

Pension Increase Policy for the Guinness Ireland Group Pension Scheme

Pension increases under the Guinness Ireland Group Pension Scheme (GIGPS) are provided at the discretion of the Company and are not granted under the Rules of the Pension Scheme. The Company feels it is important that those in receipt of pension are informed as to how pension benefits are likely to evolve in the future. With that in mind, the Company has a stated pension increase policy which is reviewed from time to time. The revised policy (until further review) is set out below:

Consideration will be given by the Company to the granting of discretionary pension increases on a regular basis and where such pension increases are granted; normally they will be effective on 1 January.

In deciding whether or not to exercise its discretion and if so, the amount of such increase, the Company will have regard to:

- the funding position and solvency of the GIGPS;
- the extent to which any funding plan agreed between the Company and the Trustee is considered to be “on track”;
- the trend in inflation - currently the Consumer Price Index (CPI) - over an appropriate period.

Where a discretionary increase is granted, it will be effective from 1 January and at the lower of:

- the rate of price inflation since the last discretionary increase was granted; and
- 3.0% per annum.

In periods of deflation, as have been experienced in recent years, there will be no reduction in the level of pension, although the effects of the deflation may be taken into account in deciding on the appropriate level of increase to be given when inflation re-emerges.

While the above is the Company's current intention, this policy will be reviewed from time to time. This policy supersedes and replaces any previous issued policies.

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