

WWH PENSIONS TRUSTEES LTD
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PRIVATE AND CONFIDENTIAL

Mr M Payne
63 Appleford Drive
Minster
Sheerness
ME12 2SR

Dear Mr Payne

The Horizon Pension Plan – member announcement

I am writing to advise of the activities and progress made by the trustees since the time of our last communication in March 2007.

Decision to wind up

The Plan has now entered the formal wind-up phase which will in due course lead to the closure of the Plan and the selection of an alternative pension provider for members' benefits. This will not affect the amount of your benefits payable, which will still be calculated by reference to your contractual entitlements, but will ultimately result in those benefits being paid from an alternative source.

You may recall that the wind-up had been deferred for a number of years whilst the trustees sought to maximise the asset base available to provide members' pension benefits. The trustees have now concluded that this process is complete and there are no longer any other assets potentially available to the Plan that can economically be recovered. The trustees have also concluded that the Plan does not meet the current eligibility criteria for support from either of the Financial Assistance Scheme or the Pension Protection Fund (although the criteria change from time to time and the position is being kept under review).

Changes to the Plan's investments

In accordance with advice from the Plan's actuary and investment advisers the trustees have begun to implement a programme to move the Plan's investment base to a position suited to the changed conditions of the anticipated wind-up. Whilst the Plan had operated as an active scheme the majority of its investments had been invested mainly in equity-type funds (such as FTSE 100 shares) and the Plan has enjoyed a number of years of solid investment growth from this source. However now that the fund is in wind-up we have been advised that it is no longer appropriate to maintain such a high proportion of assets in this investment class and accordingly steps are being taken, on a phased basis, to move the investments to a more diverse and therefore more stable basis. Although this is likely to reduce future growth prospects, it does have the benefit of reducing the prospect of any significant falls in investment values occurring in what is predicted to be a more volatile investment climate at a time when the trustees may need to realise assets to meet the liabilities arising in the wind-up.

Transfers out

We are aware that a number of members have from time to time made inquiries about transferring out of the Plan and securing their pension benefits elsewhere. Although transfers are not normally permitted during wind-up, we are investigating if it may be possible at this early stage of the wind-up process to accommodate members' wishes in this regard. However we cannot presently offer any firm commitment to allow transfers out.

Members requesting transfers should also be aware that the benefits potentially available by way of transfer values will be calculated conservatively on a basis approved by the scheme actuary and may not be the same as would be offered at full term in the wind-up. Members taking transfers would also be disqualified from

participating in any enhancement of benefits that may be possible if, for example, the Plan were subsequently to qualify for any external financial support at a future time.

Members should also be aware that the trustees are not permitted to give them any financial advice.

Administration

The Plan will continue to be administered as before during the wind up period, and members' principal point of contact will continue to be through this office.

During the wind-up phase the trustees will continue to maintain and prepare annual accounts for the Plan. However the trustees are spared the expense of producing actuarial funding reviews after the wind up date and therefore, save for a final valuation to determine the exact level of members' benefits at the conclusion of the wind-up, such reviews are no longer required to be undertaken.

Yours sincerely
For and on behalf of WWH Pensions Trustees Limited

PETER REES
DIRECTOR

