Quadrant Group plc Retirement Benefits Scheme

Statement of Investment Principles – September 2020
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1 Introduction

This Statement of Investment Principles ("the Statement") has been prepared by Sanpho Pension Trustees Limited as Trustee of the Quadrant Group plc Retirement Benefits Scheme ("the Scheme") in accordance with Section 35 of the Pensions Act 1995, as amended, and its attendant Regulations.

The Statement outlines the principles governing the investment policy of the Scheme and the activities undertaken by the Trustee to ensure the effective implementation of these principles.

In preparing the Statement, the Trustee has:

- obtained and considered written advice from a suitably qualified individual, employed by their investment consultants, Mercer, whom they believe to have a degree of knowledge and experience that is appropriate for the management of their investments; and

- consulted with the Sponsoring Employer, although they affirm that no aspect of their strategy is restricted by any requirement to obtain the consent of the Sponsoring Employer.

The advice and the consultation process considered the suitability of the Trustee's investment policy for the Scheme.

The Trustee will review the Statement formally at least every three years to coincide with the triennial Actuarial Valuation or other actuarial advice relating to the statutory funding requirements. Furthermore, the Trustee will review the Statement without delay after any significant change in investment policy. Any changes made to the Statement will be based on written advice from a suitably qualified individual and will follow consultation with the Sponsoring Employer.
2 Investment Objectives

DB Section:
The Trustee’s primary investment objective for the Scheme is to achieve an overall rate of return that is sufficient to ensure that assets are available to meet all liabilities as and when they fall due.

In doing so, the Trustee also aims to reduce funding level risk by investing in asset classes that are sensitive to the effects of changes in gilt yields and inflation; being factors which affect the value of liabilities.

The Trustee believes that their investment objectives and the resultant investment strategy are consistent with the actuarial valuation methodology and assumptions used by the Scheme Actuary.

DC Section:
The Trustee aims to provide suitable investment options that are aligned to the needs of their members.

The Trustee recognises that in a defined contribution arrangement, members assume the investment risks themselves. The Trustee further recognises that members are exposed to different types of risk at different stages of their working lifetimes. Broadly speaking, four main types of investment risk can be identified, as noted below:

- Investment-Return Risk - the risk is that a member is not invested in those asset classes that are expected to generate the highest returns over the long run.

- Annuity-Rate Risk - the risk is that, when close to retirement, a member has not invested the part of his/her fund that will be used to purchase a pension in those asset classes (principally bonds), which protect against annuity-rate movements.

- Capital-Protection Risk - the risk is that, when close to retirement, a member has invested the part of his/her fund that will be used to provide a tax-free lump sum in asset classes that are subject to volatility in capital-value terms.

- Market-Switching Risk - the risk arises if there is to be switching between investment vehicles. The risk is that large investment switches are made at one point in time, thereby unnecessarily exposing members to unfavourable market pricing on a particular day.

The Trustee has determined their investment policy in such a way as to address the above risks.

The Trustee is mindful of its responsibility to provide members with an appropriate range of investment funds and a suitable default lifestyle strategy.

Details of the approach the Trustee has taken to meet these investment objectives are set out in Section 4.

The Trustee will review the investment approach from time to time, and make changes as and when it is considered to be appropriate.
3 Investment Responsibilities

3.1 Trustee Duties and Responsibilities

The Trustee is responsible for setting the investment objectives and determining the strategy to achieve the objectives.

The Trustee carries out its duties and fulfils its responsibilities as a single body. The Trustee has considered establishing an investment sub-committee but has decided not to do so, as each of the Trustee Director wishes to contribute directly to the formulation of the Scheme’s investment policy and to the monitoring of the Scheme’s investment managers. Moreover, the Trustee body is not so large as to be unwieldy in its operations. Sub-committees may be formed from time to time to examine specific issues.

The duties and responsibilities of the Trustee includes, but is not limited to, the following tasks and activities:

- The regular approval of the content of the Statement.
- The appointment and review of the investment managers and investment advisers.
- The assessment and review of the performance of each investment manager.
- The setting and review of the investment parameters within which the investment managers can operate.
- The assessment of the risks assumed by the Scheme at a total scheme level as well as on a manager by manager basis.
- The approval and review of the asset allocation benchmark for the Scheme.
- The compliance of the investment arrangements with the principles set out in the Statement.

3.2 Investment Adviser’s Duties and Responsibilities

The Trustee has appointed Mercer as the investment adviser to the Scheme for the purposes of drafting this Statement of Investment Principles. Mercer provides advice as and when the Trustee requires it. For such ad hoc work Mercer is remunerated primarily on a time-cost basis. Mercer does not receive commission or any other payments in respect of the Scheme that might affect the impartiality of their advice. The Trustee believes that this is the most appropriate adviser remuneration structure for the Scheme.

Mercer is authorised and regulated by the Financial Conduct Authority ("FCA").

3.3 Arrangements with Investment Managers

The Trustee is a long term investor and do not look to change the investment arrangements on a frequent basis.

The Trustee has appointed professional, authorised investment managers to manage the assets of the Scheme.

The details of each manager’s mandate and the basis of the contracts between the Trustee and its investment managers are set out in Appendix 3.

Investment managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected for in a cost effective manner.
As the Trustee invests in pooled investment vehicles, they accept that they have no ability to specify the risk profile and return targets of the manager, but appropriate mandates can be selected to align with the overall investment strategy.

The investment managers are responsible for all decisions concerning the selection and de-selection of the individual securities within the portfolios they manage.

In the case of multi-asset mandates, the underlying investment managers are responsible for all decisions concerning the allocation to individual asset classes and changes in the allocations to individual asset classes.

All of the investment managers engaged by the Trustee are authorised and regulated by the FCA.

The investment managers are remunerated by ad valorem charges based on the value of the assets that they manage on behalf of the Scheme. The Trustee believes that this is the most appropriate basis for remunerating managers.

None of the underlying managers in which the Scheme’s assets are invested have performance based fees, which could encourage the manager to make short term investment decisions to hit their profit targets.

The Trustee therefore considers that the method of remunerating fund managers is consistent with incentivising them to make decisions based on assessments of medium to long-term financial and non-financial performance of an issuer of debt or equity. By encouraging a medium to long-term view, it will in turn encourage the investment managers to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.

The Trustee accepts that it cannot influence the charging structure of the pooled funds in which the Scheme is invested, but is satisfied that the ad-valorem charges for the different underlying funds are clear and are consistent with each fund’s stated characteristics. The Trustee is therefore satisfied that this the most appropriate basis for remunerating the investment managers and is consistent with the Trustee’s policies as set out in this SIP.

The Trustee believes that this is the most appropriate basis for remunerating managers, based on current market practice.

3.4 Summary of Responsibilities

A summary of the responsibilities of all relevant parties, including the Scheme Actuary and the scheme administrators, in so far as they relate to the Scheme’s investments, is set out at Appendix 4.
4 Investment Strategy

4.1 Setting Investment Strategy

DB Section:

The Trustee has determined their investment strategy after considering the Scheme’s liability profile and their own appetite for risk, the Sponsoring Employer’s appetite for risk, and the strength of the Sponsoring Employer’s covenant.

The basis of the Trustee’s strategy is to invest the Scheme’s assets into a “stabilising” portfolio, comprising assets such as corporate bonds, gilts and index linked gilts. The Trustee regards the basic distribution of the assets to be appropriate for the Scheme’s objectives and liability profile.

The Trustee has established a benchmark allocation to each asset class, which is set out in Appendix 1. The Trustee has also set a range within which the allocation to each asset class is allowed to move without the need for corrective action to be taken.

In respect of the investment of contributions and any disinvestments to meet member benefit payments, the Trustee has decided to pro rata the investments/disinvestments from the funds held with Legal and General Investment Management. This approach is set out in Appendix 2.

DC Section:

Defined contribution schemes place the investment risk with the member. The Trustee has assumed responsibility by designing a lifestyle transition strategy in conjunction with written advice from their Investment Adviser, which provides a broad level of protection against the key risks identified.

Under a lifestyle transition strategy, members who are some way from retirement are provided with appropriate opportunities for asset growth, but with some volatility in asset values. Members’ assets are automatically switched from growth assets to protection assets as they approach retirement and this helps to manage the above risks. This transition is undertaken over a 7 year period of time to avoid placing reliance on asset values on any one particular transition date.

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>7</th>
<th>6</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>100</td>
<td>85</td>
<td>70</td>
<td>50</td>
<td>30</td>
<td>15</td>
<td>0</td>
</tr>
<tr>
<td>Fixed Interest</td>
<td>0</td>
<td>15</td>
<td>30</td>
<td>45</td>
<td>60</td>
<td>67.5</td>
<td>75</td>
</tr>
<tr>
<td>Cash</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>10</td>
<td>17.5</td>
<td>25</td>
<td></td>
</tr>
</tbody>
</table>

4.2 Investment Decisions

The Trustee distinguishes between three types of investment decision: strategic, tactical and security-level.
Strategic Investment Decisions

These decisions are long-term in nature and are driven by an understanding of the objectives, needs and liabilities of the Scheme.

The Trustee takes all such decisions themselves. They do so after receiving written advice from their investment adviser and consulting with the Sponsoring Employer. Examples of such decisions and of tasks relating to the implementation of these decisions include the following:

- Setting investment objectives.
- Determining the split between the growth and the matching portfolios.
- Determining the allocation to asset classes within the growth and matching portfolios.
- Determining the Scheme benchmark.
- Reviewing the investment objectives and strategic asset allocation.

Tactical Investment Decisions

These decisions are short-term and based on expectations of near-term market movements. Such decisions may involve deviating temporarily from the strategic asset allocation and may require the timing of entry into, or exit from, an investment market or asset class.

These decisions are the responsibility of the Trustee. However, where such decisions are made within a pooled fund, they are the responsibility of the investment manager of the fund.

The Trustee could also take tactical investment decisions, although in practice this is only done to a very limited extent, if at all.

Security Selection Decisions

All such decisions are the responsibility of the investment managers of the pooled funds in which the Scheme is invested.

4.3 Types of Investments to be Held

The Scheme’s assets are invested wholly via pooled vehicles.

The Trustee is permitted to invest across a wide range of asset classes, including the following:

- UK and overseas equities
- UK and overseas government bonds, fixed and inflation-linked
- UK and overseas corporate bonds
- Convertible bonds
- Property
- Commodities
- Hedge Funds
- Private equity
- High yield bonds
- Emerging market debt
- Diversified growth
- Liability driven investment products
- Cash

The use of derivatives is as permitted by the guidelines that apply to the pooled funds.

4.4 Financially Material Considerations

The Trustee considers many risks which they anticipate could impact the financial performance of the Scheme’s investments over its expected lifetime. Such risks are set out in the next section of this statement.

In setting their investment strategy, the Trustee chose funds which provide protection against movements in the Scheme’s liability value. The Trustee considers the financially significant benefit of this to be paramount.

The Trustee also recognises that environmental, social and corporate governance ("ESG") factors, such as climate change, can influence the investment risk and return outcomes of the Scheme’s portfolio and it is therefore in members’ and the Scheme’s best interests that these factors are taken into account within the investment process.

The Trustee further recognises that investing with a manager which approaches investments in a responsible way and takes account of ESG related risks may lead to better risk adjusted performance results as omitting these risks in investment analysis could skew the results and underestimate the level of overall risk being taken. Therefore, other factors being equal, the Trustee would seek to invest in funds which incorporate ESG principles.

The Trustee will meet with the investment managers to understand how the funds the Scheme is invested in manage the ESG-related risks in the fund. Should the Trustee make changes to the current arrangements, the Trustee shall incorporate responsible investment principles into the review process.

4.5 Non-Financial Matters

When setting the investment strategy for the Scheme, Non-financial matters, such as ethical views, or members’ preferences have not been taken into account.

4.6 Stewardship

The Scheme is invested solely in pooled investment funds. The Trustee’s policy is to delegate responsibility for engaging with, monitoring investee companies and exercising voting rights to the pooled fund investment managers and expects the investment managers to use their discretion to act in the long term financial interests of investors.

The Trustee notes that the investment managers’ corporate governance policies are available on request and on their respective websites.

If the Trustee is specifically invited to vote on a matter relating to corporate policy, they would exercise their right in accordance with what they believe to be the best interests of the majority of the Scheme’s membership.
5 Risk

Under the Pensions Act 2004, the Trustee is required to state their policy regarding the ways in which risks are to be measured and managed. These are set out below.

**Solvency Risk and Mismatching Risk**
- These are measured through a qualitative and quantitative assessment of the expected development of the assets relative to the liabilities.
- They are managed by setting a scheme-specific strategic asset allocation with an appropriate level of risk.

**Manager Risk**
- This is assessed as the expected deviation of the prospective risk and return, as set out in the managers' objectives, relative to the investment policy.
- It is measured by monitoring the actual deviation of returns relative to the objective and factors supporting the managers' investment process.

**Liquidity Risk**
- This is monitored according to the level of cash flows required by the Scheme over a specified period.
- It is managed by holding an appropriate amount of readily realisable investments. The Scheme’s assets are invested in pooled funds which are readily realisable.

**Political Risk**
- This is measured by the level of concentration in any one market leading to the risk of adverse influence on investment values arising from political intervention.
- It is managed by regular reviews of the investments and through regular assessment of the levels of diversification within the investment policy.

**Corporate Governance Risk**
- This is assessed by reviewing the Scheme’s investment managers’ policies regarding corporate governance.
- It is managed by delegating the exercise of voting rights to the managers, who exercise this right in accordance with their published corporate governance policies. Summaries of these policies are provided to the Trustee from time to time and take into account the financial interests of the shareholders, which should ultimately be to the Scheme’s advantage.

**Sponsor Risk**
- This is assessed as the level of ability and degree of willingness of the sponsor to support the continuation of the Scheme and to make good any current or future deficit.
- It is managed by assessing the interaction between the Scheme and the sponsor’s business, as measured by a number of factors, including the creditworthiness of the sponsor and the size of the pension liability relative to the sponsor.
Legislative Risk

- This is the risk that legislative changes will require action from the Trustee so as to comply with any such changes in legislation.
- The Trustee acknowledges that this risk is unavoidable but will seek to address any required changes so as to comply with changes in legislation.

Credit Risk

- This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- The Scheme invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles and is indirectly exposed to credit risks arising on the financial instruments held by the pooled investment vehicles.
- The Scheme's holdings in pooled investment vehicles are unrated. Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements.
- Indirect credit risk arises in relation to underlying bond investments held in the pooled funds. This risk is mitigated by investing in funds with diversified portfolios.
- The Trustee acknowledges that the assessment of credit risk on individual debt instruments is delegated to the investment manager. The Trustee will however ensure that they are comfortable with the amount of risk that the Scheme's investment manager takes.

Market Risk

- This is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of the following three types of risk:

Currency Risk

- This is the risk that occurs when the price of one currency moves relative to another (reference) currency. In the context of a UK pension scheme, the scheme may be invested in overseas stocks or assets, which are either directly or indirectly linked to a currency other than Sterling. There is a risk that the price of that overseas currency will move in such a way that devalues that currency relative to Sterling, thus negatively impacting the overall investment return.
- The Trustee acknowledges that currency risk related to overseas investments is hedged appropriately by the underlying investment managers.

Interest rate risk

- This is the risk that an investment's value will change due to a change in the level of interest rates. This affects debt instruments more directly than growth instruments.
- The Trustee recognises that the DB Section's liabilities are exposed to a significant level of interest rate risk movement and for this reason it is desirable for the Scheme's assets to be exposed to interest rate risk.
- For the DC Section, The Trustee notes that it is also desirable for assets to be exposed to interest rate risk if the member intends to use those assets to purchase an annuity.
Other Price risk

- This is the risk that principally arises in relation to the return seeking portfolio, which invests in equities, diversified growth funds and property.
- The DB Section of the Scheme are invested in fixed income assets.
- For the DC Section, the Trustee has put in place a lifestyling strategy as the default investment option to reduce other price risk as a member approaches retirement.

ESG Risk

- This is the risk that Environmental, Social or Corporate Governance concerns, including climate change, have a financially material impact on the return of the Scheme’s assets.
- The Trustee manages this risk by investing in well-respected investment managers where ESG principles are an established part of the investment decision making process.
6 Monitoring of Investment Adviser and Manager

6.1 Investment Adviser

The Trustee continually assesses and reviews the performance of their adviser in a qualitative way.

6.2 Investment Managers

The Trustee receives regular monitoring reports on the performance of their investment managers direct from the investment managers. These reports present performance information over 3 months, 1 year and 3 years. The reports show the absolute performance, performance against the relevant market index or comparator on a net of fee basis.

For the DB Section, the report also shows the performance of the Schemes assets in aggregate.

6.3 Portfolio Turnover Cost

For the DB Section, the Trustee does not currently monitor portfolio turnover costs for the funds in which the Scheme is invested (as this is not ordinarily disclosed by the investment manager), although notes that the performance monitoring which it receives is net of all charges, including such costs. Portfolio turnover costs means the costs incurred as a result of the buying, selling, lending or borrowing of investments.

For the DC Section, the Trustee considers portfolio turnover costs as part of the annual Chair’s Statement on DC Governance.

The Trustee is also aware of the new requirement to define and monitor targeted portfolio turnover and turnover range. Given that the Scheme invests in a range of pooled funds, many of which invest across a wide range of asset classes, the Trustee does not have an overall portfolio turnover target for the Scheme.

The Trustee is working with Mercer to determine the most appropriate way to obtain and monitor the information required in relation to the pooled funds in which the Scheme is invested.
7 Additional Voluntary Contributions ("AVC's")

There are no Additional Voluntary Contributions associated with either the DB or DC Schemes.
8 Code of Best Practice

DB Section:

The Trustee notes that in March 2017, the Pensions Regulator released ‘Investment Guidance for Defined Benefit Pension Schemes’.

The Trustee considers receiving investment advice which ensures that the principles contained within this guidance are applied to the Scheme as far as it is relevant to the Scheme’s circumstances.

The Trustee monitors developments both in relation to the Scheme’s circumstances and in relation to evolving guidance and will revise the Scheme’s investment approach if considered appropriate.

DC Section:

The Pensions Regulator publishes guidance on governance in relation to defined contribution arrangements. The Trustee monitors this guidance and apply it in relation to the DC Section of the Scheme.
9 Compliance

The Scheme’s Statement of Investment Principles and annual report and accounts are available to members on request.

A copy of the Scheme’s current Statement plus Appendices is also supplied to the Sponsoring Employer, the Scheme’s investment managers, the Scheme’s auditors and the Scheme Actuary.

This Statement of Investment Principles, taken as a whole with the Appendices, supersedes all others and was approved by the Trustee on 21 September 2020.

Signed on behalf of the Trustee by

On

Full Name

Position

21/9/2020

CLAIRE STEWART

COMPANY SECRETARY

Dawn Truior

HEAD OF HR
Appendix 1: Scheme Asset Allocation Benchmark

DB Section:
The Scheme’s asset allocation benchmark is set out below.

<table>
<thead>
<tr>
<th>Matching Assets</th>
<th>Allocation</th>
<th>Ranges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Grade Corporate Bond Over 15 Year Index Fund</td>
<td>82.5%</td>
<td>80.5 - 84.5%</td>
</tr>
<tr>
<td>Over 15 Year Gilts Index</td>
<td>9.0%</td>
<td>8.0 - 10.0%</td>
</tr>
<tr>
<td>Over 5 Year Index-Linked Gilts</td>
<td>8.5%</td>
<td>7.5 - 9.5%</td>
</tr>
</tbody>
</table>

As at 30 June 2020, the Scheme also held a small proportion of assets in equities as set out below:

- Ordinary shares in Synectics plc

This holding is an “off-benchmark position”.

DC Section:
The Trustee aims to provide suitable investment options that are aligned to the needs of their members. In doing so the Trustee has made available the lifestyling strategy shown below:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Years to Normal Retirement Age</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7</td>
</tr>
<tr>
<td>Equity</td>
<td>100</td>
</tr>
<tr>
<td>Fixed Interest</td>
<td>0</td>
</tr>
<tr>
<td>Cash</td>
<td>0</td>
</tr>
</tbody>
</table>
Appendix 2: Cashflow and Rebalancing Policy

With reference to the DB section of the Scheme, for amounts up to £200,000 investments and disinvestments will be taken from Legal and General Investment Management. Amounts shall be invested/disinvested pro rata.

For amounts in excess of £200,000 the Trustee should be consulted before any cashflow is made.
Appendix 3: Investment Manager Information

DB Section:
The Scheme invests with the following investment managers:
- Legal and General Investment Management ("LGIM")

LGIM was first appointed on July 2007.
The tables below show the details of the mandate(s) with each manager.

Stabilising Assets

<table>
<thead>
<tr>
<th>Investment Manager / Fund</th>
<th>Fund Benchmark</th>
<th>Objective</th>
<th>Dealing Frequency</th>
<th>Annual Management Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Corporate Bonds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LGIM Investment Grade Corporate Bond</td>
<td>Markit iBoxx £ Non-Gilts Over 15</td>
<td>To track benchmark to within +/- 0.5% p.a. for two years out of three</td>
<td>Weekly</td>
<td>0.08-0.15 dependent on size of investment</td>
</tr>
<tr>
<td>Bond &gt;15 Year Index</td>
<td>Years Index</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Gilts/ Index- Linked Gilts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LGIM Over 15 Year Gilts Index</td>
<td>FTSE A Government (Over 15 Year)</td>
<td>To track benchmark to within +/- 0.25% p.a. for two years out of three</td>
<td>Weekly</td>
<td>0.03-0.1 dependent on size of investment</td>
</tr>
<tr>
<td>LGIM Over 5 Year Index- Linked Gilts</td>
<td>FTSE A Index-Linked (Over 5 Year) Index</td>
<td>To track benchmark to within +/- 0.25% p.a. for two years out of three</td>
<td>Weekly</td>
<td>0.03-0.1 dependent on size of investment</td>
</tr>
</tbody>
</table>

As noted in Appendix 1, the Scheme also holds a number of ordinary shares in Synectics plc.
**DC Section:**

The DC Section is invested with Aegon. Aegon was first appointed in January 1998.

<table>
<thead>
<tr>
<th>Investment Manager / Fund</th>
<th>Fund Benchmark</th>
<th>Objective</th>
<th>Dealing Frequency</th>
<th>Annual Management Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Growth Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aegon BlackRock 70/30 Global Growth</td>
<td>70% FTSE All Share Index/ 30% Fixed Overseas Weights</td>
<td>To produce a return in excess of the benchmark</td>
<td>Daily</td>
<td>0.9% p.a.</td>
</tr>
<tr>
<td><strong>Stabilising Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aegon BlackRock Pre-Retirement</td>
<td>The benchmark takes into account a number of factors including current expected longevity of immediate annuitants, the yields available in the corporate bond market and the types of annuities generally purchased by DC Schemes. The benchmark is therefore dynamic.</td>
<td>To produce a return in excess of a benchmark designed to reflect long-term changes in immediate annuity prices</td>
<td>Daily</td>
<td>0.5% p.a.</td>
</tr>
<tr>
<td>Aegon BlackRock Cash Fund</td>
<td>7 Day LIBID</td>
<td>To track the benchmark before fees</td>
<td>Daily</td>
<td>0.3% p.a.</td>
</tr>
</tbody>
</table>
Appendix 4: Responsibilities of Parties

Trustee

The Trustee’s responsibilities include the following:-

- Reviewing at least triennially, and more frequently if necessary, the content of this Statement in consultation with the Investment Adviser and modifying it if deemed appropriate.
- Reviewing the investment strategy following the results of each actuarial review, in consultation with the Investment Adviser and Scheme Actuary.
- Appointing the Investment Managers and custodian (if required).
- Assessing the quality of the performance and processes of the Investment Managers by means of regular reviews of investment returns and other relevant information, in consultation with the Investment Adviser.
- Consulting with the sponsoring employer regarding any proposed amendments to this Statement.
- Monitoring compliance of the investment arrangements with this Statement on a continuing basis.

Investment Adviser

The Investment Adviser’s responsibilities include the following:-

- Participating with the Trustee in reviews of this Statement of Investment Principles.
- Production of independent performance monitoring reports.
- Advising the Trustee, at its request, on the following matters:
  - Through consultation with the Scheme Actuary, how any changes within the Scheme’s benefits, membership, and funding position may affect the manner in which the assets should be invested.
  - How any changes in the Investment Managers organisation could affect the interests of the Scheme.
  - How any changes in the investment environment could present either opportunities or problems for the Scheme.
- Undertaking project work, as requested, including:
  - Reviews of asset allocation policy.
  - Research into and reviews of Investment Managers.
- Advising on the selection of new managers and/or custodians.

Investment Managers

The Investment managers’ responsibilities include the following:

- Providing the Trustee on a quarterly basis (or as frequently as required) with a statement and valuation of the assets and a report on their actions and future intentions, and any changes to the processes applied to their portfolios.
Informing the Trustee of any changes in the internal performance objectives and guidelines of any pooled fund used by the Scheme as and when they occur.

Having regard to the need for diversification of investments, so far as appropriate for the particular mandate, and to the suitability of investments.

Giving effect to the principles contained in the Statement as far as is reasonably practicable.

**Scheme Actuary**

The Scheme Actuary’s responsibilities include the following:

- Liaising with the Investment Adviser regarding the suitability of the Scheme’s investment strategy given the financial characteristics of the Scheme.
- Assessing the funding position of the Scheme and advising on the appropriate response to any shortfall.
- Performing the triennial (or more frequent, as required) valuations and advising on the appropriate contribution levels.

**Administrator**

The Administrator’s responsibilities include the following:

- Ensuring there is sufficient cash available to meet benefit payments as and when they fall due.
- Paying benefits and making transfer payments.
- Investing contributions not required to meet benefit payments with the Investment Managers according to the Trustee’s instructions.

**Custodian**

The Custodian’s responsibilities within the pooled funds include the following:

- The safekeeping of the assets of the Scheme.
- Providing the Trustee with quarterly statements of the assets, cash flows and corporate actions.
- Undertaking all appropriate administration relating to the Scheme’s assets.
- Processing all dividends and tax reclaim in a timely manner.
- Dealing with corporate actions.