

Ferrero UK Limited Pension & Assurance Scheme (the “Scheme”) Investment Policy Implementation Document (“IPID”)

This document sets out the Trustee’s current investment strategy, and is supplementary to the Trustee’s Statement of Investment Principles.

The Trustee’s investment strategy has been established in order to meet the Scheme's objectives set out in the Statement of Investment Principles. The details are laid out below:

1. Asset Allocation Strategy

The Trustee has appointed Legal and General Investment Management and Aon Investments Limited to manage the agreed asset allocation strategy.

The Scheme’s overall strategic asset allocation is shown in table below:

| Asset Class | Strategic Allocation (%) | Range +/- |
|--|--------------------------|-------------------|
| Global Developed Market Equities – Market Capitalisation | 12.0% | +/- 2.0% |
| Global Developed Market Equities – Low Volatility | 4.5% | +/- 1.5% |
| Emerging Markets Equities | 6.0% | +/- 1.5% |
| Diversified Alternatives Strategy | 15.0% | +/- 2.5% |
| Global Fixed Income | 12.5% | +/- 2.5% |
| Growth | 50.0% | +/- 10.0% |
| Liability Driven Investment (Hedging) | 50.0% | +/- 10.0% |
| Matching | 50.0% | +/- 10.0 % |

Rebalancing Arrangements

The Scheme’s long-term target asset allocations shown can deviate from time to time in line with agreed ranges due to market movements and / or short-term tactical decisions by the Trustee. The Scheme’s investment strategy is reviewed regularly by the Trustee to determine whether any rebalancing is required. Input is sought in relation to any rebalancing from the Trustee’s investment adviser.

Cash Balances

A working balance of cash is held for imminent Scheme expenditure requirements. The Trustee will seek the advice of its investment advisor regarding the fund source(s) for future working cash requirements.

2. Investment Management Arrangements

The following describes the mandates given to the fund managers within each asset class.

The Trustee will appoint appropriate investment managers, with support from its investment advisor, for the component parts of the investment strategy. For the Aon Investment Limited (“AIL”) delegated pooled funds AIL are responsible for the monitoring, removal and appointment of the underlying investment managers and strategies.

Liability Driven Investment (or “liability hedging”) funds are used to hedge the Scheme's exposure to changes in long term interest rates and inflation. As a consequence, the Trustee will allocate to both fixed and inflation linked instruments with the aim of matching, as far as is practical, the estimated fixed and inflation linked liabilities of the Scheme. The Trustee currently aims to hedge a proportion of the fixed and inflation linked liabilities and will continue to monitor this and adjust the hedge when it is appropriate to do so.

| Manager | Fund | Benchmark |
|---------------------------------------|--|-------------------------------------|
| Legal & General Investment Management | World Equity Index (MSCI) – GBP Currency Hedged Fund | MSCI World Equity Index –GBP Hedged |

| Manager | Fund | Benchmark |
|---------------------------------------|--|---|
| Legal & General Investment Management | MSCI World Minimum Volatility Index Fund | MSCI World Minimum Volatility (GBP Optimised) Index |

| Manager | Fund | Benchmark |
|---------------------------------------|--|---------------------|
| Legal & General Investment Management | World Emerging Markets Equity Index Fund | FTSE Emerging Index |

| Manager | Fund | Target |
|-------------------------|-----------------------------------|--------------------------------------|
| Aon Investments Limited | Diversified Alternatives Strategy | SONIA +2.0% p.a. over a market cycle |

| Manager | Fund | Target |
|-------------------------|----------------------------|--------------------------------------|
| Aon Investments Limited | Active Global Fixed Income | SONIA +1.5% p.a. over a market cycle |

| Manager | Fund | Benchmark |
|---------------------------------------|-----------------------------|--|
| Legal & General Investment Management | Liability Driven Investment | Move in line with the change in value of leveraged or physical gilt of the same term |

| Manager | Fund | Benchmark |
|---------------------------------------|-------------------------|------------------|
| Legal & General Investment Management | Sterling Liquidity Fund | SONIA |

The Trustee may make use of the above cash fund to facilitate the collateral management of the Scheme's Liability Driven Investment mandate.

3. Fee structure for advisers and managers

3.1 Advisers

The Trustee's investment advisers are paid for advice received on the basis of the time spent by the adviser. For significant areas of advice (for example one off special jobs, or large jobs, such as asset and liability modelling), the Trustee will endeavour to agree a project budget.

These arrangements recognise the bespoke nature of the advice given, and that no investment decisions have been delegated to the adviser.

3.2 Investment managers

For all investment mandates, the investment manager is remunerated as a set percentage of the assets under management. This is in keeping with market practice.

3.3 Summary of investment management fee arrangements

Legal & General Investment Management

| Asset Class | Annual Management Fee Scale % per annum |
|--|---|
| Global Equity | For the first £ 5 million 0.223% For the next £10 million 0.198% |
| Minimum Volatility Global Equity | For the first £ 5 million 0.25% For the next £10 million 0.225% |
| Emerging Markets Equity | For the first £ 5 million 0.45% For the next £ 5 million 0.35% |
| Index Linked Gilts & Fixed Interest Gilts | For the first £ 5 million 0.10% For the next £ 5 million 0.075% |
| Leveraged Gilts/Index Linked Gilt Funds | 0.24% |
| Cash | For the first £ 5 million 0.125% For the next £ 5 million 0.10% |

Aon Investments Limited

| Fund | Annual Management Fee Scale % per annum |
|---|--|
| Adept SF2 – Active Global Fixed Income | 0.25%* |
| Adept SF31 – Diversified Alternatives Strategy | 0.20%* |

*subject to a combined minimum of £15,000 per annum. Underlying managers fees and expenses are in addition and may vary over time.

4. Additional Voluntary Contributions

AVCs are invested with ReAssure Limited, part of the Phoenix Group.