

ACNielsen (UK) Pension Plan

Recovery Plan following 5 April 2021 valuation

1 Status

This Recovery Plan has been prepared by the Trustee of the ACNielsen (UK) Pension Plan (“the Trustee”) on 29 April 2022 after obtaining the advice of Stephen Aries, the Actuary to the Plan. The Trustee has agreed it with A.C. Nielsen Company, the Principal Employer.

The actuarial valuation of the Plan as at 5 April 2021 revealed a funding shortfall (Technical Provisions minus value of assets) of £27.3 million.

2 Steps to be taken to ensure that the Statutory Funding Objective is met

To eliminate this funding shortfall, the Trustee and Principal Employer have agreed that contributions will be paid into the Plan, structured as follows:

Shortfall Contributions

- £5,181,996 a year payable by equal monthly instalments to March 2022; and
- £3,671,472 a year, subject to the Inflation Adjustment, payable by equal monthly instalments from April 2022 to May 2028. The Inflation Adjustment is applied to payments from the start of each Plan year in April (with the first increase in April 2023) and is defined as the Retail Prices Index for the September preceding that April divided by the Retail Prices Index for September 2021.

Additional Contributions

- £1 million a year payable in the first half of each calendar year from 2021 to 2025.

These contributions are additional to the contributions required to finance the Plan’s administrative expenses (£40,000 per month). The Principal Employer also pays further contributions sufficient to cover Pension Protection Fund levies as soon as administratively possible after payment of such levies by the Plan (unless these levies are remitted directly by the Principal Employer to the PPF).

To the extent that, during the period from 5 April 2021 to 30 June 2022, the Employer’s contributions actually paid differ from those set out above, the accumulated underpayment is to be paid to the Plan by the Principal Employer on or before 30 September 2022, or the accumulated overpayment is to be deducted from the amounts due to be paid to the Plan by the Principal Employer after the date on which the schedule of contributions (dated 29 April 2022) is certified by the Scheme Actuary.

3 Funding monitoring

The Trustee will procure that the Scheme Actuary will monitor the estimated funding position of the Plan’s defined benefit section as soon as possible after the schedule of contributions (dated 29 April 2022) is certified by the Scheme Actuary. This monitoring will assume the Plan’s membership experience after 5 April 2021 will be in line with the assumptions set out in the statement of funding principles (dated 29 April 2022), adjusted on an approximate basis for known events (such as transfer payments made from the Plan). The monitoring will utilise monthly updates of the market value of the Plan’s investments. The Trustee will procure that the Scheme Actuary will provide access, to the Trustee and Principal Employer, to this monitoring of the funding position. This funding monitoring will include the positions on both the Technical Provisions (as set out in the statement of funding principles dated 29 April 2022) and Long-Term Funding Target (“LTFT”, where liabilities are valued as for the Technical Provisions but with the discount rate being the nominal gilt curve) bases.

4 Contribution switch-off event

If the funding monitoring (as set out in section 3) shows that the LTFT position is estimated to be in surplus (i.e. the value of the assets exceeds the value of the liabilities) at three consecutive month ends, and the Scheme Actuary and Trustee's investment adviser verify that the asset and liability estimates used in this monitoring are reasonable (i.e. that the LTFT position is unlikely to show a deficit at any of the three consecutive month ends), then a "contribution switch-off event" will be deemed to have occurred. The effective date of a contribution switch-off event will be the date of the third consecutive month end that shows a LTFT surplus.

The process of verification of the validity of the LTFT position in a contribution switch-off event will be completed as soon as possible after the effective date of the contribution switch-off event, but in any event no later than 40 days after this effective date (to allow time for asset valuations of the Plan's illiquid investments to be provided).

Shortfall Contributions (as defined under section 2) falling due after the effective date of a contribution switch-off event will no longer be payable, until such time as a contribution switch-on event subsequently occurs (see section 5 below). Any Shortfall Contributions paid in respect of periods after a contribution switch-off event that it is subsequently deemed were not due (due to administrative delays in ceasing contributions) may be offset against subsequent contributions due under the schedule of contributions (dated 29 April 2022).

A contribution switch-off event cannot occur prior to 31 May 2024 (i.e. the earliest possible three consecutive months showing a LTFT surplus, for the purposes of a contribution switch-off event, are 31 March 2024, 30 April 2024 and 31 May 2024).

Administration contributions and Additional Contributions, as defined under section 2, will not cease under a contribution switch-off event.

5 Contribution switch-on event

If, following a contribution switch-off event (as defined in section 4), the funding monitoring (as set out in section 3) shows that the Technical Provisions position is estimated to be in deficit (i.e. the value of the liabilities exceeds the value of the assets) at three consecutive month ends, and the Scheme Actuary and Trustee's investment adviser verify that the asset and liability estimates used in this monitoring are reasonable (i.e. that the Technical Provisions position is unlikely to show a surplus at any of the three consecutive month ends), then a "contribution switch-on event" will be deemed to have occurred. The effective date of a contribution switch-on event will be the date of the third consecutive month end that shows a Technical Provisions deficit.

The process of verification of the validity of the Technical Provisions position estimates in a contribution switch-on event will be completed as soon as possible after the effective date of the contribution switch-on event, but in any event no later than 40 days after this effective date (to allow time for asset valuations of the Plan's illiquid investments to be provided).

Shortfall Contributions (as defined under section 2) will recommence from the effective date of a contribution switch-on event, until such time as a further contribution switch-off event subsequently occurs (see section 4). Shortfall Contributions due in respect of the first three months following a contribution switch-on event will be paid within three months of the effective date of the contribution switch-on event.

6 Period in which the Statutory Funding Objective should be met

The funding shortfall is expected to be eliminated by 31 May 2028. This expectation is based on the following assumptions:

- Technical Provisions calculated according to the method and assumptions set out in the Statement of Funding Principles dated 29 April 2022.
- The return on the existing assets at 5 April 2021, and on the shortfall contributions, as set out in the Statement of Funding Principles dated 29 April 2022.

Progress towards meeting the Statutory Funding Objective

It is expected that 50% of the above shortfall contributions will be paid by July 2024.

Date of recovery plan (for reference purposes): 29 April 2022.

Signed on behalf of the Trustee of the ACNielsen (UK) Pension Plan:

Signature:

Print name: Chris Martin

Position: Chair, Trustee Director of the ACNielsen (UK) Pension Plan

Date: 29 April 2022

Signed on behalf of A.C. Nielsen Company Limited:

Signature:

Print name: Svetlana Vinokur

Position: SVP, Treasurer

Date: 29 April 2022