

PIC INSURES £250 MILLION OF SMITHS INDUSTRIES PENSION SCHEME

London, 28 October 2016 – Pension Insurance Corporation ("PIC"), a specialist insurer of defined benefit pension funds, has concluded a pension insurance buy-in with the Trustee of the Smiths Industries Pension Scheme ("the Scheme"), for a premium of approximately £250 million. The transaction covers more than 3000 pensioner members of the Scheme. The lead advisor to the Trustee on the transaction was Aon Hewitt.

The Scheme is sponsored by Smiths Group plc, a global technology business listed on the London Stock Exchange which previously insured £170m of liabilities of another scheme with PIC.

Nicholas Godden, Chairman of the Trustee, said: "This buy-in is a significant step in our derisking plan and we are very pleased to have been able to complete it at this point. PIC has been flexible and focussed on helping us achieve our aims and I want to thank both them and our advisers, Aon Hewitt, for their hard work."

Uzma Nazir, Actuary at PIC, said: "The Trustee has been actively managing risk in the pension scheme and this buy-in was the natural next step in that process for them. Whilst there has been volatility in the financial markets post Brexit, the Trustee had the correct governance structures in place to allow them to complete this transaction within their preferred timeline. This is a credit to them. PIC is of course proud that we were able to insure liabilities within a second pension scheme sponsored by Smiths Group."

Dominic Grimley, Risk Settlement adviser at Aon Hewitt, said: "Speed from all parties was vital to the success of this transaction, as the opportunity needed to be captured very quickly

once identified by Aon Hewitt's platform, Bulk Annuity Compass. In volatile markets, we agreed a mechanism with PIC to stabilise pricing as soon as it met the testing criteria. The insurance was then tailored to support further de-risking over time."

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Notes to Editors:

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About Pension Insurance Corporation

Pension Insurance Corporation plc ("PIC") provides tailored pension insurance buyouts and buy-ins to the trustees and sponsors of UK defined benefit pension funds. PIC brings safety and security to scheme members' benefits through innovative, bespoke insurance solutions, which include deferred premiums and the use of company assets as part payment. At 30 June 2016 PIC had £18.4bn in assets and had insured more than 130,000 pension fund members. Clients include FTSE 100 companies, multinationals and the public sector. PIC is authorised by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority and PRA (FRN 454345). For further information please visit www.pensioncorporation.com