THE ANNUAL GOVERNANCE STATEMENT 2026

In March 2015, the Department for Work and Pensions set out new rules for the governance of Defined Contribution (DC) pension schemes. Trustees are required to produce an annual statement, signed by the Chair, setting out how they believe they have met with required governance standards.

This Statement has been prepared by the Trustee of "Pension & Benefit Services Ltd Pension Scheme" ('the Scheme') in accordance with regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (as amended). It sets out how the Trustees have met the statutory defined contribution (DC) governance standards during the Scheme year ended 31 March 2026.

The Trustees continually review and assess systems, processes and controls across key governance functions to determine whether these are consistent with those set out in the Pensions Regulator's:

- Code of practice 13: Governance and administration of occupational trust-based schemes providing money purchase benefits
- Regulatory guidance for defined contribution schemes.

Additionally, the Trustees review periodically whether there have been any changes to the Regulations, to ensure they are working towards meeting the highest standards expected of them.

To aid the Trustees they are currently assessing the presence of the DC Code of Practice standards using the Pensions Regulator's self-assessment template. Their findings are documented and discussed during the annual Trustee meeting.

The template sets out the key quality features that underpin both the code of practice and regulatory guidance which The Pensions Regulator considers should be present in well-governed pension schemes.

Sufficient Knowledge and Understanding

Vidett Trustee Services Limited are the Sole Professional Trustee of the Scheme. The following changes were made to the Trustee post year end:

Name	Date of appointment	Date of resignation
Alison Hatcher	1 May 2026	
Rachel Hart		30 April 2026

Actions taken by the Trustees to gain the appropriate knowledge and understanding required to effectively run the Scheme with good governance.

- All Trustees have completed the online Trustee Toolkit including the new modules or amended modules as they are added or changed. In addition, the Trustees will revisit modules to refresh their knowledge periodically as necessary.

- The Trustee is a professional company with several directors, all of whom keep their knowledge up to date by attending seminars and reading material from the Regulator and other pension service providers.

- Vidett Trustees work for a broad range of clients and are familiar with the law relating to pensions and trusts. This can be demonstrated through the qualifications held by the Trustee and their continued involvement with many pension schemes.

- The Trustees receive regular training and are encouraged to identify gaps in their knowledge.

- The Trustees receive regular investment training and receive manager presentations.

- The Trustees maintain a training register to keep a log of all training undertaken. The log is assessed from time to time to identify knowledge gaps.

- The Trustees are conversant with the Trust Deed and Rules and the powers granted to them.

- The Trustee is conversant with, and has demonstrated a working knowledge of, the Trust Deed and Rules by having access to the documents on their online directory and providing decisions in line with the Rules. If there are any ambiguities over the interpretation of the Rules legal advice is sought from the Scheme's Lawyers.

- The Trustees are conversant with the Statement of Investment Principles for the time being maintained under Section 35 of the Pensions Act 1995.

- The Trustees keep up to date with developments in the DC landscape and new guidance issued by the Pensions Regulator.

- The Trustee has a training program for all their staff and are subject to independent audit on their controls and processes through the AAF02/07 reporting. As part of the AAF process the Trustee is required to confirm that the current team have appropriate level of knowledge and understanding to be able to represent 20-20 as Trustee of the Scheme. The Trustee maintains a log of both required and voluntary training.

- The Trustee seeks advice on its arrangements from its appointed professional advisers.

- Vidett Trustee Services Limited operate a governance framework which includes policies on how the Trustee will deal with conflicts, manage risk, ensure key tasks are completed in time and deal with member complaints. The Trustee reviews these documents on an annual basis to ensure they are still suitable and makes any changes as required. The Trustee will also be undertaking a review of the DC section against the code of practice 13 requirements.

- All Trustees are accredited under the **APPT Accreditation Scheme for professional Trustees and as such, are members of the Association of Professional Pension Trustees (APPT).**

During the Scheme year the Trustees have met the requirements of Section 247 and 248 of the 2004 Act (requirement for knowledge and understanding) by holding regular Trustee meetings, with at least one per year set aside for monitoring the Scheme governance and ensuring it is run in accordance with the Scheme rules and in line the Pensions Regulator's guidance notes. Additional ad hoc meetings by conference call or as a 'special' meeting are also held when required.

The Trustee, together with assistance from their professional advisers, use their combined knowledge and understanding of Pension Law, specific Scheme documentation, legal requirements and the Pensions Regulator's guidance to ensure that the Scheme is run effectively and members' benefits are paid in accordance with the Scheme rules and to carry out the fiduciary duties required of them. This combined knowledge helps the Trustees to ensure that good Scheme governance is a priority and where any improvements can be made to existing procedures and processes. The Trustees knowledge of the Scheme rules ensures that they can consider non-standard benefit request options and whether this is permissible under the current rules and whether legal opinion is required and / or a rule change needed.

Ensuring good governance helps the Trustees determine whether the Scheme is good value for money and whether members and beneficiaries are being treated fairly and seeks to safeguard the interests of all members and beneficiaries.

The Trustees are currently use the Pension Regulator's Self-assessment template – "Presence of DC code standards" to assess whether they can improve further their Scheme governance and whether better practices can be established.

<u>Administration Standards & Core Financial Transactions</u>

- The Trustee has appointed professional advisers and have delegated the day to day running of the Scheme.

- The Trustee is aware that the responsibility of the running of the Scheme remains with them and they have implemented adequate internal controls, which are reviewed periodically.

- The Trustee has appropriate service agreements in place with their advisers and are aware of their key contacts.

- The Trustees use a reputable professional pensions administration service who are trained and completely conversant with the Scheme's Trust Deed and Rules
- Service agreements set out the scope of work covered by professional appointments. Utmost, the appointed administrators of the DC section of the Scheme, work to industry standards providing timely turnaround times for both non-financial and financial matters.

a) SLA with professional advisers Utmost – Key Terms:

1. To provide retirement benefits to our members in accordance with the Rules of the Pension & Services Ltd Retirement Benefits Scheme for all Employees, and relevant legislation and regulations.

2. To manage the DC Scheme assets on behalf of the Trustees.

3. To report any breaches or maladministration to the Trustees once identified.

4. To meet the agreed service level standards.

b) Processes adopted by Utmost to meet the SLA targets:

1. The Scheme's assets consist of insurance policies with Utmost Life and the benefits are provided from these policies. Assets are invested with the Clerical Medical With-Profits Fund.

2. Ensure that member benefits are invested in line with the member's instruction

3. To provide an annual report to the Trustee confirming the transactions that have taken place within the Scheme year

c) Issues arising during the scheme year and how they were resolved:

1. There have been no issues or breaches of the requirements on these core financial transactions during the 2025-2026 Scheme year.

d) Plan for resolving any unresolved issues during the scheme year:

As noted above there were no breaches of the requirements on the core financial transactions that took place during the 2025 – 2026 Scheme year.

e) Reporting to Trustees

1. The Trustees receive the annual review from Utmost post year end.

- The Trustee has considered all areas of risk and specifically risks of significant impact such as, fraud (including pension liberation), investment, management of costs, administration, regulatory requirements, operational procedures, communications and member understanding, corporate activity relevant to the Scheme (including employer covenant) and options at retirement.
- The Trustees identify, evaluate, manage and monitor risk. By incorporating risks identified into a risk register they are categorised in accordance to its likelihood of occurring and the potential impact it would have if it did occur.
- The Trustees have recently reviewed all their data management procedures and those of their service providers. The Trustee can confirm that both them and their providers have a post 25 May 2018 data protection policy currently in place.
- In line with Anti-Money Laundering regulations the Trustees hold an up to date register of beneficial owners.
- The Trustees use dual authorisation banking process for all investment and benefit payments.
- Any errors are resolved immediately.
- Where errors have been identified the Trustee has established a plan together with their advisors to rectify any issues.

- The Trustees require the Insurers to provide details on potential forthcoming retirements
- All data is backed up daily.
- Member files are stored electronically.
- All financial transactions are subject to annual audit requirements as part the Trustees' Annual Report and Accounts.

In accordance with regulation 24 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (as amended), the Trustees have reviewed their core financial transactions to ensure that they continue to be processed promptly and accurately. There have been no notifiable events arising during the year.

Costs and Charges borne by members

In accordance with regulation 25(1)(a) of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (as amended), the Trustees are required to calculate the charges and transaction costs paid by members and assess the extent to which these charges paid by members represent good value for money.

Charges paid by members are reflected within the regular bonuses applied by Clerical Medical, with the value of bonus reflecting the profits made while investing Scheme assets, less the costs of selling and running the policy. This can be done by adding a regular bonus, which takes the form of an increase in unit price, or by adding a final bonus when the policy pays out.

Upon surrendering with-profits units at any time other than a guaranteed date, Clerical Medical may need to make a reduction called a market value reduction (MVR). When a guarantee does not apply a market value reduction would still only be made if the value of a member's units meant their investment would be worth more than their fair share. To calculate your fair share 'asset share', Clerical Medical calculate the amount resulting from investing premiums less deductions on typical policies and this mainly determines what Clerical Medical pay out as each policy's share of the Fund. In this event, the MVR would have the effect of reducing the amount paid out, so that it was in line with a member's fair share.

All investment funds have "transaction costs" which are not charged directly to the investor (member). However, these charges are taken from the fund and therefore reflected in the performance of the fund and in the overall return received by the investor (member).

Different funds have different levels of transaction costs depending on the number of assets that are bought or sold within the fund. It is generally expected that the more actively a fund buys and sells assets the higher the transaction fees will be.

The investment providers' annual management charges will be assessed as part of the DC review, where the Trustees will consider the current charges against other providers in the market.

Full details of the annual management charges on each of the funds available to members are documented and stored on Utmost's website under the Investment section which does not require a member to login.

The Scheme's Statement of Investment Principles, was last reviewed in February 2023, which was prepared in accordance in accordance with Section 35 of the Pensions Act 1995, amended by Section 244 of the Pensions Act 2004 and regulation 2A (default investment strategy) of the Occupational Pension Scheme (Investment) Regulations 2005.

The Scheme is in wind-up and the Trustee is working on a fixed fee payment so there are no other costs associated with the Scheme.

Clerical Medical With-Profits Fund

Clerical Medical invest this fund mostly in bonds and cash deposits. The fund may use derivatives as an efficient way of quickly changing the investments in the fund and/or to reduce risks. Clerical Medical may also invest some of the fund in 'alternative investments'. The alternative investments will include a wide range of assets, including specialist funds where the aim is to reduce the variations in investment returns and improve the overall return to the fund.

The split of assets as at 31 December 2025 is shown below:

Asset Mix as at 31.12.2025

UK Fixed Interest:	
Government Bonds	3.0%
Corporate Bonds	21.0%
Loans secured against commercial property	0.0%
Property	8.0%
UK Equities	8.0%
Overseas Equities	47.0%
Cash/Other	4.0%
Private Debt	3.0%
Emerging Market Debt	7.0%

Expenses

There are some costs not covered by the annual management charge. These may include expenses to buy or sell investments and tax payments. These additional costs are taken directly from the funds thereby reducing the price of the units.

Default arrangement

All member benefits are held in the Clerical Medical With-Profits Fund and money is pooled together with the premiums of the other policyholders who invest in the fund.
Communicating with members

- The Trustees endeavour to provide Scheme communication that is accurate, clear, understandable and engaging.
- The Trustees, with their advisers, carefully consider all member communications and review common communications periodically (such as retirement quotation packs and benefit statements). The Trustees work closely with the Scheme advisers to try to ensure member interests are understood and represented in all decision making.
- Members are regularly informed about the importance of reviewing their investment choices where there is the option to do so.
- Extensive retirement packages are sent to members which cover all disclosure requirements, including clear details of the retirement choices available to them, how they work and details of the Government's Money Helper service.
- In addition to annual benefit statements, Newsletters are sent to all members providing details of current issues in pensions.
- Ad hoc announcements are sent periodically as the Trustees deem necessary.
- The Trustees always advise members to seek independent financial advice when considering taking their benefits from the Scheme.
- The Trustees regularly warn members about pension scams in their communications.
- The Trustee is required to provide members with information on the effect of costs and charges on their pension pot. This information is publicly available at https://schemes.vidett.com/pension-benefits-services-limited and members are directed towards this information in their annual benefit statements.
- In accordance with the Trustee's legal obligations under the Data Protection Act 2018, we are required to provide members with some information about the data we hold and what we intend to do with it. A copy of the Trustee's current privacy policy can be accessed via the following link: https://vidett.com/privacy-policy/

- The Trustees have previously issued their privacy notice covering General Data Protection Regulation requirements to all members.

Signed: Stewart Graham Date: 31 March 2026

Chair of the Pension & Benefit Services Ltd Pension Scheme