

21 December 2021

Rothestay secures £390m bulk annuity deal with Outokumpu Stainless Ltd

- £390m full scheme bulk annuity contract insures the liabilities of the AvestaPolarit Pension Scheme
- Transaction protects the pension benefits of nearly 1,000 Scheme members – 426 pensioners and 500 deferred pensions

Rothestay, the UK's largest specialist pensions insurer, today announces that it has completed a £390m full scheme bulk annuity transaction with the AvestaPolarit Pension Scheme (the "Scheme"). This transaction completes the Scheme's de-risking journey following an initial pensioner buy-in in 2020.

The Scheme is sponsored by Outokumpu Stainless Ltd (the "Sponsor"), headquartered in Sheffield and a part of the Finland-based Outokumpu Group, a global leader in stainless steel.

The transaction secures the defined benefit liabilities for 426 pensioners and a further 500 deferred members. The transaction is structured as a buy-in which is expected to move to buy-out in future, at which point the members insured will become direct policyholders with Rothestay.

The lead broker on the transaction was Aon, acting for the Trustee and the Sponsor. Legal advice was provided to the Trustee by DLA and to Rothestay by Linklaters. Additional strategic advice was provided to the Sponsor by Cardano.

Chris Martin, ITS Limited, Chair of Trustees, said: "We are delighted to have agreed this full scheme bulk annuity for the members of the AvestaPolarit Pension Scheme. Rothestay's flexibility was invaluable in completing the transaction on attractive terms for our members. As a specialist insurer of pensions, Rothestay is an ideal partner and Scheme members can be confident that their future payments are securely protected."

Rachel Bradshaw, Business Development at Rothestay, said: "It is testament to the Scheme Trustee's preparation and its experienced advisers that it only took ten weeks from issuing the request for quotation to signing this deal. Rothestay's purpose-built, sophisticated technology allowed us to transact at speed and achieve long-term security for all policyholders as soon as possible. The journey to buy-out remains the objective for many pension scheme trustees and we expect a strong year of de-risking in 2022."

Mike Edwards, Partner at Aon, said: "A collaborative approach between the Trustee and Company meant we were able to present a compelling proposition to the market and then move quickly to agree a deal with Rothestay. Working closely with all parties, we were then able to complete the transaction quickly, both achieving the ambition of insuring the benefits for all Scheme members and doing so within the clear parameters agreed with the Trustee and Company at the outset."

David Scaife, Vice President – Business Controlling at Outokumpu Stainless Ltd, said: "We are delighted to have agreed this transaction with Rothestay and to have secured the pensions of our Scheme's members for the future. The execution process was well-managed and we are confident Rothestay will provide long-term security for our Scheme members."

Rothesay

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Media Contacts

Rothesay: Anthony Marlowe, Head of Communications & Public Affairs

+44 (0)7912 550184 or anthony.marlowe@rothesay.com

Temple Bar Advisory: Alex Child-Villiers +44 (0)7795 425580, Will Barker +44 (0)7827 960151 or Sam Livingstone +44(0) 7769 655437 or rothesay@templebaradvisory.com

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 850,000 people and pay out, on average, approximately £230 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