

Tamura Hinchley Limited Pension Scheme (the "Scheme")

Statement of Investment Principles – June 2025

1. Introduction

The Trustees of the Tamura Hinchley Limited Pension Scheme (the "Scheme") have drawn up this Statement of Investment Principles (the "Statement") to comply with the requirements of the Pensions Act 1995 (the "Act") and associated legislation including the Occupational Pension Schemes (Investment) Regulations 2005 (as amended). The Statement is intended to affirm the investment principles that govern decisions about the Scheme's investments. The Trustees' investment responsibilities are governed by the Scheme's Trust Deed and Rules, of which this Statement takes full regard.

In preparing this Statement, the Trustees have consulted a suitably qualified person by obtaining written advice from Mercer Limited ("Mercer"). In addition, consultation has been undertaken with Tamura Pension UK Limited (the "Sponsor") to ascertain whether there are any material issues of which the Trustees should be aware in agreeing the Scheme's investment arrangements and, in particular on the Trustees' objectives.

2. Process For Choosing Investments

In early April 2023, the Trustees undertook a "buy-in" by using the Scheme's assets, to purchase a bulk annuity insurance policy with Aviva Life & Pensions UK Limited ("Aviva"), a UK insurance company authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority. Under this policy Aviva undertake, via the Scheme, to pay the Scheme's benefit obligations as they fall due. In due course, the intention is that the buy-in asset will be moved to a buy-out contract, with the support of the Sponsor, and the Scheme will be wound up.

The Trustee purchased the policy with Aviva having considered appropriate advice from its advisors.

3. Investment Objectives

The Trustees' objective is to act in the best interests of its members and beneficiaries. The Trustees believe the best way of achieving this is by securing all members' benefits with an insurance company.

Given this objective, and having purchased a bulk annuity insurance policy with Aviva, the Trustees' objective is to fully buy-out the members' benefits with Aviva and, at that stage wind-up the Scheme. The Trustees are working with the Sponsor and the Scheme's advisors to meet this objective and expect to secure the members' benefits in this way.

The objectives set out above and the risks and other factors referenced in Section 4 of this Statement are those that the Trustees determine to be financially material considerations. Non-financial considerations are discussed in Section 5.

4. Risk Management and Measurement

There are various risks to which any pension scheme is exposed. The Trustees' policy on risk management, over the Scheme's anticipated lifetime, is as follows:

- The primary risk upon which the Trustees focus is that arising through a mismatch between the Scheme's assets and its liabilities and the Sponsor's ability to support this mismatch risk.

- Investment in a bulk annuity policy represents a concentrated risk of the annuity provider not making the required payments. The policy in place is governed by substantial insurance market solvency regulations and the Trustees have further mitigated this credit risk through careful choice of provider and contract terms. The Trustees recognise that the investment in the bulk annuity contract is illiquid.
- The Scheme is exposed to operational risk in relation to the buy-in with Aviva, who are taking on the majority of risks in relation to the Scheme's defined benefit liabilities.
- Given that the Scheme's assets are now invested in full in the bulk annuity contract with Aviva the main risk to progressing to buy-out is the ability of the Sponsor to fund the additional premium required to move to buy-out. The Trustees have considered the strength of the Sponsor's covenant in their investment decisions. The Trustees are comfortable with this risk in light of the security of members' benefits provided by purchasing the bulk annuity policy and moving to buy-out.
- Should there be a material change in the Scheme's circumstances, the Trustees will seek appropriate advice from their advisors prior to carrying out any appropriate actions.

5. ESG, Stewardship and Climate Change

The Trustees recognise that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration. However, given the Scheme's assets are now fully invested in the buy-in policy with Aviva, there is limited scope to apply these principles. Furthermore, as the Trustees' objective is to wind-up the Scheme, the timeframe for consideration of these factors is relatively short. In their assessment of bulk annuity providers the Trustees considered provider's ESG and stewardship policies and are therefore comfortable that due consideration to these factors is given by Aviva.

6. Review of this Statement

The Trustees will review this Statement without delay after any significant change in investment policy. Any change to this Statement will only be made after having obtained and considered the written advice of someone who the Trustees reasonably believes to be qualified by their ability in and practical experience of financial matters and to have the appropriate knowledge and experience of the management of pension scheme investments.

Agreed on behalf of the Trustees of the Tamura Hinchley Limited Pension Scheme