

Important Announcement to members and potential members of the following pension schemes (“the Schemes”)

Dominator 2012 Pension Scheme
Commando 2012 Pension Scheme
Donington MC Pension Scheme

Background

We are writing to you further to our Announcement issued in November last year.

As we commented in our last Announcement, we believe that you may have joined one of the Schemes and transferred-in pension benefits from a previous arrangement. Dalriada was appointed as independent trustee with exclusive powers to the Schemes, effective from 21 May 2019, by Order of the Pensions Regulator. All trustee powers and rights are now held exclusively by Dalriada.

Mr Stuart Garner, the previous trustee, supported The Pensions Regulator’s application to have an independent trustee appointed and welcomed the appointment of Dalriada.

For information, The Pensions Regulator is a statutory body which is responsible for the regulation of work-based pension schemes in the UK. Its aims include protecting the benefits of scheme members together with promoting good administration and understanding of occupational pension arrangements.

As was set out in our last Announcement, the Schemes were set up as vehicles to provide funding for Norton Motorcycle Holdings Ltd (“Norton”).

The funding was provided by way of the Schemes’ assets being invested solely in preference shares in Norton. The fact that the Schemes’ assets are invested in this way is not permitted under the Regulations that govern the way pensions schemes such as the Norton schemes should be run. This was one of a number of governance failings with regard to the Schemes.

What action have we taken so far?

In our last Announcement, we advised that our aim was to regularise the position with the Schemes’ investments.

However, to get to that point, Dalriada is dependent on the ability or otherwise of Norton to redeem the Schemes’ preference shareholding in Norton and, since its appointment, Dalriada has been working to gain a better understanding of the Norton business and its ability to make the necessary payments back to the Schemes.

In our last Announcement, we advised members that Norton was looking to undergo a series of fund raising projects both to be able to repay the Schemes and, also, to grow the business, initially through bank lending and a share issue.

At that time, we understood that Norton had been approached by a single investor who had offered the total investment sought. However, Norton had also received several approaches from large manufacturers within the global motorcycle industry. Due to the interest generally, Norton had engaged a Corporate Finance company to work with them and appraise the best strategy and value creation going forward.

We said in our last Announcement that, on the back of a successful initial fund raise, we expected some monies to be paid into the Schemes before Christmas last year. This did not happen. As a result, we understand that Norton also did not get access to the additional bank lending either, as this was subject to the expected investment in the business going ahead.

There is continuing dialogue between Norton and Dalriada around the potential for fund raising and the redemption of the preference share investment. At this time, though, we cannot say if and when Norton will be able to redeem the preference shares and, so, put funds back into the Schemes.

We have been told by Mr Garner that Norton is currently negotiating with a select number of global manufacturers that, if successful, could result in a meaningful investment in the business which, in turn, could mean a recovery of the Schemes' investments, at least in part, being achieved. Dalriada is not in a position to determine whether this deal has a realistic possibility of reaching a successful conclusion.

Given the failure of past fund raising attempts Dalriada remains cautious about the prospects of a successful deal on this occasion also. However, we remain of the view that allowing discussions around a deal to continue represents the best chance of the Schemes recovering at least some of their investments at this time.

What does this mean for you?

The position remains as was set out in our last Announcement. We are not able to make any benefit payments from the Schemes as the Schemes hold no liquid funds. If and when the Schemes are in funds, we will revisit the position on benefit payments.

Is my membership information properly recorded?

We said in our last Announcement that Dalriada had made contact with Liddell Dunbar Limited ("Liddell Dunbar") which had provided administration services to the Schemes.

Liddell Dunbar is now in liquidation and Dalriada has made contact with the liquidators with regard to the handing over of records and information. They have advised that the administration services were provided by a connected company, LD Administration Ltd., which, itself, is subject to a strike off application. Dalriada will follow up on this. However, we ask those members that haven't already returned the self certification form enclosed with our last Announcement to do so as soon as possible.

What should I do if I have any further questions?

Should you have any queries in relation to this Announcement or your membership of the Schemes, please contact Dalriada (contact details are set out below). You should **not** contact Norton or Mr Garner.

As above, please also supply copies of all correspondence or other communications which you may have received in relation to your membership of the Schemes.

You can contact us as follows:

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