

SCHEDULE OF CONTRIBUTIONS

The Retirement Benefit Scheme of the National Farmers Union Mutual Insurance Society Limited (“the Scheme”)

Period covered by the schedule: **From the date of certification of this schedule by the Scheme Actuary to 30 May 2030**

This schedule of contributions has been prepared by the Trustee, after obtaining the advice of Martin Faulkner, the actuary to the Scheme. This schedule sets out:

- the rates of contributions the Principal Employer and the members of the Scheme must pay;
- the latest dates by which the Trustee must receive the contributions (the legal due dates).

Members' contributions

- Following the closure of the Defined Benefit section to future accrual with effect from 31 December 2016, no contributions are due from Defined Benefit members.
- Defined Contribution members who are current employees, do not belong to the SMART arrangement, and who are still earning benefits shall contribute at whatever rate is determined by the Employer and notified to the member (in accordance with the Trust Deed and Rules of the Scheme). Currently this rate is set at a minimum 4% of Pensionable Salary, although members may choose to contribute at a higher rate.
- Members of the SMART arrangement will not contribute to the Scheme (but the employer shall pay contributions on their behalf, as set out below).

These contributions are deducted from their pay each month. The employers must pay these contributions to the Trustee of the Scheme by the 19th of the following month (the legal due date for member contributions). For example, contributions deducted in April 2022 must be paid to the Trustee by 19 May 2022.

Employer's regular contributions

- Where a member is a current employee and participates in the SMART arrangement, the Principal Employer shall pay contributions on behalf of the member at a rate equal to that which would have been paid by the member had they not participated in the SMART arrangement.

- Following the closure of the Defined Benefit section to future accrual with effect from 31 December 2016, no Principal Employer contributions will be paid in respect of the Defined Benefit section.
- Where a Defined Contribution member is a current employee and is still accruing benefits, the Principal Employer shall pay contributions as agreed in accordance with the Trust Deed and Rules of the Scheme. Currently this is equal to 4% of the member's Pensionable Salary plus two times such percentage as the member chooses to contribute (or, under the SMART arrangement, have the Employer contribute on their behalf) in excess of 4%, up to a maximum Employer contribution of 12%.

The Principal employer's regular total contributions will be reduced by the administration expenses in relation to the Defined Benefit section met directly, from time to time, by the Principal employer.

Additional employer contributions

The Scheme Rules provide for enhancements to be made to benefits payable from the Scheme in respect of Defined Contribution members who die in service or take ill-health early retirement. The Trustee and the Principal Employer have agreed that the Scheme will meet the cost of these enhancements up to a maximum of £1.2m pa for calendar years 2022 and 2023 only. Should the cost of such enhancements exceed £1.2m in either year, and for the total cost of such enhancements in subsequent years over the period covered by this schedule, the Trustee will consider whether an additional contribution should be paid into the Scheme.

If any augmentations are made to benefits payable from the Scheme, the Trustee will consider whether an additional contribution should be paid into the Scheme.

Administration expenses

The Pension Protection Fund levy will be borne by the Scheme as it becomes due.

The Principal Employer will meet any expenses in relation to the Defined Contribution and Defined Benefit sections of the Scheme.

Paying contributions

By law, the Trustee must have received the contributions by the legal due date at the very latest.

This schedule has been drawn up in line with the Pension Act 2004.

Agreed by National Farmers Union Mutual Insurance
Society Limited (the "Principal Employer")

Agreed by NFUM Pension Trustee Company
Limited (the "Trustee")

Signed Richard Morley
(for and on behalf of the Principal Employer)

Signed: Brian Duffin
(for and on behalf of the Trustee)

Date: 24 March 2022

Date: 24 March 2022

Actuary's certification of Schedule of Contributions

Name of Scheme: The Retirement Benefit Scheme of the National Farmers Union Mutual Insurance Society Limited

Adequacy rate of contributions

- 1 I certify that, in my opinion, the rates of contribution shown in this Schedule of Contributions are such that the statutory funding objective could have been expected on 31 December 2020 to be met by the end of the period specified in the Recovery Plan dated 24 March 2022.

Adherence to Statement of Funding Principles

- 2 I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated 24 March 2022.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the scheme's liabilities by the purchase of annuities, if the scheme were to be wound up.

Martin Faulkner

Martin Faulkner

**Fellow of the Institute and Faculty of Actuaries
Towers Watson Limited, a Willis Towers Watson company**

24 March 2022

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