



EM News Distribution (NI) Pension Plan

An Introduction

A Defined Contribution Scheme

The EM News Distribution (NI) Pension Plan ("the Plan") is a *defined contribution* scheme established with Standard Life Assurance Company. A fund is set up in your own name and your and your employer's contributions are paid into the fund and invested each month. At retirement, the proceeds from the contributions and investments are used to buy a pension, called an annuity.

The amount of your pension will depend on the size of your fund on retirement so the earlier you join the more contributions will be invested on your behalf.

Membership is voluntary and is open to all employees of EM News Distribution (NI) Limited (the Company) who are aged 16 or over and under 65 and work in the United Kingdom.

If you join the Plan, you will automatically be covered for the enhanced death in service benefits provided by the Company. The benefits are as follows:

- o Lump sum of 3 times your annual earnings
- o Dependants' pension of 20% of your annual earnings

Transferring

If you wish, you can transfer pension benefits previously earned (eg with your existing or previous company pension schemes) to another approved pension arrangement, including the Plan, at any time before retirement. We recommend you discuss this option with an independent financial adviser before making any decision to transfer.

The cost of membership

If you join, you can choose to pay 2%, 3% or 4% of your weekly or monthly earnings. The Company will pay double the rate you select up to a maximum of 8%, for example if you elect to pay:

2% the Company will contribute 4%

3% the Company will contribute 6%

4% the Company will contribute 8%

Your contributions attract full tax relief. This means your contributions will be deducted from your pay before you are taxed and therefore you pay less tax.

Example (*based on tax rates as at 6 April 2007):

Annual Earnings of £ 10,000	
Employee contribution of 4% pa	£400
Income tax relief @ 22%*	£88
Your actual net payment pa	£312
Company's contribution of 8%	£800
Cost to you	£312
Amount paid into your fund	£1200

In addition, the Company also meets the cost of providing your life assurance cover and dependants' benefits whilst you are employed.

How much will your pension be?

The Plan does not guarantee you a given level of pension at retirement. The pension you will receive will depend on a number of factors including the size of your fund and the cost of buying an annuity at retirement. Your decision on how you invest your fund is very important. The higher your fund at retirement, the higher your pension is likely to be.

Under current legislation, you have the option of taking a tax-free cash sum of 25% of your fund at retirement.

In order to try to maximise the benefits you will receive at retirement, you need to consider how these two factors affect your investment decisions:

Maximising your fund at retirement

The Plan will offer access to a range of unit linked funds in which the contributions paid on your behalf may be invested. How your contributions are invested is for you to decide taking account of your own personal and financial circumstances.

The Plan also 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. The Plan's default investment option is known as a 'lifestyling' strategy.

*When you initially join the Plan **all** contributions paid on your behalf will automatically be invested in the default lifestyle strategy.*

Lifestyle Strategy

A lifestyle strategy automatically switches the investments from higher risk assets (such as stocks and shares) to lower risk assets such as Government bonds and cash when you approach retirement.

The enclosed leaflet entitled 'Default Investment Strategy' outlines how the Plan's default strategy works.

Free choice

Shortly after joining you will be provided with a detailed explanatory booklet and further information on the additional investment funds available to you in the Plan.

At that point (or indeed any point in the future prior to your retirement) you can choose to switch how your contributions (and those paid by the Company) are invested.

Choosing how to invest your contributions may be appropriate for you if:

- you want to be actively involved in managing your pension fund
- you are uncertain when you will retire – in which case you may need to take advice from time to time on the right fund mix for you
- you want to take more or less risk in your investment choices

If you are uncertain about which investment funds may be appropriate, you should take independent financial advice. The Company is unable to give any advice on this matter.

Leaving the Company

If you leave the Company before you retire, your fund will continue to be invested in the Plan until your retirement (although you are unable to make any further contributions). Alternatively, you can transfer the value of your fund to a new employer's pension scheme or a personal pension.

How to join

Complete the enclosed application form and return to:

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

On receipt of your application form the Pensions Department will acknowledge your membership and forward to you a member booklet that gives more detailed information about the Plan.

Please note that if you do not join the Plan at your first opportunity you may be required to complete a medical questionnaire or provide evidence of health. In certain circumstances the insurer (Norwich Union) may reduce the life assurance benefits payable.

If you have any questions about the Plan or your options, please contact the Pensions Department. Whilst the Pensions Department will be happy to assist with any general questions, no guidance will be given on your individual choices and options. If you require specific advice in these matters, we recommend you seek independent financial advice.

Contact details

Email: pensions@johnmenziesplc.com
Tel: 0131 459 8161/2/3