

Dear member,

The General Motors (IBC) Pension Plan

The summary funding statement for your pension

As the trustees of the General Motors (IBC) Pension Plan (the Plan), we are responsible for checking on the Plan's 'funding'. In other words, we check on the money building up in the Plan and see how it compares with the money the Plan will need to provide all members' benefits.

This is the annual statement that gives you updated information about the funding of the Plan. Everyone due benefits from the Plan will be able to read the statement and understand the level of funding that supports their pension.

This statement is based on the scheme funding requirements as set out in the Pensions Act 2004. In this year's statement we summarise the results of an update to 1st January 2019.

Keep in touch

So that we can send you information about your pension, please remember to let us know if your address changes.

The Plan's booklet tells you more about the Plan and your benefits. If you are a current employee, you receive a benefit statement each year. Anyone who has a right to benefits from the Plan can also ask to see the following:

- The Statement of Investment Principles, which explains how the trustees invest the money paid into the Plan.
- The Statement of Funding Principles, which sets out the principles agreed between the Trustee and the Company for funding the Plan's liabilities.
- The Schedule of Contributions, which shows how much money is being paid into the Plan.
- The Recovery Plan, which shows the actions being taken to make good the deficit at the 1 January 2017 valuation.
- The Plan's Annual Report and Accounts, which shows the Plan's income and expenditure in the year up to 31 December 2018.
- The full report on the Actuarial Valuation following the actuary's check of the Plan's situation at 1 January 2017.
- The actuarial report following the actuary's update of the Plan's situation at 1 January 2018.
- The actuarial report following the actuary's update of the Plan's situation at 1 January 2019.

If you have any questions about the Plan or your benefits, or you want to see one of the documents listed here, please contact us. Our contact details are at the top of the page.

Yours faithfully,

Marion McDonald
Secretary to the Trustees



Your Summary Funding Statement

At the date of the latest valuation (1 January 2017), the Plan's actuary found:

| | |
|---|----------------|
| The Plan had assets of | £275.5 million |
| The amount the Plan needs to provide benefits was | £352.6 million |
| This gave a shortfall of | £ 77.1 million |
| This is the same as a funding ratio of | 78.1% |

Recovery Plan

The Company has agreed to pay annual contributions into the Plan to cover the shortfall.

Contributions are payable in line with the Schedule below:

1st January 2017 to 31st March 2017 - £807,023 per month

1st April 2017 to 31st July 2017 - £832,848 per month

A one-off payment of £13,500,000 payable on or before 31st October 2017

A one-off payment of £2,997,947 payable on or before 31st January 2018.

£7,000,000 per annum for the period 1st January 2018 to 31st December 2021 payable by 31st December each year.

£1,000,000 per annum for the period 1st January 2022 to 31st December 2022 payable by 31st December 2022

At 1 January 2017, the Trustee expected the above contributions to be sufficient to remove the shortfall by the end of the recovery period.

The Plan's solvency position

The actuary estimated that, if the Plan had started winding up, the discontinuance funding level was approximately 53.1% as at 1 January 2017.

We are obliged to work out this figure just to get a complete picture of the Plan's financial health, but it does **not** mean that the Company or the Trustee is thinking of ending the Plan.

Changes since the valuation

The Trustee regularly monitors the position of the Plan between valuations. The latest report by the Actuary on 1st January 2019 states that the funding level was estimated to be at 95%. The funding level has increased since 1 January 2018 due to increased company contributions which has been partly offset by lower than expected investment returns and changes in market conditions increasing the value of the liabilities.

On 1st January 2018 the Actuary reported that the funding level was estimated to be 92%. The funding level has improved since the valuation date largely as a result of an increase in company contributions, investment returns and a reduction in liabilities due to the closure to accrual to the members at 30th July 2017.

Payment to the Company

There have been no payments to the Company out of Plan funds during the year.

The Pensions Regulator

The Pensions Regulator can change the Plan, give directions about working out its technical provisions or impose a schedule of contributions. We are pleased to say that it has not needed to use its powers in this way for our Plan.

The Trustee Company

With effect from 1 July 2019, General Motors UK Pension Trustees Limited became the Trustee Company of the General Motors (IBC) Pension Plan in addition to the General Motors (VML) Pension Plan and the General Motors (VACPF) Pension Plan (collectively the "Plans"). Having the Plans under a single Trustee will generate efficiencies in the management of the Plans and was supported by the boards of both GMUK Pension Trustees Ltd and IBC Vehicles Pension Trustee Ltd.

Notes

To understand what the statement shows, you need to understand what a valuation is and what it can and can't do.

The aim of a valuation is to suggest:

- how much money the Plan needs to cover the benefits members have already earned; and
- what contributions the Plan needs to pay for benefits building up in future.

No-one can guarantee the future or predict the exact figures, but by making sensible assumptions about economic conditions and the Plan's membership, the actuary can make useful suggestions. In particular, the actuary can look at how the predictions are affected if one of the assumptions turns out to be too low, or too high. As trustees, we then use our judgement to consider how confident or cautious we want to be as we consider the Plan's funding.

In the valuation, the Plan's actuary compares:

- the assets the Plan is building up through its investments, in its bank balances and any money owed to the Plan; with
- the liabilities the Plan has to pay including administrative expenses and benefits for members and their families.

A valuation will typically look at more than one situation.

• The ongoing basis

This looks at the Plan's funding assuming that the Plan continues into the future. This assumes that the Company will continue in business and support our plan.

• The full solvency position

We must tell you about the Plan's solvency as if it came to an end at the valuation date. The 'discontinuance valuation' looks at whether there is enough money to buy insurance policies to provide members' benefits in that situation.

The cost of providing all the benefits immediately is likely to be higher than the cost of paying them gradually over future years. Insurance policy prices will include administration charges and a profit margin. Even if a Plan is fully funded on the ongoing basis, the discontinuance figure is likely to be less than 100%.

The security of your benefits

Members and their employer make payments (contributions) to the Plan. The Plan is set up as one shared fund of money which we, the Trustees, use to pay for all the pensions due from the Plan. We invest the fund of money, with the aim of increasing its value. There is no separate account for you personally unless you have paid Additional Voluntary Contributions.

We regularly check on the money needed to support the Plan. But the Plan relies on the Company and its financial support to:

- pay the Plan's PPF levies each year;
- make extra contributions when there is a funding shortfall; and
- put in more money if the target set for funding the Plan turns out to be too low.

The annual funding statement shows you the latest details of the Plan's funding shortfall and how much the Company is currently paying.

What if the Plan started to wind up?

Even though funding may temporarily be below target, the Plan will continue to pay benefits in full as long as it continues.

However, if the Plan starts to wind up (come to an end) before you retire, then even if it is fully funded under our funding plan, you might not get the full amount of pension you have built up. In this situation, the Company has to pay enough for the Plan to secure members' benefits with an insurance company if it can.

The Pension Protection Fund

If the Companies became insolvent, the Pension Protection Fund (the PPF) might be able to take over the Plan and pay compensation to members. In broad terms, the PPF aims to provide:

- 90% of the benefits for members who have not reached the Plan's normal retirement age. (There is also an overall limit on the pension the PPF will pay.)
- 100% of the benefits for members who are over the Plan's normal retirement age.
- spouses' pensions of 50% of the member's pension.

The increases the PPF provides on pensions in payment may be lower than those of the Plan.

You can see more information on the Pension Protection Fund's website at

www.pensionprotectionfund.org.uk. Alternately, you can write to the Pension Protection Fund at Renaissance, 12 Dingwall Road, Croydon, Surrey, CR0 2NA.



Use of personal data

In providing actuarial services to the Trustees, including preparing this Summary Funding Statement, the Trustees, their adviser Aon Hewitt and the Scheme Actuary require access to personal data about members and their dependants. The Data Protection Act governs how the Trustees, Aon Hewitt and the Scheme Actuary use and store personal data. Members can find out more information about how their personal information is used in the provision of actuarial services at www.aonhewitt.co.uk/privacy-statement. Should a member have further questions regarding the processing of their personal information, they should contact the Trustees in the first instance (trustee contact details can be found in the scheme booklet or regular communications such as this). General guidance is also available from [the Information Commissioner's website](#).

If you are thinking of making any changes to your pension arrangements at any time, you should obtain as much information as you can and think about obtaining independent financial advice. The Financial Conduct Authority website has more information about finding a suitably qualified adviser.

This statement does not confer any rights to benefits. Benefits are conferred only in accordance with and subject to the terms of the Trust Deed and Rules. A copy of this is available for inspection in the Pension Department.