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Rothesay secures £640m buy-in for Smiths Group plc

- £640m buy-in insures the final tranche of liabilities of Smiths Group plc's TI Group Pension Scheme
- The Scheme's seventh bulk annuity transaction, and third insured with Rothesay, completes its de-risking journey
- Transaction protects the pension benefits of more than 8,750 Scheme members - c.800 pensioners and c.7950 deferred pensions

Rothesay, the UK's largest specialist pensions insurer, today announces that it has completed a £640m buy-in with the TI Group Pension Scheme (the "Scheme"). The Scheme is sponsored by Smiths Group plc (the "Sponsor"), the London-headquartered FTSE 100 industrial technology group.

This buy-in completes the Scheme's de-risking journey following six previous pensioner buy-ins over the last 14 years, two of which are already insured with Rothesay.

The transaction secures the benefits for all remaining uninsured members of the Scheme - defined benefit liabilities for c.800 pensioners and a further c.7950 deferred members - and enables it to progress to buy-out and wind-up over the coming years.

The existing Scheme liabilities insured with Rothesay were secured following pensioner buy-ins in 2008 (with Paternoster) and 2011, which currently cover over 3,900 members. Rothesay has been working in partnership with the Scheme on this transaction for nine months and residual risks are insured for all members covered by the insurer.

The lead broker on the transaction was Aon. Legal advice was provided to the Trustee by Mayer Brown and to Rothesay by Travers Smith, DLA Piper and Eversheds.

Sammy Cooper-Smith, Business Development at Rothesay, said: *"Having worked with the Scheme for over a decade, we are delighted to support them in delivering their final buy-in on the way to achieving a full Scheme buy-out and wind-up. Rothesay's sophisticated purpose-built technology allowed us to work collaboratively to design a solution that achieves long-term security for the Scheme, achieving the final part of its overarching de-risking strategy."*

Market demand for de-risking remains strong this year, and we are well-positioned to help more schemes secure their pension liabilities."

John Baines, Partner at Aon, said: *"This transaction completes the Scheme's phased buy-in approach and is the culmination of an insurance de-risking journey over the past 14 years. The approach to insuring risk as soon as it becomes affordable is a blueprint for how to reach buy-out efficiently. Having led the previous six transactions, we were able to negotiate a strong outcome for this transaction, providing residual risks cover and delivering financial security to members for the future."*

Chris Surch, Chair of the Trustee, said: *"We are delighted to have agreed this final bulk annuity transaction for our members. It provides them with long-term financial security and completes our de-risking journey. Rothesay's dedication to delivering an appropriate solution was invaluable in completing the transaction. As the UK's largest specialist insurer of pensions, Rothesay is an ideal partner for the TI Group Pension Scheme and our members can be confident that their future payments are securely protected."*

ENDS

Rothesay

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Notes to Editors

About Rothesay

Rothesay is the UK's largest pensions insurance specialist, purpose-built to protect pension schemes and their members' pensions. With over £60 billion of assets under management, we secure the pensions of more than 830,000 people and pay out, on average, approximately £240 million in pension payments each month.

Rothesay is dedicated to providing excellence in customer service alongside prudent underwriting, a conservative investment strategy and the careful management of risk. We are trusted by some of the UK's best known companies to provide pension solutions, including the schemes of Allied Domecq, Asda, British Airways, Cadbury's, the Civil Aviation Authority, National Grid, the Post Office, Prudential and telent.

Rothesay has two substantial institutional shareholders, GIC and Massachusetts Mutual Life Insurance Company ("MassMutual"), who provide the company with long-term support for its growth and development. In September 2020, our shareholders increased their investment in Rothesay through a transaction which valued the business at £5.75bn.

Rothesay refers to Rothesay Limited and its subsidiaries and is the trading name for Rothesay Life Plc, an insurance company authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Firm Reference Number: 466067. Rothesay Life Plc is registered in England and Wales with company registration number: 06127279 and registered address: Rothesay Life Plc, The Post Building, 100 Museum Street, London WC1A 1PB. Further information is available at www.rothesay.com