Adopted by the Trustee on 13 September 2022

Senior plc Pension Plan
Statement of Investment Principles

1. Introduction

This Statement of Investment Principles ("SIP") sets out the policy of Senior Trustee Limited (the "Trustee") on various matters governing decisions about the investments of the Senior plc Pension Plan ("the Plan").

The SIP is designed to meet the requirements of Section 35 (as amended) of the Pensions Act 1995 ("the Act"), the Occupational Pension Schemes (Investment) Regulations 2005 and the Pension Regulator's guidance for defined benefit pension schemes (March 2017).

This SIP has been prepared after obtaining and considering written professional advice from LCP, the Plan's investment adviser, whom the Trustee believes to be suitably qualified and experienced to provide such advice. The advice takes into account the suitability of investments including the need for diversification given the circumstances of the Plan, and the principles contained in this SIP. The Trustee has consulted with the sponsor in producing this SIP.

The Trustee will review this SIP from time to time and, with the help of its advisers, will amend it as appropriate. These reviews will take place as soon as practicable after any significant change in investment policy and at least once every three years.

- **Appendix 1** sets out details of the Plan's investment governance structure, including the key responsibilities of the Trustee, investment advisers and investment managers. It also contains a description of the basis of remuneration of the investment adviser and the investment managers.
- **Appendix 2** sets out the Trustee's policy towards risk appetite, capacity, measurement and management.
- **Appendix 3** sets out the Plan's investment manager arrangements.

2. Investment objectives

The Trustee's primary objective is to ensure that the Plan should be able to meet benefit payments as they fall due. In addition to this primary objective, the Trustee has two additional objectives. These are as follows:

- that the return on the Plan's assets is maximised whilst managing and maintaining investment risk at an appropriate level.
- subject to the primary objective, the Plan's funding position (ie the value of its assets relative to the assessed value of its liabilities) should remain at an appropriate level. The Trustee is aware that there are various measures of funding, and has given due weight to those considered most relevant to the Plan. In particular, the Trustee has

taken into account the funding requirements detailed in the Occupational Pensions Scheme (Scheme Funding) Regulations 2005.

3. Investment strategy

The Trustee, with the help of its advisers and in consultation with the sponsor, last reviewed the investment strategy in June 2022, taking into account the objectives described in Section 2 above.

The result of the review following the initial results of the 2022 Actuarial Valuation was that the Trustee agreed to remove the Plan's allocation to growth assets and invest entirely in low risk assets (the "Matching Portfolio").

Details of how the Matching Portfolio is invested are provided in Appendix 3.

The Trustee aims to substantially fully hedge the Plan's interest rate and inflation risk.

4. Considerations in setting the investment arrangements

When deciding how to invest the Plan's assets, the Trustee considers a number of risks, including, but not limited to, those set out in Appendix 2. Some of these risks are more quantifiable than others, but the Trustee has tried to allow for the relative importance and magnitude of each risk.

The Trustee considered a wide range of asset classes for investment, taking account of the expected returns and key individual risks associated with those asset classes as well as how these risks can be mitigated where appropriate. The key financial assumption made by the Trustee in determining the investment arrangements is that the average long-term return on corporate bonds is expected to be higher than gilt returns.

In setting the strategy the Trustee took into account:

- the Plan's investment objectives, including the target return required to meet the Trustee's investment objectives;
- the Plan's cash flow requirements in order to meet benefit payments in the near to medium term;
- the best interests of all members and beneficiaries;
- the circumstances of the Plan, including the profile of the benefit cash flows (and the ability to meet these in the near to medium term), the funding level, and the strength of the sponsor covenant;
- the risks, rewards and suitability of a number of possible asset classes and investment strategies and whether the return expected for taking any given investment risk is considered sufficient given the risk being taken;
- the need for appropriate diversification between different asset classes to ensure that both the Plan's overall level of investment risk and the balance of individual asset risks are appropriate;

- any other considerations which the Trustee considers financially material over the time horizon that the Trustee considers is needed for the funding of future benefits by the investments of the Plan; and
- the Trustee's investment beliefs about how investment markets work and which factors are most likely to impact investment outcomes.

Some of the Trustees' key investment beliefs are set out below.

- asset allocation is the primary driver of long-term returns;
- risk-taking is necessary to achieve return, but not all risks are rewarded;
- equity, credit and illiquidity are the primary rewarded risks;
- risks that are typically not rewarded, such as interest rate, inflation and currency, should generally be avoided, hedged or diversified;
- environmental, social and governance (ESG) factors are likely to be one area of market inefficiency and so managers may be able to improve risk-adjusted returns by taking account of ESG factors;
- investment managers who can consistently spot and profitably exploit market opportunities are difficult to find and therefore passive[1] management, where available, is usually better value;
- responsible investment in well governed companies and engaging as long-term owners can reduce risk over time and may positively impact Plan returns;
- long-term environmental, social and economic sustainability is one factor that trustees should consider when making investment decisions; and
- costs have a significant impact on long-term performance.

5. Implementation of the investment arrangements

Before investing in any manner, the Trustee obtains and considers proper written advice from its investment adviser on the question of whether the investment is satisfactory, having regard to the need for suitable and appropriately diversified investments.

Details of the investment managers are set out in Appendix 3.

The Trustee has signed agreements with the investment managers setting out in detail the terms on which the portfolios are to be managed. The investment managers' primary role is the day-to-day investment management of the Plan's investments. The managers are authorised under the Financial Services and Markets Act 2000 (as amended) to carry out such activities.

The Trustee and investment managers to whom discretion has been delegated exercise their powers to giving effect to the principles in this Statement of Investment Principles, so far as is reasonably practicable.

[1] Passive management includes a range of rules-based portfolio construction strategies

The Trustee has limited influence over managers' investment practices because all the Scheme's assets are held in pooled funds, but it encourages its managers to improve their practices where appropriate.

The Trustee's view is that the fees paid to the investment managers, and the possibility of their mandate being terminated, ensure they are incentivised to provide a high-quality service that meets the stated objectives, guidelines and restrictions of the fund. However, in practice managers cannot fully align their strategy and decisions to the (potentially conflicting) policies of all their pooled fund investors in relation to strategy, long-term performance of debt/equity issuers, engagement and portfolio turnover.

It is the Trustee's responsibility to ensure that the managers' investment approaches are consistent with its policies before any new appointment, and to monitor and to consider terminating any existing arrangements that appear to be investing contrary to those policies. The Trustee expects investment managers, where appropriate, to make decisions based on assessments of the longer term financial and non-financial performance of debt/equity issuers, and to engage with issuers to improve their performance. It assesses this when selecting and monitoring managers.

The Trustee evaluates investment manager performance by considering performance over both shorter and longer-term periods as available. Except in closed-ended funds where the duration of the investment is determined by the fund's terms, the duration of a manager's appointment will depend on strategic considerations and the outlook for future performance. Generally, the Trustee would be unlikely to terminate a mandate on short-term performance grounds alone.

The Trustee's policy is to evaluate each of its investment managers by reference to the manager's individual performance as well the role it plays in helping the Scheme meet its overall long-term objectives, taking account of risk, the need for diversification and liquidity. Each manager's remuneration, and the value for money it provides, is assessed in light of these considerations.

The Trustee recognises that portfolio turnover and associated transaction costs are a necessary part of investment management and that the impact of portfolio turnover costs is reflected in performance figures provided by the investment managers. The Trustee expects its investment consultant to incorporate portfolio turnover and resulting transaction costs as appropriate in its advice on the Scheme's investment mandates.

6. Realisation of investments

The investment managers have discretion over the timing of realisation of investments of the Plan within the portfolios that they manage, and in considerations relating to the liquidity of investments.

When appropriate, the Trustee, on the administrators' recommendation, decides on the amount of cash required for benefit payments and other outgoings and informs the investment managers of any liquidity requirements. The Trustee's preference is for investments that are readily realisable, but it recognises that achieving a well-diversified portfolio may mean holding some investments that are less liquid. In general, the Trustee's policy is to use cash flows to rebalance the Plan's assets towards the strategic asset allocation, and also receive income from some of the portfolios where appropriate.

7. Environmental, social, governance and ethical considerations

The Trustee has considered how environmental, social, governance ("ESG") and ethical factors should be taken into account in the selection, retention and realisation of investments, given the time horizon of the Plan and its members.

The Trustee expects its investment managers to take account of financially material considerations (including climate change and other ESG considerations). The Trustee seeks to appoint managers that have appropriate skills and processes to do this, and from time to time reviews how its managers are taking account of these issues in practice.

The Trustee has limited influence over managers' investment practices where assets are held in pooled funds, but it encourages its managers to improve their practices where appropriate.

The Trustee considers it is necessary to act in the best financial interests of Plan members and therefore it expects its investment managers to take account of these issues where they may be financially material, taking into account the nature and time horizon of the investments. It seeks to appoint managers that have appropriate skills and processes to do this, and from time to time reviews how its managers are taking account of these issues in practice.

The Trustee monitors its investment managers approach to ESG via their quarterly reporting, which includes details of activity undertaken by the managers. If the Trustee is not satisfied with the information provided on ESG, then it engages with the investment managers further. Details of any such activity would be reported in the Plan's annual implementation statement which is included in the Plan's report & accounts.

8. Stewardship

The Trustee recognises its responsibilities as owners of capitals, and believe that good stewardship practices, including monitoring and engaging with investee companies, and exercising voting rights attaching to investments, protect and enhance the long-term value of investments. The Trustee has delegated to its investment managers the exercise of rights attaching to investments, including voting rights, and engagement with issuers of debt and equity and other relevant persons about relevant matters such as performance, strategy, risks and ESG considerations.

The Trustee does not monitor or engage directly with issuers or other holders of debt or equity. It expects the investment managers to exercise ownership rights and undertake monitoring and engagement in line with the managers' general policies on stewardship, as provided to the Trustee from time to time, taking into account the long-term financial interests of the beneficiaries.

The Trustee seeks to appoint managers that have strong stewardship policies and processes, reflecting where relevant the recommendations of the UK Stewardship Code issued by the Financial Reporting Council.

The Trustee monitors its investment managers approach to stewardship via their quarterly reporting, which includes details of activity undertaken by the managers. If the Trustee is not satisfied with the information provided on stewardship, then it engages with the investment managers further. Details of any such activity would be reported in the Plan's annual implementation statement which is included in the Plan's report & accounts.

Investment governance, responsibilities, decision-making and fees

The Trustee has decided on the following division of responsibilities and decision-making for the Plan. This division is based upon the Trustee's understanding of the various legal requirements placed upon it, and its view that the division of responsibility allows for efficient operation and governance of the Plan overall. The Trustee's investment powers are set out within the Plan's governing documentation.

Trustee

In broad terms, the Trustee is responsible in respect of investment matters for:

- setting the investment strategy, in consultation with the sponsor;
- developing a mutual understanding of investment and risk issues with the sponsor;
- formulating a policy in relation to financially material considerations, such as those relating to ESG considerations (including but not limited to climate change);
- reviewing the investment policy as part of any review of the investment strategy;
- setting the policy for rebalancing between asset classes;
- setting a policy on the exercise of rights (including voting rights) and undertaking engagement activities in respect of the investments;
- putting effective governance arrangements in place and documenting these arrangements in a suitable form;
- appointing (and, when necessary, dismissing) investment managers, investment advisers, actuary and other service providers;
- monitoring the exercise of the investment powers that they have delegated to the investment managers and monitoring compliance with Section 36 of the Act;
- communicating with members as appropriate on investment matters, such as the Trustee's assessment of its effectiveness as a decision-making body, the policies regarding responsible ownership and how such responsibilities have been discharged;
- putting effective governance arrangements in place and documenting these arrangements in a suitable form;
- reviewing the content of this SIP from time to time and modifying it if deemed appropriate; and
- consulting with the sponsor when reviewing the SIP.

Investment managers

In broad terms, the investment managers will be responsible for:

- managing the portfolios of assets according to their stated objectives, and within the guidelines and restrictions set out in their respective investment manager agreements and/or other relevant governing documentation;
- taking account of financially material considerations (including climate change and other ESG considerations) as appropriate when managing the portfolios of assets;
- Exercising rights (including voting rights) attaching to investments and undertaking engagement activities in respect of investments;
- providing the Trustee with regular information concerning the management and performance of their respective portfolios; and
- having regard to the provisions of Section 36 of the Act insofar as it is necessary to do so.

The custodians of the portfolios (whether there is a direct relationship between the custodian and the Trustee or not) are responsible for safe keeping of the assets and facilitating all transactions within the portfolios.

Investment adviser

In broad terms, the investment adviser will be responsible, in respect of investment matters, as requested by the Trustee, for:

- advising on how material changes within the Plan's benefits, membership, and funding position may affect the manner in which the assets should be invested and the asset allocation policy;
- advising on the selection, and review, of the investment managers; and
- participating with the Trustee in reviews of this SIP.

Fee structures

The Trustee recognises that the provision of investment management and advisory services to the Plan results in a range of charges to be met, directly or indirectly, by deduction from the Plan's assets.

The Trustee has agreed Terms of Business with the Plan's actuarial and investment advisers, under which work undertaken is charged for by an agreed fixed fee or on a "time-cost" basis.

The investment managers receive fees calculated by reference to the market value of assets under management. The fee rates are believed to be consistent with the managers' general terms for institutional clients and are considered by the Trustee to be reasonable when compared with those of other similar providers.

The fee structure used in each case has been selected with regard to existing custom and practice, and the Trustee's view as to the most appropriate arrangements for the Plan. However, the Trustee will consider revising any given structure if and when it is considered appropriate to do so.

Performance assessment

The Trustee is satisfied, taking into account the external expertise available, that there are sufficient resources to support its investment responsibilities. The Trustee believes that it has sufficient expertise and appropriate training to carry out its role effectively.

It is the Trustee's policy to assess the performance of the Plan's investments, investment providers and professional advisers from time to time. The Trustee will also periodically assess the effectiveness of its decision-making and investment governance processes and will decide how this may then be reported to members.

Working with the Plan's sponsor

When reviewing matters regarding the Plan's investment arrangements, such as the SIP, the Trustee seeks to give due consideration to the sponsor's perspective. While the requirement to consult does not mean that the Trustee needs to reach agreement with the sponsor, the Trustee believes that better outcomes will generally be achieved if the Trustee and sponsor work together collaboratively.

Policy towards risk

1. Risk appetite and risk capacity

Risk appetite is a measure of how much risk the Trustee is willing to bear within the Plan in order to meet its investment objectives. Taking more risk is expected to mean that those objectives can be achieved more quickly, but it also means that there is a greater likelihood that the objectives are missed, in the absence of remedial action. Risk capacity is a measure of the extent to which the Trustee can tolerate deviation from its long-term objectives before attainment of those objectives is seriously impaired. The Trustee's aim is to strike the right balance between risk appetite and risk capacity.

When assessing the risk appetite and risk capacity, the Trustee considered a range of qualitative and quantitative factors, including:

- the strength of the sponsor's covenant and how this may change in the near/medium future;
- the agreed journey plan and sponsor contributions;
- the Plan's long-term funding target;
- the Plan's liability profile, its interest rate and inflation sensitivities, and the extent to which these are hedged;
- the Plan's cash flow and target return requirements; and
- the level of expected return and expected level of risk (as measured by Value at Risk ("VaR"), on the technical provisions basis), now and as the strategy evolves.

2. Approach to managing and monitoring investment risks

The Trustee considers that there are several different types of investment risk that are important to manage and monitor. These include, but are not limited to:

2.1. Risk of inadequate returns

A key objective of the Trustee is that, over the long-term, the Plan should generate its target return so that it has adequate assets to meet its liabilities as they fall due. The Trustee therefore invests the assets of the Plan to produce a sufficient long-term return in excess of the liabilities. There is also a risk that the performance of the Plan's assets and liabilities diverges in certain financial and economic conditions in the short term. This risk has been considered in setting the investment strategy and is monitored by the Trustee on a regular basis.

2.2. Risk from lack of diversification

This is the risk that failure of a particular investment, or the general poor performance of a given investment type, could materially adversely affect the Plan's assets. The Trustee believes that the Plan's assets are adequately diversified between different asset classes and within each asset. This was a key consideration when determining the Plan's investment arrangements and is monitored by the Trustee on a regular basis.

2.3. Investment manager risk

This is the risk that an investment manager fails to meet its investment objectives. Prior to appointing an investment manager, the Trustee receives written advice from a suitably qualified individual and will typically undertake an investment manager selection exercise. The Trustee monitors the investment managers on a regular basis to ensure they remains appropriate for their selected mandates.

2.4. Liquidity/marketability risk

This is the risk that the Plan is unable to realise assets to meet benefit cash flows as they fall due, or that the Plan will become a forced seller of assets to meet benefit payments. The Trustee is aware of the Plan's cash flow requirements and believes that this risk is managed by maintaining an appropriate degree of liquidity across the Plan's investments and by investing in distributing share classes, where appropriate.

2.5. Environmental, social and governance (ESG) risks

Environmental, social and corporate governance (ESG) factors are sources of risk to the Plan's investments, some of which could be financially significant, over both the short and longer term. These potentially include risks relating to factors such as climate change, unsustainable business practices, and unsound corporate governance. The Trustee seeks to appoint investment managers who will manage these risks appropriately on their behalf and from time to time reviews how these risks are being managed in practice.

2.6. Collateral adequacy risk

The Plan is invested in leveraged Liability Driven Investment ("LDI") arrangements to provide protection ("hedging") against adverse changes in interest rates and inflation expectations. The LDI manager may from time to time call for additional cash to be paid to the LDI portfolio to support a given level of leverage. Collateral adequacy risk is the risk that the Trustee, when requested to do so, will not be able to post additional cash to the LDI fund within the required timeframe. A potential consequence of this risk is that the Plan's interest rate and inflation hedging could be reduced and that the Plan's funding level could suffer subsequently as a result. To manage this risk, the Trustee ensures that the Plan has a sufficient allocation to highly liquid assets which can be readily realised, so that cash can be posted to the LDI manager at short notice.

2.7. 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 Plan invests in pooled funds and is therefore directly exposed to credit risk in relation to solvency of the investment manager and custodian of those funds.

Direct credit risk arising from pooled funds is mitigated by the underlying assets of the pooled funds being ring-fenced from the investment managers, the regulatory environments in which the pooled fund managers operate and diversification of the Plan's assets across several pooled funds. The Trustee, with the help of its advisors, carries out due diligence checks prior to the appointment of any new investment manager or fund, and monitors for changes in the operating environment of the existing arrangements.

The Plan is indirectly exposed to credit risks arising from the underlying investments held by the pooled funds where they invest in bonds and other assets of a contractual nature. The managers of these pooled funds manage credit risk by having a diversified exposure to bond issuers or highly rated issuers (eg the UK government), conducting thorough research on the likelihood of default of those issuers, having only a limited exposure to bonds rated below investment grade, and / or arranging security against borrower default where appropriate. The magnitude of credit risk within each fund will vary over time as the managers change the underlying investments in line with their views on markets, asset classes and specific securities.

The Plan is also indirectly exposed to credit risk arising from the managers' use of derivative instruments. The terms under which such instruments are managed include provisions to manage the exposure to credit risk, such as limits on the exposure to any single counterparty and minimum credit ratings that all counterparties must meet. In addition, the derivative positions are generally collateralised daily, to aim to limit credit risk to one day's market movements.

2.8. Currency risk

As the Plan's liabilities are denominated in Sterling, any non-Sterling currency exposure within the assets presents additional currency risk. The Plan's pooled funds are accessed via Sterling share classes, so the Plan is not exposed to direct currency risk.

The Trustee considers the indirect overseas currency exposure in the context of the overall investment strategy, and believe that the risk that exists diversifies the strategy and is appropriate. Furthermore, where the Plan invests in non-Sterling denominated securities, the Trustee delegates responsibility to the investment managers to manage the currency exposure.

2.9. Interest rate and inflation risk

The Plan's assets are subject to interest rate and inflation risk because some of the Plan's assets are held in bonds and inflation/interest rate derivatives, via pooled funds. However, the interest rate and inflation exposure of the Plan's assets hedges part of the corresponding risks associated with the Plan's liabilities.

The net effect of the Trustee's approach to interest and inflation risk will be to reduce the volatility of the funding level, and so the Trustee believes that it is appropriate to manage exposures to these risks in this manner and to review them on a regular basis.

2.10. Other non-investment risks

The Trustee recognises that there are other, non-investment, risks faced by the Plan, and takes these into consideration as far as practical in setting the Plan's investment arrangements as part of its assessment of the other aspects of the Plan's Integrated Risk Management framework.

Examples include:

- longevity risk (the risk that members live, on average, longer than expected); and
- sponsor covenant risk (the risk that, for whatever reason, the sponsor is unable to support the Plan as anticipated).

Together, the investment and non-investment risks give rise generally to funding risk. This is the risk that the Plan's funding position falls below what is considered an appropriate level. The Trustee regularly reviews progress towards the Plan's funding target, both in the longer-term as well as against short-term milestones, comparing the actual versus the expected funding level.

By understanding, considering and monitoring the key risks that contribute to funding risk, the Trustee believes that it has appropriately addressed and are positioned to manage this general risk.

Investment manager arrangements

Appendix 3

Details of the investment managers, their objectives, investment guidelines and custody arrangements are set out below.

1. Legal & General Investment Management Limited ("LGIM") – Matching Portfolio

The Plan's Matching Portfolio is invested solely with LGIM and consists of investment in the following funds:

Fund	Performance benchmark used
Active Corporate Bond - All Stocks Fund	iBoxx GBP Non-Gilts (All Stocks) Index
Buy & Maintain Credit Fund	iBoxx GBP Non-Gilts (All Stocks) Index (but see comments below)
Matching Core Fixed Long Fund	Leveraged exposure to profile of fixed payments similar in duration to a typical pension scheme
2035 Real Fund (Matching Plus)	Leveraged exposure to 2035 inflation linked payment
2040 Real Fund (Matching Plus)	Leveraged exposure to 2040 inflation linked payment
2025 Inflation Fund (Matching Plus)	Leveraged exposure to 2025 inflation linked payment
2030 Inflation Fund (Matching Plus)	Leveraged exposure to 2030 inflation linked payment
2027 Gilt Fund	Total return of the 2027 gilt
2034 Gilt Fund	Total return of the 2034 gilt
2038 Leveraged Gilt Fund (Matching Plus)	Leveraged exposure to the 2038 gilt
2042 Leveraged Gilt Fund (Matching Plus)	Leveraged exposure to the 2042 gilt
2049 Leveraged Gilt Fund (Matching Plus)	Leveraged exposure to the 2049 gilt
2030 Index-Linked Gilt Fund	Total return of the 2030 index-linked gilt
2037 Index-Linked Gilt Fund	Total return of the 2037 index-linked gilt
2040 Index-Linked Gilt Fund	Total return of the 2040 index-linked gilt
2062 Index-Linked Gilt Fund	Total return of the 2062 index-linked gilt
2068 Index-Linked Gilt Fund	Total return of the 2068 index-linked gilt
2034 Leveraged Index Linked Gilt Fund	Leveraged exposure to the 2034 index-linked gilt
2037 Leveraged Index Linked Gilt Fund	Leveraged exposure to the 2037 index-linked gilt
2042 Leveraged Index Linked Gilt Fund	Leveraged exposure to the 2042 index-linked gilt
2047 Leveraged Index Linked Gilt Fund	Leveraged exposure to the 2047 index-linked gilt
2050 Leveraged Index Linked Gilt Fund	Leveraged exposure to the 2050 index-linked gilt
2055 Leveraged Index Linked Gilt Fund	Leveraged exposure to the 2055 index-linked gilt
Sterling Liquidity Fund	SONIA

All of the funds listed above are priced weekly, open-ended and unlisted.

LGIM is responsible for custody of the assets of the funds. Responsibility is delegated to HSBC Bank Plc for the Active Corporate Bond - All Stocks Fund, the Buy & Maintain Credit Fund, the index-linked gilt funds and the Sterling Liquidity Fund, and to Northern Trust Fiduciary Services (Ireland) Limited for the Matching Core Fixed Long Fund and the Matching Plus funds. The Trustee does not have a direct relationship with the custodians.

The performance objective of the Active Corporate Bond - All Stocks Fund is to exceed its benchmark by 0.75% pa (before fees) over rolling 3 year periods.

The performance objective of the Buy & Maintain Credit Fund is to achieve growth of capital and provide income by allowing the fund manager the discretion to take active investment decisions. There is no designated performance benchmark of the Buy & Maintain Credit Fund, due to the nature of the buy & maintain credit portfolios. This is because the fund is designed to be benchmark agnostic and hold bonds until maturity unless there is a significant change in the manager's view of the issuer's credit worthiness. The fund also aims to achieve diversification across a range of issuers. In practice the Trustee will benchmark performance against the iBoxx GBP Non-Gilts (All Stocks) Index over the long term.

The objectives of the Matching Core Fixed Long Fund and the Matching Plus funds are to provide a leveraged exposure to interest rates and inflation in line with the stated performance benchmark. The funds are combined in a manner which hedges part of the exposure of the Plan's liabilities to changes interest rate and inflation expectations.

The performance objective of the index-linked gilts funds is to track their benchmark indices.

The performance objective of the Sterling Liquidity Fund is to provide capital stability, liquidity and diversification while providing a competitive level of return.

2. Additional Voluntary Contributions

The Prudential Assurance Company Limited, The Equitable Life Assurance Society and Legal & General Investment Management Limited are the Plan's AVC providers.