THE CHAIR'S STATEMENT REGARDING DC GOVERNANCE: 1 APRIL 2023 - 31 MARCH 2024

The Trustees of the Kelly Services (UK) Limited Benefits Plan ("the Plan") present the annual Chair's Statement on governance ("the Statement") as required under legislation set out in regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (the 'Administration Regulations'), as amended by the Occupational Pension Schemes (Charges and Governance) Regulations 2015. The Statement covers the Plan year ended 31 March 2024 and demonstrates how the Trustees have met certain minimum governance standards in relation to defined contribution ("DC") benefits. The named Trustees for the Scheme changed after the previous year end, with one removal and two new appointments taking place in May 2023. The handover process for these changes began during the previous Plan year.

These governance standards cover five principal areas:

1. The investment strategy relating to the Plan's default arrangement;
2. Asset Allocation in the default arrangements;
3. The processing of core financial transactions;
4. Asset allocation and performance based fees disclosures;
5. Value from member borne costs within the Scheme, including the additional requirements in relation to the disclosures of costs and charges;
6. The Trustees' compliance with the statutory knowledge and understanding (TKU) requirements; and
7. Net Returns on investments.

The Trustees will publish the Statement on the Kelly Services website, in a domain that can be accessed publicly via the use of a search engine. The latest version can be accessed at: Kelly Services (UK) Limited Benefits Plan - Chair's statement 2024

Note this statement applies to both the Plan's 'pure DC' and the 'DC with underpin' sections.

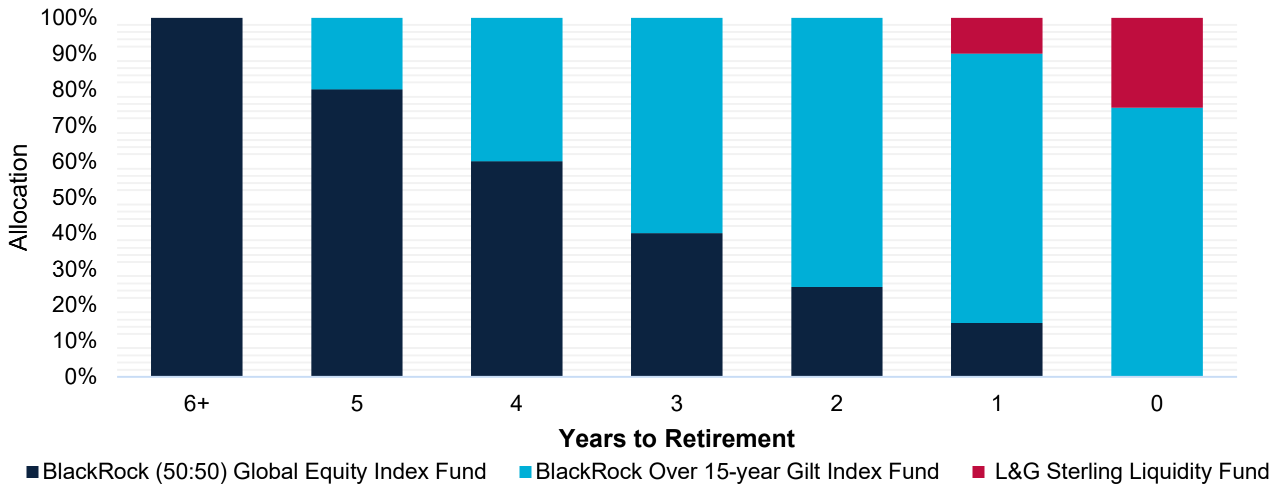
1. Investment strategy (the default investment arrangement)

The current default Lifestyle strategy is described in further detail in the Plan's updated Statement of Investment Principles (SIP) approved on 28 September 2023, a copy of which is appended to this Statement.

Members of the Plan who do not make an explicit choice regarding the investment of their funds are invested in the default strategy arrangement chosen by the Trustees with the advice of their Investment Consultant, Mercer Limited. The Plan's assets are held on an investment platform provided by Mobius Life Limited.

Members' accounts in respect of DC benefits are invested in the 'Lifestyle' investment strategy. Up to 6 years from a member's retirement date, savings will be invested in the BlackRock (50:50) Global Equity Fund, which broadly maintains an equity split of 50% UK equities and 50% overseas equities. The Lifestyle strategy automatically switches assets from the BlackRock (50:50) Global Equity Index Fund to the BlackRock Over 15 Years Gilt Index Fund and the LGIM Sterling Liquidity Fund as retirement date approaches. This leaves members with 75% of their assets invested in gilts and 25% in cash upon reaching retirement, as shown in the chart below:

CHAIR'S STATEMENT REGARDING DC GOVERNANCE (CONTINUED)



The default Lifestyle strategy aims to provide members with appropriate growth opportunities when they are far from retirement and protection against volatility in asset values as they near retirement. This transition between asset types is designed to strike an appropriate balance between risk and return.

The Trustees are required to formally review the default investment strategy at least every 3 years. During the Plan year, in 23 August 2023, the Trustees undertook a formal review of the Plan's investment strategy. Following this review, no changes have so far been made to the default investment strategy. During the 19 June 2024 meeting, the Trustees discussed the recommendations from this review.

After the Plan Year end, the Trustees approved the following changes to be implemented:

- Update the equity allocation to improve the risk-adjusted return profile (without materially changing the overall levels of risk / expected returns) by reducing the UK "home bias" and introducing a balanced approach to currency risk management by replacing the current BlackRock (50:50) Global Equity Index Fund with a blended Equity fund alternative.
- Update the at-retirement allocation to better match the GMP-related liabilities.

The next formal triennial investment strategy review, which will review both the default investment option and the self-select fund range, is due to take place in August 2026.

In addition, the Trustees are required to regularly review the performance of all funds available to members (including the default investment option) via regular performance reports. The Trustees regularly assess the extent to which performance is still consistent with the aims and objectives of the default arrangement SIP.

The Trustees will take steps to ensure regular (at least quarterly) performance reviews are undertaken going forward and that the investment strategy of the Plan (including the default investment strategy and range of self-select options provided to members) is reviewed at least every 3 years (or more frequently if there are significant changes to the Plan membership or any significant change in investment policy).

2. Asset Allocation of the Default Arrangement

The Occupational Pension Schemes (Administration, Investment, Charges and Governance) and Pensions Dashboards (Amendment) Regulations 2023 introduce new requirements for trustees and managers of certain occupational pension schemes.

For the first Plan year that ends after 1 October 2023, trustees or managers of relevant occupational pension schemes, are required to disclose their full asset allocations of investments from their default arrangements.

There is also a requirement to disclose details of performance-based fees in the Plan. There are currently no performance-based fees being charged to the Plan as at 31 March 2024.

CHAIR'S STATEMENT REGARDING DC GOVERNANCE (CONTINUED)

Information on the asset allocation for the default investment arrangement as at 31 March 2024 is set out below:

Asset Class	Default Lifestyle strategy			
	Percentage allocation – average 25 years	Percentage allocation – average 45 years	Percentage allocation – average 55 years	Percentage allocation – 62 years
Cash	0.0%	0.0%	0.0%	25.0%
Bonds	0.0%	0.0%	0.0%	75.0%
Listed Equities	100.0%	100.0%	100.0%	0.0%
Private Equity	0.0%	0.0%	0.0%	0.0%
Infrastructure	0.0%	0.0%	0.0%	0.0%
Property/Real Estate	0.0%	0.0%	0.0%	0.0%
Private Debt/Credit	0.0%	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%	0.0%

Source: BlackRock and LGIM, Mercer calculations
Figures may not sum due to rounding.

Notes:

- *The default retirement age for the lifestyle strategy is age 62. However, members can choose a target retirement age (between age 55 and age 75) which will dictate the beginning of the Lifestyle phasing. Retirement before age 62, requires Company and Trustees' consent.*
- *The following describes the types of investments covered by the above asset classes:*
  - ***Cash** – Cash and assets that behave similarly to cash e.g. treasury bills. It only includes invested cash and not the cash balance held by the Plan.*
  - ***Bonds** – Loans made to the bond issuer, usually a government or a company, to be repaid at a later date.*
  - ***Listed Equity** – Shares in companies that are listed on global stock exchanges. Owning shares makes the Plan a part owner of the company, entitled to a share of the profits (if any) payable as dividends.*
  - ***Private Equity** – Unlisted equities that are not publicly traded on stock exchanges. Encompasses a broad range of investment styles, including:*
    - *Venture Capital – Small, early stage businesses that may have high growth potential, albeit at significant risk.*
    - *Growth Equity – Relatively mature companies that are going through a transformational event with potential for growth.*
  - ***Infrastructure** – physical structures, facilities, systems, or networks that provide or support public services including water, gas and electricity networks, roads, telecommunications facilities, schools, hospitals, and prisons*
  - ***Property** – Real estate, potentially including offices, retail buildings which are rented out to businesses.*
  - ***Private Debt** – Other forms of loan that do not fall within the definition of a 'Bond'.*
  - ***Other** – Any assets that do not fall within the above categories.*

3. The processing of core financial transactions

The Trustees have a specific duty to ensure that core financial transactions relating to the DC section are processed promptly and accurately. These include the transfer of member assets into and out of the Plan, switches between different investments within the Plan and payments to and in respect of members.

These transactions are undertaken on the Trustees' behalf by the Plan administrator and its investment platform provider Mobius Life.

CHAIR'S STATEMENT REGARDING DC GOVERNANCE (CONTINUED)

During the Plan year with effect from 1 January 2024 onwards, the name of the administrators of the Plan was changed from Mercer Limited to Aptia Group Limited.

The Trustees have a service level agreement (SLA) in place with the Plan administrator which covers the accuracy and timeliness of all core transactions and receive regular reports to monitor the performance against those service levels. Those reports are discussed during Trustees' meetings. The processes adopted by the Plan administrator to help meet the SLA include dynamic checklists, a central financial control team separate to the admin team and 'four eyes' checking of investment and banking transactions, in addition to daily account monitoring. The overall SLA from 1 April 2023 to 31 March 2024 was 92.8% of completion within Service Standard. The Trustees renewed focus to receive and review administration reports going forward which are provided on a quarterly basis.

The table below includes the service standards for the common tasks completed on behalf of the Trustees:

Work Type	Service Standard
Benefit Quotation	10 Working Days
Benefit Payments	5 Working Days
Death Benefit Quotation	1 Working Day
General Member Correspondence	10 Working Days
Invoice Payment	20 Working Days
Investment / Disinvestment Request	5 Working Days
Member Updates	5 Working Days
NICO Enquires	20 Working Days
Plan Event Work	As agreed with the Trustees

The Trustees are required to review the processes and controls implemented by the administrator and consider them to be suitably designed to achieve these objectives. During the period covered by this statement, the Trustees have received administration reports and reviewed the performance of the administrator.

The Trustees monitor performance against the SLA on a regular basis and receive an annual Assurance Report on Internal Controls (AAF 01/06) from Mercer. They also perform periodic assessments of the Plan's administrator's methods and challenge them in terms of their efficiency when required.

The Trustees are not aware of any issues relating to the processing of core financial transactions.

The Trustees are satisfied that core financial transactions were processed promptly and accurately during the period analysed.

4. Value from member borne costs within the Plan

The Trustees are required to report costs borne by members in respect of the Plan investments and assess the extent that these represent good value for members. When preparing this statement, the Trustees have taken account of statutory guidance.

There are two main types of costs and charges borne by members - the Total Expense Ratio (TER) and transaction costs.

TERs are explicit charges, which consist principally of the manager's annual charge for managing and operating a fund, but also includes the costs for other services paid for by the fund, such as the legal costs, registration fees and custodian fees. However, they exclude other costs that are also member borne and can therefore have a negative effect on investment performance such as transaction costs and interest on borrowings.

Transaction costs are the expenses associated with a member trading in and out of a fund as well as the investment manager trading a fund's underlying securities, including commissions and stamp duty. The Trustees are required to report

CHAIR'S STATEMENT REGARDING DC GOVERNANCE (CONTINUED)

on the charges and transaction costs for the investments used in the main default arrangement as well as the wider fund choice available and assess the extent to which the charges and costs represent good value for members. When preparing this section of the Statement, the Trustees have taken account of statutory guidance.

Transaction costs have been provided by the Plan's investment managers and they are calculated using slippage methodology. That is, the transaction costs represent the difference between the expected trading price of a security within a fund and the price at which the trade is actually executed at (as typically a trade is executed a few working days after an order is placed). Therefore, in a buy order, for example, if the execution price is less than the expected price, a transaction cost may be negative.

Details of the Total Expense Ratios (TERs) as at 31 March 2024 payable for each fund as well as the transaction costs within the default arrangement are as follows:

Fund	TER (%)	Transaction Cost (%)
BlackRock Life (50:50) Global Equity Fund	0.58	0.01
BlackRock Life Over 15 Years Gilt Index Fund	0.55	-0.03
L&G Life Sterling Liquidity Fund	0.58	-0.10

Source: Mobius. For period 1 April 2023 – 31 March 2024.

Although not binding for the Plan, it is useful to note that this is lower than the maximum TER allowed of 0.75% for statutory default arrangements.

The Trustees also make available a range of funds, which may be chosen by members as an alternative to the default Lifestyle strategy. These funds allow members to take a more tailored approach to managing their own pension investments and attract annual charges and transaction costs as follows. The requirements are to only show charges for the funds which members are invested in.

Details of the Total Expense Ratios (TERs) as at 31 March 2024 payable for each self-select fund used as well as the transaction costs is as follows:

Fund	TER (%)	Transaction Cost (%)
BlackRock Life (50:50) Global Equity Fund	0.58	0.01
BlackRock Life Over 15 Years Gilt Index Fund	0.55	-0.03
BlackRock Life (40:60) Global Equity Fund	0.58	-0.23
BlackRock Life Corporate Bond Over 15 Years Fund	0.58	0.13
BlackRock Life Over 5 Years Index-Linked Gilt Fund	0.55	-0.14
BlackRock Life UK Equity Fund	0.57	0.05
BlackRock Life World (ex-UK) Equity Fund	0.58	0.00
L&G Life Sterling Liquidity Fund	0.58	-0.10

Source: Mobius. For period 1 April 2023 – 31 March 2024.

It should be noted that DC Members who have a GMP Underpin are not able to self-select their own investments and must invest in the Plan's default (lifestyle) strategy.

The Trustees view the Plan's cost and charges as being expensive, albeit over the Plan year the higher risk default phase investment strategy had produced higher returns. The Trustees' formal value for members' assessment is discussed later on in this statement.

CHAIR'S STATEMENT REGARDING DC GOVERNANCE (CONTINUED)

Cumulative effect of charges

Using the charges and transaction cost data provided by Mobius Life and in accordance with regulation 23(1)(ca) of the Administration Regulations, the Trustees have prepared an illustration detailing the impact of the costs and charges typically paid by a member of the Plan on their retirement savings pot. The statutory guidance has been considered when providing these examples.

In order to represent the range of funds available to members we are required to show the effect on a member's savings of investment in the following (with the Plan's relevant funds/strategies listed in brackets):

- The fund or strategy with the most members invested (The default strategy)
- The most expensive fund (BlackRock (50:50) Global Equity)
- The least expensive fund (BlackRock Over 15 Years Gilt Index)

The illustrations that follow take into account the following elements:

- Initial savings pot size;
- Contributions, where applicable;
- Real terms investment return gross of costs and charges;
- Adjustment for the effect of costs and charges; and
- Time.

To illustrate the impact of charges on a typical active member's pension pot, we have provided the below illustrations, which account for all estimated member costs, including the TER, transaction costs and inflation.

Illustration 1: A typical member invested in the DC fund range

	Most popular fund: Default Strategy		Highest cost fund: BlackRock (50:50) Global Equity		Lowest cost fund: BlackRock Over 15 Years Gilt Index	
Age	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred
60	£5,330	£5,330	£5,330	£5,330	£5,330	£5,330
61	£5,557	£5,526	£5,517	£5,485	£5,570	£5,539
62	£5,771	£5,706	£5,711	£5,645	£5,820	£5,756

Notes

1. Values shown are estimates at end of each year and are not guaranteed.
2. Projected pension pot values are shown in today's terms.
3. To make this analysis representative of the membership, the Trustees have based this assumed member on data sourced from the administrator for the prior year and rolled it forward by 12 months. The assumed member is age 60, with a normal retirement age of 62 using a starting pot size of £5,330.
4. Inflation is assumed to be 2.5% per annum.

The Regulations require that, where possible, the transaction costs used in these illustrations are based on an average of those for the five years to Plan Year End. Mobius Life have provided historic transaction costs for these funds for the five years to 31 March 2024; consequently our assumptions are based on averages of the transaction costs for these five years.

CHAIR'S STATEMENT REGARDING DC GOVERNANCE (CONTINUED)

Illustration 2: A typical underpin member

	Most popular fund: Default Strategy		Highest cost fund: BlackRock (50:50) Global Equity		Lowest cost fund: BlackRock Over 15 Years Gilt Index	
Age	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred
57	£5,410	£5,410	£5,410	£5,410	£5,410	£5,410
58	£5,596	£5,567	£5,597	£5,567	£5,651	£5,622
59	£5,788	£5,729	£5,791	£5,729	£5,903	£5,843
60	£5,986	£5,896	£5,991	£5,896	£6,166	£6,072
61	£6,204	£6,080	£6,198	£6,068	£6,441	£6,311
62	£6,442	£6,281	£6,413	£6,244	£6,728	£6,558

Notes

1. Values shown are estimates at end of each year and are not guaranteed.
2. Projected pension pot values are shown in today's terms.
3. To make this analysis representative of the membership, the Trustees have based this assumed member on data sourced from the administrator for the prior year and rolled it forward by 12 months. The assumed member is age 57, with a normal retirement age of 62, using a starting pot size of £5,410.
4. Inflation is assumed to be 2.5% per annum.
5. The Regulations require that, where possible, the transaction costs used in these illustrations are based on an average of those for the five years to Plan Year End. Mobius Life have provided historic transaction costs for these funds for the five years to 31 March 2024; consequently our assumptions are based on averages of the transaction costs for these five years.

Illustration 3: A young underpin member

	Most popular fund: Default Strategy		Highest cost fund: BlackRock (50:50) Global Equity		Lowest cost fund: BlackRock Over 15 Years Gilt Index	
Age	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred
49	£2,550	£2,550	£2,550	£2,550	£2,550	£2,550
50	£2,637	£2,624	£2,638	£2,624	£2,664	£2,650
52	£2,822	£2,779	£2,824	£2,779	£2,906	£2,862
55	£3,122	£3,029	£3,127	£3,029	£3,313	£3,213
57	£3,340	£3,208	£3,347	£3,208	£3,615	£3,470
60	£3,718	£3,517	£3,707	£3,496	£4,120	£3,895
61	£3,868	£3,641	£3,835	£3,598	£4,304	£4,048
62	£4,031	£3,774	£3,967	£3,702	£4,496	£4,206

Notes

1. Values shown are estimates at end of each year and are not guaranteed.
2. Projected pension pot values are shown in today's terms.
3. To make this analysis representative of the membership, the Trustees have based this assumed member on data sourced from the administrator for the prior year and rolled it forward 12 months. The assumed member is age 49, with a normal retirement age of 52, using a starting pot size of £2,550.
4. Inflation is assumed to be 2.5% per annum.

CHAIR'S STATEMENT REGARDING DC GOVERNANCE (CONTINUED)

Assumptions The above illustrations have been produced for an "average DC" member, an "average DC with Underpin" member and a "Young DC with Underpin" member based on the Plan's membership data. The "Default Lifestyle Strategy" illustration assumes the member's asset allocation remains fully invested in the current default strategy. The individual fund illustrations assume 100% of the member's assets are invested in that fund up to the Plan retirement age. The results are presented in real terms, i.e. in today's money, to help members have a better understanding of what their pension pot could buy in today's terms, should they invest in the funds above as shown. The Plan is closed to new members and future contributions.	
Age • "Average DC" member • "Average DC with Underpin" member • "Young DC with Underpin" member	 60 57 49
Plan Retirement Age	62
Starting Pot Size • "Average DC" member • "Average" DC with Underpin" member • "Young DC with Underpin" member	£5,330.00 *(the median pot size of the Plan's DC only members)* £5,410.00 *(median pot size of the Plan's DC with Underpin members)* £2,550.00 (*median pot size of the youngest 10% of the Plan's DC with Underpin members)*
Inflation	2.5% p.a.
Expected future nominal returns on investment: • Default Strategy o BlackRock (50:50) Global Equity Fund o BlackRock Over 15 year Gilt Index o LGIM Sterling Liquidity	 3.50% above inflation – *also Highest cost fund* 4.50% above inflation - *also Lowest cost fund* 0.50% below inflation

Net investment returns

The Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 ('the 2021 Regulations') introduced new requirements for Trustees of 'relevant' occupational pension schemes. The statutory guidance was followed for completing this section.

From 1 October 2021 Trustees of all relevant pension schemes are required to calculate and state the return on investments from their default and self-select funds, net of transaction costs and charges. This information must be recorded in the annual Chair's Statement and published on a publicly available website.

The tables below show performance, net of all charges and transaction costs, of all funds available to members during the Plan year.

CHAIR'S STATEMENT REGARDING DC GOVERNANCE (CONTINUED)

Default Strategy:

	Annualised Returns to 31 March 2024 (% p.a.)	
Age of Member	**1 Year**	**5 Year**
25	13.1	8.1
45	13.1	8.1
55	13.1	0.5

Source: Mobius Life and Mercer estimates.
Performance shown net of all charges and transaction costs. Performance has been calculated based on a fixed weighted average of underlying fund performance in the lifestyle, with the weightings as at the ages shown.

Self-Select Fund used by members:

Self-select Funds	Annualised returns to 31 March 2024 (% p.a.)	
	1 year	5 years
BlackRock Life (50:50) Global Equity Fund	13.1	8.1
BlackRock Over 15 Years Gilt Index	-4.7	-8.3
BlackRock Life (40:60) Global Equity Fund	17.1	10.2
BlackRock Life Corporate Bond Over 15 Years Fund	5.3	-3.5
BlackRock Life Over 5 Years Index-Linked Gilt Fund	-6.7	-6.5
BlackRock Life UK Equity Fund	6.8	4.8
BlackRock Life World (ex-UK) Equity Fund	23.8	13.3
L&G Life Sterling Liquidity Fund	5.1	1.6

Source: Mobius Life as at 31 March 2024

Notes:
Returns are shown net of charges, based on Mobius Life unit prices.

5. Value for members

Under new legislation applying to all DC schemes with less than £100m in assets, the Trustees are required to assess the extent to which the Plan delivers value for members across three key areas:

Assessment area	Type of assessment
Costs and charges	Comparative assessment against three larger DC arrangements, considering the level of ongoing member-borne charges and transaction costs.
Net investment performance	Comparative assessment against three larger DC arrangements, considering investment performance net of all member-borne costs and charges.
Governance and administration	Standalone assessment of the Plan's governance and administration arrangements, covering: core financial transactions; record keeping; default investment strategy; investment governance; Trustee knowledge and understanding; member communications; and management of conflicts of interest

The Trustees have carried out a value for members' assessment as at 31 March 2024. The conclusions of this assessment are set out in the table below.

CHAIR'S STATEMENT REGARDING DC GOVERNANCE (CONTINUED)

Assessment area	Conclusion
Costs and charges	The Trustees have assessed the Plan as offering poor value from a costs and charges perspective on the basis that its on-going investment charges are significantly higher than those that would be applicable through a larger, multi-employer DC arrangement. The Trustees are currently considering the level of Plan fees.
Net investment performance	The Trustees have assessed the Plan as offering reasonable value from a net investment performance perspective, based on returns achieved over periods to 31 March 2024.
Governance and administration	The Trustees have assessed the Plan as offering reasonable value from a governance and administration perspective. ***Promptness and accuracy of core financial transactions*** The Trustees appointed a specialist third party administrator to undertake administration. Aptia (previously Mercer) are able to provide an AAF report. Administration records are audited annually. The overall SLA from 1 January 2023 to 31 March 2024 was c. 93% of completion within Service Standard. Administration reports will be tabled and reviewed at future Trustees Meetings. ***Quality of record keeping*** Common and Scheme Specific data were last reviewed on 10 May 2023. The is some room to improve the common data score which was at 82%. While the conditional data scores were split by differing benefit structures, as follows: DB benefits – 56.4% DC benefits – 33.2% DC Underpin benefits – 41.4% Post Plan year end, the Trustees requested that the administrator undertake member tracking; this will improve scores going forward. ***Appropriateness of the default strategy*** The Trustees reviewed the Plan's default investment option in 23 August 2023, with the assistance of the investment consultant for the Plan. Post Plan year end, the Trustees approved the changes to be implemented. ***Quality of investment governance*** Over the Plan Year, the Trustees have reviewed the investment performance of the funds available to members on a quarterly basis. ***Level of trustee knowledge, understanding and skills to operate the pension scheme effectively*** The Trustee Board comprises of 3 Company nominated trustees with pensions experience. The Trustees have sought to appoint member nominated Trustees, but none have been forthcoming. The Trustees will ensure sufficient time and focus is given to DC benefits. Specialist DC training will be undertaken.

CHAIR'S STATEMENT REGARDING DC GOVERNANCE (CONTINUED)

<table>
<tr><th>Assessment area</th><th>Conclusion</th></tr>
<tr><td></td><td> Quality of communication with scheme members The Trustees undertook a default investment strategy review in August 2023 with the assistance of the Plan's investment consultant. The strategy was agreed by the Trustees post the Plan Year end. Changes resulting from this strategy review will be communicated to members. Additionally, the SMPI Statements for the years ending 2021, 2022 and 2023 were outstanding. The Trustees met on 28 March 2024 and decided the SMPIs should be added to the Action Register. Effectiveness of management of conflicts of interest The Trustees have a conflict of interests policy and register in place, and any new conflicts are declared and considered at each Trustees Meeting, and subsequently recorded. </td></tr>
<tr><td>Overall</td><td> Based on our assessment, the Plan offers reasonable value for members, with the strong relative investment returns being the main positive finding. The Trustees have agreed appropriate action to improve the value for members offered by the Plan, including updating the investment strategy to make the expected risk/return profile more suitable for the Plan's members, and to consider bringing down the costs and charges applied through the investment funds. The Trustees have also considered the value of the DB underpin applicable to Plan's DC members; this valuable benefit would be lost upon transfer to an alternative DC arrangement. The Trustees undertook an Investment Strategy Review in August 2023. Post Plan Year end, the Trustees approved the changes to be implemented. The Trustees have also identified the following areas of improvement: Review the fee arrangements currently in place and look to negotiate with the provider, where possible
Review member communications to support members in their retirement planning.
Increase the focus on defined contribution pension aspects. The Trustees believe making these improvements will result in better value for members being offered than winding up the Plan and transferring members' assets to a larger occupational scheme, particularly given the challenges of the DB underpin. </td></tr>
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The Trustees will formally assess value for members again during the next Plan Year.

The Trustees have set up processes to publish relevant information on the costs and charges of the default investment option and self-select funds online during the Plan Year but they have not notified members about this in member communications. The Trustees will notify members about this in future communications.

Trustees' knowledge and understanding

Sections 247 and 248 of the Pensions Act 2004 set out the requirement for Trustees to have appropriate knowledge and understanding of the law relating to pensions and trusts, the funding of occupational pension schemes, investment of scheme assets and other matters to enable them to exercise their functions as Trustees properly. This requirement is underpinned by guidance in the Pension Regulator's Codes of Practice 07 and 13.

CHAIR'S STATEMENT REGARDING DC GOVERNANCE (CONTINUED)

New Trustees were formally appointed in May 2023 but were introduced to the Board ahead of the execution of the deed during the previous Plan Year. During the previous Plan Year, it was agreed that trustee training would be incorporated into each Trustees meeting, ensuring DC matters were covered. A Trustees training log is currently maintained by the Scheme secretary and will be maintained going forward.

All the Trustees are required to familiarise themselves with the Plan's Trust Deed & Rules, the Statement of Investment Principles, all documents setting out the Trustees' current policies, the law relating to pensions and trusts, and the principles relating to the funding and investment of occupational pension schemes.

Ongoing Training

Over the course of the Plan Year, the Trustees demonstrated their continuous commitment to learning by undertaking training at Investment Committee or Trustees meetings. This training, combined with the available advice from the scheme's actuary, investment advisers and lawyers enables the trustee board to properly exercise its function.

During the 23 August 2023 meeting, the Trustees undertook DC Trustee Training on:

- DC Administration (Administration report, Trustees Report and Accounts, Transfer of Administration services to Aptia)
- Investments (SIP, Implementation Statement, DC Investment Strategy review, Performance reports, ESG considerations)
- Small Schemes Value for Members Assessment
- Governance (Discretionary Pension Increases, General Code of Practice, Risk Register, Cyber Security)

During the 28 March 2024 meeting, the Trustees undertook DC Trustee Training on:

- Investments (Performance report)

The Trustees have agreed that all Trustees are expected to complete the Pension Regulator's Trustee Toolkit within six months of appointment. Training will be undertaken at all future Trustees meetings.

This statement has been prepared in accordance with Regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 as amended by the Occupational Pension Schemes (Charges and Governance) 2015 (together 'the Regulations') and I confirm that the above statement has been produced by the Trustees to the best of my knowledge.

Darren Masters for Capital Cranfield Pension Trustees Limited

Chair of the Trustees

Date: 21 October 2024