

ESSAR OIL (UK) PENSION SCHEME

Your 2026 newsletter

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ESSAR OIL (UK)
PENSION SCHEME

Welcome from **Nicole**

Welcome to your 2026 newsletter for the Essar Oil (UK) Pension Scheme (the Scheme). You will have seen my name on communications already, but this is my first newsletter as the Scheme Trustee Chair.

Each year the Scheme goes through a financial health-check, to help us ensure it's in a good position to pay all member benefits as they become due. Our latest report, as at 31 July 2025, is now available. You can read all the investment and Scheme funding information on **page 8**.

The unrest in the Middle East earlier this year has caused concern for many and we hope any loved ones in the affected countries have remained safe. The conflict has created some turbulence in the financial markets, but because your benefits are in a Defined Benefit (DB) Scheme, they aren't affected by day-to-day fluctuations. You'll continue to receive the payments due to you, both now and in the future.

The pensions industry is currently preparing for the introduction of the government-backed pensions dashboards. These will be online platforms that allow people like you to view all their pensions in one place. There's more information about this on **page 5**.

We want to make sure you stay up to date about your Scheme, and this newsletter is one way of doing so. The Scheme's online portal, PRISM, is also a valuable resource and highly recommended. It gives you easy access to a range of useful documents about the Scheme. There are more details about how to register or log in on **page 4**.

As ever, if you have any feedback on any part of the Scheme please do get in touch. All contact details are on **page 11**.

Nicole Mullock

Chair of the Trustee Board

Coming soon...

It's a busy time of year for communications, so look out for your tax and annual allowance information which will be sent out later this year.

Your Trustee Directors

Welcome to your new Trustees

2025 was a year of change for the Trustee Board. We said goodbye to Janine Wood, our Chair, who stepped down after many years of excellent service. Nicole Mullock became the new independent Chair of Trustees. We also extended our thanks to Matthew Jessop for his valued contribution to the Board as a Member Nominated Director (MND), when he stepped down last year.

As reported in our December financial update, Andy Roberts was re-elected to the Board. We also welcomed Philip Dunn as a new MND. Here's a recap on Andy and an introduction to Philip:

Andy

I am honoured to have been re-elected as a Member Nominated Director for the Scheme and would like to thank you for your continued trust and support. I am grateful for the chance to keep representing your views and to help steer the Scheme toward the best possible outcomes for all our members.

Philip

I'm looking forward to this new challenge and working with the rest of the Trustee Board. I hope to bring a fresh perspective whilst continuing to ensure member interests remain at the heart of everything we do.

Your Trustee Directors:

Company Appointed Directors	Member Nominated Directors
Nicole Mullock (Chair)*	Craig Thomas (Maintenance)
Michelle Bebbington (HR)	Philip Dunn (Operations)
Arvind Chopra (Assurance)	Andy Roberts (Operations)

* Representing Independent Governance Group (IGG) as an Independent Trustee

Planning before (and during) retirement

Long-term plans rarely turn out the way we expect them to. Still, making plans remains important. Retirement is a big change and organising your thoughts, deciding on your priorities and putting some sort of structure in place can all help put you in the best position to enjoy your retirement.

Retirement planning usually starts with working out your future income. However, this is only the beginning; in this situation, it literally pays to be organised!

If you're already retired and receiving your pension income – life continues to evolve and your needs may change too. Reviewing your plans can help ensure they still work for you. It's always best to be consistent when working out your budget.

MoneyHelper is a government-backed website with information for all aspects of financial life, and a good place to start your planning. Go to www.moneyhelper.org.uk, and click on the 'Pensions and Retirement' tab. There are many articles that could be useful, including a retirement checklist, which has a link to a budget planner.

Have you thought about including these expenses?

- Housing costs could be among your biggest outgoings if you're renting your home or still paying off a mortgage. Many budget planners don't include these, so remember to add them!
- If you're a homeowner, do you intend to stay in your home through your retirement? Remember, older or larger homes tend to need more upkeep in general, so make sure you account for this.
- If you're a private renter, your landlord could raise your rent in future years – will you be able to afford any increases?
- Think about who you're budgeting for and whether you should include your partner, children or any other family members.
- Many of us are likely to need help as we get older. You may want to pay someone to help with the garden, household tasks or personal care – just remember to include funds for this in your budget.

PRISM can help you with your retirement planning

Don't forget to use PRISM to keep up to date with your Essar benefits. You can view your pension amount, check your estimated pension value at your Normal Retirement Age and run retirement quote illustrations. You can also update your contact details and your nominated beneficiaries.

Already receiving a pension? View your P60s and update your details anytime, online.



Pension news

Countdown to pensions dashboards

More than 75% of all private pension schemes have now connected to the pensions dashboard infrastructure, including Essar!

We completed our connection on 31 March this year. Your data is secure on the dashboards, and when the first dashboard goes live you'll be able to view your Essar pension details alongside any other pension pots you have. We don't yet know when the first dashboard will be publicly available, but it's currently expected to be sometime in 2027.

Keep your details up to date

When schemes like ours lose touch with members, it's often due to moving house and forgetting to tell us the new address.

Updating your personal details is very straightforward. The quickest and easiest way is via our online platform, PRISM, or you can get in touch with the Scheme Administrator – their details are on **page 11**.

We need your contact details so we can send you benefit statements, updates and, most importantly, your pension payments.

An update on Inheritance Tax (IHT) changes

The Government's final changes to IHT are due to go live from 6 April 2027, when any pension pots left unused after someone dies will be included as part of their estate in IHT calculations. The latest proposal makes it the responsibility of the deceased's personal representative to pay any pension tax owing.

There's more information about the current and new IHT rules on GOV.UK: www.gov.uk/inheritance-tax.

A reminder of your protected Minimum Pension Age

You may have seen or read about changes to both the Normal Minimum Pension Age (NMPA) and the State Pension Age. They are:

- NMPA rising to 57 from 6 April 2028
- State Pension Age rising gradually to 67 between April this year and April 2028

As a member of the Scheme, you have a protected Minimum Pension Age of 55 and your Essar benefits won't be affected by the new NMPA. This means you'll still be able to access your Essar pension once you turn 55.

The State Pension Age applies to everyone, regardless of any scheme retirement age protection. If you're due to turn 67 before 6 April 2028, you can check your State Pension Age at www.gov.uk/check-state-pension.

It's important to remember that you may not have a similar protected age for other pensions that you hold. Please check with each Scheme Administrator to see what the scheme rules say.

Artificial Intelligence (AI) in pensions

AI in pension scams

Many of us use AI in our jobs or at home, but it can be exploited by those looking to defraud others. AI can impersonate real people very convincingly and fraudsters may get in touch claiming to either be from the Scheme or connected to it. **Although AI is improving, it's not a replacement for professional, regulated advice.**

Before you share your personal information, ask yourself these questions:

- **Are the contact details right?** Check them against other communications you've received from us, like this one.
- **Does the web address match?** Look for random symbols or letters – you may end up on a fake website.
- **Has the communication got our logo, branding and colours?** If it's different, it may be fake.
- **What's the link address?** Hover your mouse over a link and it will show the full link address – lots of numbers or symbols could indicate it's not the 'official' link it claims to be.

If in doubt, check it out! If you're not sure whether a communication is genuine, use the contact details on **page 11** to get in touch with the Scheme Administrator.

The Pensions Regulator (TPR) has lots of information on how to report a scam. They've also released a video showing how anyone can be deceived.

Watch it at www.thepensionsregulator.gov.uk/pension-scams/pension-scams-video-case-study

AI and financial advice

AI can offer quick access to information, helping to streamline processes and using personal information to create tailor-made content. However, it's important to stay cautious when using AI in relation to your pension benefits.

Financial advisers must complete extensive training to understand the intricacies of pension schemes and financial options before they can become registered by the Financial Conduct Authority (FCA). They also have an understanding of life in general which AI can't create. AI won't know about you personally - including how you want to spend your retirement.

Your data may not be secure if you use an AI modeller. To reduce this risk, don't enter any information which you want to keep private.

Looking for financial advice?

Making decisions about your pension and retirement can feel overwhelming. The financial services industry is highly regulated and we always recommend that you check an adviser is registered with the FCA.

If you want more flexible options for your pension benefits and are considering transferring to another scheme, the law says you will have to take regulated financial advice if your transfer value is more than £30,000. However, you should always consider taking professional advice before making any financial decisions.

Get a little help from LV=

We're offering all members the chance to talk through their retirement options with an LV= adviser. The first session is free and LV= is offering a substantial discount to their standard fees if you want to arrange more meetings.

LV= is one of the UK's leading retirement solutions providers and highly experienced in offering regulated financial advice to people looking to access their pension benefits safely and securely. For more information visit www.lv.com/essaroil

All LV='s advice is completely independent and will be based on your personal circumstances – LV= will not be operating on behalf of the Trustee or the Company.

To speak to an adviser call: **0800 023 4391** (lines are open Monday to Friday from 9am to 6pm).

Finding your own adviser

You may prefer to find your own financial adviser. An adviser will ask you questions about your personal circumstances and your plans during retirement. They should:

- be regulated by the FCA
- make you aware of the tax implications of any steps you might take
- offer advice based on your personal situation

MoneyHelper has more guidance on what to look for in an adviser and how to find one in your local area.

Go to www.moneyhelper.org.uk and search for 'financial adviser' under the 'Pensions and retirement' page, or by calling **0800 011 3797**, 9am to 5pm, Monday to Friday (except bank holidays).

Financial update

Every three years the Scheme Actuary for the Essar Oil (UK) Pension Scheme carries out a full valuation of its finances, with interim updates taking place in between. Each financial health-check helps us make sure the Scheme is in a good position to pay all member benefits as they become due.

The most recent full valuation was in 2024 and we gave you details of this in December last year. The results of the 2025 interim update are included here.

Please note – this statement doesn't hold any personal information or include any benefits you may receive from this pension scheme, either now or in the future.

Our members





Here's a breakdown of our most recent membership numbers:



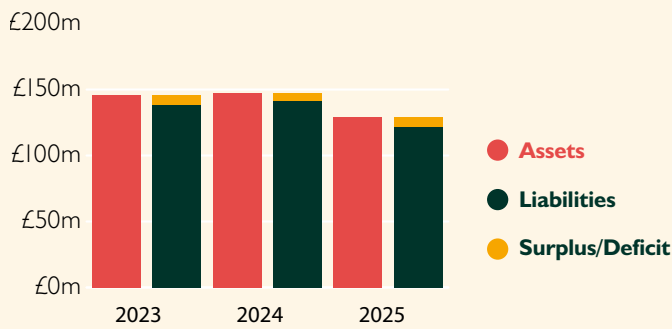
- Members are still working for Essar, but not yet receiving their pension.
- Members are no longer working for Essar, but not yet receiving their pension
- Members are pensioners who are receiving their pension. This includes beneficiaries.

How's the Scheme doing?

Here's the breakdown of the Scheme's financial health at the valuation, along with its recent annual checks.

	31 July 2023	31 July 2024	31 July 2025
 <p>Assets The value of the Scheme's investments</p>	£145.9m	£147.1m	£129.0m
 <p>Liabilities The estimated costs of providing members' benefits</p>	£138.6m	£141.1m	£121.6m
 <p>Surplus / (Deficit) The difference between the assets and liabilities</p>	£7.3m	£6.0m	£7.4m
 <p>Funding level The assets as a percentage of the liabilities</p>	105%	104%	106%

The table shows that at the update the Scheme had a surplus, with **106%** of the money it needed to pay all benefits to members. This means that as long as the Company continues to support the Scheme, all members' benefits will be paid in full.



The update shows a slight increase in the funding level since 31 July 2024, primarily due to positive investment returns. An increase in interest rates over the period reduced the value of the liabilities and assets due to the 'liability matching' elements of the Scheme's asset portfolio, but positive returns on other parts of the portfolio resulted in an increase in surplus over the period.

Contributions from the Company

The funding level of the Scheme shows the Scheme is now in a position of surplus. This means no further deficit reduction contributions are required from the Company.

The legal bit

The following statements are part of our legal responsibility – they are for your information only.

As your Trustee Directors, we always aim to have enough money in the Scheme to pay pensions and other benefits to members, with the support of the Company. If the Company goes out of business or decides to stop paying for the Scheme, it's expected to pay the Scheme enough money to secure all the benefits built up by members with an insurance company. This is known as the Scheme being 'bought-out' and 'wound-up'.

The Scheme Actuary works out how much money the Scheme would need if the Company could no longer support it, and the Scheme was wound-up. Here's an example of how this would work, using the valuation figures from 31 July 2024:

Wind-up valuation	Expenses	Scheme assets	Surplus/(Deficit)	Funding level
£175.4m	£3.3m	£147.1m	(£31.6m)	82%

At the time of the 2024 valuation, there were not enough assets in the Scheme to cover all the benefits owed without the support of the Company.

The Pension Protection Fund (PPF) was created in 2005 to help ensure members get the most from their pension, if the Company isn't able to pay the amounts needed. However, it's important to remember that, if this were to happen, you may not receive the full pension you are owed and any increases you receive in the future may be lower than the increases the Scheme would have provided. There's more information about how the PPF operates on its website: www.ppf.co.uk.

Including this information doesn't mean that we, or the Company, are thinking of winding-up the Scheme – it's simply required as part of our report.

We must also tell you that the Company has not taken any surplus payments out of the Scheme in the last 12 months. There has been no intervention from The Pensions Regulator to use its powers to modify the Scheme, or impose a direction or a schedule of contributions.

An update on the accounts

Here's a summary of the money we received, and the payments we made, over the last Scheme year.

The value of the Scheme's assets at 31 July 2024	£150.9m
What's coming into the Scheme	
Company contributions	£0m
Investment income	£0.7m
Total received	£0.7m
What's going out of the Scheme	
Benefit payments including regular pension payments, cash lump sums paid at retirement and individual transfers out	£4.1m
Administration and investment fees	£0m
Total paid	£4.1m
Change in market value	(£15.2m)
Value at 31 July 2025	£132.2m

The total asset values given here are higher than in the funding section (on **page 8**) – this is because the Additional Voluntary Contributions (AVCs) are only included here and are not a part of the funding numbers.

*figures may not sum due to rounding

Our investment strategy

The Scheme's investment strategy is set by the Trustee after taking appropriate independent advice. As at 31 July 2025, the Scheme's assets were allocated to the following investment types:

Asset class	Allocation as at 31 July (%)
LDI	63.1
Direct Lending	3.1
Multi Asset Credit	11.7
Property	8.6
Short-dated Gilts	12.8
Trustee Bank Account	0.7

Where to go...

While the Scheme Administrator can't give you any advice about your pension, please contact them with any general questions about your pension or benefits:

Tel: **0121 212 8102**

Email: **essaroil@hymans.co.uk**

Post: **Essar Oil (UK) Pension Scheme Administration,
PO Box 27120,
Glasgow G2 9NF**



You can also raise a query on PRISM, by visiting **www.essaroilukpensionscheme.co.uk** or by scanning the QR code. You'll need your National Insurance number and contact details.

Please remember to let the Scheme Administrator know if any of your details change, so that we can keep in touch with you and make sure your benefits are paid on time.

If you would like to find out more about how your personal data is used, please follow the link to the Hymans Robertson Trust Centre: **www.hymans.co.uk/information/trust-centre**

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**ESSAR OIL (UK)
PENSION SCHEME**