

GCD Nexus Saving Scheme (formerly United Steels Limited Nexus Savings Scheme)

The Chair's Statement regarding DC Governance for the year ended 31 March 2025

The following statement is the annual Chair's Statement for the Trustees of the GCD Nexus Savings Scheme previously the United Steels Limited Nexus Saving Scheme (the "Scheme") covering the period from 1 April 2024 to 31 March 2025. On 6th June 2024 a change of Principal Employer to United Steels Holding Company Limited was made. The change of sponsoring employer, now re-named GCD 2024 Limited, and the change of name were requirements to facilitate the sale of the outgoing Principal Employer, United Steels Limited.

A Flexible Apportionment Arrangement (FAA) executed on 8 August 2024, transferred all liabilities of the scheme to United Steels Holding Company, (now GCD 2024 Limited). An independent report was prepared by Interpath Limited in respect of the FAA and change of Principal Employer with legal and professional opinion obtained from Squire Patton Boggs and Mills-Reeve. The Pensions Regulator was notified of the FAA and change of Principal Employer and has acknowledged the same.

From a legal background, regulations effective from 6th April 2015 require the Trustees to prepare a statement showing how they have met certain minimum governance standards in relation to defined contribution benefits. These standards cover five principal areas relating to the Scheme's defined contribution benefits, namely: the default investment arrangement, core financial transactions, value from member borne deductions, net return on investments and the trustees' knowledge, understanding and resources.

Under legislation set out in regulation 23 of The Occupational Pension Schemes (Scheme Administration) Regulations 1996 (the 'Administration Regulations'), (as amended), the Chair of the Trustees of the Scheme is required to publish this statement (the 'Statement') on governance in the annual report.

This Statement describes how the Trustees have governed the Scheme during the year and, in particular, the steps they have taken during the year to improve the likelihood of members experiencing a good outcome for life after work.

The Statement covers five principal areas:

1. Investment with particular focus on the Scheme's investment arrangements and options in which members are invested;
2. Internal controls, with particular focus on the processing of core financial transactions;
3. Value from member borne costs within the Scheme, including the additional requirements in relation to the disclosures of costs and charges;
4. Net Returns on investments;
5. The knowledge and resources available to the Trustees, including how the Trustees have maintained and demonstrated the statutory levels of knowledge and understanding needed to govern the Scheme.

The Trustees will publish the Statement on: <https://www.gcd2024limited.com/downloads>, in a domain that can be accessed publicly via the use of a search engine and members will be notified of how to access the Statement via their annual benefit statements.

The Scheme is set up as a Defined Contribution (DC)/ money purchase scheme with a Defined Benefit (DB) Underpin applying for some members (members will receive the higher of the two). Note this statement applies to both the Scheme's 'DC' and the 'Underpin' Sections.

1. Investment strategy

The Trustees are responsible for setting the Scheme's investment strategy and for appointing investment managers to carry out that strategy.

Default option refers to an investment approach that is automatically applied to pension contributions if a member joining a pension scheme does not actively choose their own investment options.

Given that individuals cannot be required to make an active choice when being automatically enrolled into a pension scheme, qualifying schemes used for automatic enrolment must have a default option in place.

When designing a default option, Trustees must ensure that this is designed to align with the retirement objectives of scheme members, taking into account factors such as age, risk tolerance, and investment time horizon. Regular reviews and assessments of the default option are essential to ensure its continued suitability and effectiveness.

As contributions into the Scheme ceased in 1999, there is no legislative requirement for the Scheme to have a default investment option, due to this, members are offered "off the shelf" investment strategies or can choose amongst a small range of funds available for them to select. The Scheme is not being used as a qualifying scheme for automatic enrolment purposes. In addition as there are less than 100 members in the Scheme, there is no requirement to have a Statement of Investment Principles, or review the investment strategy on a triennial basis. That said, the new principal employer having considered options to improve the position of members have engaged Ernst & Young LLP (EY) to perform an "End Game" de-risking process that will achieve a Buy-out and Wind Up of the Scheme. This work is currently planned to conclude during 2027.

All investments are currently held on the Mobius Platform following a move from the Aegon platform on 31 March 2021.

DC Section

From 1 April 2021, all DC Section members savings were switched to a Diversified Growth Fund option that invests 100% in the Threadneedle Multi Asset Fund. Ahead of this change, members were given the option to select an alternative self-select option. The Trustees also made a range of alternative self select funds available from which members can choose.

The Trustees' objective is to provide an appropriate range of investment options to members with a DC Section benefit, for the members to invest in. The options provided should provide opportunities for long term growth at an acceptable level of risk, and will be suitable for the majority of the Scheme's membership.

Underpin Section

From 1 April 2021, all assets currently held in the Scheme that are subject to a Guaranteed Minimum Pension (GMP) or Reference Scheme Test (RST) underpin were invested in line with the following Underpin Strategy:

- 24% Index Linked Gilts
- 6% Fixed Interest Gilts
- 30% Corporate Bonds
- 20% Equities
- 20% Diversified Growth Funds

In addition the Trustees undertake a triennial actuarial valuation in respect of the Underpin Section and as part of this they consider the demographics of the Section, performance of the Underpin Strategy and whether it is line with the objectives of the Strategy and if any changes are required. The latest triennial valuation as at 31 March 2022 was received in June 2023.

As at the last valuation, it remains the expectation that when a member comes to take their benefits they will receive a DB benefit as the value of their Underpin is higher than their DC Funds.

The Scheme is not subject to default fund requirements but Trustees are encouraged to review the investment arrangements in place for good governance. The last investment review carried out was presented in September 2016 with an outcome for the DC Section members that proposed a small range of funds appropriate for the membership, a cautious approach for the "off the shelf" investment strategies and that surplus funds be invested in the Threadneedle Multi Asset Funds within the Mobius Life Limited platform. The move to Mobius Life took longer than expected with the transfer eventually taking place on 1 April 2021. Whilst there has been no formal review of Investment strategy since that date, the 2016 review was followed by the change to the Mobius platform, a resulting change of investments and a de-risking feasibility study to support the Trustees decision making around the long term objective to maintain and improve the security of benefits for members.

The financial position of the sponsoring employer was significantly impacted by a number of global events during and following the move to Mobius which served to delay any tangible progress to improve the security of benefits for members by any form of process to include Flexibility at Retirement, Enhanced Transfer Values or similar that had been proposed in the 2017 de-risking feasibility report.

A refreshed feasibility process commenced in 2023 firstly with a report prepared by ISIO considering options for the Scheme and subsequent discussions with a number of advisors to include Ernst & Young LLP (EY) who proposed a Buy-Out process concluding with the Wind Up of the Scheme.

No formal review of investment strategy was undertaken during the Scheme year pending decisions to be made on the wider strategy for the future of the scheme and consideration of the step plan proposed by EY. The Trustees are committed to appointing specialist advisors to achieve an appropriate "End Game" for the Scheme that will commence and be progressed before the end of March 2026, the next scheme year. The Trustees will ensure investment performance is monitored throughout the EY process and update members on strategy for investment if there are significant changes to membership or recommended change of investment policy.

2. Processing of core financial transactions

As required by the Administration Regulations, the Trustees must ensure that "core financial transactions" are processed promptly and accurately. Core financial transactions are (broadly):

- Investment of contributions made to the Scheme by members and their employer(s);
- Transfers into and out of the Scheme of assets relating to members;
- Switches of members' investments between different funds within the Scheme; and
- Payments from the Scheme to or in respect of members (e.g. payment of death benefits).

The Trustees operate an outsourced operational model, with the Scheme's administration and management of its Scheme bank account delegated to Mercer Limited. From 1 January 2024, Mercer Limited sold their administration arm to Aptia Limited. The Trustees have not been made aware of any changes to agreed timescales with the administrators through the Service Level Agreement (SLA) for the processing of all member-related services, including core financial functions relating to contribution handling, quoting benefits and paying benefits. The timescales migrated from the Mercer arrangement are within any applicable statutory timescale and are summarised below.

Task	Service Level Agreement
Benefit Quotation	10 working days
Benefit Payments	5 working days
Death Benefit Quotation	1 working day
General Member Correspondence	10 working days
Invoice Payment	20 working days
Investment / Disinvestment Request	5 working days
Member Updates	5 working days
NICO Enquires	20 working days
Scheme Event Work	As agreed with the Trustees

The overall SLA from 1 April 2024 to 31 March 2025 was 97.8% of completion within the above service standards, [2024:94.8%]. The Trustees intend to request more regular reports to monitor SLA performance through the timeframe of the EY process.

The processes adopted by the Scheme administrator to help meet the SLA include:

- transactions recorded and monitored on a workflow system;
- input onto the administration system and any subsequent changes approved by an authorised individual.
- dynamic checklists with Member / policyholder transactions are independently checked via a quality queue within the workflow process. Each transaction event has a number of specific pre-configured system quality steps in the workflow process;
- a central financial control team separate to the admin team with daily monitoring of bank accounts (and separate cheque receipt log, which is reconciled daily and is maintained by a central treasury team); and

- and 'four eyes' checking of investment and banking transactions.

The Trustees are required to review the processes and controls implemented by the administrator, and consider them to be suitably designed to achieve these objectives. The administrator employs an independent auditor to prepare an annual report on their internal controls (AAF01/06/ ISAE 3402). The 2024 report for Aptia was not available during the scheme year. A copy of the report received pre signing of the Chair statement confirmed that the administrator's description of services was fairly presented and that controls were designed, implemented and operated effectively throughout the review period.

The limited administration functions handled by the Trustees and sponsoring employer have further internal controls that are GDPR compliant. Scheme/member data is held securely on a bespoke network drive re digital data and securely under lock and key for paper documentation. Antivirus protection is employed on the network to maintain data security. Access to the drive location is only permitted by trustees. The network is protected by a watchguard firewall device to prevent unauthorised access. Data held by Trustees is backed up and stored securely in the cloud, should data retrieval/reconstruction be required.

Whilst during the Scheme year no formal review of the performance of administrators has taken place, the Trustees are aware of complaints from one client, regarding the length of time taken to purchase an annuity and receive benefits. The Trustees have for some time recognised service issue concerns and intervene where they are made aware and have from time to time, instructed an Independent Party to assist them on certain member transactions to improve the member experience where possible.

The Trustees have limited opportunity to change the investment management or administration of the scheme whilst they work with EY to progress the Scheme's 'End Game' plan. Recognising this, the Trustees have strived to get the best service possible within the existing arrangements until that plan is concluded with member benefits secured in a more satisfactory way.

Following the sale of the administration arm of Mercer to Aptia in January 2024, the Trustees were hopeful of an improved service but this has not been the experience during the scheme year with members awaiting annual statements now for both 2024 and 2025. The Trustees are persistent in pushing for an improved service and will continuously review throughout the timeframe of the EY process.

Despite the complaint, the Trustees are satisfied that the majority of core transactions were processed promptly and accurately during the period.

3. Value for member borne costs within the Scheme

The Trustees are required to report on the transaction costs and charges for the investments used in the arrangements as well as the wider fund choice invested in by members and assess the extent to which the costs and charges represent good value for members. When preparing this statement, the Trustees have taken account of statutory guidance.

Charges, also known as the Total Expense Ratio (TER), consists principally of the manager's annual charge for managing and operating a fund, but also includes the costs for other services paid for by the fund, such as the legal costs, registration fees and custodian fees. However, they exclude other costs that are member borne and can therefore have a negative effect on investment performance such as transaction costs and interest on borrowings.

Transaction costs are costs incurred by fund managers as a result of buying, selling, lending or borrowing investments. These costs are taken into account by the fund managers when calculating the unit price for each of the funds. The transaction costs shown are calculated on a methodology known as 'slippage cost'. This compares the price of the stocks being traded when a transaction was executed with the price at which the transaction was requested. Market movements during any delay in transacting may be positive or negative and may also outweigh other explicit transaction costs. For this reason, overall transaction costs calculated on the slippage method can be negative as well as positive.

Details of the transaction costs and charges for funds invested in by members to 31 March 2025 are detailed in the tables below.

Annual management charges are accrued within the unit price on a daily basis and include allowance for underlying investment managers charges.

DC Section

DC Section	TER %p.a.	Transaction costs %p.a.
Threadneedle Multi Asset Fund	0.38	0.30

Source: Mobius Life, data as at 31 March 2025

Underpin Section

When benefits come to be paid a comparison is undertaken between the DB Underpin and the value of the DC benefits, with the higher benefit paid.

There is additional administration in relation to the Underpin to ensure that there is enough money in the Scheme in the instances when the Underpin is higher than the DC benefits, when benefits come to be paid.

As a result it has been agreed that an additional fee of 1.15% is borne by members of the Underpin Section to meet the additional costs of administrating the Underpin (with the Company paying additional contributions to meet the cost of the difference in the Underpin compared to the DC benefits). This fee does not apply to members in the DC Section.

Underpin Section	TER %p.a.	Transaction costs %p.a.
Underpin Strategy (combined charges and costs experienced by underpin members)	1.36*	0.12
Underlying Funds making up the Underpin Strategy		
Threadneedle Multi Asset Fund		
L&G Life CN AAA-AA-A Corporate Bond — All Stocks Index Fund		
L&G Life TB Global Equity Market (40:60) Weights Index Fund		
L&G Life AF Over 15 Year Gilts Index Fund		
L&G Life AP Over 5 Year Index-Linked Gilts Index Fund		
Payden Absolute Return Bond Fund		

Source: Mobius Life, data as at 31 March 2025

*Value estimated by Mercer using the strategic allocation in place.

4. Net investment returns

The Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 ('the 2021 Regulations') introduced new requirements for Trustees of 'relevant' occupational pension schemes.

From 1 October 2021, Trustees of all relevant pension schemes are required to calculate and state the return on investments from their arrangements and self-select funds, net of transaction costs and charges. This information must be recorded in the annual Chair's Statement and published on a publicly available website.

The net returns for the funds in the DC Section compared to the funds used in the Underpin Strategy differ because of the different charging structure in place.

DC Section*	Annualised returns to 31 March 2025 (%)	
	1 year	5 years
Threadneedle Multi Asset Fund	2.2	7.2
Underpin Section	Annualised returns to 31 March 2025 (%)	
	1 year	5 years
Underpin Section Strategy	1.0	1.9
Underlying Funds making up the Underpin Strategy		
Threadneedle Multi Asset Fund	1.1	6.1
L&G Life CN AAA-AA-A Corporate Bond — All Stocks Index Fund	0.9	-1.9
L&G Life TB Global Equity Market (40:60) Weights Index Fund	5.8	12.9
L&G Life AF Over 15 Year Gilts Index Fund	-9.3	-13.7
L&G Life AP Over 5 Year Index-Linked Gilts Index Fund	-11.6	-10.2
Payden Absolute Return Bond Fund	4.6	3.3

Source: Mobius Life, Mercer calculations. Figures shown are net of fees for the relevant Section. Funds in bold are the ones invested in by members. *No self-select options included as there are no DC members invested in any other funds, other than the Threadneedle Multi Asset Fund.

Cumulative effect of charges

The Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018 require the Trustees to produce illustrations of the cumulative effect over time of the transaction costs and charges that apply to the fund options offered by the Scheme. This is to improve the transparency and help members understand the impact that charges and transactions costs might have on their own savings.

The Trustee has taken account of the statutory guidance and has produced illustrations to demonstrate the effect of costs and charges for the investment funds and strategies offered by the Scheme.

The following illustrations take into account the following elements:

- Amount of pension savings in the Scheme;
- Real (after inflation) investment returns, gross of costs and charges;
- Adjusted real investment returns allowing for the effect of costs and charges; and
- Time to retirement.

To illustrate the impact of charges on a typical member's pension pot, examples in respect of each Sections of the Scheme are provided. This includes the latest estimates of all annual member costs and charges, including the Total Expense Ratio, transaction costs and the impact of inflation. The Trustees have used the latest available data provided by the Scheme administrator, adjusted for the purposes of these projections.

Please note that the figures are only illustrations and the actual fund values and impact of charges on each members' investment will be different, depending on their personal details and investment choices and whether or not the assumptions are borne out. The information shown is not a substitute for the individual and personalised illustrations provided to members each year within the annual benefit statements provided by the Scheme Administrator.

DC Section Illustration: Youngest DC Only member, age 48

DC Section: Threadneedle Multi Asset Fund		
Age	Pot Size with no Charges Incurred	Pot Size with Charges Incurred
48	£900	£900
50	£970	£957
52	£1,046	£1,017
54	£1,127	£1,081
56	£1,215	£1,150
58	£1,310	£1,222
60	£1,412	£1,299
62	£1,523	£1,381

64	£1,641	£1,468
65	£1,704	£1,514

Notes:

1. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation
2. The starting pension savings is assumed to be £900.
3. Inflation is assumed to be 2.5% each year
4. Values shown are estimates and are not guaranteed
5. If any annual transaction costs for a fund are negative for the period illustrated, they have been assumed to be zero as a prudent assumption for these illustrations. Transaction costs are a four-year average based on data availability. The Scheme invested on the Mobius platform from April 2021, Mobius were unable to provide data prior to that date.
6. The project growth rate for the Threadneedle Multi Asset Fund is 3.5% p.a. gross expected real return above inflation.
7. The projected values are shown up to age 65.

Underpin Section Illustration: The youngest member, aged 50

Most popular fund: Underpin strategy		
Age	Pot Size with no Charges Incurred	Pot Size with Charges Incurred
50	£8,640	£8,640
52	£9,039	£8,788
54	£9,456	£8,938
56	£9,893	£9,091
58	£10,350	£9,247
60	£10,827	£9,405
62	£11,327	£9,566
64	£11,850	£9,730
65	£12,121	£9,813

Notes:

1. Projected pension savings values are shown in today's terms, so do not need to be reduced further for the effect of future inflation
2. The starting pot size is assumed to be £8,640.
3. Inflation is assumed to be 2.5% each year
4. Values shown are estimates and are not guaranteed
5. If any transaction costs for a fund are negative for the period illustrated, they have been assumed to be zero as a prudent assumption for these illustrations. Transaction costs are a four-year average based on data availability. The Scheme invested on the Mobius platform from April 2021, so Mobius were unable to provide data prior to that date.
6. The project growth rate for the Underpin strategy is 2.18% p.a. gross expected real return above inflation.
7. The projected values are shown up to age 65.

5. Small Scheme Value for members

Under new legislation applying to all DC schemes with less than £100m in assets, the Trustees are required to assess the extent to which the Scheme delivers value for members across three key areas:

Assessment area	Type of assessment
Costs and charges	Comparative assessment against three larger DC arrangements, considering the level of ongoing member-borne charges and transaction costs.
Net investment performance	Comparative assessment against three larger DC arrangements, considering investment performance net of all member-borne costs and charges.
Governance and administration	Standalone assessment of the Scheme's governance and administration arrangements, covering: core financial transactions; record keeping; investment strategy; investment governance; Trustee knowledge and understanding; member communications; and management of conflicts of interest

The Trustees have carried out a Small Scheme Value for Members' (SSVfM) assessment as at 31 March 2025. The conclusions of this assessment are set out in the table below.

Assessment area	Rating	Conclusion
Costs and charges	Poor	The Trustees have assessed the Scheme as offering poor value from a costs and charges perspective. The Scheme's costs and charges across the majority of ages assessed have been higher than those of similar funds within the comparator arrangements, both for default and self-select funds.
Net investment performance	Poor	The Trustees have assessed the Scheme as offering poor value from a net investment performance perspective. The Scheme's net investment returns across the majority of ages assessed have been mixed for both the default and for the self-select funds. We therefore need to consider a change in the current fund options for the duration of the scheme and through the EY process especially when considering the expensive costs and charges.
Governance and administration	Poor	The Trustees have assessed the Scheme as offering poor value from a governance and administration perspective. Promptness and accuracy of core financial transactions Aptia Limited took over the administration of the scheme from Mercer Limited on 1 January 2024. Due to a period of transition that would reasonably be

Assessment area	Rating	Conclusion
		<p>required, the Trustees have not undertaken any formal review of administration services during the scheme year. The Trustees do consider that service levels need to improve particularly on timescales of providing data and are committed to monitor the administration by Aptia more closely in the coming scheme year.</p> <p>The Trustees had a service level agreement (SLA) in place with Mercer Limited, which covers the accuracy and timeliness of all transactions. The Trustees have not been notified of any significant changes to the administrations process.</p> <p>The overall SLA from 1 April 2024 to 31 March 2025 was 97.8% of completion within Service Standard a 3% improvement on the previous year.</p> <p><i>Appropriateness of the investment strategies</i></p> <p>The last investment strategy review took place in July 2016. A change of provider and investments resulted from the review with a protracted move to the Mobious platform taking place in April 2021. De-risking actions were delayed due to global events and the COVID19 pandemic impacting on the financial position of the sponsoring employer. The Trustees recommenced on de-risking in 2023 engaging legal and pension specialists to consider options. Recent developments see the Trustees pursuing a process with Ernst & Young LLP that will enable a Buy-Out and Wind up of the scheme. No formal review was undertaken in the scheme year. The End Game process with EY is supported by legal representation and the professionally appointed and independent Trustee Ross Trustee Services Limited. The investment strategy for the future of the scheme will be determined in conjunction with the End Game process as appropriate and the Trustees will update members at the earliest opportunity of any changes and will take steps to ensure regular performance monitoring is undertaken going forward.</p> <p><i>Quality of investment governance</i></p> <p>The Trustees will review investment performance at each future Trustee meeting</p> <p>Level of trustee knowledge, understanding and skills to operate the pension scheme effectively</p> <p>At the scheme year end, the Trustee Board comprised of 2 long serving trustees with pensions experience and a professional trustee appointed 1 March 2024. On 28 April 2025, the Scheme appointed Ross Trustee Services Limited as Professional Corporate Sole Trustee [PCST]</p>

Assessment area	Rating	Conclusion
		<p>Quality of communication with scheme members</p> <p>Annual member statements have not been sent on time for 2024 and at the time of signing, statements for 2025 have not been issued. Statements for 2023 and 2022 were issued within guideline timescales.</p> <p>Effectiveness of management of conflicts of interest</p> <p>The Trustees are not aware of any known areas of conflict of interest. There is no written conflicts of interests policy but a written safeguard policy. The appointment of the PCST is considered a strengthening of the management of potential conflicts of interest.</p>
Overall	Poor	<p>Overall, considering all three areas set out above, the Trustee has assessed the Scheme as offering poor value for members.</p> <p>The following areas for improvement were identified:</p> <ul style="list-style-type: none"> Review the investment strategies and self-select fund range; Review the fee arrangements currently in place and look to negotiate with the provider, where possible and also understand the Consultant fee still in place and if still should be applicable; Review member communications to support members in their retirement planning; Any future non-professional Trustees to be supported by a professional trustee and a training log to be put in place and reviewed on at least an annual basis should the status change from the PCST; Trustees to register actions agreed and discussed through Meeting Minutes that should be shared with the advisor who, should also attend the meetings at least twice a year; Trustees to regularly review the administration processes and Service Level Agreements. <p>The Scheme could potentially benefit from transferring those members without underpins to an alternative multi-employer DC arrangement. The Trustees recognise that the process for a Buy-Out and Winding Up the Scheme may be challenging due to the Underpin section and will closely</p>

Assessment area	Rating	Conclusion
		<p>review and monitor at each stage of the step plan with the professional and legal representation.</p> <p>Taking all of the above into consideration, the Trustees are engaging regularly with the new Principal Employer to consider the best way to deliver pension benefits to members of the scheme.</p>

The Trustees will formally assess value for members again during the next Scheme year.

As previously noted, at the last valuation it remains the expectation that when a member comes to take their benefits they are expected to receive a DB benefit as the value of their Underpin is significantly higher than their DC Funds. Meaning that, for the Underpin members, it is likely that charges won't matter before retirement if the this condition continues to apply. Having said that, it is not a regulatory requirement to include the Underpin Section on governance reports for the Scheme year however encouraged, so the only conclusions that apply are the ones for the DC Section.

Trustees Knowledge and Understanding

Sections 247 and 248 of the Pensions Act 2004 set out the requirement for Trustees to have a working knowledge and understanding of the law relating to pensions and trusts, the funding of occupational pension schemes, investment of scheme assets and other matters to enable them to exercise their functions as Trustees properly. This requirement is underpinned by guidance in the Pension Regulator's Codes of Practice 07 and 13.

Three Trustees served during the year, Marcella Cashmore and Ian Grinsell, Ian being a member of the Scheme. Ross Trustees Services Limited were appointed and supported throughout the year as co-trustee. Following the changes of the Principal Employer and the Flexible Apportionment Arrangement, it was decided that the Scheme would benefit from having a PCST particularly in view of the intended Wind up process.

No formal training was undertaken in the year by Marcella Cashmore or Ian Grinsell. Both were long-serving Trustees and had a good working knowledge of the Scheme, the original Scheme rules and the subsequent changes through to its closure in 1999.

Recognising the responsibility to ensure members have the benefit of a competently run Scheme, a high level of outsourced support was utilised by the Trustees. Mercer Limited are engaged to undertake investment management and actuarial duties, Aptia the administration of the Scheme, and legal input when required is a significant factor in ensuring that Trustee decisions are based on appropriate expert knowledge and advice. The change of Principal Employer and the poor rating on the 2024 VFM assessment being acknowledged led to the appointment of the PCST on 28 April 2025 which is expected to improve the governance aspects of the scheme management and elevate the poor rating.

The Trustees are aware of the importance of Environmental, Social and Governance considerations and the need to recognise these factors in investment decisions and with regard to the strength of the employer covenant. The Trustees look to guidance from their investment advisor in respect of the ESG factors for investment processes.

A Trustee Effectiveness Survey was not undertaken during the Scheme year. The Trustees recognised that a heightened level of knowledge was required to demonstrate the suitability for the position of Trustee. The appointment of Ross Trustees initially as co-trustee and from 28 April 2025 as PCST was the action taken.

"Trustee Toolkit" TPR on-line learning and other web based sites have been utilised by the non professional Trustees during the Scheme year. Due to their professional status, Ross Trustee Services Limited will have requirements to undertake CPD to ensure their knowledge and understanding is appropriate and compliant.

As part of a wider review of any Pensions Knowledge Gap relevant to the Nexus scheme, the Trustees are working with their advisors to fully understand the requirements for the DC arrangements and what the EY process will entail step by step.

It is recognised that a more formal assessment and recording of Trustee performance is required and so they will consult with the external advisors on appropriate assessment questions with a view to an assessment being undertaken during the scheme year to 31 March 2026.

At a Trustee meeting held on 5th July 2023, the triennial valuation as at 31 March 2022 was considered along with discussions around next steps. A meeting on 29th June 2023 was held to approve the Statement of Funding Principals, Recovery Plan, and Schedule of Contributions for the five year period through to May 2028 based on recommendations of the Scheme Actuary. In view of the EY process more regular meetings are currently being held.

The publication of a member newsletter is being considered to supplement annual member statements. It is expected that the first newsletter will be issued when the Trustees are in a position to issue 2025 member statements.

The Trustees would like to reassure members that they observe GDPR regulation and ensure GDPR requirements are met by all third parties involved.

This statement has been prepared in accordance with Regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 as amended by the Occupational Pension Schemes (Charges and Governance) 2015 (together 'the Regulations') and I confirm that the above statement has been produced by the Trustees to the best of my knowledge.



Signed.....

30/10/2025
Date.....