

ICM Computer Group Pension and Assurance Scheme

Statement of Investment Principles – March 2025

Background

The Trustee of the ICM Computer Group Pension and Assurance Scheme ("the Scheme") has drawn up this Statement of Investment Principles ("the SIP") to comply with Section 35 of the Pensions Act 1995 (as amended by the Pensions Act 2004 and regulations made under it). The Statement is intended to affirm the investment principles that govern decisions about the Scheme's investments and the Trustee believes that the investment policies and their implementation are in keeping with best practice, including the principles underlying the (Myners) Code of Best Practice for pension fund investment published in 2001 (as amended).

The Scheme operates for the exclusive purpose of providing retirement benefits and death benefits to eligible participants and beneficiaries.

Governance

The Trustee makes the key strategic decisions relating to the Scheme's investments, and to support the objectives of the Scheme's investment strategy, it has appointed Legal & General Assurance (Pensions Management) Limited ("Fiduciary Manager" or "PMC") as a Fiduciary Manager as of 2 January 2018, giving the Fiduciary Manager discretion over the implementation and day-to-day management of the Scheme's investments. The Fiduciary Manager delegates its investment management powers to Legal & General Investment Management Limited ("LGIM"). LGIM is part of the same group of companies as the Fiduciary Manager. The Trustee has also appointed LGIM to provide investment advisory services under an investment advisory agreement on or around the same date. The Trustee may terminate its agreements with the Fiduciary Manager and LGIM in line with their terms and intends to terminate PMC's appointment as Fiduciary Manager shortly after this Statement becomes effective.

When making investment decisions, and when appropriate, the Trustee obtains and considers suitable advice from LGIM. LGIM is qualified by its ability in and practical experience of financial matters, and have the appropriate knowledge and experience to provide such advice. The Trustee reviews LGIM's performance and the Scheme's risk profile on a quarterly basis. When deciding on the long term investment strategy and in preparing this Statement, the Trustee has consulted with the Scheme's sponsor. The ultimate power and responsibility for deciding investment policy lies solely with the Trustee. The details of the Trustee's investment strategy are reported in the Trustee Report and Accounts each year.

Investment Objectives

The Trustee aims to pay members benefits in a sustainable and secure manner. The Trustee is required to invest the Scheme's assets in the best interest of the members. The Trustee's objective is to meet pension payments as they fall due, with a low level of risk.

Investment Strategy and Management of the Assets

In March 2025, the Scheme was sufficiently well-funded that the Trustee was able to purchase a Bulk Purchase Annuity or 'buy-in' policy issued by Legal and General Assurance Society Limited ("LGAS"). This policy covers all known members of the Scheme. Under the policy, LGAS is responsible for meeting all future cash obligations to pay benefits insured under the policy. Following a period of data verification, the intention will be to finalise the insured benefits to reflect to the extent possible insured members' full Scheme entitlements. The Trustee intends to hold the Bulk Purchase Annuity until the end of its term subject to the provisions of the Bulk Purchase Annuity.

The Bulk Purchase Annuity can be considered to be a closely matching asset of equal value to the Scheme's known liabilities in relation to the insured members. The value of the Bulk Purchase Annuity is therefore expected to move in line with the value of those liabilities over time. LGAS' fees for providing the Bulk Purchase Annuity and administering benefits in the future were embedded within the initial premium paid.

Before purchasing the Bulk Purchase Annuity with LGAS, the Trustee received advice from XPS Group (specialist risk adviser) and its legal advisors that the policy terms are appropriate for the requirements of the Trustee and members.

The holdings under the Trustee's PMC policy will be partially disinvested as part of the buy-in transaction, with the remaining holdings to be invested in a low-risk manner.

The Trustee may also hold a small amount of cash in the Trustee's bank account for the purposes of prudent liquidity management and to pay any Scheme expenses that may arise. In the normal course of events, the Trustee does not expect to be able to obtain cash from the Bulk Purchase Annuity other than in respect of the member benefits insured with LGAS.

The safe custody of the underlying assets to which the Scheme is exposed is delegated to professional custodians via the LGAS insurance policy which the Trustee holds.

Investment Risks

The Trustee recognises a number of risks involved in investment of the assets of the Scheme and also understand that this does not constitute an exhaustive list of the risks the Scheme faces.

- The primary investment risk faced by the Scheme arises as a result of a potential mismatch between the Scheme's assets and its liabilities. This is therefore the Trustee's principal focus in setting investment strategy, which the Trustee believes is well-managed through the Bulk Purchase Annuity policy.
- The Scheme is exposed to counterparty risk associated with LGAS in respect of the Bulk Purchase Annuity policy. Before purchasing the policy the Trustee took advice from XPS Group regarding LGAS' financial position and satisfied itself that this risk was sufficiently well-managed. LGAS operates as an insurance company in the UK, and therefore regulated by the UK Prudential Regulation Authority.

Realisation of Investments

In purchasing the Bulk Purchase Annuity, the Trustee has sought to ensure that the Scheme will be able to meet its cashflow requirements. On this basis, the Scheme is not expected to be

required to realise investments other than in the limited circumstances described in above in 'Investment Strategy and Management of the Assets'.

Qualifying insurance policies meet the necessary requirements to ensure diversification and liquidity under applicable regulation.

Responsible Investment and Corporate Governance

The Trustee believes its main duty is to protect the financial interests of the Scheme's members, and to this end the Trustee has elected to invest most of the Scheme's assets in a Bulk Purchase Annuity policy with LGAS. The Trustee cannot, however, directly influence the social, environmental and governance (including voting policy) of the assets that LGAS holds to back the policy.

When selecting LGAS as Bulk Purchase Annuity Provider, the Trustee assessed LGAS' approach to social, environmental and governance (including voting policy) ("ESG") and concluded that LGAS takes decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity, taking into account all relevant matters pertaining to that security, in order to improve their performance in the medium to long-term. In addition, LGAS' voting policy reflects current best practice including the UK Corporate Governance Code and the UK Stewardship Code. The Trustee concluded that LGAS assess the impact of ESG issues on the assets it holds backing the Bulk Purchase Annuity, and in exercising rights and stewardship obligations attached to the such assets.

Additional Voluntary Contributions ('AVCs')

Member's additional voluntary contributions are held in separate insured policies.

The Trustee reviews these arrangements from time to time to ensure that the investment performance achieved is acceptable and the investment profile and ESG policies of the AVC provider remains consistent with the objectives of the Trustee and the needs of the members.

The Trustee has delegated exercising rights and stewardship obligations attached to the AVC provider.

Fee Arrangements

As described above in 'Investment Strategy and Management of the Assets', LGAS' fees for providing the Bulk Purchase Annuity and administering benefits in the future were embedded within the initial premium paid.

Given the use of a Bulk Annuity Policy for almost all assets of the Scheme, the Trustee does not expect the Scheme's assets to generate material (if any) portfolio turnover costs.

Review of this Statement

The Trustee will review this Statement at least once every three years and without delay after any significant change in investment policy. In consultation with the Scheme Sponsor, any change to this Statement will only be made after having obtained and considered 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.