

Firth Rixson Pension Plan (the "Plan")

Statement of Investment Principles – September 2025 (replaces February 2025)

1. Introduction

The Trustee of the Firth Rixson Pension Plan (the "Plan") has 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 Plan's investments. The Statement of Investment Arrangements ("SIA"), a separate document detailing the specifics of the Plan's investment arrangements, is also available upon request. The Trustee's investment responsibilities are governed by the Plan's Trust Deed and Rules, of which this Statement takes full regard.

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

The Trustee will monitor compliance with this Statement regularly, and in any event will review this Statement at least once every three years and without delay after any significant change in investment policy. The Statement will also be reviewed in response to any material changes to any aspects of the Plan and its liabilities, finances and attitude to risk of the Trustee and Sponsor which it judges to have a bearing on the stated policy.

Any change to this Statement will only be made in consultation with the Sponsor and after obtaining and considering the written advice of someone who the Trustee 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.

The Plan is a Defined Benefit Scheme and was established by Trust Deed in December 2019.

2. Investment Objectives

In August 2025, the Trustee undertook a "buy-in" by using the majority of the Plan's assets to purchase a bulk annuity insurance policy with M&G, a UK insurance company authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority. Under this policy, M&G undertake, via the Plan, to pay the Plan's benefit obligations as they fall due. The Trustee purchased the policy with M&G having considered appropriate advice from its advisors. The remaining Plan assets are invested in the MGI UK Cash Fund to provide capital protection of surplus monies, and the monies held in the Trustee Bank Account will be used to fund any ongoing expenses.

The Trustee's objective is to invest the Plan's assets in the best interest of the members and beneficiaries. Within this framework, the Trustee has agreed primary objectives to help guide it in its strategic management of the assets and control of the various risks to which the Plan is exposed.

The Trustee's primary objectives are as follows:

- To make sure the Plan can meet the obligations to members and beneficiaries of the Plan.
- To provide protection for members' accrued benefits.

The Trustee believes the best way of achieving the primary objectives is by securing all members' benefits with an insurance company.

The objectives set out above and the risks and other factors referenced in this Statement are those that the Trustee determines to be financially material considerations in relation to the Plan.

3. Investment Strategy and Day to Day Management of Assets

As noted, the Plan holds a buy-in policy with M&G, which accounts for the majority of the Plan's assets. M&G are authorised by the Prudential Regulation Authority, regulated by the Financial Conduct Authority and are registered in the United Kingdom.

The nature of the buy-in policy is such that the expected return will fund the Plan's pension obligations. Due to the buy-in policy, the assets do not have a return target and instead the objective is to maintain liquidity and security and pay members' pensions as they fall due.

The Plan has an ongoing investment in a money market fund (MGI UK Cash Fund) to generate a modest return in order to cover fees and expenses of running the Plan. The money market investments ensure the residual assets are invested in a risk-controlled manner to mitigate against the risk of the assets being eroded by adverse market conditions, and are a liquid investment allowing them to be used for cashflow purposes, if required. The investment is considered low-risk given its investment in predominantly a money market fund which holds mostly short-dated and high-quality money market instruments. The investment manager for the residual assets, Mercer Global Investments Europe Limited ("MGIE"), is remunerated according to an agreed share class fee.

4. Risk Management and Measurement

There are various risks to which any pension scheme is exposed, albeit these risks have, to a large extent, been mitigated by investing in the buy-in contract with M&G. The Trustee's policy on risk management over the Plan's anticipated lifetime is as follows:

- Credit risk: The principal risk facing the Trustee and Plan's members is that M&G may default on their obligations under the annuity contract to meet accrued benefits (as contracted). Before entering into the contract with M&G, the Trustee obtained advice from its buy-in advisors which touched on this risk, and it was considered in the insurer selection process. The Trustee notes that there is strong regulatory oversight of insurers with strict reserving requirements which are designed to reduce the risk of default.
- Liquidity risk: It is recognised that the buy-in policy held with M&G is not a liquid investment and is intended to be held for the life of the Plan. However, the buy-in policy is intended to match the liquidity requirements of the relevant liabilities as exactly as possible, and so the requirement to hold liquid assets to meet these liabilities falls away. The residual assets are daily dealt.
- Inflation risk: This is the risk that the fair value or future cash flows of a financial asset will fluctuate because of change in the inflation rate. The Plan is exposed to the risk that its investment in a money market fund, will be equal to or lower than the rate of inflation, leading to flat or negative real (inflation adjusted) returns.
- Environmental, Social and Governance risks: These risks are recognised and considered to be financially material. With the purchase of the buy-in policy, responsibility for

management of these risks passed to M&G; their ability to manage these risks was considered as part of the insurer selection exercise. The Trustee from time to time may ask M&G to comment on the integration of ESG factors, where relevant, in the assets underlying the insurance policy.

- Concentration risk: The Trustee recognises that the decision to invest in a buy-in with a single provider, whilst reducing operational risks and complexity, represents a concentration of investment risk. However, after due diligence of the provider prior to the transaction, the Trustee is satisfied that the degree of risk taken is acceptable.

The Trustee will continue to monitor and consider these risks as part of any investment discussions. Should there be a material change in the Plan's circumstances, the Trustee will advise Mercer, who will review whether and to what extent the investment arrangements should be altered.

5. Cashflow and Rebalancing Policy

M&G, via the bulk annuity policy, provide a monthly annuity income to the Plan to allow the Trustee to meet monthly cashflow requirements. Lump sum payments from the insurer are paid if members transfer out of the Plan and to allow the Trustee to meet retirement lump sums.

Regarding the residual assets held by the Plan there is no automatic rebalancing.

6. Investment Manager Appointment, Engagement and Monitoring

The purchase of the buy-in policy means the Trustee does not expect to appoint any further investment managers beyond the investment in the MGIE money market fund (where the Plan's residual assets are invested).

The Trustee will maintain oversight of the performance of the residual assets to ensure they are meeting their objectives.

7. Environmental, Social, and Corporate Governance, Stewardship, and Climate Change

The Trustee believes that financially material factors, including environmental, social, and corporate governance (ESG) factors, may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities that may apply over the Plan's investment time horizon and increasingly may require explicit consideration.

The Trustee has implicitly delegated consideration of ESG issues, engagement and stewardship obligations to M&G in relation to the majority of the Plan's defined benefit assets via a bulk annuity contract, and to MGIE in relation to the residual invested surplus defined benefit assets.

The annuity contract makes contractual payments to the Plan dependant only on the benefits payable under the contract. As a result, the Trustee has minimal direct exposure to risks arising from long-term sustainability issues, including climate change. The Trustee is, however, satisfied that M&G apply due consideration to ESG issues in the investment of assets underlying the contract.

The Trustee will not consider the ESG policies of Additional Voluntary Contributions provider(s) and associated investment funds as these are a small proportion of total assets.

Member views are not taken into account in the selection, retention and realisation of investments given the nature of the Plan's investment policy.

8. Additional Assets

Under the terms of the Trust Deed the Trustee is responsible for the investment of Additional Voluntary Contributions paid by members. The Trustee reviews the investment performance of the funds available to members on a regular basis and takes advice as to the providers' continued suitability.

9. Compliance with and review of this Statement

The Trustee will monitor compliance with this Statement regularly, and in any event will review this Statement at least once every three years and without delay after any significant change in investment policy. The Statement will also be reviewed in response to any material changes to any aspects of the Plan and its liabilities, finances and attitude to risk of the Trustee and the Sponsor which it judges to have a bearing on the stated investment policy. Any such review will be based on written expert investment advice and will be in consultation with the Sponsor.