MACLELLAN SUPPLEMENTARY RETIREMENT BENEFITS SCHEME
ANNUAL REPORT
YEAR ENDED 30 JUNE 2026

DC GOVERNANCE STATEMENT FROM 1 JULY 2025 TO 30 JUNE 2026

1. Introduction

This statement has been prepared in accordance with the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (the "Administration Regulations").

As Trustees of the MacLellan Supplementary Retirement Benefits Scheme (the "Scheme"), we have reviewed and assessed that our systems, processes and controls across key governance functions are consistent with those set out in the Pensions Regulator's:

- General Code of Practice; and
- regulatory guidance for defined contribution schemes (DC Regulatory Guidance).

Based on our assessment, the Trustees continue to work towards adopting the standards of practice set out in the Code of Practice and DC Regulatory Guidance.

The Trustees' assessment has been made in the context of having commenced the process of winding-up the Scheme in 2016 and recognising that the majority of benefits have been secured through individual insurance policies in January and February 2019.

As at 30 June 2026, there were two deferred members of the Scheme. There were no other members in the Scheme.

2. Statement of Investment Principles

The Trustees have not prepared a statement of investment principles (SIP) in relation to the Scheme because:

- the Scheme has fewer than 100 members, it is exempt from providing a SIP under regulation 2 of the Occupational Pension Schemes (Investment) Regulations 2005; and
- the Scheme does not operate a default arrangement in relation to members of the Scheme. Further, the Scheme is not being used for automatic enrolment purposes. As such, the Trustees are not required to prepare a default fund SIP under regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005.

3. Governance of the default investment arrangement

As part of the wind-up of the Scheme, retirement annuities purchased by the Trustees were assigned to individual policies in members' own names. This process was concluded on 11 January 2019. Furthermore, the benefits for the majority of deferred members were secured through individual policies with Royal London in February 2019.

Given the above, the only remaining assets of the Scheme as at 30 June 2026 is cash held in the Trustees' bank account following the redemption of the investments held for the two remaining deferred members. The Trustees have been unable to trace these members and hold insufficient personal data to enable an individual policy to be secured with Royal London. Following the receipt of appropriate legal advice the Trustees have concluded that the cash should be paid to the Scheme's sponsoring employer (the "Sponsoring Employer") subject to it entering into an agreement that it will become liable for settling the benefits due to these individuals should they make a claim in the future.

As a result of the above, the Scheme has had no invested assets since 11 February 2019 and, consequently, no default investment strategy. The Trustees have not therefore undertaken any further review of investments or the previous default arrangement since its last review in July 2015.

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4. Administration

Good administration is a key feature of a well-run scheme and an area of governance the Trustees place emphasis on.

As part of the wind-up of the Scheme, the Trustees conducted a rigorous review of the membership data held by Royal London. Where gaps in data had been identified, efforts were made to trace the missing data, particularly where this related to personal identification data such as full names, National Insurance numbers, dates of birth and also current address data.

During the period covered by this statement, the only remaining members were those where full personal identification and contact details cannot be confirmed.

The Trustees monitor core financial transactions and ensure that adequate internal controls and procedures are in place that help ensure that core financial transactions are processed promptly and accurately. Given that there are no new contributions being paid into the Scheme and no remaining invested assets, the controls and procedures relate primarily to the payment of benefits that may fall due.

During the period covered by this statement, the Trustees are satisfied that in the context that there are only two deferred members remaining, who, in spite of the Trustees' efforts, have not been traced) all core transactions have been processed promptly and accurately.

5. Costs and charges

The Sponsoring Employer funds all costs associated with the administration of the Scheme. This includes, but is not limited to, the costs of obtaining professional advice in relation to legal and consultancy matters and the costs associated with the production and audit of the Scheme's annual financial statements.

As there are no invested assets remaining there are no annual management charges associated with the investment of members benefits.

Good Value for Members

As there are no charges or transaction costs borne by the remaining members, there is no assessment of such charges to determine whether they represent good value for members.

Further, In line with statutory guidance issued by the DWP[1], the Trustees are not required to carry out an assessment as to whether charges and costs represent "good value" for members (including in relation to comparison schemes for the purposes of regulation 25 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996), as the Trustees have previously notified The Pensions Regulator pursuant to section 62 of the Pensions Act 2004 that the Scheme has commenced wind up.

Following the receipt of appropriate legal advice the Trustees have concluded that the cash held in their bank account should be paid to the Sponsoring Employer. It is anticipated that the Trustees and the Sponsoring Employer will enter into a legal agreement whereby the Sponsoring Employer will become liable for settling the benefits due to the deferred members for whom it has not been possible to secure an individual policy. The agreement will require the Sponsoring Employer to allow for

[1] "Completing the annual Value for Members assessment and Reporting of Net Investment Returns" (published 21 June 2021)

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5. Costs and charges (cont'd)

investment returns in line with prevailing investment strategy immediately prior to the redemption of the underlying investments with Royal London.

6. Trustee Knowledge and Understanding

Sections 247 to 248 of the Pensions Act 2004 requires the Trustees to possess, or have access to, sufficient knowledge and understanding to run the Scheme effectively. This includes having a working knowledge of the Scheme's trust deed and rules, and any other document recording policy for the time being adopted by the Trustees relating to the administration of the Scheme generally. The Trustees also need to have an appropriate level of knowledge and understanding of matters such as the law relating to pensions and trusts, and the principles relating to investment of pension scheme assets.

The Chair of the Board of Trustees is an experienced pensions professional and the other trustees are an experienced company secretarial officer and an experienced pension professional who has knowledge and experience of scheme discontinuance. The Trustees combine the knowledge and understanding of the members of the board, together with the advice which is available to them through their professional consultants and advisers, to enable them to properly exercise their function as Trustees of the Scheme. In addition, the Trustees undertake external training and development, particularly through the Pension Regulator's trustee toolkit and attendance at industry knowledge sharing events.

Each of the members of the Trustee board have access to the Scheme's governing documents, in order to ensure they are conversant with those documents and that they understand their powers under the Scheme rules, current pensions and trust law and current principles relating to the funding and investment of pension schemes.

In conclusion, the combined knowledge and understanding of the Board along with the advice and support available from the Scheme's professional advisers enables the Trustees to properly exercise all necessary functions in relation to the Scheme in accordance with their statutory duties.

Signed: Date: 28/10/2026

Chair of Trustees for the MacLellan Supplementary Retirement Benefits Scheme