Williams Motor Co. (Holdings) Limited Retirement Benefits Plan

CHAIR'S ANNUAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

The Purpose of this Statement

This Statement has been prepared by the Trustees of the Williams Motor Co. (Holdings) Limited Retirement Benefits Plan ('the Plan') 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 Plan year ended 30 June 2025 in respect of all the DC benefits held.

The Trustees of the Plan are required to produce a yearly statement (which is signed by the Chair of Trustees) to describe how these governance requirements have been met in relation to:

- the investment options in which members' funds are automatically invested (this means the "default arrangement" and other funds members can select or have assets in, such as self-select or "legacy" funds);
- the requirements for processing financial transactions;
- the charges and transaction costs borne by members;
- an illustration of the cumulative effect of these costs and charges;
- a 'value for members' assessment; and
- Trustee knowledge and understanding.

The governance standards apply to defined contribution (DC) arrangements and are designed to help members achieve good outcomes from their pension savings.

The Plan has never been used as a Qualifying Scheme for auto-enrolment purposes. Contributions to the Plan ceased prior to April 2015 and so the Plan does not have a statutory default arrangement as defined in legislation. This Statement and the Statement of Investment Principles ('SIP') was last updated in September 2020, and is available to view and download from the Plan website:
https://www.williamsgroup.co.uk/site/legalnotices/

The Trustees did not carry out an investment strategy review during the Plan year. If such a review is undertaken the Trustees will provide an update on the scope and outcome of that review within next year's DC Governance Statement.

Background

The Plan is a hybrid scheme. Members are entitled to GMP benefits for service before 1997. Some members of the DC Section are also entitled to a GMP and may require a top-up to their defined contribution fund at retirement from the Plan's unallocated funds for the defined benefit underpin to be provided.

Default Investment Arrangement

The DC Section of the Plan closed to future contributions prior to 6 April 2015 and does not have a statutory default arrangement. It has never been used as a qualifying scheme for automatic enrolment purposes.

The fund options currently utilised are set out below. Given that the assets with Royal London were transferred away during the Plan year, the funds are managed by Scottish Widows only:

1. Scottish Widows Cash Fund (Pension Series 2)
2. Scottish Widows Mixed Fund (Pension Series 2)
3. Scottish Widows Pension Protector Fund (Pension Series 2)
4. Scottish Widows Pension Portfolio Two (Pension Series 2) – Lifestyle fund
5. Scottish Widows Pension Portfolio Three (Pension Series 2) – Lifestyle fund
6. Scottish Widows Pension Portfolio Four (Pension Series 2) – Lifestyle fund
7. Scottish Widows Pension Portfolio Five (Pension Series 2) – Lifestyle fund

Although the Plan does not have a statutory default arrangement, some of the members are invested in the Scottish Widows Balanced (Targeting Flexible Access) lifestyle strategy. In the interests of providing useful information to members, the Trustees have decided to illustrate the characteristics of this lifestyle option. Members investing into the Scottish Widows lifestyle will be invested approximately 85-90% in UK and overseas equities up to 15 years away from their retirement age. The investment is then gradually switched into less risky assets, so that when the member retires, they will be invested c. 25-30% in UK and overseas equities, and c. 70-75% in bonds and cash.

During the Plan year, the Trustees did not carry out an investment review of the funds made available to members. Meanwhile, no changes to the fund range were made in the Plan Year.

The Default Investment Option – Asset Allocation

The Trustees are required to disclose the full asset allocation of investments for the default strategy. Although no defined default arrangement is in place, for illustrative purposes we have shown the percentage of assets allocated in the Scottish Widow's lifestyle strategy to specified asset classes as at 30 June 2025. This information is provided in line with statutory guidance.

Asset Class	Allocation (%) at Age 25	Allocation (%) at Age 45	Allocation (%) at Age 55	Allocation (%) at Age 65
Cash	**1.1%**	**1.1%**	**1.1%**	**10.3%**
Bonds	**11.9%**	**11.9%**	**27.5%**	**60.0%**
UK Fixed Interest	2.5%	2.5%	6.0%	15.8%
Global Fixed Interest	9.4%	9.4%	21.5%	44.2%
Listed Equities	**82.5%**	**82.5%**	**66.6%**	**27.5%**
UK Equities	5.7%	5.7%	4.6%	1.9%
Developed Market Equities (excluding UK)	76.8%	76.8%	62.0%	25.7%
Private Equity	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Infrastructure	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Property / Real Estate	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Private Debt / Credit	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Other	**4.5%**	**4.5%**	**4.7%**	**2.2%**
TOTAL	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: Scottish Widows, as at 30 June 2025. Figures may not sum to 100% due to rounding.

The Default Investment Option – Investment Returns

The Trustees are required to disclose returns, net of charges and transaction costs, for the default investment option and for each fund that members are able, or were previously able, to select and in which members' assets were invested during the Plan year. When preparing this section of the statement the Trustees have taken account of the relevant statutory guidance.

For the default investment option, the underlying funds used and therefore the net returns change over time depending upon the age of the member. The net investment returns are provided below over various periods to 30 June 2025. The returns illustrated for the default option are those that a typical member at various ages as at 30 June 2025 would have experienced, allowing for the lifestyling in place. The investment returns, net of all fees borne by members of the Plan, are provided in the table below for the default option in place in addition to the investment returns of the 'self-select' options.

Net of Fees Returns for Default Arrangement	1 Year	3 Years (p.a.)	5 years (p.a.)
Age 65	5.1%	5.0%	2.5%
Age 55	5.7%	8.2%	6.0%
Age 45	5.9%	9.6%	7.7%

Source: Scottish Widows. Fund performance is net of fees.

Self-Select Funds – Investment Returns

The table below shows the net investment returns achieved by each of the self-select funds for the Plan year to 30 June 2025. Fund performance is net of fees and shown as provided by the Plan's investment manager.

Net of Fees Returns	Used in Default?	1 Year	3 Years (p.a.)	5 Years (p.a.)
Scottish Widows Cash Fund	No	3.9%	3.5%	1.8%
Scottish Widows Mixed Fund	No	6.2%	7.2%	6.7%
Scottish Widows Pension Protector Fund	No	-0.5%	-3.0%	-7.8%
Scottish Widows Pension Portfolio Two	Yes	5.9%	9.6%	7.7%
Scottish Widows Pension Portfolio Three	Yes	5.7%	8.2%	6.0%
Scottish Widows Pension Portfolio Four	Yes	5.4%	5.5%	2.7%
Scottish Widows Pension Portfolio Five	Yes	4.0%	3.6%	1.9%

Source: Scottish Widows. Fund performance is net of fees.

Charges and transaction costs borne by members

Members bear charges and transaction costs, which will differ depending on the investment options in which their pension savings are invested:

- Charges: these are expressed as a percentage of the value of a member's holdings within an investment fund and can be made up of a combination of charges, e.g. annual management charge and additional expenses. We refer to the total annual charge as the Total Expense Ratio (TER).
- Transaction costs: these relate to the variable costs incurred within an investment fund arising from the trading activities of the fund, e.g. incurred in the buying and selling of securities, which are not accounted for in the TER charge.

The table below provides details of the member-borne charges and transaction costs for each of the investment options provided through the Plan year. When preparing this section of the Statement the Trustees have taken account of relevant statutory guidance.

Fund	Total Expense Ratio (TER)	Transaction Costs
Scottish Widows Lifestyle Strategy	1.00%	0.03% - 0.10%
Scottish Widows Cash Fund	1.00%	0.02%
Scottish Widows Mixed Fund	1.00%	0.18%
Scottish Widows Pension Protector Fund	1.00%	0.00%
Scottish Widows Pension Portfolio Two	1.00%	0.10%
Scottish Widows Pension Portfolio Three	1.00%	0.09%
Scottish Widows Pension Portfolio Four	1.00%	0.06%
Scottish Widows Pension Portfolio Five	1.00%	0.03%

Source: Scottish Widows.

The Trustees are required to provide members with information on the effect of costs and charges on their pension pot. An illustration is provided below.

Illustration of charges and transaction costs

Over a period of time, the charges and transaction costs that are taken out of a member's pension savings can reduce the amount available to the member at retirement. The Trustees have set out below illustrations of the impact of charges and transaction costs on different investment options in the Plan. The illustrations have been prepared in accordance with the DWP's statutory guidance on "Reporting costs, charges and other information: guidance for trustees and managers of occupational pension schemes" on the projection of an example member's pension savings.

As each member has a different amount of savings within the Plan and the amount of any future investment returns and future costs and charges cannot be known in advance, the Trustees have had to make a number of assumptions about what these might be.

The 'before costs' figures represent the savings projection assuming an investment return with no deduction of member borne fees or transaction costs. The 'after costs' figures represent the savings projection using the same assumed investment return but after deducting member borne fees and an allowance for transaction costs.

The illustration is shown for the current default option with Scottish Widows. Whilst each of the funds has the same ongoing charge of 1.0%, the total costs and charges are different once transaction costs are factored in. The fund with the highest costs and charges is the Scottish Widows Mixed Pension Fund, whilst the fund with the lowest costs and charges is the Scottish Widows Pension Protector Fund.

Parameters used for the illustrations:

1. Starting pot sizes of £8,000 and £25,000 have been used for the youngest and the average member respectively. It is assumed that no future contributions will be paid.
2. Timeframe: the illustrations are shown over a 25-year time frame as this covers the approximate duration that the youngest member would take to reach retirement age. For the average member, the illustrations are shown over a 10-year time frame.
3. The projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation. Inflation is assumed to remain constant throughout the term of the illustrations, at 2.5% per year. It is for this reason that real growth (after inflation) may be negative.

Values shown are estimates and are not guaranteed. The illustration does not indicate the likely variance and volatility in the possible outcomes from each fund.

4. Investment options: illustrations are provided for the default investment option, and the highest and lowest charging funds.
5. The projected growth rates (gross, i.e. before inflation) and costs and charges used are as follows (the starting date for the illustrations is 30 June 2025):

Fund	Assumed Return*	Total Expense Ratio	Transaction Costs
Scottish Widows Pension Portfolio Two	5.80%	1.00%	0.10%
Scottish Widows Pension Portfolio Three	5.50%	1.00%	0.09%
Scottish Widows Pension Portfolio Four	4.70%	1.00%	0.06%
Scottish Widows Pension Portfolio Five	2.80%	1.00%	0.03%
Scottish Widows Mixed Pension Fund	5.30%	1.00%	0.18%
Scottish Widows Cash Pension Fund	2.50%	1.00%	0.02%
Scottish Widows Pension Protector Fund	3.00%	1.00%	0.00%

Years to retirement	Scottish Widows Balanced Lifestyle (Targeting Flexible Access)			
	Average Member – Aged 55		Youngest Member – Aged 40	
	Before charges	After all charges and costs deducted	Before charges	After all charges and costs deducted
25	n/a	n/a	£8,000	£8,000
20	n/a	n/a	£9,373	£8,896
15	n/a	n/a	£10,983	£9,893
10	£25,000	£25,000	£12,777	£10,925
5	£28,335	£26,916	£14,482	£11,762
3	£29,511	£27,468	£15,083	£12,004
1	£30,624	£27,931	£15,652	£12,206
0	£31,154	£28,127	£15,922	£12,291

Note on how to read this table: For the “average” member, who had £25,000 invested in this option on 30 June 2025, when they came to retire in 10 years the savings pot could grow to £31,154 if no charges are applied but to £28,127 with charges applied.

Years to retirement	Self-Select Funds			
	Highest Charging Fund – Scottish Widows Mixed Fund		Lowest Charging Fund – Scottish Widows Pension Protector Fund	
	Before charges	After all charges and costs deducted	Before charges	After all charges and costs deducted
40	£8,000	£8,000	£8,000	£8,000
30	£10,475	£9,358	£8,399	£7,618
25	£11,986	£10,121	£8,606	£7,434
20	£13,715	£10,947	£8,818	£7,255
15	£15,693	£11,840	£9,035	£7,079
10	£17,957	£12,806	£9,257	£6,908
5	£20,547	£13,850	£9,485	£6,742
3	£21,685	£14,291	£9,578	£6,676
1	£22,886	£14,747	£9,672	£6,611
0	£23,511	£14,980	£9,719	£6,579

Note on how to read this table: For the member invested in the Scottish Widows Mixed Fund, who had £8,000 invested in this option on 30 June 2025, when they came to retire in 40 years the savings pot could grow to £23,511 if no charges are applied but to £14,980 with charges applied.

The Requirements for Processing Core Financial Transactions

- The Trustees are aware that the responsibility of the running of the Plan remains with them, and they have implemented adequate internal controls, which are reviewed periodically.
- The Trustees use a reputable professional pensions administration service for the Plan, and the individuals delivering this service are trained and completely conversant with the Trust Deed and Rules.
- The Trustees delegate the administration of the DC Section to Scottish Widows, which is an authorised and regulated pension provider. Broadstone Pensions Limited, as part of its role in administering the Plan, liaises with Scottish Widows to manage the DC Section. There is a contract in place between Broadstone and the Trustees, clearly setting out the services that it will provide and the cost for these services.
- The Trustees do not have specific service level agreements (SLAs) in place in relation to the administration of the Plan, however as the administrator, Broadstone work to their own internal SLAs. These cover relevant administrative processing tasks, some of which are highlighted below.
- The Trustees have a specific duty to ensure that core financial transactions (including the investment of contributions, transfer of member assets into and out of the Plan, transfers between different investments within the Plan and payments to and in respect of members) relating to the DC Section are processed efficiently and accurately. These transactions are undertaken on the Trustees' behalf by Scottish Widows.

Issues arising during the Plan year and how they were resolved:

- Over the Plan year, there were two member complaints which were raised with Scottish Widows about the time taken to deal with relevant cases. Both queries were resolved during the year up to 30 June 2025. Given that Scottish Widows still administer some aspects of the Plan, Broadstone did not have direct involvement in these complaints.
- The Trustees discovered that rectification work was incorrectly undertaken by Scottish Widows in relation to fund switches during the 2023/24 Plan year. Scottish Widows had initially assumed that the funds were incorrectly invested, and so the rectification work was carried out in error. The members

have since been switched back to their original fund choice, and it was made sure that members were not worse off due to the rectification.

In view of the controls and monitoring arrangements, and the evidence of material issues experienced during the Plan year, the Trustees believe that core financial transactions have not been processed promptly and accurately.

Value for Members Assessment

Trustees of specified schemes must carry out a holistic assessment of how their scheme delivers value for members. The outcome of this assessment must be reported in the annual DC Chair's Statement and include consideration of reported costs and charges, fund performance (and net investment returns) and other measures of scheme governance and administration. The new regulations now require the Trustees to test the Plan against comparable schemes or DC arrangements.

The Trustees have carried out a value for members assessment as at 30 June 2025. The conclusions of this assessment are set out in the table below:

Assessment area	Conclusion
Costs and charges	The costs and charges paid by members in the current arrangements are noticeably higher than the costs and charges that would be paid by members under the comparator arrangements.
Net investment performance	For a member aged 55 and 65, across all time periods, the current arrangements have broadly underperformed the average comparator. Meanwhile, for a member aged 45, the default fund has outperformed the average comparator over the 3-year period but underperformed over the 1-year and 5-year periods. One reason for this is the relatively higher allocation to fixed income assets within the Plan's default strategy, which is designed to target the purchase of an annuity in retirement.
Governance and administration	In assessing the governance and administration of the current arrangements against the seven key metrics, improvements are required in the area of promptness and accuracy of core transactions undertaken by Scottish Widows in order for the Plan to be considered as performing at a satisfactory level in these areas.
Overall	Based on the costs and charges paid by members, past investment returns (net of investment manager fees) together with the services and support provided to members, the Trustees concluded that the Plan does not represent good value for members. The Trustees will consider the options for transferring the funds to another arrangement or otherwise improving value within the Plan, although noting the existence of the GMP underpin introduces some practical difficulties.

<u>Sufficient Knowledge and Understanding</u>

The Trustees are required to maintain appropriate levels of knowledge and understanding to run the Plan effectively. The Trustees must:

- Be conversant with the Trust Deed and Rules of the Plan, the Plan's Statement of Investment Principles and any other document recording policy for the time being adopted by the Trustees relating to the administration of the Plan generally,

- Have, to the degree that is appropriate for the purposes of enabling the individual properly to exercise his or her functions as a Trustee, knowledge and understanding of the law relating to pensions and trusts and the principles relating to investment of the assets of occupational pension schemes.

The Trustee Board comprises three trustees, two who are employer nominated, and the other who is member nominated. The Trustees did not undertake a board effectiveness exercise during the Plan year.

The Trustees consult with professional advisers as and when required, for example on consultancy, investment and legal matters. The professional advisers are engaged to pro-actively alert the Trustees on relevant changes to pension and trust law. Professional advisers also provide support in relation to understanding and reviewing the Plan's documents, attending trustee meetings and often in the delivery of training at these meetings. Although the Trustees do not currently maintain a training log, future training requirements will be assessed when the Trustees next meet.

The Trustees' knowledge and understanding of the Plan and the issues faced alongside their advisors, Broadstone Corporate Benefits Limited, allow them to properly exercise their functions to act in members' best interests and to deliver good member outcomes for the contributions made.

Based on their assessment, the Trustees believe that they have largely adopted the standard of the practice as set out in the Code of Practice and regulatory guidance.

This Chair's Statement along with its appendices has been made publicly available on the Plan website and can be accessed at the following site: https://www.williamsgroup.co.uk/site/legalnotices/

Communicating with members

The Trustees endeavour to provide Plan communication that is regular, accurate, clear and understandable. As a minimum, members receive an annual newsletter informing them of the current issues in pensions which affect the Plan.

In conjunction with its advisers, the Trustees regularly review member communications (including retirement options packs and benefits statements) to ensure members are aware of their benefit entitlements and, in respect of the Plan, the need to review their investment choices to ensure that they remain appropriate to their circumstance. Retirement packages cover all disclosure requirements, including retirement choices and the details of the Government's Pension Wise service.

Members receive an annual benefit statement which sign-posts them to where they can find this Statement to understand the default strategy, the returns on investment, the charges/transaction costs and how these represent value for members.

Signed: **Date:** **February 2026**

On behalf of the Trustees of the of the Williams Motor Co. (Holdings) Limited Retirement Benefits Plan