Your guide to Pension Increase Exchange (PIE)

For members of the Manweb Group

You have the option to exchange some of your future pension increases for a higher initial pension.

This is a complicated decision, and there's lots to think about. This might also be the only time you're given a PIE option, so please think carefully before you decide what to do.

ScottishPower Pensions

What this guide covers

This guide includes

1. How PIE works
2. Thinking about whether a PIE is right for you
3. How we calculated your PIE option
4. What to do next

About Chase de Vere, the appointed financial adviser

ScottishPower has appointed a company called Chase de Vere to give you unbiased financial advice (or guidance if living outside the UK) about your PIE option. ScottishPower will pay for this service, so there will be no cost to you. Even if you take the paid-for advice (or guidance) available, you don't have to take your PIE option, regardless of their recommendation*.

Chase de Vere is a national firm of Independent Financial Advisers. They understand the issues that you need to consider when making a decision. They also have detailed knowledge of the Manweb Group and the benefits it provides to you.

Chase de Vere is authorised and regulated by the Financial Conduct Authority (**fca.org.uk**) and is required to give impartial advice. The advice (or guidance) that you receive will be completely independent and any information you provide to them will be treated confidentially.

If you're interested in taking your PIE option, then contact Chase de Vere to book your session.

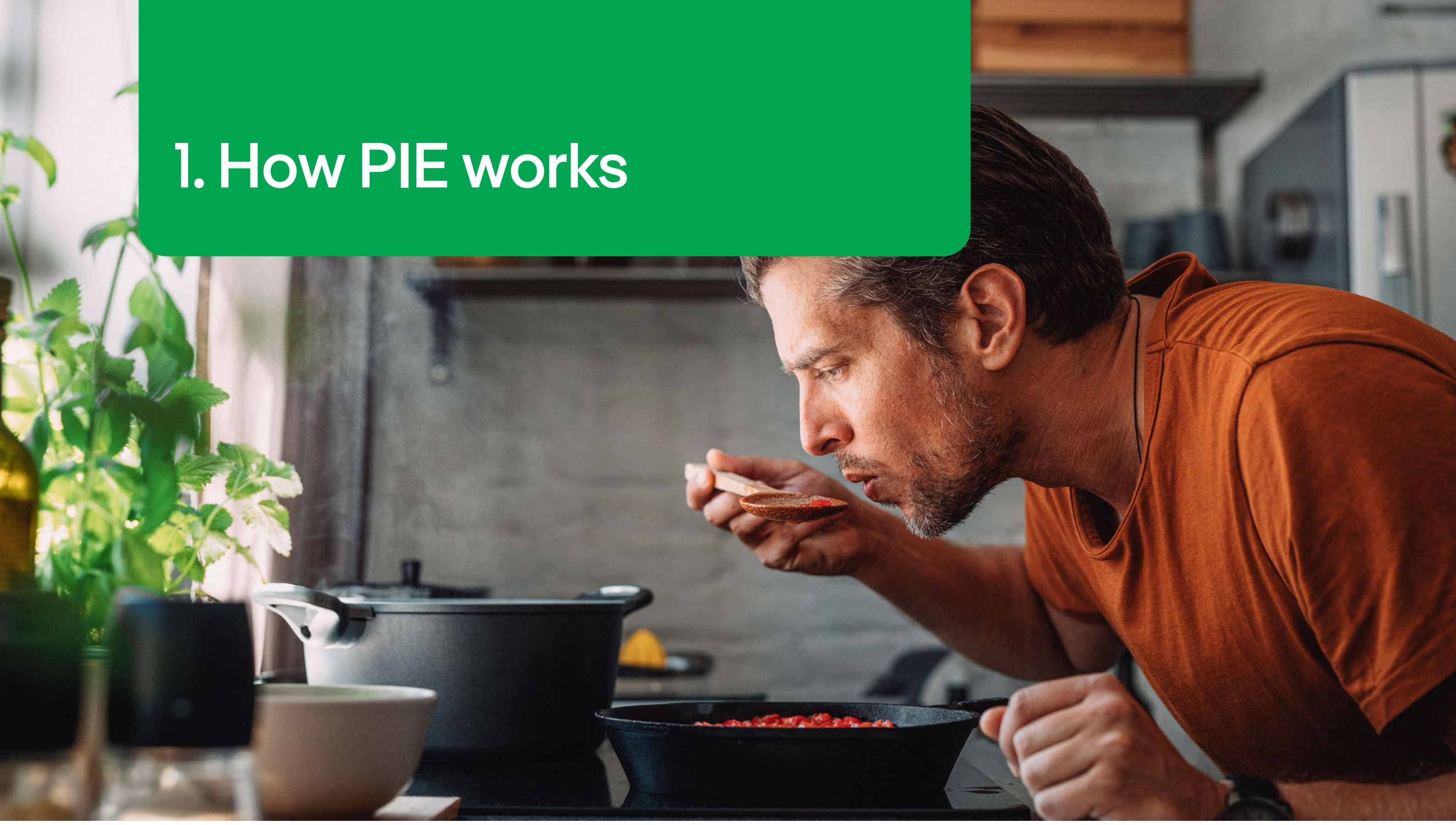
- **Phone: 0800 088 3126 / +44 203 474 5393**
  (overseas charges may apply)
  Monday to Friday, 9am to 5pm
  except Bank Holidays
- **Email: scottishpower@chasedevere.co.uk**

If you don't want to find out more or you have already decided that taking your PIE option isn't right for you then there's nothing you need to do.

*If you live outside the UK, Chase de Vere can give you tailored independent financial guidance that is personal to your circumstances. However, they cannot give you financial advice and make a recommendation about whether you should choose to take your PIE option. This is because Chase de Vere is not authorised to provide advice outside of the UK.

This guide gives you more information about a PIE option, and you can find answers to some common questions here:
manweb.scottishpowerpensions.co.uk/pension-increase-exchange-pie

1. How PIE works



Your pension is made up of different parts. Some of these parts increase each year to help take account of the rising cost of living.

With the agreement of the Trustee, ScottishPower is providing you with a PIE option – which means exchanging some of these future pension increases for a higher initial pension.

You can exchange the future increases on certain parts of your pension built up before 6 April 1997 in return for a higher initial pension. If you do, this part of your pension – the part you'd be exchanging – will not increase in the future and instead will be a fixed amount.

By law, you cannot exchange increases on pension that you built up after 5 April 1997, or before if these are subject to legislative increases (such as Guaranteed Minimum Pension – GMP).

You do not have to take your PIE option if you don't want to.

You can find details of the code here:
thepensionsregulator.gov.uk/en/document-library/scheme-management-detailed-guidance/administration-detailed-guidance/incentive-exercises

Why you're being given a PIE option

ScottishPower is giving you a PIE option because you might prefer to have more pension now, rather than a higher pension later in life.

There are also benefits to the Manweb Group if members take their PIE option. For example, in the long-term, ScottishPower expects this will lower the long-term cost and risk to the Manweb Group.

The Trustee is making sure that ScottishPower's PIE option follows The Pension Regulator's 'Code of Good Practice for Incentive Exercises'. This helps make sure your PIE option is fair, clear, unbiased and straightforward.

2. Thinking about whether a PIE is right for you

You need to decide whether you want to:

- take your PIE option, and get a higher monthly pension that increases at a slower rate; or
- do nothing, and continue to receive a pension that increases at its current rate

This decision is complex because there will come a point where, after a number of years, your pension if you do nothing will be higher than your pension if you choose to take your PIE option.

So, you need to think about which you would prefer.

Would you prefer to take your PIE option and have a higher pension now, but get less pension later in life?

Or would you prefer to have a pension that increases at its current rate and pays you more later in life?

You do not have to make this decision on your own. When you speak to Chase de Vere, they will talk with you about what is best to do based on your circumstances.

How long you might live could be a big factor in your choice

Your PIE option includes your personalised crossover age and breakeven age, as well as the average life expectancy for a Manweb Group member of the same age and gender.

Crossover age

The age that doing nothing starts to pay you a higher monthly pension than taking your PIE option.

Breakeven age

The age that doing nothing pays you more pension across your lifetime than taking your PIE option.

Your life expectancy

How long we'd expect a Manweb Group member like you to live, assuming you're healthy.

If you live longer than your breakeven age, then choosing PIE would mean you receive less total pension over your lifetime than doing nothing.

Think about your circumstances:

Your health

If you choose to take your PIE option, you'll receive a higher pension earlier in retirement.

But if you're in good health and expect to live a long time, then you'd expect to get more money over your lifetime if you do nothing instead. Refer to Crossover and Breakeven age (page 4).

Your lifestyle

Think about whether receiving a higher income earlier in retirement, and less later in life, might suit the lifestyle you intend to lead.

State and means-tested benefits

Taking a PIE gives you a higher income initially. This means that, if you get any means-tested benefits, like Council Tax Reduction or Housing Benefit, these could be affected.

Taking a PIE will not affect your State Pension.

Tax implications

Taking a PIE gives you a higher income initially, which could mean you pay more income tax.

Inflation

Your pension increases to help it keep up with the rising cost of living - if you exchange some of these increases, your pension may not keep up as well with inflation.

You should consider that, if inflation is high, your Manweb Group pension may not be able to keep up with inflation anyway. This is because any increases your pension receives may be capped at a certain level.

This section does not apply to you if you're receiving a spouse's pension

When you die, your beneficiaries can receive benefits.

There are two benefits that can be paid:

- a pension for your spouse, civil partner, or dependants.
- a lump sum for your spouse, civil partner, or dependants if you die within 5 years of retiring.

Taking a PIE option will increase the lump sum your beneficiaries are paid. However, it will not change any pension they get from the Manweb Group.

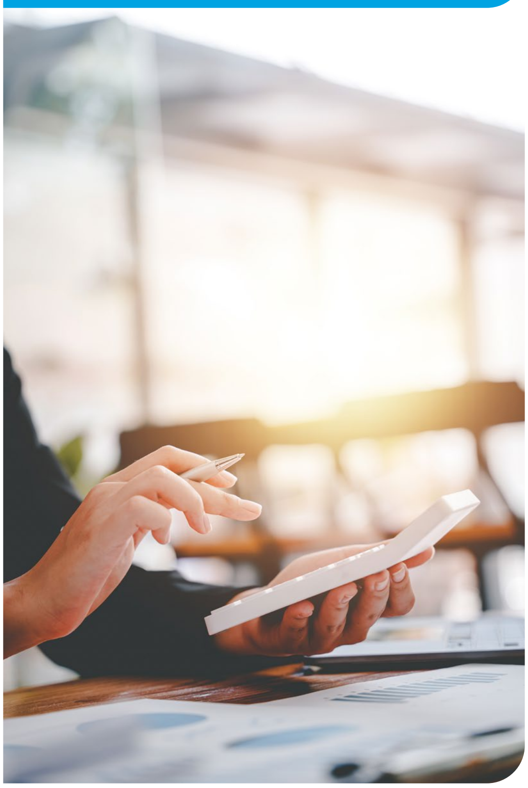
The Trustee decides who the lump sum is paid to. This will usually be included in your 'estate', which is given to the people you name in your Will.

If you would prefer it to go to someone else, you can tell the Trustee by completing a nomination form. You can do this by logging into your OneView account or by contacting Aptia. You'll find Aptia's contact details at the back of this guide.

3. How we calculate your PIE Option

To calculate your PIE option, we estimate

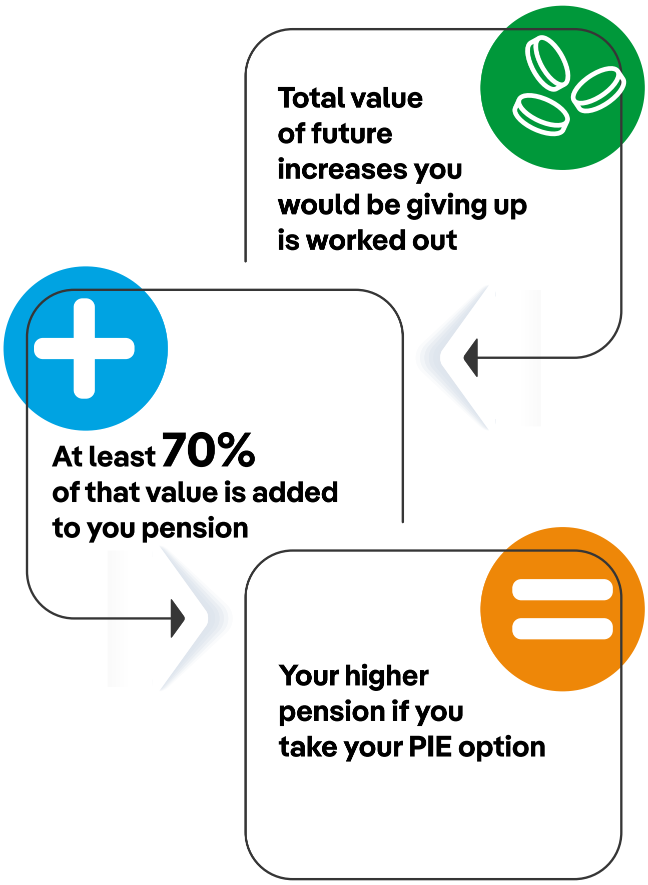
- how many years we expect to pay your pension
- how much the part of your pension included in your PIE option is likely to increase in the future



We use these assumptions to calculate how much pension we can pay you if you take your PIE option.

The balanced deal percentage for this PIE option has been set at 70%. This means that taking your PIE option gives you a higher initial pension that's worth 70% of the value of the future pension increases you would be exchanging.

Your PIE option is calculated in the following way:



ScottishPower has chosen to offer members a balanced deal percentage of 70% so that:

- members would still receive a fair percentage of the value of the increases they would be giving up if they take their PIE option
- ScottishPower is reducing the long-term risks and costs of sponsoring the Manweb Group

Any savings the Manweb Group makes if members take their PIE option will be kept by the Manweb Group and used to make sure members' pension can continue to be paid in full.

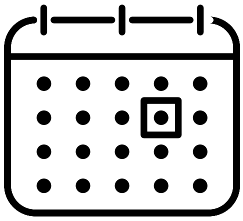
4. What to do next

If you're interested in finding out more about your PIE option, then ScottishPower will pay for you to receive independent financial advice (or guidance if living outside the UK) from Chase de Vere. You will not need to pay anything.

You can speak to another independent financial adviser if you like, but you'll need to pay for this yourself. You'll also still need to speak to Chase de Vere before you can take your PIE option.

1

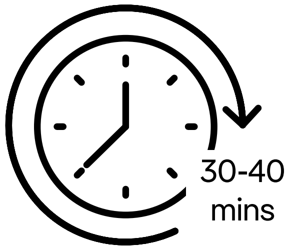
Book your appointment with Chase de Vere



- **Phone:** **0800 088 3126** / **+44 203 474 5393** (overseas charges may apply) Monday to Friday, 9am to 5pm except Bank Holidays
- **Email:** **scottishpower@chasedevere.co.uk**

2

Contact the adviser by 18 December 2026



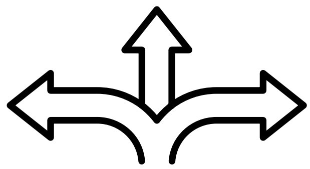
Have your PIE option letter with you when you have the appointment. The call will typically last 30 to 40 minutes (possibly less for overseas members receiving guidance).

Your adviser will:

- explain how PIE options work
- ask about your personal circumstances
- tell you whether they recommend you take your PIE option*
- write to you afterwards with a report on their recommendation*
- call you again to discuss your report and answer your follow-up questions*

3

Make your decision



- **Choose to take your PIE option** – After speaking with Chase de Vere, they will send you an acceptance form. If you want to take your option, you will need to complete the acceptance form and return it by 31 December 2026.

  You will then have 14 days to change your mind from the date Chase de Vere tells you they have received your acceptance form. If you want to change your mind, you must contact Chase de Vere to tell them. After that, you can't change your decision.

  Your increased pension will start from 1 February 2027.

- **Do nothing** – If you don't want to take your PIE option, even after speaking with Chase de Vere, there's nothing you need to do.

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Other questions relating to your pension benefits

The Trustee provides information about Manweb Group pension benefits in an online guide: **manweb.mypensionguide.co.uk/manweb-group-2026**

For anything else you should contact Aptia, the Manweb Group administrator.

- **Phone: 0330 808 1525**
- **Send a message: pensionuk.aptia-group.com/green**
- **Send a letter:** Manweb Group, Aptia UK Limited, McLaren House, Talbot Road, Stretford, Manchester, M32 0FP

Always state your name and National Insurance number in any correspondence.

For free and impartial help with pensions you can contact MoneyHelper, a service from the government-sponsored Money and Pensions Service (MaPS):

- **Phone: 0800 011 3797**
- **Send a message using the webchat function: moneyhelper.org.uk**

If you have a complaint about your Manweb Group pension, please contact Aptia in the first instance. If you're not happy with their response, you can contact the Pensions Ombudsman, an independent body that deals with pension complaints. To see if they can help you, go to **pensions-ombudsman.org.uk**

Beware of scams

Financial scams are common and scammers are clever. If you speak to Chase de Vere, please make sure you only use the process and contact details we describe here. If someone contacts you and you are not certain who it is, do not speak to them. Chase de Vere will never ask for your bank details or pressure you to make a decision. If you are not sure, contact Chase de Vere on the number provided and ask them to check.

Legal note

The information in this guide is only a summary of the benefits available with the PIE option, as benefits are governed by the Manweb Group's Trust Deed and Rules. Whilst every effort has been made to ensure that the information provided to you in this guide is accurate, in the event of any discrepancy between this guide and the Manweb Group's Trust Deed and Rules, the Manweb Group's Trust Deed and Rules will prevail. Contact Aptia if you would like to read these documents. Large print versions are available on request.

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