fixed and guaranteed to be payable for the rest of your life.

You may want to obtain appropriate financial advice about your options when you near retirement.

Are there limits on the benefits?

No. However, if when you take your pension the total of all your pension funds is more than a certain amount (known as the "Lifetime Allowance") then the excess will be subject to a tax charge. A Lifetime Allowance charge of 25% will be made on funds above the allowance if they are taken as a pension. This charge will rise to 55% where funds in excess of the allowance are taken as a cash lump sum.

The **Lifetime Allowance** *is currently set at £1.6 million for the tax year 2007/08, and is expected to rise to £1.8 million by 2010 / 2011, and be reviewed thereafter.*

What happens if I leave the Company?

If you leave the Plan and/or the Company you will be granted a preserved pension and the following options will be available to you:

- You can elect to leave your benefits in the Plan. Your individual account will no longer be able to accept any contributions, however, your fund will remain invested and you will continue to benefit from any investment returns up to the date of your retirement.
- Transfer your fund to another pension arrangement.

The most suitable option will depend on your personal circumstances after leaving. It may be in your interest to seek appropriate financial advice before deciding. You should also contact Standard Life to confirm any change in charges that may apply once you leave the Company.

Is my family protected if I die before I retire?

The Plan not only helps you provide for your retirement but also offers financial protection for your family.

If you die before benefits are taken, your fund will be paid as a tax-free cash sum provided it does not exceed the Lifetime Allowance. Should the value of your fund exceed the allowance, the excess may be paid as a lump sum but would be subject to a Lifetime Allowance charge of 55%, which would be payable by the recipient(s) of the monies. This charge is not payable if the excess sum is used to provide dependants' pensions.

It is very important that you keep your Nomination Form up to date. If your personal circumstances change (eg: if you get married or divorced), you wil need to inform the Menzies Pensions Department.

A ***Nomination Form*** *is used to nominate who you wish to benefit from your fund should you die before you retire. It is not legally binding, but account will be taken of your wishes.*

What happens if I die after I retire?

The benefits your family would receive if you die after retirement will depend on the options you choose when you retire.

Is there additional life assurance cover?

The Company provides additional death in service cover (see this page, 'The Life Assurance Plan').

What about maternity leave?

Pension provisions relating to maternity leave are governed by special laws.

Further details can be obtained from the Menzies Pensions Department at the address shown on page 8.

What if I get divorced?

The Courts now have a legal duty to consider the value of your benefit rights under the Plan when making a financial provision order on divorce. The Trustees must comply with any order made by the Courts in divorce proceedings and the order may affect your benefit rights under the Plan, including any benefits payable on your death.

The State Pension Scheme and Contracting-out

The State pension scheme is currently made up of two parts, both of which are paid from State Pension Age:

- The State basic pension - a flat rate amount payable to everyone who has paid enough National Insurance contributions.
- The State Second Pension (S2P) formerly SERPS - which provides mostly earnings-related benefits.

Will I be contracted-out of the State Second Pension Scheme (S2P)?

The Plan will not be contracted-out of S2P, which means that you will be entitled to a S2P benefit from State Pension Age, as well as the State Basic Pension.

Can I contract-out of the State Second Pension through another arrangement?

You can arrange for part of your National Insurance contributions to be paid to an insurance company, and invested on your behalf. This is called 'contracting-out' of S2P. By contracting-out, you give up your S2P pension in exchange for the pension from your contracted-out fund. This pension can be taken at the same age as the remainder of your pension fund rather than State Pension Age and there is an option to take a tax-free cash sum of up to 25% of your contracted-out fund. You can contract-out through an arrangement known as an 'Appropriate Personal Pension' (APP).

State Pension Age *is 65 for men and also for women born after 5 April 1955. Women born between 6 April 1950 and 5 April 1955 have a State Pension Age between 60 and 65 determined by their date of birth. Women born on or before 5 April 1950 have a State Pension Age of 60.*

For more information on contracting-out, you can read the factsheet produced by the Financial Services Authority:

'The State Second Pension - Should you be contracted-out?', available at
www.moneymadeclear.fsa.gov.uk/pdfs/contracting_out.pdf
or by calling the Customer Helpline on 0845 606 1234.

If you are interested in receiving a forecast of your State Pension benefits, you can obtain one online at *www.thepensionservice.gov.uk*, or by completing form BR19 (available from Post Offices or at *www.thepensionservice.gov.uk*).

This booklet does not provide sufficient information on which to make an informed decision on whether or not to contract-out of S2P.

The Life Assurance Plan

What are the life assurance benefits?

If you die in service, the following benefits will be payable from a separate Life Assurance Plan set up by the Company.

- A lump sum equivalent to 3 times you Life Cover Salary, plus;
- A dependants pension equal to 20% of your Life Cover Salary.

Your Life Cover Salary is defined as the higher of your gross earnings ending on 5 April or your basic salary at your date of death.

The full benefit may be subject to special conditions imposed on individual employees. You will be notified if any such restrictions apply to you.

Who pays for the cost of the benefits?

The Company pays for the full cost of this benefit in addition to the pension contributions it makes on your behalf.

Who is eligible?

The above life assurance benefits are only available to members of the Plan. If you are not a contributing member of the Plan you will only be entitled to a death in service lump sum of two times your basic salary.

If you leave the Company, your life assurance benefit will cease.

How are death benefits paid?

The lump sum payments will be paid to your dependants, next of kin or legal personal representatives, as the Trustees shall decide.

If you are a contributing member of the Plan at your date of death, a dependants pension as described above is also payable. The pension will be paid to your spouse for the remainder of his or her life. If you are not married at your date of death, the pension may, at the discretion of the Trustees, be paid to any other adult who can be shown to be financially dependent on you at your date of death.

Nomination of beneficiary

It is important that you notify the Trustees of the Life Assurance Plan of the person(s) whom you would like to benefit in the event of your death. This should be done by using the appropriate nomination form, which can be obtained from the Menzies Pensions Department. If you have previously completed a form, a new one is not required unless you wish to change your nominated beneficiary.

*A **Nomination Form** is used to indicate who you wish to receive the benefit should you die before you retire. It is not legally binding, but account will be taken of your wishes.*

Other Information

Is everything I need to know about the Plan in this booklet?

Every effort has been made to give you an accurate overview of how the Plan works. However, it is not possible to cover absolutely everything in this booklet - it can only be a summary.

In the event of any difference between this booklet and the Plan's legal documents - known as the Trust Deed and Rules - the legal documents will always overrule this booklet.

In addition, this booklet should be read in conjunction with all other accompanying information provided to you.

Where can I get more information?

In the first instance please contact **Standard Life** on **0845 279 8829** or

Pensions Department c/o John Menzies plc
108 Princes Street, Edinburgh EH2 3AA
Tel: 0131 459 8161/2/3
Email: pensions@johnmenziesplc.com

How has the Plan been arranged?

The Company's adviser is Aon Consulting Limited (Aon). Aon is independent and is authorised and regulated by the Financial Services Authority. The Company has engaged Aon to provide advice to them with regard to the arrangement of the Plan. Because Aon is paid by fees by the Company, rather than by commission from the insurance company, no additional charges will be paid by you if you join the Plan, other than those detailed under 'What are the charges?' (see page 5).

What if I have questions about my State benefits?

For queries relating to your State benefits, you can contact The Pension Service, part of the Department for Work and Pensions (DWP). Your local Citizens Advice Bureau will have the details of your nearest Pension Service centre or you can find out by contacting The Pension Service.

The Pension Service
PO Box 1005
Newcastle upon Tyne
NE98 1WZ

Tel: 0845 6060265
Website: www.thepensionservice.gov.uk

What if I want advice about the Plan?

For a list of Independent Financial Advisers (IFAs) local to you call IFA Promotion on freephone 0800 085 32 50 or visit their website at: www.unbiased.co.uk.

The Pensions Advisory Service (TPAS)

TPAS is available at any time in connection with any query members may have in connection with the Plan but only after failure to resolve difficulties with the Company.

TPAS
11 Belgrave Road
London
SW1V 1RB

Tel: 0845 601 2923
www.opas.org.uk

What Should I do if I have a Complaint?

If you have a complaint, please contact the Compliance Director for Aon Consulting Limited.

Compliance Director
Aon Consulting Limited
3 The Embankment
Sovereign Street
LEEDS
LS1 4BJ