Leonardo Electronics Pension Scheme

(AVC & RAP Scheme Sections)

Statement of Investment Principles

November 2025

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1 Introduction

This document constitutes the Statement of Investment Principles (the "**SIP**") required under Section 35 of the Pensions Act 1995 for the Additional Voluntary Contributions ("**AVC**") and Retirement Account Plan ("**RAP**") sections of the Leonardo Electronics Pension Scheme (the "**Scheme**"). It describes the investment policy being pursued for the AVC and RAP sections of the Scheme by the Trustee of the Leonardo Electronics Pension Scheme (the "**Trustee**") and is in compliance with the Government's voluntary code of conduct for Institutional Investment in the UK ("the 2001 Myners Principles" and subsequent revisions). This SIP also reflects the requirements of Occupational Pension Schemes (Investment) Regulations 2005 and 2015, and the Code of Practice in relation to governance of DC pension schemes issued by the Pensions Regulator in July 2016.

This document relates to the AVC and RAP Sections of the Leonardo Electronics Pension Scheme only.

The Trustee confirms that it has consulted with the sponsoring employer of the Leonardo Electronics Pension Scheme (the "**Employer**") and taken appropriate advice from its Advisers. The Investment Advisor and Investment Manager is Schroders Solutions and the Legal Advisor is Burges Salmon, collectively termed the "**Advisers**".

The Trustee believes the Advisers to be qualified by their ability and practical experience of financial matters and to have appropriate knowledge, and experience of the management of the investment arrangements that the Scheme requires. The Trustee also confirms that it will consult with the Employer and take advice from the relevant Advisers as part of any review of this SIP.

The Trustee is responsible for the strategic decisions regarding the investment of the Scheme's AVC and RAP assets, but the day-to-day management has been delegated to the Platform Manager who provides the infrastructure for members to make investments (the "**Platform**") and the underlying Investment Managers. Where it is required to make an investment decision, the Trustee always receives advice from the relevant Advisers first and believes that this ensures that it is appropriately familiar with the issues concerned. The Trustee has delegated day-to-day investment decision making to Schroders Solutions (the **"Fiduciary Manager"**).

In accordance with the Financial Services & Markets Act 2000 and Section 34(2) of the Pensions Act 1995, the Trustee sets general investment policy, but has delegated the day-to-day investment of the Scheme's AVC and RAP assets to professional fund managers (the "**Underlying Managers**"). The Underlying Managers are authorised under the Financial Services & Markets Act 2000 to provide the expertise necessary to manage the AVC and RAP investments of the Scheme competently and will comply with the requirements of Section 36 of the Pensions Act 1995.

1.1 Declaration

The Trustee acknowledges that it is its responsibility, with guidance from the Advisers, to ensure the AVC and RAP assets of the Scheme are invested in accordance with these Principles.

Signed . . . . . **Date** . . . . . .
For and on behalf of the Trustee of the Leonardo Electronics Pension Scheme

2 Scheme Governance

The Trustee is responsible for the governance and investment of the Scheme's AVC and RAP assets. It considers that the investment structure set out in this SIP is appropriate for the Scheme, as it allows the Trustee to make the important decisions on investment policy, while delegating the day-to-day aspects to the Underlying Managers, the Fiduciary Manager, the Platform or the relevant Advisers, as appropriate. The responsibilities of each of the parties involved in the Scheme's governance are detailed in Appendix A**.**

The Leonardo Group Pension Schemes have a Joint DC Investment Committee. The Trustee acknowledges that they are responsible for any decisions or actions taken by this sub-committee.

The Trustee maintains a Statement of Investment Arrangements ("SIA") which sets out the specifics of investment implementation, including the responsibilities of each of the parties involved in the DC Section's governance. This document is available upon request.

3 Investment Objectives

The Trustee recognises that members have differing investment needs and that these may change during the course of members' working lives. It also recognises that members have different attitudes to risk. The Trustee regards its duty as creating a robust default fund offering to cater for the proportion of the workforce who do not wish to actively manage their AVC and RAP investments. This default should be focused on members' needs and outcomes.

The Trustee also adheres to making available a range of investment options (managed by a range of high quality investment manager) sufficient to enable members who so choose, to tailor their investment strategy to their own needs.

The Trustee's objectives for the AVC and RAP sections of the Scheme are therefore:

- To provide members with a robust default solution which makes available vehicles designed to focus on members' needs by aiming to:
    - Optimise the value of members' assets at retirement, subject to taking suitable levels of risk and providing members with a smoother journey;
    - Maintain the purchasing power of members' savings; and
    - Protect the value of accumulated AVC and RAP assets as members approach retirement.
- To provide members with a range of investment options to enable them to tailor their AVC and RAP investment strategy to their own needs, should they not wish to partake in the default solution.
- To avoid over-complexity in investment in order to keep administration costs and member understanding to a reasonable level.
- To consider environmental, social and governance ("ESG") factors and stewardship in the context of long term performance.

4 Default Investment Strategy

The Trustee has made available to members a default strategy.

4.1 Aims and Objectives of the default strategy

The Trustee's aims and objectives in relation to the default strategy are to support members' investment needs where members either choose the default option or do not choose any option. Broader aims and objectives in relation to the default strategy are set out in ***Section 3***, titled "Investment Objectives"

4.2 Trustee Policies in relation to the default strategy

i. **The kinds of investment to be held**
The kinds of investments to be held within the default strategy are shown in the SIA.

ii. **The balance between different kinds of investments**
The balance between different investments within the default strategy is shown in the SIA.

iii. **Risks (including the ways in which risks are to be measured and managed)**
Risks applicable to the Scheme as a whole are shown in Section 9, titled 'Risks'. All of the risks shown, including how they are measured and managed, are relevant to the default strategy.

iv. **Expected return on investments**
Target objectives for each fund used within the default strategy are shown in the SIA.

v. **Realisation of investments**
Funds used within the default strategy are unitised, pooled funds which are dealt daily.

vi. **Financially material investment considerations and non-financial matters**
The extent to which the Trustee considers financially material considerations and non-financial matters, including, but not limited to, social, environmental or ethical issues is shown in Section 10, titled 'Other Considerations'.

vii. **Corporate governance and stewardship policy**
The Trustee's policy in respect of these considerations is shown in Section 10, titled 'Other Considerations'.

4.3 Best interests of members and beneficiaries

In designing the default strategy, the Trustee carried out a comprehensive review of the previous AVC and RAP investment strategy, in conjunction with the Investment Advisers, focusing on member needs and outcomes, and cognisant of the impact of their policies, aims and objectives.

Following this review, the Trustee selected the combination of aims and objectives within the default, and their policies in order to achieve an investment strategy which it believes is in the best interests of relevant members and beneficiaries.

This belief is supplemented by undertaking regular (at least triennial) investment strategy reviews of the default strategy, investment governance (at least quarterly) and value for member reviews (in conjunction with the Advisers).

5 Investment Strategy

Having considered advice from the Investment Advisor, and also having due regard for the objectives and the members of the Scheme, the Trustee has made available a number of investment options. Members can choose to invest their contributions in one or more of these investment options, or may rely on the default strategy, as detailed in the SIA.

The Trustee will ensure that each member's investments are invested in accordance with the fund options selected by the member.

5.1 Investment Options

The investment strategy involves a default lifestyling arrangement and a self-directed "**Pick 'n' Mix**" option.

The default arrangement involves switching members across four pre-built blended funds as they approach retirement. Each blend has a different risk and return objective, thereby taking account of members' changing risk profiles as they approach retirement. The blended funds are intended to:

- Take account of market and industry developments
- Increase the level of active asset allocation to attempt to deliver more attractive returns
- Create a more stable journey for members

The Trustee has delegated the day to day decision making and asset allocation of the blended funds to the Fiduciary Manager, whilst retaining the decision on the high level risk and return objectives.

The range of Pick 'n' Mix options available to members is limited to reduce the risk of inappropriate choices. Pick 'n' Mix options include three of the blended funds underlying the default arrangement, thereby allowing members to make a risk based investment decision, as well as seven funds broadly representing the more traditional universe of equities, bonds and cash, while allowing members the opportunity to invest into retirement in a manner which is appropriate to their choice of retirement income.

Details of the blended funds and the Pick 'n' Mix options are contained in the SIA.

5.2 Performance Objectives

The objectives can be found in the SIA.

5.3 Diversification

The choice of investment options for members is designed to ensure that members are able to choose investments that are adequately diversified and suitable for their profile. The Trustee monitors the strategy regularly to ensure that it is comfortable with the choice of funds offered to members.

5.4 Suitability

The Trustee has taken advice from the Investment Adviser that the range of investment options offered to members is suitable. Members are responsible for choosing which of the funds are most appropriate or may choose to rely on the default strategy for the investment of their own and their employer's contributions, based on their own individual circumstances.

5.5 Active and Passive Management

The Trustee takes advice from the Advisers on the choice of whether to offer active and/or passive fund options, which is in part determined by the range of DC Investment Managers offered by the Platform Manager. These managers are selected by the Fiduciary Manager.

5.6 Review

The Trustee will review, in conjunction with the Investment Advisers, any investment option offered to members that either underperforms its benchmark over a significant timeframe or carries a level of risk which may be thought to be unreasonable in the context of the DC Section's investment objectives.

6 Strategy Implementation

6.1 Investment Managers

The Trustee has appointed Mobius Life Limited ("Mobius Life") as the Platform Manager to provide the platform for member investments. Mobius Life will provide services related to transition execution and the creation of insured funds, with ongoing administration of funds (including blended funds) at an overall Scheme level.

Schroders Solutions are employed by the Trustee as the Fiduciary Manager to provide investment and management services, as defined in the Fiduciary Management Arrangement ('FMA') agreed between the Trustee and Schroders Solutions. Schroders Solutions must provide the Trustee with formal investment advice as required by Section 36 of the Pensions Act 1995.

The Trustee has selected a range of investment options for AVC and RAP members of the Scheme. Full details are listed in the SIA.

6.2 Administrator

Administration of member data is provided to the Trustee by XPS Administration.

6.3 Fund Options

The range of funds offered to members was chosen to give members a diversified range of investments from which they can select according to their individual circumstances both within the default arrangement and a self-directed Pick 'n' Mix option. The funds available to members are detailed in the SIA.

6.4 Investment of Contributions

A member's contributions will be invested in line with their selected choice of funds. Where a member has not made an active selection, their contributions will be invested in the default strategy provided, which is detailed in the SIA.

6.5 Transitions

The Trustee, in conjunction with its Advisers, will look to mitigate the potential risks and costs to members as a result of any investment transitions to the best of its ability.

7 Monitoring

7.1 Managers

The Trustee, or Advisers on behalf of the Trustee, will monitor the performance of the default strategy and Pick 'n' Mix funds against their own or Trustee specified benchmarks.

The Trustee will regularly review the activities of the Fiduciary Manager to ensure that the Fiduciary Manager continues to carry out their work competently and have the appropriate knowledge and experience to provide fiduciary management services to the Scheme.

As part of this review, the Trustee will consider whether or not the Fiduciary Manager:

- Is carrying out their work competently. The Trustee will evaluate the Fiduciary Manager based on, amongst other things:
    - The default strategy and Pick 'n' Mix funds' performance versus their respective benchmarks or Trustee specified benchmarks.
    - The level of risk within the portfolios given the specified risk tolerances.
    - Whether it has regard to the suitability of each investment and each category of investment.
    - Whether it has been exercising their powers of investment with a view to giving effect to the principles contained in this SIP, so far as is reasonably practical.

If the Trustee is not satisfied with the Fiduciary Manager it will ask the Fiduciary Manager to take steps to rectify the situation. If the Fiduciary Manger still does not meet the Trustee's requirements, the Trustee will remove the Fiduciary Manager.

7.2 Advisers

The Trustee will monitor the advice given by the Advisers on a regular basis.

7.3 Statement of Investment Principles, Statement of Investment Arrangements

The Trustee will review this SIP and the SIA at least triennially, or as soon as is practical following any changes to the investment strategy and modify it with consultation from the relevant Advisers and the Employer if deemed appropriate. There will be no obligation to change this SIP, the SIA, the Fiduciary Manager, Platform Manager or Advisor as part of such a review. The SIA is available upon request.

7.4 Trustee Recordkeeping

The Trustee maintains a record of all investment related decisions that have been, together with the rationale in each case.

8 Fees

8.1 Managers

Fees are charged as a proportion of the size of assets invested. The charges have been negotiated and will continue to be reviewed regularly. Details of the fund charges are set out in the SIA.

8.2 Platform Manager

The Platform Manager charges fees as a proportion of the size of assets invested. The charge is deducted from assets.

8.3 Advisers

Fees paid to the Advisers are based either on actual time spent and hourly rates for relevant individuals, as a basis point charge based on the size of the Scheme's assets or on fixed fees agreed in advance for specifically defined projects.

Fees deducted as a basis point charge may allow for a "tiering discount" as the asset size grows. The size, incidence and implementation of such a discount will be agreed between Schroders Solutions and the Trustee periodically.

The tiering discount may be based on the asset size of Leonardo FuturePlanner, the Leonardo Electronics Pension Scheme (AVC and RAP Sections only) and the Leonardo Helicopters Pension Scheme (AVC Section only).

8.4 Custodian

There is no custodian appointed directly by the Trustee.

8.5 Value for Members

The Trustee reviews all sources of fees levied on members' accounts (including management charges, additional expenses and platform charges as appropriate) to ensure value for members is present. The Trustee considers, among other items, the absolute level of charges, the competitiveness of the Scheme's charges relative to the marketplace and the levels of service provided by each of the Advisers.

9 Risks

The Trustee recognises a number of key risks to itself and to the members of the AVC and RAP section of the Scheme:

i. **Value for Members Risk** – the risk that the Scheme fails to offer value for money to members. This is addressed through regular reviews of the charges levied on member's assets.

ii. **Inflation Risk** – the risk that the purchasing power of their investment account is not maintained. To try and manage this risk, the Trustee has offered a range of funds designed to achieve a return above the rate of inflation.

iii. **Pension Conversion Risk** – the risk that the value of pension savings at retirement may not provide the expected level of income, whether through drawdown, annuity purchase, or other options. This risk is difficult to mitigate, as it depends on investment performance and market conditions at the point of retirement. However, the Trustee has offered a Retirement Focus option designed to help members who wish to remain invested at retirement and draw down their income over time.

iv. **Capital Risk** – the risk that the value of the element to provide a tax-free cash sum is not maintained. To try and mitigate this risk, the Trustee has offered a range of funds designed to achieve a return above the rate of inflation.

v. **Active Manager Risk** – the risk that the active investments underlying the Scheme's AVC and RAP investment options underperform, due to the underlying investment managers underperformance. The Trustee has mitigated this risk by delegating fiduciary responsibilities to their Fiduciary Manager. The Fiduciary Manager utilises a wide range of funds, diversified across asset class, sub asset class and underlying managers to reduce the active manager risk.

   This risk also relates to underperformance arising from underperformance of the Fiduciary Manager in its fiduciary duties. The Trustee mitigates this risk through frequent performance monitoring and governance.

vi. **Platform Risk** – the assets are currently held by the Platform Manager. This risk relates to potential losses that could arise if the Platform Manager ran into financial difficulties. The Trustee considered the choice of platform at the implementation phase of the current strategy, to ensure it was comfortable with the choice of Platform Manager. The Trustee continues to monitor the Platform Manager to ensure it remains comfortable.

vii. **Communication Risk** – the risk that communication to members is misleading or unclear and leads to inappropriate decisions being made. This is addressed through the Trustee receiving advice from the Advisers and regular monitoring and updates, where appropriate, of member communications.

viii. **Inappropriate Member Decision** – the risk that members make inappropriate decisions regarding their investments. This is addressed where possible through communication to members and the recommendation that members seek independent financial advice. The Trustee has also offered a default fund with a "Lifestyling element" designed to phase members into lower risk investments as they approach retirement.

ix. **Organisational risk** – the risk of inadequate internal processes leading to problems for the Scheme. This is addressed through regular monitoring of the Advisers.

x. **Liquidity Risk** – the risk that members are not able to realise the value of their funds when required. The Trustee has addressed this risk by not offering funds which are considered illiquid.

xi. **ESG Risk** - the risk of adverse performance due to ESG related factors including climate change. This is addressed by ESG assessment at the point of investment with the Underlying Managers where applicable, or by requesting information on the ESG policies, adopted by the Underlying Managers.

The importance of each risk varies with time. Inflation is important throughout the whole period to retirement whereas pension purchase risk and capital risk become significant as retirement approaches.

The Trustee has provided a lifestyle option that aims to address the above risks through a member's life. The Fiduciary Manager may vary the underlying asset allocation and underlying managers within this option from time to time in response to changing market conditions and underlying manager developments. This may include the use of derivatives.

The Trustee also provides members with a range of Pick 'n' Mix investment options into which they may direct their contributions so as to allow each member to determine the appropriate mix of investments based on their own attitude to risk, terms to retirement and investment objective. The Trustee recognises the options it has selected are subject to underperformance risk. This is addressed through providing options with appropriate diversification and through clear monitoring of the underlying managers' performance, processes and capabilities with respect to their mandate, as well as by the use of more than one underlying manager to avoid over exposure to one organisation.

The Trustee recognises that an efficient process for identifying, evaluating, managing and monitoring risks needs to be in place for the Scheme. The Trustee will identify and assess the impact of any risk, what controls can be put in place to manage the risk and review both the individual risks and the effectiveness of the risk management process as a whole.

The Trustee will keep these risks and how they are measured and managed under regular review.

10 Other Considerations

10.1 Corporate Governance

The Trustee and Fiduciary Manager have agreed, and will maintain, formal agreements setting out the scope of the Fiduciary Manager's activities, charging basis and other relevant matters. The Fiduciary Manager has been provided with a copy of this SIP and is required to exercise its powers with a view to giving effect to the principles contained herein and in accordance with subsection (2) of Section 36 of the Pensions Act 1995. Further information can be found in the SIA.

The Trustee has appointed the Fiduciary Manager to implement the Scheme's (AVC and RAP section only) investment strategy. The Investment Manager manages assets directly on behalf of the Trustee as well as having delegated authority to appoint, monitor and change the Underlying Managers.

The Fiduciary Manager is appointed to carry out its role on an ongoing basis. The Trustee periodically reviews the overall value-for-money of using Schroders Solutions, and information in relation to costs associated with investing is included in the quarterly monitoring report. The Trustee is satisfied that these arrangements incentivise the Fiduciary Manager (as detailed further below):

- to align its investment strategy and decisions with the Trustee's investment policies, such as their return target and restrictions detailed in the Fiduciary Management Agreement, and
- to assess and make decisions based on the medium- to long-term financial and non-financial performance of an issuer of debt or equity, and to engage with such issuers to improve this medium- to long -term performance. The success of this will contribute to the Scheme's (AVC and RAP section only) performance, which is measured relative to the Trustee's long-term performance objectives.

The Scheme's (AVC and RAP section only) investments are made primarily via pooled investment funds via the Platform, in which such investments are pooled with those of other investors. As such, direct control of engaging with companies that issues these securities, whether for corporate governance purposes (such as capital structure) or other financially material considerations, is delegated to the Underlying Managers.

The Trustee has delegated responsibility to the Platform Manager for monitoring and voting on decisions relating to the pooled funds where the Platform Manager has voting rights. The Platform has in place a voting policy in respect of general meetings of a pooled fund.

The Fiduciary Manager undertakes regular reviews of all Underlying Managers. These reviews incorporate benchmarking of performance and fees as well as performance reviews (including understanding key drivers of performance), investment due diligence meetings and operational due diligence reviews. The Fiduciary Manager reviews the governance structures of the Underlying Managers, as well as assessing whether their fees, expenses and any other charges are in line with industry peers at inception and from time to time whilst invested.

Where it can be determined, the Fiduciary Manager assesses whether Underlying Manager remuneration arrangements are aligned with the Trustee's objectives. The method and time horizon for evaluating and remunerating Underlying Managers are determined by criteria set by the Fiduciary Manager, as detailed above.

The Trustee acknowledges the inherent potential conflicts of interest which exist as part of ongoing investment management business activities. As an FCA-regulated firm, the Fiduciary Manager is required to prevent or manage conflicts of interest. Where Underlying Managers are also regulated, they are likely to be subject to such requirements to manage conflicts of interest as are applicable in their jurisdiction of incorporation or operations. The Fiduciary Manager directly monitors these as part of the Underlying Managers' regulatory filings (where available). The Fiduciary Manager also monitors this as part of ongoing review. The Fiduciary Manager's Conflict of Interest policy is available publicly here:

https://www.schroders.com/en/identification-and-management-of-conflicts-of-interest/

The Fiduciary Manager oversees the turnover costs incurred by the Underlying Managers as part of its ongoing monitoring process and evaluates such costs to determine if they are in line with peer groups and the Fiduciary Manager's expectations. Where there are material deviations the Fiduciary Manager engages with Underlying Managers to understand the rationale for such deviations and takes appropriate action.

10.2 Stewardship

The Trustee is responsible for developing its own stewardship policy, as set out in the SIP, which includes both voting (where applicable) and engagement. The Trustee believes proper stewardship will result in better management of financially material ESG and climate related risks and opportunities. This is expected to improve the long-term financial outcomes of the Scheme which ultimately is in the best interests of the Scheme's members and beneficiaries. The Trustee expects its Fiduciary Manager to be a signatory to the UK Stewardship Code.

The Trustee has received training on the Fiduciary Manager's approach to stewardship. The Fiduciary Manager has its own voting and engagement policies documented in its Engagement Blueprint which sets out six sustainability themes to prioritise and which guides the voting and engagement behaviours of the Fiduciary Manager. Therefore, to ensure focused voting and engagement with the Underlying Investment Managers, the Trustee, has chosen to align its stewardship priorities with those of the Fiduciary Manager: Climate Change, Corporate Governance and Human Rights. The Trustee expects the Fiduciary Manager to take their policy and stewardship priorities into account as part of its own stewardship activities and manager selection.

The Trustee reviews, monitors and challenges the Fiduciary Manager where necessary in relation to the voting and engagement activities of the Fiduciary Manager and the Underlying Investment Managers.

10.3 Financially material Investment considerations

Financial material considerations, which include (but not limited to) environmental, social and governance (ESG) considerations (including, but not limited to, climate change), which the Trustee consider to be financially material.

The Trustee believes that certain ESG factors can have an impact on financial performance and part of its fiduciary duty is to incorporate this information into its investment decisions to reduce investment risk and enhance portfolio returns over the length of time needed for the funding of future benefits of the Scheme. The Trustee considers a wide range of ESG risks, including corporate governance, human rights, labour and environmental standards and so on and it believes that climate risk presents a material financial risk to the assets invested in its portfolio.

The Trustee currently do not have a standalone ESG policy but the Trustee's policy is to delegate the monitoring and overall management of financially material ESG risks and opportunities to the Fiduciary Manager. The Trustee is comfortable with the delegation given the approach the Fiduciary Manager takes towards ESG and climate related risks and opportunities is aligned with the Trustee's beliefs which was confirmed on appointment of the Fiduciary Manager.

The Trustee receives regular training and updates on ESG-related topics such as portfolio ESG reporting, voting and engagement examples on a quarterly basis through Trustee meetings. In addition, on an annual basis, the Trustee reviews the ongoing suitability of the Fiduciary Manager's monitoring and management of ESG and climate-related issues via an ESG annual report and challenges or engages with the Fiduciary Manager as required on its approach.

The Trustee delegates the integration of climate related risks into the investment process to the Fiduciary Manager. The Fiduciary Manager provides regular updates for the Trustee to:

- Understand the exposure of its investments to climate change in the quarterly monitoring report, and
- Ensure that new and existing investments take account of climate change risks and opportunities.

The Trustee expects its Fiduciary Manager to take their policy into account as part of manager selection

10.4 Non-financial matters

The Trustee does not at present take into account non-financial matters (such as members' ethical considerations, social and environmental impact matters or future quality of life considerations for members and beneficiaries) when making investment decisions as part of the default arrangement, as there is no likely common view on any ethical matters which members are likely to hold. This is consistent with the findings of a member survey carried out by the Trustee on general ESG considerations.

10.5 Security of Assets

The Trustee is aware of the importance of the safe custody and security of members' funds. The Scheme's assets are held via an investment policy with Mobius Life. The Financial Services Compensation Scheme ("FSCS") would provide cover to the Scheme in the event of insolvency of Mobius Life, who also has contractual agreements in place with underlying managers and would seek compensation as a result of insolvency of underlying managers and other related parties. Appropriate due diligence is done on the financial strength, custody and administration agreements of the underlying investment managers and Mobius Life before an appointment is made and this is reviewed regularly by the Advisers in conjunction with the Trustee.

10.6 Illiquid Assets

The Trustee does not at present invest in illiquid assets within either the default arrangement or the self-select fund range. However, the Trustee is investigating the potential inclusion of illiquid assets in the strategy. This includes, but is not limited to, ongoing formal training sessions from the Scheme's Investment Adviser, covering how these types of investment could fit within the Scheme's investment strategy.

Appendix A - Responsibilities

Trustee

The main investment related responsibilities of the Trustee in relation to the AVC and RAP sections of the Scheme include:

i. Reviewing, at least triennially (or following significant changes to the investment strategy), the content of this SIP and modifying it if deemed appropriate.

ii. Reviewing, at least triennially (or following significant changes to the investment strategy), the content of the SIA and modifying it if deemed appropriate.

iii. Reviewing the AVC and RAP investment policy for the Scheme in terms of providing a range of funds from which members may choose to invest (see the SIA for further detail).

iv. Assessing the quality of the performance and process of the Underlying Managers and the Fiduciary Manager by means of regular reviews of the investment results and other information, through meetings and written reports.

v. Monitoring compliance of the investment arrangements with the SIP on an ongoing basis.

vi. Appointing and dismissing Platform Managers and Fiduciary Managers.

vii. Assessing the performance of the Advisers.

viii. Consulting with the Company when reviewing investment policy issues.

ix. Providing any appointed organisations/individuals with a copy of the SIP or the SIA, where appropriate.

Platform Manager

The main responsibilities of the Platform Manager are:

i. At its discretion, but within the guidelines agreed with the Trustee, selecting and undertaking transactions in specific investments within each fund.

ii. Providing the Trustee with sufficient information each quarter to facilitate the review of its activities, including:

- Performance and rationale behind past and future strategy for fund options offered to members.
- A full valuation of the assets.
- A transaction report.

iii. Informing the Trustee immediately of:

- Any serious breach of internal operating procedures.
- Any material change in the knowledge and experience of those involved in managing the Scheme's AVC and RAP investment options.

Investment Advisor

The Trustee has appointed Schroders Solutions in a dual role as both Investment Advisor and Fiduciary Manager of the Scheme's AVC and RAP assets. The main responsibilities of Schroders Solutions as Investment Advisor are:

i. Participating with the Trustee in reviews of this SIP.

ii. Informing the Trustee of any material breaches of this SIP, internal operating procedures or changes in the knowledge and experience of those involved in managing the Scheme's investment options.

iii. Advising the Trustee of any changes in the AVC and RAP section of the Scheme's Investment Managers or Platform Manager that could affect the interests of the Scheme.

iv. Advising the Trustee of any changes in the investment environment that could either present opportunities or problems for the Scheme.

v. Undertaking reviews of the Scheme's AVC and RAP investment arrangements including reviews of the Scheme structure.

Fiduciary Manager

The main responsibilities of Schroders Solutions as Fiduciary Managers include:

i. Investment Management services as set out in the Fiduciary Management Agreement ('FMA') and below.

ii. At the discretion of Schroders Solutions but within any guidelines given by the Trustee, implementing changes in the asset mix and selecting and undertaking transactions in specific investments within each asset class to achieve the stated objective.

iii. Selecting the Platform Manager, which the Trustee appoints in order to make use of the Fiduciary Manager's services.

Legal Advisor

The Legal Advisor will be responsible for, amongst other things:

i. Liaising with the Trustee to ensure legal compliance including those in respect of investment matters.