Statement of Investment Principles

The Pension and Life Assurance Plan of NG Bailey

July 2026

Contents

01 Introduction

Purpose

This document constitutes the Statement of Investment Principles ('the SIP') required under Section 35 of the Pensions Act 1995 for The Pension and Life Assurance Plan of NG Bailey ("the Plan"). It describes the investment policy being pursued by the Trustee of the Plan and is in accordance with the Government's voluntary code of conduct for Institutional Investment in the UK ("the Myners Principles"). This SIP also reflects the requirements of Occupational Pension Schemes (Investment) Regulations 2005.

Plan details

The exclusive purpose of the Plan is to provide retirement and death benefits to eligible participants and beneficiaries. It qualifies as a registered pension scheme, registered under Chapter 2 of Part 4 of the Finance Act 2004.

Advice and consultation

Before preparing this Statement, the Trustee has sought advice from the Plan's Investment Consultant, XPS Investment Limited. The Trustee has also consulted the Principal Employer. The Trustee will consult the Principal Employer on any future changes in investment policy as set out in this Statement.

Investment powers

The Plan's Trust Deed and Rules set out the investment powers of the Trustee. This Statement is consistent with those powers. Neither this Statement nor the Trust Deed and Rules restricts the Trustee's investment powers by requiring the consent of the Principal Employer.

In accordance with the Financial Services and Markets Act 2000, the Trustee sets general investment policy but delegate responsibility for the selection of the specific securities and any financial instruments in which the Plan invests to the Investment Managers.

Review of the Statement

The Trustee will review this Statement and its investment policy at least every three years in conjunction with each triennial valuation or immediately following any significant changes in investment policy.

The Trustee will also review this Statement in response to any material changes to any aspect of the Plan, its liabilities, finances and attitude to risk of either the Trustee or Principal Employer which it judges to have a bearing on the stated investment policy.

The Trustee will receive confirmation of the continued appropriateness of this Statement annually, or more frequently, if appropriate.

Definitions

Act - The Pensions Act 1995 (as amended by section 244 of the Pensions Act 2004);

AVCs - Additional Voluntary Contributions;

Buy-in - An insurance policy that covers some or all of a pension scheme's liabilities in the Trustee's name to mitigate the risk that the Plan cannot pay the future benefits covered by the policy;

Insurance Providers - Pension Insurance Company Group Limited ("PIC"); Clerical Medical; Just Retirement Limited; Prudential Plc

Investment Managers – An organisation appointed by the Trustee to manage investments on behalf of the Plan;

Plan – The Pension and Life Assurance Plan of NG Bailey;

Principal Employer – NGBF Holdings Limited;

Recovery Plan - The agreement between the Trustee and the Principal Employer to address the funding deficit;

Statement - This document, including any appendices, which is the Trustee's Statement of Investment Principles;

Technical Provisions - The amount required, on an actuarial calculation, to make provision for the Plan's liabilities;

Trust Deed and Rules - the Plan's Trust Deed and Rules.

02 Strategic investment policy and objectives

Choosing investments

The Trustee has selected buy-in policies through which benefits due under the Plan are secured. The selection of the buy-in policies was made having taken written investment advice. The advice covered the suitability of insurance policy; whether there was any need for diversification, given Plan circumstances; and the principles and objectives within this Statement. In addition to the buy-in policies, the Trustee maintains a small allocation with a professional investment manager consisting of liquid investments to cover any additional expenses.

The Trustee's policy is to regularly review the investments over which it retains control and to obtain written advice about them when necessary. When deciding whether or not to make any new investments the Trustee will obtain written advice and consider whether future decisions about those investments should be delegated to the Investment Managers. The written advice will consider suitability of the investments, the need for diversification and the principles within this Statement. The adviser will have the knowledge and experience required under Section 36(6) of the Act.

Long-term objectives

The primary investment objective of the Trustee is to seek to ensure the Plan can meet the benefit payments promised as and when they fall due.

Expected returns

By securing benefits through the buy-in policies, the Trustee expects that the change in value of the insurance policies will match the change in value of the benefits due under the Plan. Expected returns for non-buy-in assets will largely reflect cash-like returns.

Investment Policy

Following advice from the Investment Consultant, the Trustee has set the investment policy and objectives with regard to the Plan's liabilities and funding level.

This resulted in the Trustee transacting a buy-in of the remaining Plan liabilities with Pension Insurance Corporation ("PIC"). The buy-in transaction was signed in November 2025 and completed in December 2025. The residual assets are held with L&G Asset Management Limited ("L&G").

The investment policy the Trustee has adopted is detailed in Appendix I. The specific Investment Managers mandates against which performance of the assets will be assessed are specified in Appendix II.

Range of assets

The majority of the Plan's assets are held in buy-in policies. The Trustee has no direct influence on the range of assets which support the payments due under the policy. The Insurance Providers will invest in an appropriate range of assets in line with the risk profile of their annuity business and the regulatory and capital regime with which they are required to comply.

The Trustee considers the investment arrangements with the Insurance Providers to be aligned with the Plan's overall strategic objectives. The Insurance Providers are contractually obliged to invest the assets for which they are responsible in such a way that ensure they meet all the benefits insured and comply with regulatory and capital requirements.

The Plan also retains assets via the L&G Cash Fund alongside the insurance policies. This combination of assets in accordance with the investment policy detailed in Appendix I and the specific manager mandates detailed in Appendix II is deemed to be an effective strategy for meeting the long-term objectives of the Plan. The Investment Managers responsible for the non-buy-in assets are incentivised to perform in line with expectations for their specific mandate as their continued involvement as Investment Managers as part of the Plan's investment strategy – and hence the fees they receive – are dependent upon them doing so. They are therefore subject to performance monitoring and reviews based on a number of factors linked to the Trustee's expectations, including the selection / deselection criteria set out in Section 6.

The Trustee encourages the Insurance Providers and Investment Managers to make decisions in the long-term interests of the Plan. The Trustee expects engagement with management of the underlying issuers of debt or equity and the exercising of voting rights, on the basis that such engagement can be expected to help the Investment Manager effectively manage risk and improve investment outcomes. As covered in more detail in Section 3, the Trustee also requires the Investment Managers to take ESG factors and climate change risks into consideration within their decision-making as the Trustee believes these factors could have a material financial impact in the long-term. The Trustee therefore makes decisions about the retention of Investment Managers, accordingly.

When the Trustee considered the Insurance Providers from which to purchase buy-in policies, the ESG and climate change risk credentials of the Insurance Providers were considered.

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03 Responsible investment

The Trustee has considered its approach to environmental, social and corporate governance ("ESG") factors for the long-term time horizon of the Plan and believe there can be financially material risks relating to them. The Trustee has delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Plan's Insurance Providers and Investment Managers.

The vast majority of the Plan's assets have been used to purchase buy-in policies. The Trustee has no direct influence on the range of assets which support payments due under the policies. However, prior to entering into the recent buy-in policy, the Trustee did consider PIC's ESG and responsible investing criteria as factors in determining its suitability as the insurance provider of the policy. Therefore, the Trustee's ongoing policy on responsible investment relates to the surplus assets that remain invested with the Investment Managers, that the Trustee can control.

Outside of the buy-in policies the Trustee requires the Plan's Investment Managers to take ESG and climate change risks into consideration within their decision-making, in relation to the selection, retention or realisation of investments, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest.

The Trustee will seek advice from the Investment Consultant on the extent to which its views on ESG and climate change risks may be taken into account in any future Investment Manager selection exercises. Furthermore, the Trustee, with the assistance of the Investment Consultant, will monitor the processes and operational behaviour of the Investment Managers from time to time, to ensure they remain appropriate and in line with the Trustee's requirements as set out in this Statement.

Where the Plan invests in pooled funds, the Trustee acknowledges that it cannot directly influence the policies and practices of the companies in which the pooled funds invest. The Trustee has therefore delegated responsibility for the exercise of rights (including voting rights) attached to the Plan's investments to the Investment Managers. The Trustee encourages them to engage with investee companies and vote whenever it is practical to do so on financially material matters such as strategy, capital structure, conflicts of interest policies, risks, social and environmental impact and corporate governance as part of their decision-making processes. The Trustee requires the Investment Managers to report on significant votes made on behalf of the Trustee.

If the Trustee becomes aware of an Investment Manager engaging with the underlying issuers of debt or equity in ways that it deems inadequate or that the results of such engagement are mis-aligned with the Trustee's expectation, then the Trustee may consider terminating the relationship with that Investment Manager.

When considering the selection, retention or realisation of investments, the Trustee has a fiduciary responsibility to act in the best interests of the beneficiaries of the Plan, although it has neither sought, nor taken into account, the beneficiaries' views on matters including (but not limited to) ethical issues and social and environmental impact. The Trustee will review this policy if any beneficiary views are raised in future.

04 Risk measurement and management

The Trustee recognises a number of risks involved in the investment of the assets of the Plan. The Trustee measures and manages these risks as follows:

Solvency risk and mismatching risk - The risk that the assets do not respond to market changes in the same way as the liabilities, resulting in volatility in the funding position is addressed through the purchase of a buy-in policy with a reputable insurance provider which is expected to match the payments of the benefits due.

Strategy risk - The risk that the Investment Managers' asset allocation deviates from the Trustee's investment policy is addressed through regular review of the asset allocation. In reviewing the investment strategy on a periodic basis, the Trustee will consider the current economic factors affecting the asset classes in which it has invested and the short to medium term outlook for performance by reference to e.g. current and historic yields, GDP growth forecasts and other relevant factors.

Liquidity risk - The risk that assets cannot be sold quickly enough to enable benefits to be paid or that the Trustee cannot exit a particular investment is addressed through the process by which the administrator estimates the benefit outgo and ensures that sufficient cash balances are available, and through holding the majority of assets in liquid funds.

Inappropriate investments - The risk that an Investment Manager invests in assets or instruments that are not considered to be appropriate by the Trustee is addressed through the Trustee's policy on the range of assets in which the Plan can invest (see section 2).

Counterparty risk - The risk that a third party fails to deliver cash or other assets owed to the Plan is addressed through the Investment Manager and Insurer guidelines with respect to cash and counterparty management. In respect of the buy-in contract, this risk has been mitigated by the Trustee taking advice on the strength of the Insurance Provider's covenant. In addition, the Financial Services Compensation Scheme provides an extra level of security should the Insurer fail.

Political risk - The risk of an adverse influence on investment values from political intervention is reduced by diversification of the assets across many countries.

Custodian risk - The risk that the custodian fails to provide the services expected is addressed through the agreement with the third-party custodian and ongoing monitoring of the custodial arrangements. In pooled arrangements this is invariably delegated to the Investment Managers.

Manager risk - The risk that an Investment Manager fails to meet their stated objective is addressed through the performance objectives set out in Appendix II and through the monitoring of the Investment Managers as set out in Section 6. In monitoring the performance of the Investment Managers, the Trustee measures the returns relative to the benchmark, objective and the volatility of returns. In addition, the Trustee will regularly review the Investment Manager's approach to risk within the fund in order to highlight any unintended risk being taken.

Fraud/Dishonesty - The risk that the Plan's assets are reduced by illegal actions is addressed through restrictions applied as to who can authorise transfer of cash and the account to which transfers can be made.

Currency risk – the risk of losses through depreciation of non-Sterling currencies is measured by reference to the exposure of the Plan to pooled funds with unhedged currency risk and is managed by investing predominantly in Sterling assets and only taking currency risk where it increases the level of diversification.

05 Realisation of assets and investment restrictions

Realisation of investments

The Plan has secured buy-in insurance policies with the Insurance Providers which provides payments to cover the benefits due to be paid from the Plan; the policies themselves are not realisable assets.

The Trustee also has an allocation to a Cash Fund in order to meet impending anticipated expenses. The Trustee recognises that this non-buy-in asset may need to be realised for a number of unanticipated reasons at any time. In addition, the Trustee has a small allocation of c.0.3% to a UK Property Fund that is due to be fully wound up in 2026.

It has considered how easily these investments can be realised and believes that the Plan currently holds an acceptable level of readily realisable assets.

The Trustee will monitor closely the extent to which any assets not readily realisable are held by the Investment Managers and will limit such assets to a level where they are not expected to prejudice the proper operation of the Plan.

The Trustee will also take into account how easily investments can be realised for any new investment classes it considers investing in, to ensure that this position is maintained in the future.

The Trustee will hold cash to the extent that it considers is necessary to meet impending anticipated liability outflows, working with the Investment Consultant to determine amounts and frequency of such payments. A bank account is used to facilitate the holding of cash awaiting investment or payment.

Investment restrictions

The Trustee has established the following investment restrictions:

> The Trustee or the investment managers may not hold in excess of 5% of the Plan's assets in investments related to the Principal Employer;

> Whilst the Trustee recognises that borrowing on a temporary basis is permitted, this option will only be utilised where it is deemed absolutely necessary or where the Trustee has received advice from the Investment Consultant that the Plan's overall exposure to risk can be reduced through temporary borrowing, e.g. during an asset transfer;

> Outside of the buy-in policies, investment in derivative instruments may be made only insofar as they contribute to the reduction in risk or facilitate efficient portfolio management.

The Investment Managers impose internal restrictions that are consistent with their house style. In some instances, the Trustee may impose additional restrictions and any such restrictions are specified in Appendix II.

06 Investment Manager Arrangements and fee structure

Delegation to Investment Manager(s)

In accordance with the Act, the Trustee has appointed one or more Investment Managers and delegated to them the responsibility for investing the Plan's assets in a manner consistent with this Statement.

Furthermore, the Trustee has purchased insurance policies with the Insurance Providers to best ensure the long-term objectives of the Plan can be met.

The Investment Managers are authorised and regulated to provide investment management services to the Plan. Within the UK, the authorisation and regulation of the Investment Managers falls under the Financial Conduct Authority (FCA). Specific products in which the Plan invests may also be regulated by the Prudential Regulatory Authority (PRA). For non-UK Investment Managers, authorisation and regulation is undertaken by the home state regulator.

Where Investment Managers are delegated discretion under section 34 of the Pensions Act 1995, the Investment Managers will exercise their investment powers with a view to giving effect to the principles contained in this Statement so far as reasonably practicable. In particular, the Investment Managers must have regard to the suitability and diversification of the investments made on behalf of the Plan.

The Investment Managers will ensure that suitable internal operating procedures are in place to control individuals making investments for the Plan.

Performance objectives

The individual benchmarks against which each investment mandate is assessed are given in Appendix II.

Review process

Appointments of Investment Managers are expected to be long-term, but the Trustee will review the appointment of the Investment Managers in accordance with its responsibilities. Such reviews will include analysis of each Investment Managers' performance and processes and an assessment of the diversification of the assets held by the Investment Managers. The review will include consideration of the continued appropriateness of the mandate given to the Investment Managers within the framework of the Trustee's investment policies.

The Trustee receives quarterly performance monitoring reports from the Investment Consultant which consider performance over the quarter, one and three year periods. In addition, any significant changes relating to the criteria below that the Investment Consultant is aware of will be highlighted, which may lead to a change in the Investment Consultant's rating for a particular mandate. These ratings help to determine an Investment Manager's ongoing role in implementing the investment strategy. If there are concerns, the Trustee may carry out a more in-depth review of a particular Investment Manager. Investment Managers will also attend Trustee meetings as requested.

The Investment Consultant monitors the incorporation of ESG factors into the Investment Manager's processes on behalf of the Trustee. The Trustee undertakes a review of the voting and engagement activities on an annual basis in the Implementation Statement.

Fund manager remuneration is considered as part of the manager selection process. It is also monitored regularly with the help of the Investment Consultant to ensure it is in line with the Trustee's policies and with fee levels deemed by the Investment Consultant to be appropriate for the particular asset class and fund type.

Selection / Deselection Criteria

The criteria by which the Trustee will select (or deselect) the Investment Managers include:

> Parent - Ownership of the business;
> People - Leadership/team managing the strategy and client service;
> Product - Key features of the investment and the role it performs in a portfolio;
> Process - Philosophy and approach to selecting underlying investments including operational risk management and systems;
> Positioning - Current and historical asset allocation of the fund;
> Performance - Past performance and track record;
> Pricing - The underlying cost structure of the strategy;
> ESG – Consistency and extent to which ESG analysis is incorporated into the process of selecting underlying investments.

An Investment Manager may be replaced, for example (but not exclusively), for one or more of the following:

> The Investment Manager fails to meet the performance objectives set out in Appendix II;

- > The Trustee believes that the Investment Manager is not capable of achieving the performance objectives in the future;
- > The Investment Manager fails to comply with this Statement.

Insurance providers' fee structure

The Insurance Providers' fees are met through a combination of one or both of the following:

- > A margin added to the cost of securing the benefits at the time of securing the buy-in policy.
- > Any assets that exceed the required Plan benefits paid out, throughout the life of the policy.

Other Investment Managers' fee structure

The Investment Managers responsible for the non-buy-in assets are remunerated by receiving a percentage of the Plan's assets under management and, in some cases, through the application of a flat fee. It is felt that this method of remuneration provides appropriate incentives for the Investment Managers to target performance in line with the Trustee's objectives whilst also adhering to the level of risk specified by the Trustee.

Portfolio turnover - Insurance Provider

Given that the Trustee has secured buy-in policies with the Insurance Providers, the portfolio turnover on the underlying assets and the associated costs are a matter for the Insurance Providers.

Portfolio turnover - Investment Manager

The Trustee requires the Investment Managers to report on actual portfolio turnover at least annually, including details of the costs associated with turnover, how turnover compares with the range that the Investment Manager expects and the reasons for any divergence.

The Trustee does not believe it appropriate to set a specific turnover target or limit, but it expects their Investment Managers to keep turnover to a minimum and be able to justify any turnover in terms of improved performance or reduced risk.

Investment Consultant's fee structure

The Investment Consultant is remunerated for work completed on a fixed fee basis, a time-cost basis or via a project fee. It is felt that this method of remuneration is appropriate because it enables the Investment Consultant to provide the necessary advice and information to facilitate the Trustee in undertaking its responsibilities.

Oversight of investment manager approach

In order to ensure sufficient oversight of the engagement and voting practices of its managers, the Trustee may periodically meet with its Investment Managers to discuss engagement which has taken place. The Trustee will also expect its Investment Consultant to engage with the Investment Managers from time to time as needed and report back to the Trustee on the stewardship credentials of its Investment Managers.

The Trustee will then discuss the findings with the Investment Consultant, in the context of its own preferences, where relevant. This will include considering whether the manager is a signatory to the UK Stewardship Code. The Trustee recognises the Code as an indication of an Investment Manager's compliance with best practice stewardship standards.

07 Additional Voluntary Contribution arrangements

Provision of AVCs

The Plan provided a facility for members to pay additional voluntary contributions (AVCs) to enhance their benefits at retirement. The Trustee's objective was to provide vehicles that enabled members to generate suitable long-term returns, consistent with their reasonable expectations.

The AVC provider is ReAssure.

The Trustee selected these vehicles as they were believed to meet the Trustee's objective of providing investment options that enabled AVC members to generate suitable long-term returns, consistent with their reasonable expectations.

Review process

The Trustee recognises that members' AVC arrangements cannot remain within the Plan's trust indefinitely. The Trustee will, therefore, seek to make alternative arrangements for their AVCs in due course.

Prior to their reassignment, the Trustee acknowledges that the appointment of the AVC providers and the choice of AVC funds offered to members will need to be reviewed by the Trustee in accordance with their responsibilities. The Trustee will therefore carry out reviews at an appropriate level on a periodic basis.

Where possible, performance of the AVC providers will be measured relative to the individual benchmarks and objectives for the funds offered and/or to other providers offering similar fund options as measured in industry AVC surveys.

08 Compliance Statement

Confirmation of advice

Before a Statement of Investment Principles, as required by the Pensions Act 1995, is prepared or revised by the trustees of a pension plan, they must have consulted with the principal employer and obtained and considered the written advice of a person who is reasonably believed by it to be qualified by his ability in and practical experience of financial matters and to have the appropriate knowledge and experience of the management of the investments of such Plans.

The Investment Consultant hereby confirms to the Trustee that they have the appropriate knowledge and experience to give the advice required by the Act.

Trustee's declaration

The Trustee confirms that this Statement of Investment Principles reflects the Investment Strategy they have decided to implement. The Trustee acknowledges that it is its responsibility, with guidance from its Advisers, to ensure the assets of the Plan are invested in accordance with these Principles.

Signatures

On behalf of XPS Group:

Duncan Maloney

Associate Partner – Investment

Date: 3 July 2026

On behalf of the Trustee:

Jon Sharp

Date: 3 July 2026

Appendix I
Investment Strategy & Structure

Overall strategy (excluding buy-in policy)

Following the purchase of the insurance buy-in contract with PIC, covering the remainder of the Plan's liabilities, the Trustee has adopted an interim strategy where the Plan's assets (excluding the buy-in policy) are invested in the L&G Cash Fund, whilst the Trustee considers their objectives for the surplus holdings. There is also a small holding c.0.3% (of total Plan assets) in the CBRE UK Property Fund that is due to be fully wound up in 2026. Other non-buy-in assets are held as cash within the Trustees' Bank Account. All holdings will be used for cashflow requirements as necessary.

Appendix II
Fund benchmarks

Fund	Benchmark index
L&G Cash Fund	SONIA

Contact us
xpsgroup.com