Norson Group Ltd Pension Scheme

Statement of Investment Principles

1. Introduction

The Trustees of the Norson Group Ltd Pension Scheme (the "Scheme") has drawn up this Statement of Investment Principles ("the Statement") to comply with the requirements of the Pensions Act 1995 ("the Act") and the Occupational Pension Schemes (Investment) Regulations 2005, as amended. The Statement details the investment principles that govern decisions about the Scheme's investments.

The Statement was most recently reviewed in April 2026.

The Trustees have ultimate responsibility for the investment of the Scheme's assets. The Trustees take some decisions themselves and delegates others. When deciding which decisions to take and which to delegate, the Trustees have considered whether they have the appropriate training and expertise to take an informed decision.

The Trustees have appointed a firm of professional investment consultants, Mercer, to provide relevant investment advice to the Trustees. The Trustees also take advice as appropriate from the Scheme Actuary and other professional advisers.

The Trustees have entered into a bulk annuity contract with Just Retirement Limited ("Just") in respect of all of the Scheme's members who have accrued benefits in the Scheme. This was funded out of the Scheme's existing assets. The Trustees selected Just as the Scheme's annuity provider having obtained and considered the written advice of Mercer whom the Trustee believes to be suitably qualified to provide such advice. The advice received and arrangements implemented are, in the Trustees' opinion, consistent with the requirements of Section 36 of the Pensions Act 1995 (as amended).

The investment provider, aberdeen, provides access to an investment platform through which the residual investment fund can be accessed by the Trustees.

The underlying investment managers of the fund are responsible for day-to-day management of the Scheme's assets in accordance with guidelines agreed with the platform provider. The investment managers have discretion to buy, sell or retain individual securities in accordance with these guidelines.

The Scheme Actuary continues to perform actuarial valuations at least every three years to meet regulatory requirements. However, the Trustees note that the Scheme's accrued liabilities are materially secured through the bulk annuity policy, and the valuation is conducted for regulatory and governance purposes rather than to inform ongoing investment or funding decisions.

As the majority of the Scheme's assets are represented by this annuity contract, with the exception of the residual assets, the Trustees believe that the general requirements around the contents of a Statement of Investment Principles are no longer applicable to the Scheme. The remainder of this Statement sets out the Trustees' policies where relevant.

2. Investment Objectives

Following the completion of the bulk annuity transaction securing all accrued member benefits, the Trustees' primary investment objective is no longer to generate returns to meet benefit payments. Instead, the Trustees' objective is to ensure the continued security of the annuity contract and to manage the Scheme's residual assets prudently so as to meet Scheme expenses and facilitate the orderly continuation and, where appropriate, wind up of the Scheme.

The assets of the Scheme less a residual amount were used to fund the purchase of a bulk annuity contract. Residual assets are invested to ensure security and liquidity by investing in a well-diversified money market fund.

3. Risk Management and Measurement

Following the completion of the bulk annuity transaction, the Scheme is no longer exposed to investment, interest rate, inflation or longevity risks in respect of member benefits. The Trustees therefore believe the following risks to be relevant over the lifetime of the Scheme:

- Failure of the annuity provider. Before entering into the bulk annuity contract, the Trustees obtained and carefully considered the current financial strength of Just and concluded that the risk of failure was acceptably low. In addition, the Trustees are aware that regulatory oversight and, ultimately, the Financial Services Compensation Scheme, provide a degree of statutory protection to policyholders of long-term insurance contracts such as the bulk annuity policy, in the event that an insurer gets into financial difficulty or becomes insolvent.

- Lack of diversification. The Trustees recognises that the decision to invest in a bulk annuity contract with a single provider represents a concentration of risk. However, after careful scrutiny of the provider prior to transaction, the Trustees are satisfied that the degree of risk taken is acceptable.

- Illiquidity. The Trustees do not expect to be able to obtain cash from the annuity contract other than to meet promised benefits as agreed with the provider. It has therefore ensured that the contract meets all required benefits. The Trustees also hold a residual amount in a money market fund to meet residual cash flow requirements. The Scheme is not expected to require any future contributions from the Principal Employer.

4. Day to Day Management of the Assets

4.1 Main Assets

The majority of the assets of the Scheme were used to fund the purchase of a bulk annuity contract with Just.

Day to day investment activity is limited to the oversight of residual assets held for expense and run off purposes only. These residual assets are invested via an investment platform provided by aberdeen in a well diversified money market fund, with the objective of maintaining liquidity and capital security. No strategic asset allocation is maintained in respect of the bulk annuity policy, which is a fixed contractual arrangement rather than an investment portfolio.

The Trustees are satisfied that the spread of assets by type and the level of diversification within the Scheme is appropriate when considering the size and nature of the Scheme's liabilities.

4.1.1 Investment Restrictions

The Trustees recognise that because the assets of the Scheme are invested in a bulk purchase annuity and a pooled fund vehicle, the investment restrictions applying to these are determined by the provider / fund managers.

4.1.2 Investment Objectives

The performance objective for aberdeen is to track the benchmark return within acceptable limits.

4.2 Realisation of Investments

Insured benefits are met out of the annuity contract with Just. Other additional costs will be met from the Scheme's residual assets with aberdeen.

4.3 Monitoring the Investment Managers

Performance is measured by the investment managers themselves, with Scheme performance available from aberdeen. Mercer provide the Trustees with a performance review annually within the Scheme's Report and Accounts.

4.4 Member Views

Member views are not currently taken into account when determining the investment strategy, underlying manager structure or selection and retention or realisation of investments.

5. Responsible Investment and Corporate Governance

5.1 Financially material considerations and Stewardship

Given that the majority of the assets are invested in an annuity contract; the Trustees have decided it is no longer relevant to adopt a policy on these issues.

In addition, there are no voting rights attached to the annuity contract or the residual assets held with Aberdeen, so the control of corporate governance issues have been ceded by the Scheme to Just and Aberdeen respectively.

5.2 Investment Restrictions

The Trustees have not set any investment restrictions on aberdeen or the underlying investment managers in relation to particular products or activities but may consider doing so in future.

6. Non-Financial Matters

The Trustees do not take into account any non-financial matters (i.e. matters relating to the ethical and other views of members and beneficiaries, rather than considerations of financial risk and return) in the selection, retention and realisation of investments.

7. Compliance with and Review of this Statement

The Trustees will monitor compliance with this Statement.

On a regular basis, the Trustees will review this Statement in response to any material changes to any aspects of the Scheme, its liabilities, finances and the attitude to risk of the Trustees and the Principal Employer, which it judges to have a bearing on the stated Investment Policy.

This review will occur no less frequently than tri-annually. Any such review will again be based on expert investment advice and will be in consultation with the Principal Employer.

For and on behalf of the Trustees of the Norson Group Ltd Pension Scheme.