

Ladbrokes Pension Plan

Nominations sought for the position of member Trustee of the Ladbrokes Pension Plan

- the deadline for nominations is **10 February 2012** so act quickly!

The Ladbrokes Pension Plan (the Plan) is looked after by a Board of Trustees who are responsible for running the Plan. Four of the Trustees are appointed by the Company and four are nominated by Plan members (known as member Trustees or member-nominated Trustees).

The Plan's member Trustees were first appointed five years ago, and while there have been some changes to the Trustees in this time, their terms of appointment have now come to an end.

The Trustees are all offering themselves for reappointment to the roles. However, we are also required to offer our other members with the opportunity to apply to become member Trustees. With this in mind, if you are an active member or a pensioner then you are invited to stand for election for one of the four member Trustee positions. The term of office will commence at the next Trustee meeting on **28 March 2012** and will be for five years.

This announcement explains:

- how you nominate either yourself or other individuals who you would like to see appointed as member Trustees; and

- the process for selecting a member Trustee from the active members and pensioners who are nominated.

If you wish to nominate yourself or someone else, please complete and return the attached form by using the envelope provided.

Only nominations made on the attached form and received on or before **10 February 2012** will be considered.



LADBROKES PENSION PLAN MEMBER-NOMINATED TRUSTEES

Structure of the Trustee Board

The new Trustee Board will be made up of eight trustees:

- Four company trustees appointed by Ladbrokes PLC
- Four member Trustees.

Who are the current Trustees?

The table below shows the people who are currently Plan Trustees. The Trustees who have been appointed by the Company will continue in their positions after the member Trustees have been appointed.

Appointed by the Company

Gordon Bissett (Chairman)
Mike Noble
Stuart Priday
Charles McAulay

Nominated by Plan members

Chris Lynch
Paul Plowright
Jane Hutchinson
David Bowen

Do member Trustees have different responsibilities to Company Trustees?

No. All Trustees (whether Company appointed or member Trustees) have the same functions and responsibilities.

The Trustees may select a chairman from amongst their number by majority vote. If the Trustees are unable to agree on a chairman, the Company will be asked to select one from all the Trustees. In the event of an equality of votes at a Trustee meeting, the Chairman has a second or “casting” vote.

What duties does a Trustee have?

As a Trustee you would be responsible for running the Plan in accordance with the Plan’s Rules, UK pension law and other related legislation. This includes ensuring that the interests of all the beneficiaries of the Plan are fairly represented. As a member Trustee you would be expected to look after the interests of everyone, not just the interests of those who nominated you.

In your role as a Trustee, you would attend regular meetings during which you would discuss the current issues affecting the Plan. With the help of advisers, the Trustees take strategic investment decisions about how the assets of the Plan should be invested, and monitor and review the Plan’s investment performance. They need to ensure that sufficient assets are being received from the employers to meet the Plan’s liability to pay pension benefits. They also make sure that any other legal requirements are met, and from time to time make decisions on behalf of the Plan and its members.

Being a Trustee is a big responsibility and requires considerable commitment. All of the decisions made by the Trustees must be fully explored, explained, evaluated and then recorded for future reference.

As a new Trustee you would receive training to help you in your role. This is important to ensure that you have sufficient knowledge and understanding of pension matters, as this is required by pension legislation and monitored by the Pensions Regulator. While Trustees are not required to have detailed knowledge of pensions law and matters relating to funding and investment of pension scheme assets before taking up office, all Trustees must aim to pass appropriate Trustee examinations within two years of appointment, to show that they are complying with pension law obligations.

Further information about the legal requirements for Trustees and the required levels of knowledge and understanding can be obtained from the Pension Regulator's website:

www.thepensionsregulator.gov.uk

If you are considering becoming a member Trustee you are strongly urged to visit this website as it contains a great deal of helpful advice and guidance for Trustees.

Who is eligible to become a member Trustee?

Active members and pensioners are invited to stand for nomination as a member Trustee. Deferred members are not eligible to stand as member Trustees.

UK law prohibits some people from becoming Trustees. You will not be eligible if you:

- are aged under 18;
- are an undischarged bankrupt;
- have been disqualified from being a company director; or
- have been convicted of an offence involving dishonesty or deception.

Who nominates the member Trustees?

If you are a member of the Plan (i.e. an active member or a pensioner) you are entitled to nominate any active member or pensioner to be a member Trustee. If you are an active member or a pensioner then you are able to nominate yourself. Nominations must be supported by two individuals who are members of the Plan (active/deferred members or pensioners). Please complete the attached form and return it in the envelope provided.

Only nominations received on the attached form and returned by **10 February 2012** will be considered.

What is the procedure for selecting member Trustees?

When selecting member Trustees, the Selection Committee is looking for a good mix of skills from different parts of the business. The Selection Committee is also looking for candidates to demonstrate considerable knowledge of the Plan's benefit structure and Trustees' legal responsibilities to the beneficiaries. Experience of financial, accounting or investment matters would be of particular benefit to candidates.

Member Trustees will be selected using the following procedure:

1. A Selection Committee comprising of the Chairman of the Trustees and two other Trustees who are members of the Plan (the "Selection Committee") will consider all nominations. From this, we will determine a shortlist. The shortlisted candidates will be interviewed by the Selection Committee who will decide who should be appointed as a member Trustee.
2. If there are more suitable candidates than there are positions, a reserve list may be drawn up by the Selection Committee. If a reserve list is drawn up, the Selection Committee will determine who will be on that list. The list will remain in place for a period of no more than five years.
3. If insufficient nominations are received, the Trustee Board will invite further nominations after 12 months has passed. If insufficient nominations are received a second time, the Trustee Board will repeat the request for nominations at least every 12 months.
4. If a vacancy arises before the end of the five year term then the Selection Committee will take the appropriate action to fill the vacancy. They may choose someone from the reserve list (assuming they are still, in the Trustee's opinion, able, willing and suitable). Alternatively, the Trustees may invite nominations again in accordance with the procedure set out in this announcement.
5. If a member Trustee fills a vacancy part-way through a term of office, (perhaps because a member Trustee resigns or if the vacancy was never filled), that individual will only be in office as a member Trustee for the remainder of the five year term.

How long will member Trustees stay in their role?

Member Trustees will usually have a term of office of five years (unless a vacancy is filled part way through an existing five year term). Therefore this term of office will run until **28 March 2017**. At the end of this five year term, Trustees will be allowed to offer themselves for re-selection for a further term.

Individuals will automatically lose their role as a member Trustee before the five year terms of office has expired if:

- they resign from the role by written notice to the Chairman of the Trustee Board;
- they leave the Company and become a deferred member;
- they transfer their benefits out of the Plan to another pension arrangement;
- they become ineligible to act (see “Who is eligible to become a member Trustee” on page 3); or
- the Trustee Board agrees to remove them.

Will these procedures be reviewed in future?

The Trustees will review the procedures at least every five years. However they may change the procedures at anytime for example, if there is a significant change to the Plan membership.

Next steps?

If you think you would like to become a member Trustee, or would like to nominate an active member or a pensioner of the Plan to be a member Trustee, you should complete the attached nomination form and send it to the Ladbroke's Pension Plan Administration Team at One London Wall, London, EC2Y 5EA. You can use the envelope provided.

If you are nominating yourself, you will need to find two Plan members who are willing to support your nomination.

You must submit nomination forms by 10 February 2012.

Notes

- (i) If a member Trustee is appointed whilst an active member of the Plan, and subsequently becomes a pensioner during the five-year term of office, that Trustee may continue in office for the remainder of the five year term.
- (ii) Company appointed Trustees will serve such term of office as Ladbroke's PLC may from time to time determine. They may also be removed by Ladbroke's PLC and an alternative Trustee appointed in their place.