

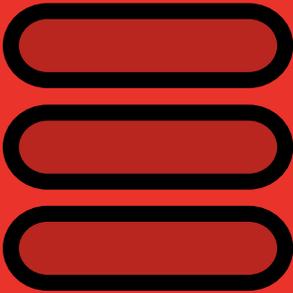


Cummins UK Pension Plan

MEMBER BOOKLET

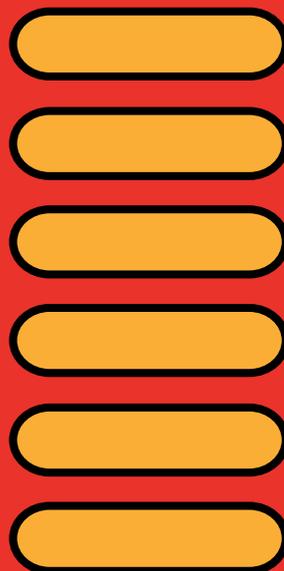
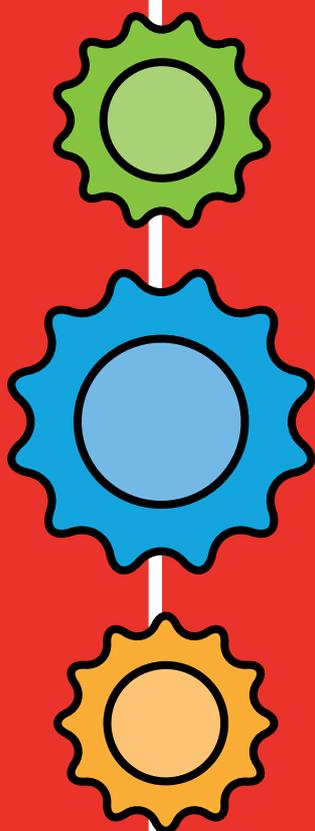
Defined Contribution Section

October 2020



Contents

1.	Introduction	3
2.	Plan Summary	4
3.	Membership and Contributions	5
4.	Investment	8
5.	Benefits and Options at Retirement	10
6.	Benefits for Your Beneficiaries	12
7.	Leaving the Plan	14
8.	Further Information	16
9.	Glossary	18
10.	Manage your pension online	20
11.	Useful Contacts	21



1. Introduction

Welcome to the Cummins UK Pension Plan booklet. This booklet is your guide to the range of valuable Benefits which you will be entitled to as a Member of the Defined Contribution Section. It is therefore important that you take time to read it.

Consideration of your income in retirement is a vital part of your financial planning. People are now expected to live longer than ever before and a good standard of living in retirement is increasingly expensive. You may feel that Pensions are only something to think about when you approach retirement, but making small Contributions to your Pension now could mean big improvements for your future.

To help employees plan and save for retirement, Cummins (referred to from now on as The Company) has established the Cummins UK Pension Plan (referred to from now on as the Plan). This booklet has been designed to give you information about the Plan and the Benefits available to you.

We have strived to make this booklet as simple as possible and all terms and phrases have been explained or defined within the document or the glossary which can be located at the back of this booklet. However, if you are unsure about any terminology then please contact Premier who help to administer the Plan.

Joining the Plan is not mandatory. However, relying solely on the State Pension is unlikely to provide the level of income that most of us expect. This means that at retirement, you are likely to face financial hardship – unless you make other provisions. The Plan is a great way to start saving for retirement without making large financial sacrifices.

This booklet will explain the advantages of Plan membership, as well as outlining how the Plan works. Please remember though, that it is only a guide and should there be any difference between it and the formal Trust Deed and Rules, the latter will apply.

As this Section of the Plan provides retirement Benefits on a Defined Contribution basis, please note that there is no guarantee as to the actual level of Benefits you will receive at retirement. If you have Benefits within the Defined Benefit Section of the Plan, please refer to the separate guide for more information.

If you have any questions about the information in this booklet or any other aspect of the Plan, please contact Premier who will be able to answer your questions.

You can manage your Pension online at www.cumminsukpensions.co.uk, where you can update your personal details, amend your Contribution rates and complete a nomination form. You will receive your personal login and password shortly after your membership begins.

2. Plan Summary

The Plan offers many Benefits, including:

- A retirement income based on the value of your Pension Fund at retirement;
- A tax-free lump sum of up to 25% of the value of your Pension Fund payable at retirement;
- The options to use your Pension Fund to provide a retirement income in the way that suits you best;
- An ill-health Pension if you have to retire through ill health at any age;
- An early-retirement Pension from age 55, subject to providing appropriate notice to The Company; and
- A lump sum payable to your beneficiaries if you die whilst a contributing Member of the Plan.

How does the Plan work?

Your Contributions are paid into your Pension within the Plan, called your Pension Fund. You can decide how much to contribute, though you must pay a minimum of 3% of your Pensionable Pay or notional Pensionable Pay. You will automatically receive tax relief on your Contributions. However, how you receive this tax relief depends on whether you pay traditional Contributions or SMART Contributions.

On top of your Contributions, The Company will also pay into your Pension Fund an amount which at least matches the level of your Contributions. Details of the amounts you and The Company pay are in section 3.

You can choose how your Pension Fund is invested, so you can tailor your investments to your circumstances. The range of choice is selected by the Trustee to ensure that your choices are appropriate to your aims and expectations. More information on the investments offered by the Plan is included in section 4. The returns earned from these investments are added to the balance of your Pension Fund.

When you retire, you can use your Pension Fund to secure a retirement income in the way that suits you: income drawdown, annuity or lump sum. The amount of benefits depends on a number of circumstances and options you have upon retiring. More information can be found in sections 5 and 6.

Why should I continue my membership?

It is not mandatory to remain in the Plan. But, remember that if you choose to invest in a Personal Pension, many of the Benefits mentioned on this page may not be available, or only available at a higher cost to yourself.

The Company also pays a higher life assurance Benefit if you remain in the Plan. The Plan would pay out five times your salary if you died in service whereas non-members of the Plan would only receive a payment equal to their annual salary.

Can I join another scheme as well?

Since April 2006 there has been no limit on the number of Pension schemes you can belong to. So being a Member of the Plan does not preclude you from contributing to other arrangements as well.

However, there are limits on the total amount of tax-privileged savings you can make. See section 3 for details of these limits.

3. Membership and Contributions

How do I join?

Since April 1999, all new employees of The Company have been enrolled into the Defined Contribution Section of the Plan.

As an employee of The Company, you do not need to do anything to join the Plan – you will be contractually enrolled into the Plan on your actual hire date.

If you have opted out of the Plan and want to rejoin, you can do so by visiting the pensions website.

How much must I contribute?

As a default you will pay a basic Contribution rate of 3% and also a saver Contribution rate of 4%, a total of 7% of your Pensionable Pay or notional Pensionable Pay. Your Contributions will be automatically deducted from your pay each month.

Do I get tax relief?

Your Contributions will qualify for tax relief from Her Majesty's Revenue and Customs (HMRC). Your Pension Contributions are deducted from your pay before tax, therefore you end up paying a lower amount of tax on the salary left over after Contributions are deducted. You can pay your Contributions in one of two ways, traditional Contributions or SMART Contributions.

Examples that show how the Contributions are deducted are detailed in the 'SMART explained' leaflet which is available from Premier, whose details can be found in section 11 page 21 of this booklet. As a default, all new Members will automatically have their Contributions deducted via the SMART method unless they indicate otherwise.

What's the difference?

The difference between traditional and SMART Contributions is how your Contributions are deducted from your pay.

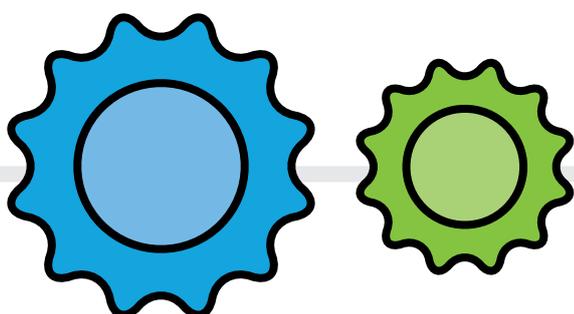
Under traditional Contributions, your Pension Contribution is taken as a deduction from your pay at the same time as your tax. This is explained in the table using an example of £20,000 per annum pay:

Payments	Amount
Basic pay	£20,000
Deductions	
Pension	-£1,600
Tax	-£2,762
National Insurance	-£1,527
Take-home pay	£14,111

Whereas under SMART Contributions, your Pension Contribution is deducted before tax:

Payments	Amount
Basic pay	£20,000
SMART adjustment	-£1,600
Deductions	
Tax	-£2,762
National Insurance	-£1,376
Take-home pay	£14,262

Therefore you end up with more take-home pay; in this instance, an additional £151 per year. Your savings may be different from those in the example depending on your annual salary and what your rate of tax is.



How much does The Company contribute?

The Company makes a basic Contribution into your Pension Fund of 5%. The Company will match your Member saver Contributions up to the maximum Contribution of 4%. If you pay all the maximum allowance for Pension Contributions, the amount going into your Pension Fund each month will be as follows:

Basic Member Contribution	Basic Company Contribution	Member Saver Contribution	Company Saver Contribution	Maximum Total Pension Contribution
3%	5%	4%	4%	16%

Can I amend my Contributions?

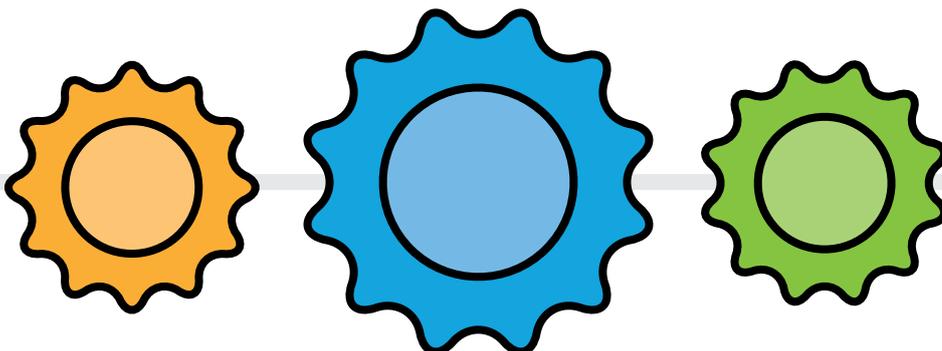
You can't reduce your basic saver Contribution below the minimum of 3%; otherwise, you will no longer be a Member of the Plan.

If you choose to increase or reduce Member saver Contributions, any Company saver Contributions would also change. You can only pay up to a maximum of 4% of your pay for Member saver Contributions. If you wish to increase your Contributions above the maximum, you will need to start paying additional voluntary contributions, explained in the next section.

To amend your Contributions, visit www.cumminsukpensions.co.uk. If you request your changes before the 15th of the month, then the changes will be implemented in your next pay.

Additional Voluntary Contributions (AVCs)

If you wish, you can pay AVCs over and above your basic and Member saver Contributions. AVCs are invested the same way as your basic and Member saver Contributions, but accrue in a separate AVC account. AVCs can be altered with one month's notice. You can use your AVCs to buy extra Pension on retirement, or take some or all of them as part of your Pension commencement lump sum. Please note that unlike the Member saver Contributions, the Company will not match any AVC payments that you make into the Plan.



What Contribution limits apply?

Her Majesty's Revenue & Customs (HMRC) imposes two limits on the amount of tax-privileged Pension savings you can make: the Annual Allowance (AA) and the Lifetime Allowance (LTA).

The AA is the amount of money you can put into a Pension scheme (including employer Contributions) tax free.

You can only receive tax relief on annual Contributions equal to the lesser of your annual Pensionable Pay (or £3,600 if greater) and the AA, which stands at £40,000 for the 2020/21 tax year. This limit applies to the aggregate of all your Pension and AVCs to all Pension arrangements. You may find that if your income is over £200,000 then your AA may decrease down to a minimum of £4,000, this is called the Tapered Annual Allowance.

When you reach retirement, your total Pension Fund within the Plan must not exceed a maximum limit, called the LTA. This limit applies to the aggregate total of all of the Pension Funds you have. The LTA is £1,073,100 for the 2020/21 tax year.

If your fund exceeds this figure, your Benefits will be subject to a tax charge of up to 55%. If your total Pension Fund is very large and you think it may be approaching the LTA, you should let Premier know.

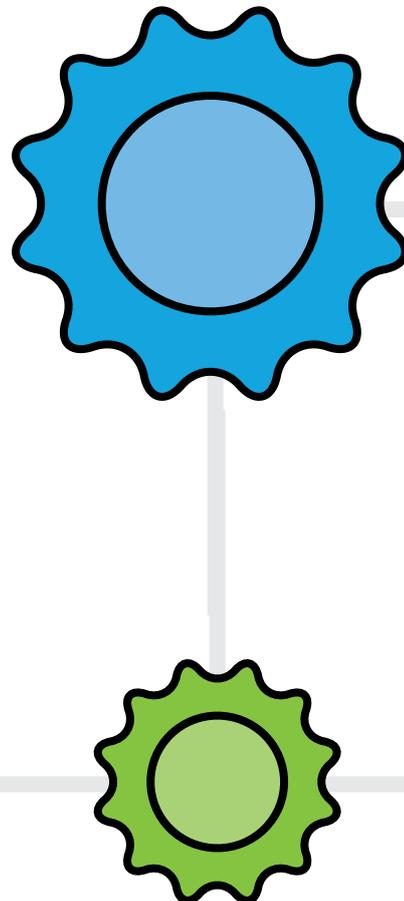
You can find out more information about the AA and LTA by visiting:
www.gov.uk/tax-on-your-private-pension

You can see how tax allowances may affect you by using the tax modeller at
<https://cumminsptp.gateway2retirement.com/>

Can I leave the Plan?

You can leave the Plan at any time and still remain in The Company's employment. To opt out of the Plan, you need to visit www.cumminsukpensions.co.uk. If you submit your opt-out notice before the 15th of the month, then you will not have a Contribution deducted from your pay in that month. If you opt out after the 15th of the month, then your Contributions will stop from the following month.

If you wish to rejoin the Plan at a later date, you can apply to rejoin the Plan on the pensions website. If you rejoin before 15th of the month then your Contributions will start from that month's pay, otherwise they will start from the following month.



4. Investment

Both your own Contributions and those from The Company are credited to your individual Pension Fund, which is kept separate from Company assets in a Trustee administered Trust fund. These are pooled together and invested on behalf of the Trustee by independent professional investment managers.

Making your investment choice

How your Pension Fund is invested can have a big impact on the Pension you receive at retirement. It's important that you understand your investment options and read through the Plan's investment guide which is available online.

When you join the Plan, your Pension Fund will automatically be invested in the flexicycle option. If you want to self-select your funds, you can log into the pensions website and indicate how you want your Pension to be invested.

You can change your investment options on a quarterly basis. If you want to change your investment fund at any time other than on a quarterly basis, there may be an administrative charge in addition to the investment charge.

What is the flexicycle option?

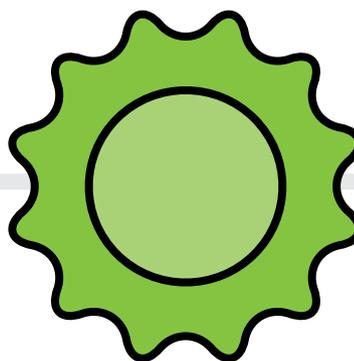
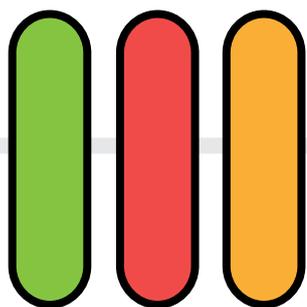
Flexicycle is the default investment option within the Plan. If your Pension Fund is invested under this option then your units within your Pension Fund are automatically invested within the accelerated growth fund. As you move closer to your Target Retirement Age, the Plan automatically switches your units in the accelerated growth fund to bond and cash funds which are traditionally more secure investments.

Is my investment guaranteed?

The value of your Pension Fund is not guaranteed, but is linked to investment markets. The value may go down as well as up at any point in time. However, this is a long-term investment and should be viewed as such. Any investment in the cash fund is guaranteed not to fall in value, but on the basis of past performance, future investment returns are not expected to be as high in the long term as the equity and bond funds.

Are there any charges?

The investment manager will deduct the investment management charges from the funds and the unit prices quoted. In addition, there may be an investment charge to your Pension Fund to reflect the cost of selling investments in one fund and buying them in another. Your Benefit statement will reflect any charges in respect of your investments in the Plan.



How will I know how much is in my Pension Fund?

Benefit statements are issued to all Members on an annual basis. Your statement will show your Benefits as a Member of the Plan as well as a statement of the amount paid into your Pension Fund, and a statement of the investment returns credited to your Pension Fund.

You will continue to receive statements until you retire or transfer your Benefits out of the Plan. Because of this, you should tell Premier of any change of address after you leave The Company.

In addition, you can access details of your personal account through the Plan website www.cumminsukpensions.co.uk

Can I withdraw money from my Pension Fund?

HMRC rules do not allow you to withdraw money from your Pension Fund before age 55 unless you are retiring on the grounds of ill-health. You can, however, transfer the value of your Pension Fund to another registered Pension arrangement if you wish.

Where can I go for more information?

To help you understand risk, how this affects your investments and what level of risk suits you, you can watch our new interactive video which can be found at www.cumminsukpensions.co.uk

If you are unsure about where to invest your Pension Fund, you can take independent financial advice. You can find an independent financial advisor in your area by going to www.unbiased.co.uk. Please note that The Company and Premier cannot offer financial advice in regards to your Benefits within the Plan.

You are eligible to receive free, impartial, guidance from Pension Wise to help you understand your retirement options in relation to your Defined Contribution Benefits which includes the option to transfer them to another arrangement. The Pension Wise service:

- can be accessed online www.moneyandpensionsservice.org.uk over the telephone (0800 138 3944) or face to face to explain what options are available, and helps Pension scheme Members think about how to make the best use of Pension savings
- provides information about the tax implications of different options; and
- has tips on getting the best deal, including how to shop around.

Looking for financial advice?

Unbiased provides a 'find an adviser' service – helps you to find a professional financial adviser in your area. Please visit: www.unbiased.co.uk

Gateway2Retirement

A guidance and financial advice service is available if you wish to discuss your retirement options. You can contact Premier on 0203 372 2114 or email cumminsadvice@premiercompanies.co.uk

5. Benefits and Options at Retirement

Your default Target Retirement Age is in line with your State Pension Age (SPA). When you reach your Target Retirement Age you can decide what option you want to take with your benefits:

- You can take your Pension Fund and buy an Annuity with a third-party provider;
- You can withdraw your Pension Fund as a lump sum, with 25% payable tax free and the remaining 75% taxable at standard rates; or
- Transfer your Pension Fund to a new provider and use flexible income drawdown.

The Pension payable from the Plan will be in addition to any State Pension you are entitled to. Please refer to section 8 for further information on the State Pension.

The value of your Pension Fund at retirement will depend on:

- The rates at which you and The Company have contributed whilst you were an active Member of the Plan;
- The length of time for which you have contributed to the Plan;
- The performance of your investments.

Can I retire early?

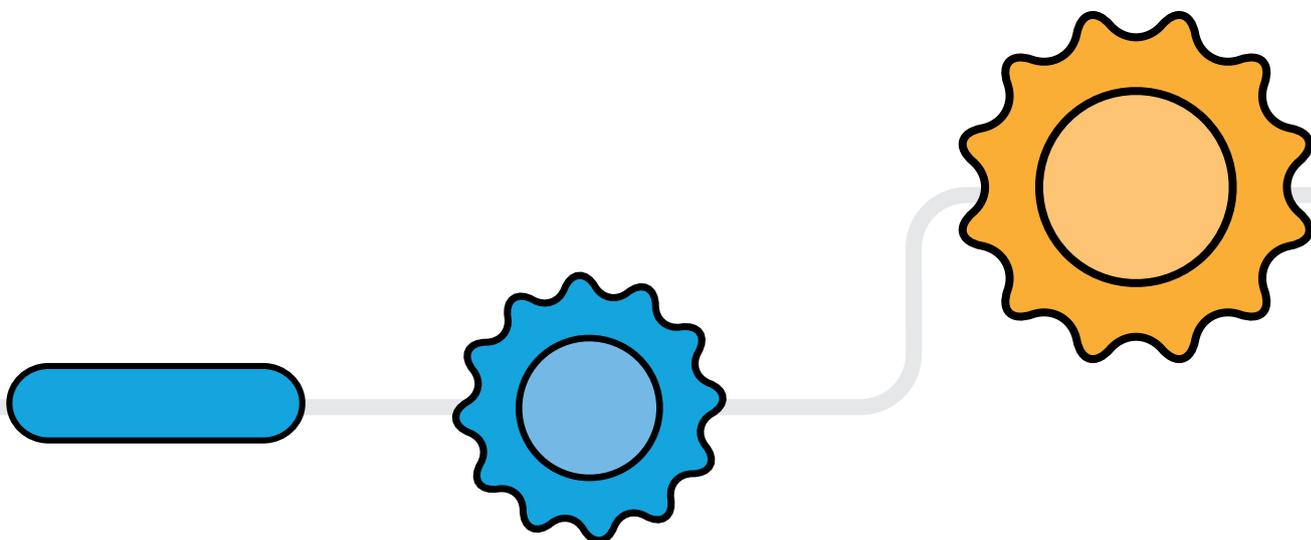
Although the Target Retirement Age in the Plan is your SPA, you can retire at age 55 so long as you have completed at least two years' service, and you have provided The Company with six months' written notice.

Your Pension Fund will be used in the same way as at Target Retirement Age, but you should remember that your Pension Fund is likely to be smaller because you will pay Contributions for a shorter time. Also, if you wish to purchase an Annuity, the cost of purchasing the Pension will be higher because it is being paid over a longer period of time.

What if I have to retire early through incapacity?

If you become permanently unfit for work due to physical or mental illness then you may be able to retire and receive an immediate Pension. However, you must have completed at least two years' qualifying service, and the decision is dependent upon consultation between the Trustee and The Company.

Incapacity has a specific meaning in the Rules of the Plan and you should refer to the Rules if you need more information as to its definition.



Can I retire after Target Retirement Age?

Yes, Members can amend their Target Retirement Age from the default and choose to work later if they wish. You need to be aware though that if you choose late retirement, your benefits must commence at age 75.

What Annuity options are available?

When you buy an Annuity from an insurance provider, you can tailor your Annuity package to suit your needs. This could include:

- Annual increases to your Pension in payment, whether by inflation or a set amount per year;
- Provision of a spouse's Pension;
- Taking 25% of your Pension Fund as a tax-free lump sum before purchasing an annuity;
- A guarantee period for your Pension (usually a five-year guarantee).

How is my Pension paid?

Your Annuity provider will normally pay your pension on a monthly basis into your nominated bank account. Tax will be deducted automatically on a PAYE basis.

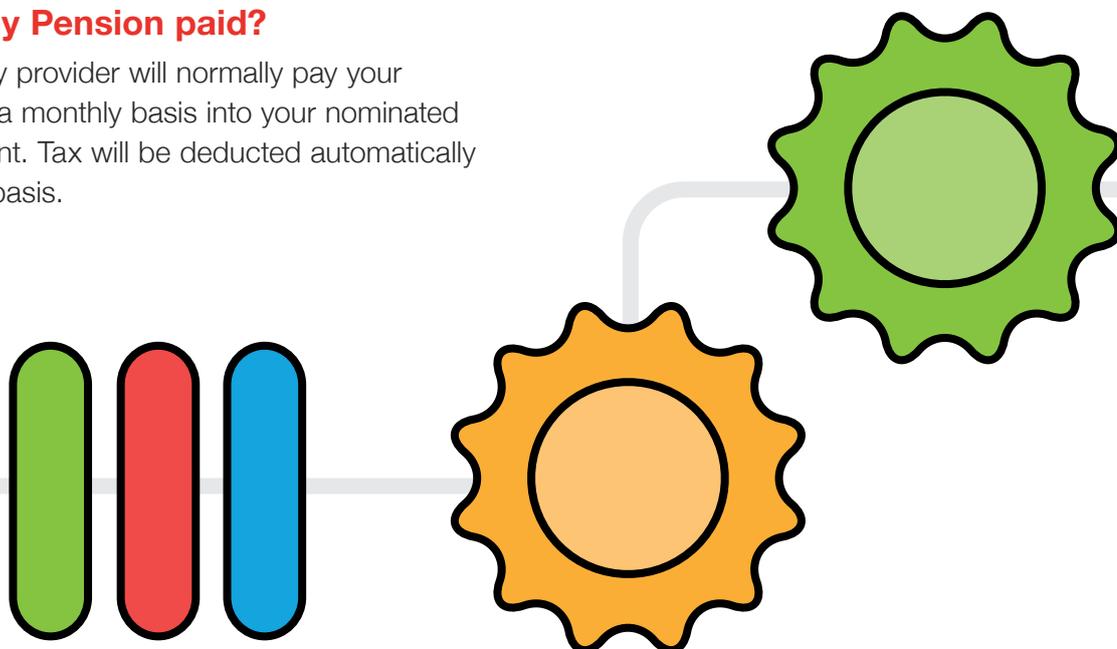
Can I take a lump sum on retirement?

In April 2015, the Government allowed for Defined Contribution Pension schemes to adapt their rules to allow Members to withdraw their entire Pension Fund as a lump sum at retirement.

The Plan now allows Members this option, with 25% of the total fund value still payable tax free.

Members need to be aware that the Plan does not allow for a series of lump sum withdrawals (also known as flexible drawdown); therefore any withdrawal for a lump sum at retirement must be completed in one transaction. For more details, please contact Premier.

If you decide to purchase an Annuity, you can take part of your Pension as a lump sum with 25% of your total fund value payable tax free.



6. Benefits for Your Beneficiaries

Being a Member of the Plan means that if you die, your family will receive Benefits. Set out in this section are the Benefits available depending upon whether you die before or after your Target Retirement Age.

What if I die before I retire?

If you die whilst a Member of the Plan, your spouse or beneficiaries will receive a lump sum of five times your basic salary at the date of your death, plus a return of the value of your fund. This sum will be paid tax free under current legislation.

What if I die whilst a deferred Member?

If you die after leaving service and before beginning to draw your Pension, the Trustee will use your Pension Fund to provide either or both of the following benefits:

- A lump sum; and/or
- A Pension to any one or more of your spouse, cohabiting partner or dependent children.

Who will receive any lump sum on my death?

The Trustee has the sole right to determine who is entitled to any lump sum payable on your death. The effect of this arrangement is that, under present legislation, the Benefit does not form part of your estate, and is therefore not liable to Inheritance Tax.

You should complete a lump sum death Benefit nomination form to let the Trustee know to whom you would like any payment to be made.

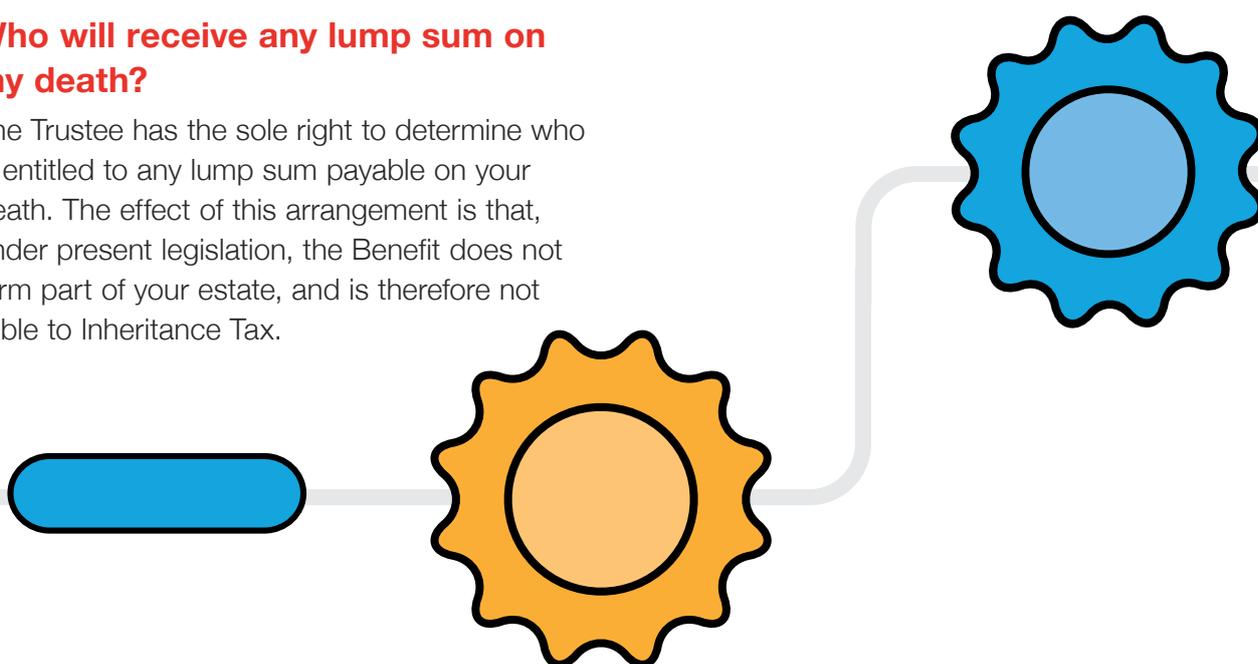
If you wish to change your elected beneficiaries at a later date, you can update your details through the pensions website.

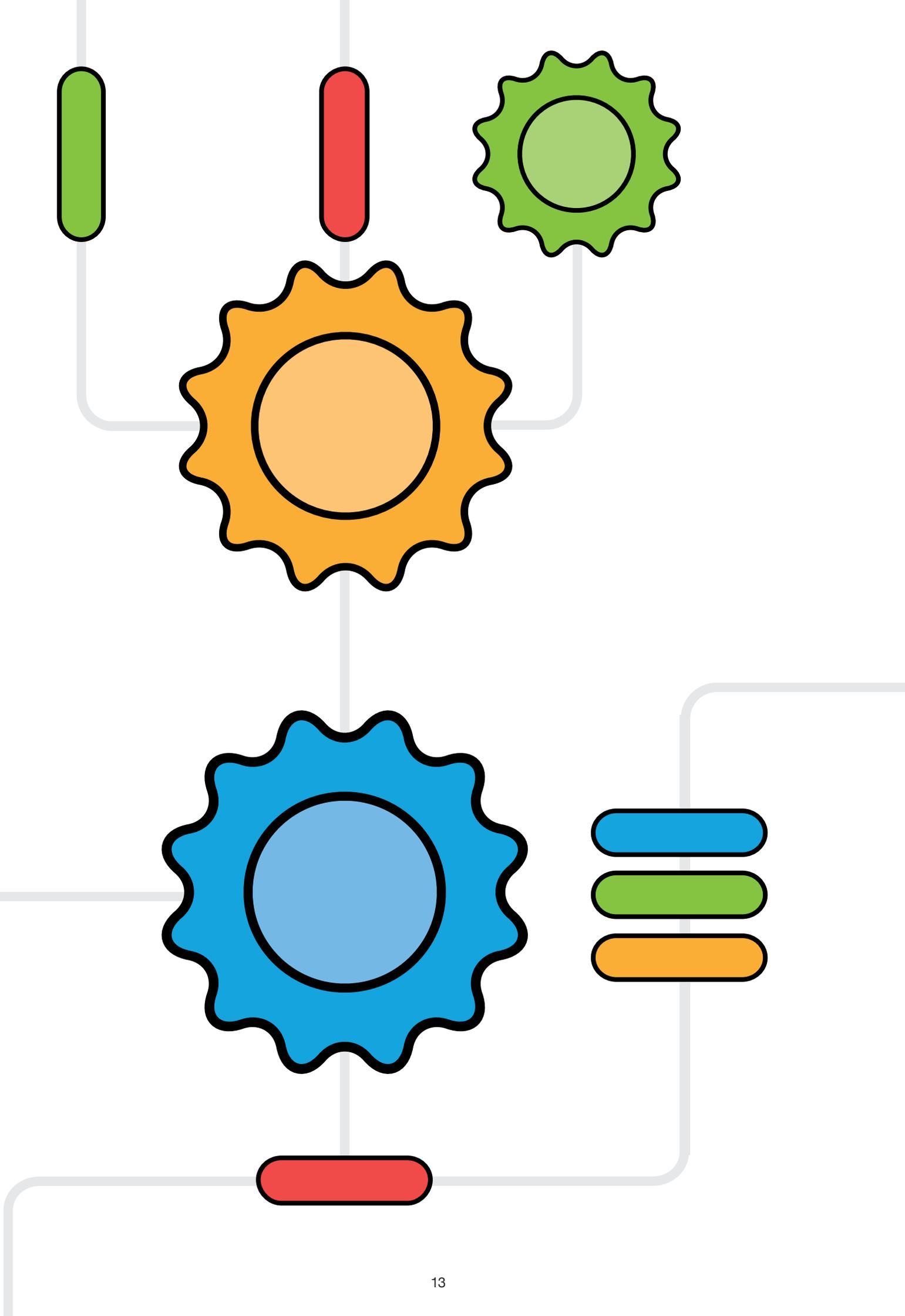
What if I die after I've retired?

This depends on what Annuity you purchase at retirement.

If you select to have a guarantee period, and die within that period, a cash lump sum will be payable equal to the balance of your Pension payable from your date of death to the end of the period. This is currently payable tax free.

If you select a spouse's Pension option when you retire, your spouse will receive a lifetime Pension. This will typically be 50% of your Pension at the time of your death, but will depend on the terms of the annuity you purchased.





7. Leaving the Plan

What happens if I leave the Plan before I retire?

What happens to your Benefits within the Plan is determined by your start date. You cannot pay any more money into your Pension Fund once you have left The Company.

Any refunds payable are subject to tax as they are now treated as taxable income. Currently, you are taxed 20% on refunds of up to £20,000 and 40% on refunds over £20,000. Company Contributions are non-refundable to you and will be retained by the Plan.

Members with fewer than 30 days' service

If any Contributions were deducted from your pay, then these will be refunded to you, including AVCs that you had made. Company Contributions will not form part of this refund. You will then be treated as if you were never a Member of the Plan.

Members with more than 30 days' service

Since the change in legislation in October 2015, Members are only eligible to receive a refund of Contributions if they have fewer than 30 days' service.

As a default, you will become a deferred Member of the Plan where your Pension Fund will continue to grow in line with investment returns until you retire.

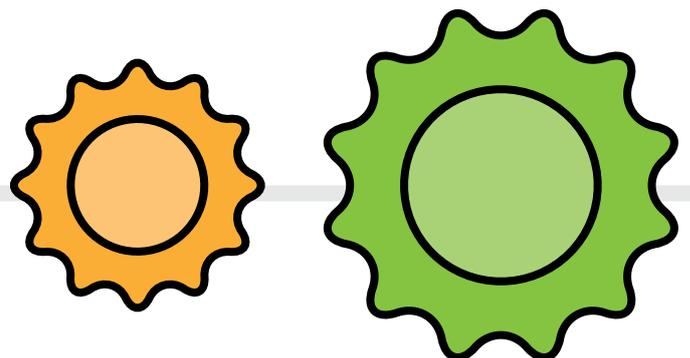
You can also choose to transfer your Pension Fund to a new employer or personal Pension account. Your new employer's scheme or personal Pension must be registered with HMRC and must agree to accept the transfer.

Can I leave the Plan while still working for The Company?

Yes, you can leave the Plan while still working for The Company, but you must give the Trustee at least one month's notice. You can opt out of the Plan via www.cumminsukpensions.co.uk If you opt out of the Plan before the 15th of the month, then you will not have a Contribution deducted from that month's wage. If you opt out after your 15th month, your Contributions will cease from the following month.

If you leave the Plan while still employed, you will have the same options as if you had left The Company. However, you should note that your life cover will reduce to the level of your basic annual salary and not be five times your salary.

If you wish to rejoin the Plan at a later date, you can opt back in at any time and your first Contributions will be deducted the same month if you opt back in before the 15th of the month. If you opt in after this date, your first Contribution will be taken from the next month's payroll.



What about maternity leave/adoption leave?

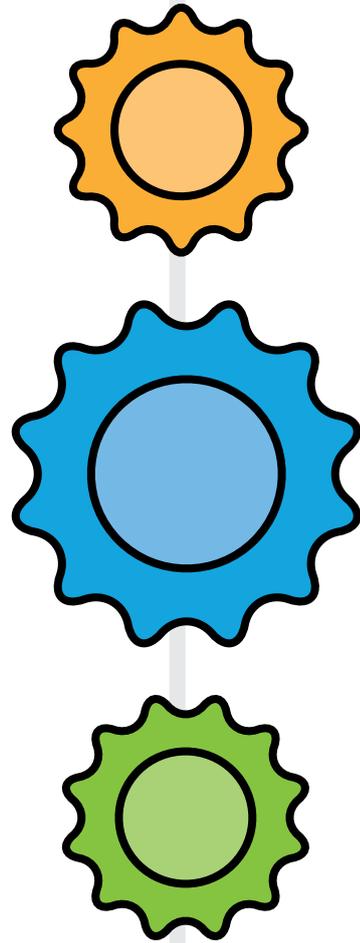
You can continue to pay Contributions including any Member saver Contributions whilst on The Company enhanced maternity/adoption leave, which in most cases lasts for six months, these Contributions paid by you and The Company are based on the pensionable pay you actually receive. After six months, you will only receive Statutory Maternity Pay and The Company will pay both the employee and employer Contributions on your behalf based on your pre-maternity/adoption leave pay. If you take more than 12 months maternity/adoption leave, your Pension contributions will cease.

Am I entitled to other family related leave?

Most employees have certain family leave rights. Both biological and non-biological fathers, as well as civil partners, are entitled to either one or two weeks' paid paternity leave. You continue to build up pensionable service during paternity leave. Both you and your employer will continue to pay Contributions during this period, based on the pay you actually receive.

You can take parental leave, whether you are male or female, if you have been employed by The Company for at least one year. This leave must normally be taken before the child's 5th birthday, or 18th if the child is disabled. Parental leave is up to 13 weeks or 18 weeks if the child is disabled. Parental leave is unpaid, so neither you nor your employer will pay any pension Contributions, and you will not build up pensionable service for this period.

For further details of how family leave affects your Pension, please contact Premier.



8. Further Information

The State Pension system

In April 2016, the Government reformed the State Pension system following the abolishment of contracting out.

There is now a single-tiered system which gives a flat-rate State Pension of £175.20 per week as of 2020/21 and is payable to all those who reach SPA on or after 6 April 2016.

To qualify for the full amount of State Pension, you need to have 35 years of National Insurance Contributions. If you have fewer than this, then you will receive a pro-rated amount of State Pension as long as you have a minimum of 10 years of National Insurance Contributions.

For more information on your State Pension Benefits, you should contact the Pension Service at: www.gov.uk/contact-pension-service

(Please be sure to quote your National Insurance number).

State Pension Age (SPA)

SPA used to be 65 for men and 60 for women, but this is now being gradually equalised for men and women.

Women born before 6 April 1950 will reach their SPA at age 60. Women born between 6 April 1950 and 5 April 1955 will have a SPA between 60 and 65, depending on their birth date. The Government is seeking to increase the SPA gradually to 68 for both men and women.

Security of benefits

The Plan's assets are held in a trust, separate from The Company's assets. The Trustee is there to protect your interests. It is responsible for running the Plan and, in order to provide an independent view, it employs specialist advisers, including independent investment managers, actuaries, accountants and lawyers.

The Company is committed to the Plan and intends to maintain it indefinitely, but is legally entitled to close it at any time in the future (in accordance with the Trust Deed and Rules).

If, for some reason, The Company has to close the Plan, you will be notified in advance. Your Pension Fund would then be available for you to transfer to another approved pension arrangement. The Company also reserves the right to amend the Plan if future changes in legislation or other circumstances require this.

Pensions and divorce

For divorce proceedings commencing after 1 December 2000, Pensions may be split between a Member and their spouse/ex-spouse. Your legal adviser will recommend the most suitable course of action for you, but if you require further information regarding Pension sharing please contact Premier.

Civil partnerships

Since 5 December 2005, when the Civil Partnership Act 2004 came into effect, civil partners are entitled to broadly the same Benefits as married couples.

On the dissolution of a civil partnership, similar procedures will apply as in the case of divorce. You should contact Premier if you require any further information.

Data protection

The Trustee has registered the Plan under data protection legislation. On 25 May 2018, the General Data Protection Regulation, known as GDPR, came into effect and is a positive step towards you having more control over how your data is used. The GDPR applies to the personal data collected from the Cummins UK Pension Plan participants and their beneficiaries.

The GDPR includes (among other things) stronger requirements for notice and consent, as well as more detailed IT security requirements, breach notification obligations, vendor (third-party) oversight, and more enforcement for violations. As such, and although Cummins and its UK Pension Plan had already established a data protection framework, individuals may now have a greater sense of assurance knowing that

their personal data entrusted to Cummins and its third-party Pension Plan administrator is now protected in accordance with the higher new GDPR standards.

You have a right to check that the personal details that are held about you are accurate. Any enquiries should be addressed to your HR Representative.

HMRC registration and benefit limits

The Plan is registered with HMRC, which means that all Contributions are free from tax and the returns on your investments will also be largely tax free. In order to Benefit from these important tax allowances, the Benefits provided under the Plan must not exceed certain conditions laid down by HMRC. Your Benefits will be reduced if necessary to comply with these requirements. You will be notified if your Benefits have been reduced in this way. If your Benefits are reduced, The Company has discretion to how the excess above the applicable benefit limits is to be used.

What if I have a complaint?

The Plan has an Internal Dispute Resolution Procedure to resolve any disputes between the Trustee and prospective Members, current Members and beneficiaries. You can obtain a copy of the procedure from the Secretary to the Trustee at the following address:

Address: Cummins UK Pension Plan Trustee Ltd, Centenary House, Yarm Road Darlington, Co Durham DL1 4BS

The Pensions Ombudsman

If you are not satisfied with the outcome of the Internal Dispute Resolution Procedure, you are entitled to raise your case with the Pensions Ombudsman (TPO). The Pension Ombudsman can determine any complaint of dispute of fact or law relating to the Plan. You can contact TPO at:

Address: 10 South Colonnade, Canary Wharf, E14 4PU

The Money and Pensions Service

The government's financial guidance service can help with queries about pensions, money and debt.

Website:

www.moneyandpensionservice.org.uk

State bodies with duties to protect Members' interests

The State provides additional protection to Members of occupational Pension schemes. These services are set out as follows:

The Pensions Regulator

The statutory regulator for occupational Pension schemes is the Pensions Regulator (TPR). Its remit is essentially to ensure that Pension schemes are run lawfully. It is able to intervene in the running of schemes where trustees, employers or professional advisers have failed in their duties. You can find more information at:

<https://tpr.gov.uk>

Another of TPR's duties is to run the Registry of Occupational and Personal Pension Schemes. We are required to provide information about The Company Pension arrangements to the Registry, and have done so. If you would like more information, please visit:

www.thepensionsregulator.gov.uk/en/contact-us/scheme-members-who-to-contact

You can also contact the Pensions Tracing Service, which can help you to keep track of any Pension arrangements you have had in the past. You can contact them at:

Address: The Pension Service 9, Mail Handling Site A, Wolverhampton WV98 1LU

Telephone: 0800 731 0193

Web: www.gov.uk/find-pension-contact-details

9. Glossary

We appreciate that sometimes there are terms and definitions which people may not understand. Please find below explanations of key terms used in this booklet. If you have any questions about any of the definitions below then please contact Premier.

Annuity

A contract with an insurance provider that guarantees a series of payments in exchange for the fund value of your Pension Fund.

Basic Contributions

The minimum level of Contributions paid by both you and The Company.

Beneficiaries

An individual or group of individuals whom you would like to be considered by the Trustee to receive a Benefit in the event of your death.

Company saver Contributions

The additional Contributions payable by The Company that will match any Member saver Contributions you pay.

Dependant

Your spouse, widow, widower, dependent child or any other individual who in the opinion of the Trustee is wholly or partially financially dependent on you at the date of your death.

Dependent children

Your children (including illegitimate, adopted or step children) who in the opinion of the Trustee are financially dependent on you at the time of your death.

Drawdown

At retirement, you can choose to keep your savings invested and draw a regular income as and when you need to.

Flexicycle

A structured approach to switching your investments from the accelerated growth fund to the bond and cash funds as you approach your TRA. Flexicycle is the default option for those Members who do not exercise an investment choice with the Target Retirement Date equal to Normal Retirement Age. Your funds will automatically be invested in this option unless you elect otherwise.

Member saver Contributions

Extra Contributions that you pay, which The Company will match on a 1:1 basis.

Notional Pensionable Pay

Your pay received from The Company as a result of being absent from work i.e. maternity pay or sick pay.

Pensionable Pay

Your annual rate of basic pay, plus allowances as permitted from time to time by The Company.

Pension Fund

Your individual fund of money held under trust which is used to provide you with Benefits. The Pension Fund comprises of Member and Company Contributions plus any investment return on those Contributions.

Qualifying service

This includes:

- Service during which Contributions have been paid to the Plan;
- The period of membership of another employer's Pension scheme from which a transfer has been paid to the Plan;
- In some circumstances, leave of absence not covered by Contributions to the Plan.

SMART Contributions

Contributions paid by employees who have chosen to participate in The Company SMART Pensions salary sacrifice scheme. All Contributions will be made using this arrangement unless the Member elects otherwise.

Spouse

A person to whom you are legally married, or a civil partner within the meaning of the Civil Partnership Act 2004.

Target Retirement Age

Your intended age of retirement if you choose the flexicycle investment option. Your Pension Fund investments will be invested in accordance with the Target Retirement Age chosen.

Traditional Contributions

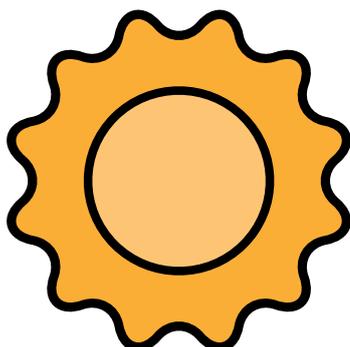
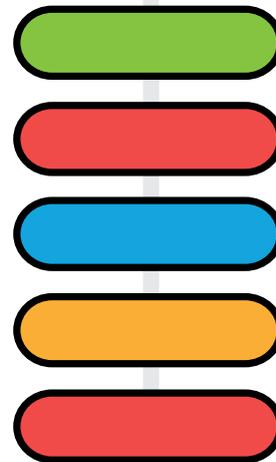
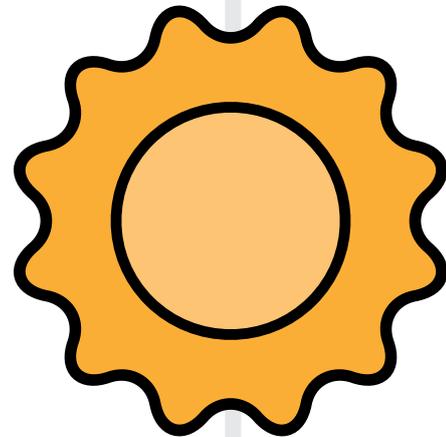
Contributions paid by employees who have chosen to opt-out of The Company SMART Pensions salary sacrifice scheme.

Trust Deed and Rules

A legal document which establishes a trust and defines the rules of the trust.

Trustee

An individual or Company appointed to carry out the purposes of a trust, in accordance with the provisions of the Trust Deed and Rules and general principles of trust law. A Trustee Company, Cummins UK Pension Plan Trustee Limited (the Trustee), has been established. The Trustee is responsible for running the Plan to protect the beneficiaries' interests.



10. Manage your Pension online

Use the pensions website to manage your pension online at www.cumminsukpensions.co.uk. You can update your personal details, amend your contribution rates and complete a nomination form.

Log into the site using your user name and password details provided when you joined The Company.

If you experience any difficulties with the website or would like further information, please contact Premier whose details are on page 21.



11. Useful Contacts

You can contact Premier at the address shown below if you have any queries about the investment fund options, the Plan in general, or if you want copies of the fund fact sheets:

Address: Premier Pensions Management Ltd,
PO Box 108, Blyth, NE24 9DY

Email: cummins.helpdesk@premiercompanies.co.uk

Telephone: 0800 122 3266 (+44 203 3722 113 if calling from overseas)

You can also view fact sheets on your investment fund choices and change your current funds and future Contributions online. Go to:

www.cumminsukpensions.co.uk

You can also watch videos on Pensions and find answers to frequently asked questions.

Alternatively, there are various websites you can visit to find out more about Pensions in general:

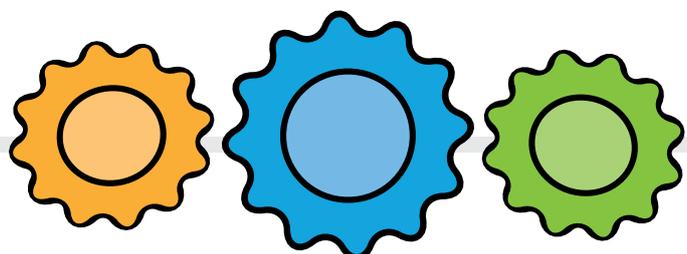
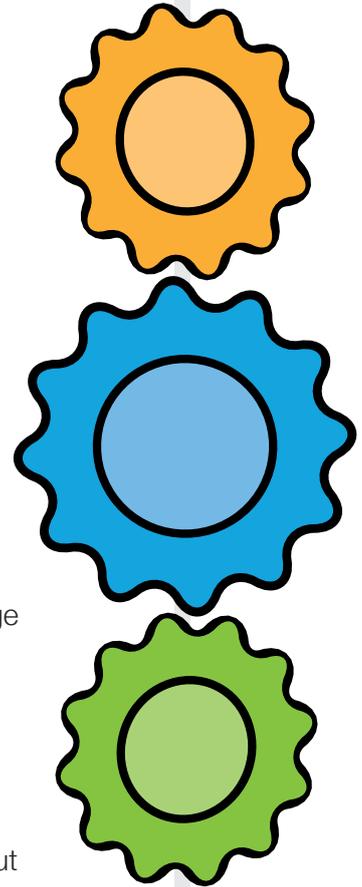
Government: www.gov.uk

The Financial Services Authority: www.fsa.gov.uk

The Money and Pensions Service:
www.moneyandpensionsservice.org.uk

The Pensions Regulator: www.thepensionsregulator.gov.uk

Or, if you feel that you need to take financial advice, you can find an independent financial adviser in your area by visiting www.unbiased.co.uk



Notes:

Notes:



Cummins UK Pension Plan
Defined Contribution section

