International Motors Limited Retirement Benefits Scheme

Statement of Investment Principles

As at July 2025

SPENCE

What's Inside?

Executive Summary

This Statement of Investment Principles ("the Statement") has been commissioned by and addressed to the Trustees of the International Motors Limited Retirement Benefits Scheme ("the Scheme").

This document has been prepared by Simon Cohen, in his capacity as appointed Investment Consultant to the Scheme.

It has been prepared to comply with Section 35 of the Pensions Act 1995 as amended by the Pensions Act 2004 and the Occupational Pension Schemes (Investment) Regulations 2005 and as amended by subsequent regulations.

For the purposes of this report, International Motors Limited is referred to as "the Employer".

Introduction

This Statement sets out the principles governing decisions about investments for the Scheme and supersedes the previous Statement prepared by the Trustees.

In preparing this Statement, the Trustees have:

1.	Consulted with the Employer, although responsibility for maintaining this Statement and setting investment policy rests solely with the Trustees.
2.	Obtained and considered written professional advice and recommendations from Spence and Partners Limited ("Spence") who are the Trustees' appointed investment consultant. Spence is authorised and regulated by the Financial Conduct Authority ("FCA"). They have confirmed to the Trustees that they have the appropriate knowledge and experience to give the advice required by the Pensions Acts.

The Trustees will review this Statement annually. If there are any significant changes in any of the areas covered by this Statement, the Trustees will review it without further delay. Any changes made will be based on written advice from a suitably qualified individual and will follow on from consultation with the Employer.

The Scheme is a defined benefit ("DB") plan. The Trustees' investment powers are set out in Section 11.4 of the Consolidated Trust Deed & Rules dated February 2009 and subsequent amendments. This Statement is consistent with those powers.

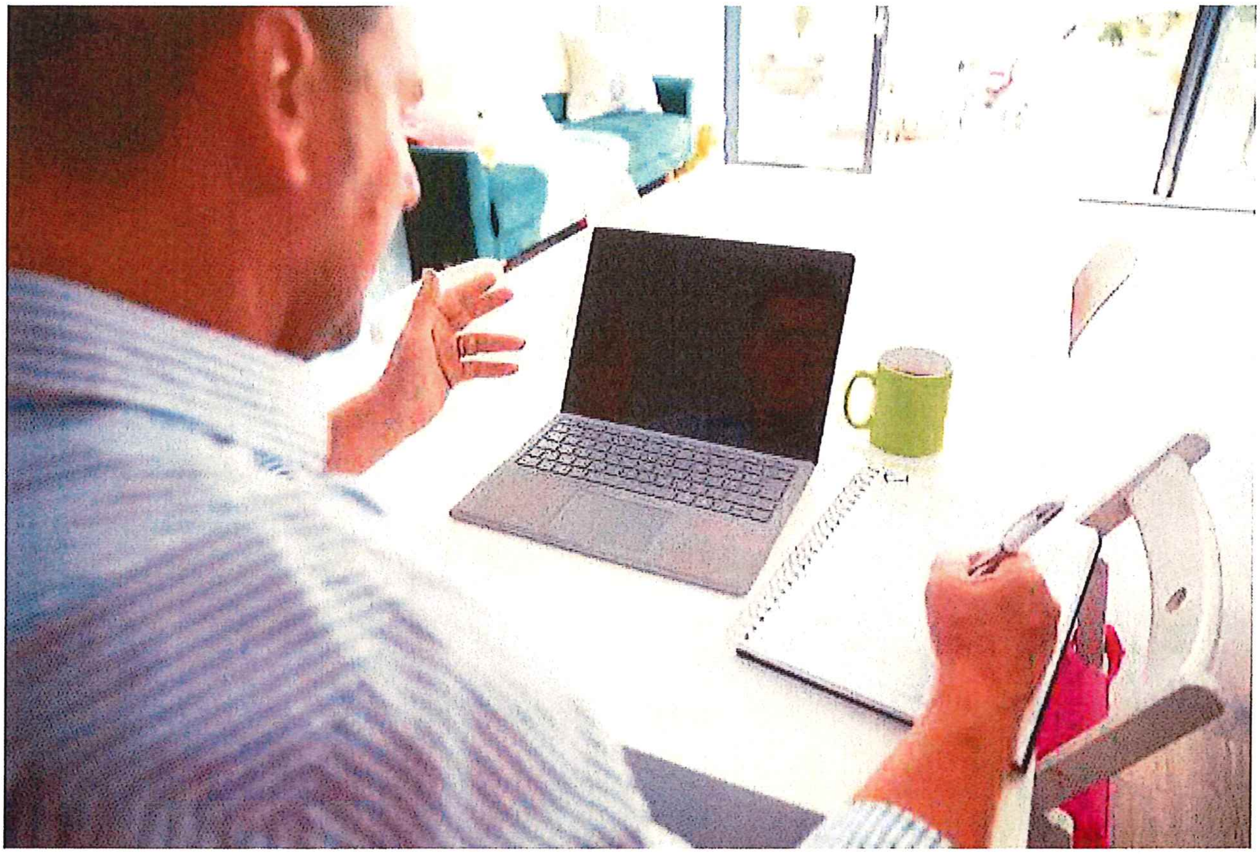
This Statement has been prepared with regard to the 2001 Myners review of institutional investment (including subsequent updates) and Scheme Funding legislation.

Investment Objectives

The Trustees' overall investment policy is guided by the following objectives:

1.	The Trustees' aim 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.
2.	The Trustees other aim is to buyout the Scheme with an insurance company. They are aware of the relationship between the investments held and the funding level of the Scheme liabilities and believe that their investment objectives and the resultant strategy are consistent with the valuation of those liabilities.

The Scheme Actuary has confirmed during the process of revising the investment strategy that the investment objectives and resultant strategy are consistent with the actuarial valuation methodology and assumptions used in the statutory funding objective.



Investment Responsibilities

The Trustees

Under the legal documentation governing the Scheme, the power of investment is vested in the Trustees. Therefore, the Trustees are responsible for setting the investment objectives and determining the strategy to achieve those objectives. They set the overall investment target and then monitor the performance of their investment manager against the target. In doing so the Trustees consider the advice of their professional advisers, who they consider to be suitably qualified and experienced for this role.

Their duties and responsibilities include but are not limited to:

- Regular approval of this Statement and monitoring compliance with this Statement
- Appointment, removal (where applicable) and review of their investment manager or investment adviser and their performance relative to relevant benchmarks
- Assessment of the investment risks run by the Scheme
- Monitoring and review of the asset allocation

Investment Adviser's Duties and Responsibilities

The Trustees have appointed Spence as their investment consultant. Spence provides advice when the Trustees require it and/or when Spence feels it suitable to do so. Areas on which it can provide advice are as follows:

- Setting investment objectives
- Determining strategic asset allocation
- Determining suitable funds and investment managers
- Managing cashflow

It should be noted that the Trustees retain responsibility for all decisions.

Spence are remunerated on a fixed fee arrangement. This charge covers all investment services as defined in the Consulting Services Agreement.

Any extra services provided by Spence will be remunerated on a time cost basis or a pre-agreed fee.

Spence does not receive any commission or any other payments in respect of the Scheme for investment services that will affect the impartiality of their advice.

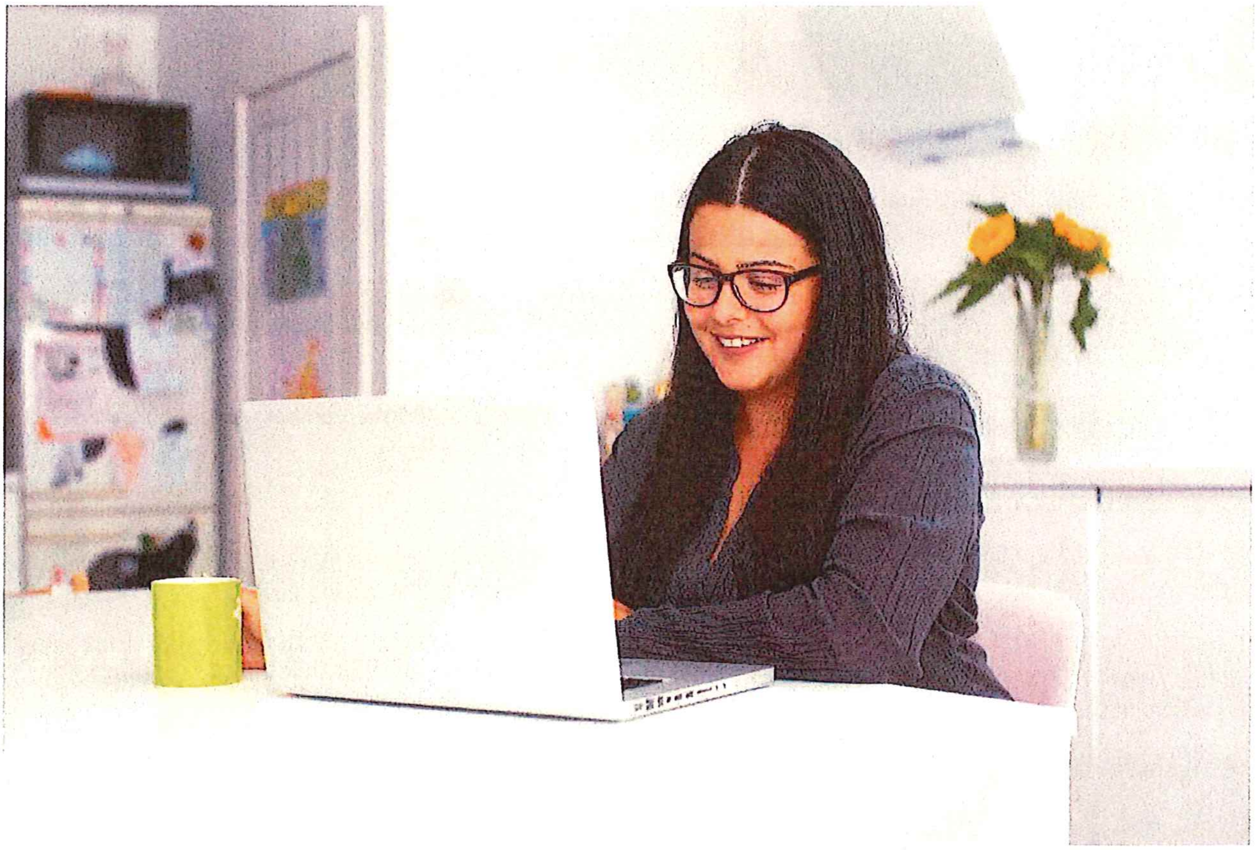
The Trustees are satisfied that this is a suitable adviser compensation structure.

Investment Managers' Duties and Responsibilities

Most of the Scheme assets are currently invested with TrinityBridge Fund Management Ltd ("TrinityBridge"), the Scheme's Fiduciary Manager. The Scheme holds some direct commercial retail property as well. The Trustees receive advice on their direct property investments from IM Properties PLC.

The underlying investment manager is detailed in the Appendix of this Statement. The underlying investment manager and TrinityBridge are authorised and regulated by the FCA and are responsible for stock selection, asset allocation (if managing a multi-asset portfolio) and the exercise of voting rights. The underlying manager is compensated by fund-based charges on the value of the Scheme's assets that they hold.

The Scheme's agreed asset allocation is defined in the Appendix.



Setting the Investment Strategy

The Trustees have determined their investment strategy after considering the Scheme's liability profile, their own appetite for risk and the views, risk appetite and covenant of the Employer. They have also received written advice from their investment consultant.

Types of Investment

The majority of the Scheme's assets are invested on behalf of the Trustees by TrinityBridge, through an investment platform, with an underlying investment manager and direct holdings. The Scheme also holds some direct property holdings.

The Trustees are permitted to invest across a wide range of asset classes, including but not limited to equities, bonds, cash, property and alternative asset classes. The use of derivatives is as permitted by the guidelines that apply to the pooled funds. The Trustees understand that some asset classes provide a better match to the liabilities than others.

The Trustees will monitor from time-to-time the employer-related investment exposure of their portfolio as a whole and will take steps to alter this should they discover this to be more than 5% of the total portfolio.

Balance Between Different Types of Investment

The Scheme invests in assets that are expected to achieve the Scheme's objectives detailed previously. The allocation between the different asset classes is shown in the Appendix of this Statement.

The Trustees have considered the merits of both active and passive management for the different elements of the asset allocation and selected suitable types of management for each asset class. The current investment managers are shown in the Appendix.

The Trustees may also hold insurance policies which are for the benefit of certain members to match part or all of their liabilities.

Expected Return on Investments

The Trustees have noted the long-run relationships that exist between the returns from different asset classes and have noted the different expected risk/return characteristics of the various asset classes.

In particular, they have noted that equities can be expected to deliver a greater long-run real return (over price inflation) than that expected from fixed interest gilts, index-linked gilts or cash but that typically equities are the most volatile asset class in terms of market returns.

The Trustee's chosen policy is to invest primarily into Gilts and Index-linked Gilts.

Realisation of Investments

Most of the Scheme's investments can generally be readily realised, if necessary. Some of the Scheme assets are invested in direct property holdings which are not readily realised and are somewhat illiquid.

Financially Material Considerations

The Trustees have considered financially material factors such as environmental, social and governance ('ESG') issues as part of the investment process to determine a strategic asset allocation over the length of time during which the benefits are provided by the Scheme for members. However, as the time horizon of the Scheme is expected to be short due to the expected buy-out of the Scheme, ESG considerations are not expected to have an impact on/be relevant to the Scheme's investment strategy.

Non-Financial Material Considerations

The Trustees have not considered non-financial material matters in the selection, retention and realisation of investments.

Stewardship

The Trustees' policy on the exercise of rights attaching to investments, including voting rights, is that these rights should be exercised by the investment manager on the Trustees' behalf, having regard to the best financial interests of the beneficiaries.

The investment manager should engage with companies to take account of ESG factors in the exercise of such rights as the Trustees believe this will be beneficial to the financial interests of members over the long term. The Trustees will review the investment managers' voting policies, with the help of their fiduciary manager and investment consultant and decide if they are appropriate.

The Trustees also expect the investment managers to engage with investee companies on the capital structure and management of conflicts of interest.

If the policies or level of engagement are not appropriate, the Trustees will engage with the investment manager, with the help of their investment consultant, to influence the investment manager's policy. If this fails, the Trustees will review the investments made with the investment manager.

The Trustees have taken into consideration the Financial Reporting Council's UK Stewardship Code and expect investment managers to adhere to this where appropriate for the investments they manage.

Investment Manager Arrangements

Incentives to align investment managers' investment strategies and decisions with the Trustees' policies

The Scheme invests in pooled funds and so the Trustees acknowledge that the funds' investment strategies and decisions cannot be tailored to the Trustees' policies. However, the Trustees set their investment strategy and then select managers that best suits their strategy taking into account the fees being charged, which acts as the investment managers' incentives.

The Trustees use the fund objective/benchmark as a guide on whether their investment strategy is being followed and monitor this regularly.

Incentives for the investment managers to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term

The Trustees select managers based on a variety of factors including investment philosophy and process, which they believe should include assessing the long term financial and non-financial performance of the underlying company that they invest in.

The Trustees also consider the managers' voting and ESG policies and how they engage with the investee company as they believe that these factors can improve the medium to long-term performance of the investee companies.

The Trustees will monitor the managers' engagement and voting activity on an annual basis as they believe this can improve long term performance. The Trustees expect their managers to make every effort to engage with investee companies but acknowledge that their influence may be more limited in some asset classes, such as bonds, as they do not have voting rights.

The Trustees acknowledge that in the short term, these policies may not improve the returns they achieve but do expect that by investing in those companies with better financial and non-financial performance over the long term, this will lead to better returns for the Scheme. The Trustees believe that the annual fee paid to the investment managers incentivises them to do this.

If the Trustees feel that the investment managers are not assessing financial and non-financial performance or adequately engaging with the companies they are investing in, they will use these factors in deciding whether to retain or terminate a manager.

How the method (and time horizon) of the evaluation of the investment managers' performance and the remuneration for asset management services are in line with the Trustees' policies

The Trustees review the performance of any fund quarterly on a net of fees basis compared to its objective.

The Trustees assess the performance of funds, where possible, over at least a 3-5 year period when looking to select or terminate a manager, unless there are reasons other than performance that need to be considered.

The Investment managers' remuneration is considered as part of the manager selection process and is also monitored regularly with the help of their investment consultant to ensure it is in line with the Trustees' policies.

The Trustees have not financially incentivised IM Properties PLC, other than by the knowledge that their performance is monitored and if it were to fall below the expectations of the Trustees, they would be replaced.

How the Trustees monitor portfolio turnover costs incurred by the investment managers, and how they define and monitor targeted portfolio turnover or turnover range

The Trustees monitor the portfolio turnover costs where relevant on an annual basis.

The Trustees define target portfolio turnover as the average turnover of the portfolio expected in the type of strategy the manager has been appointed to manage. This is monitored on an annual basis.

The Trustees have delegated the responsibility of monitoring portfolio turnover costs and target portfolio turnover to their investment consultant.

The duration of the arrangement with the investment managers

The Trustees plan to hold each of their investments for the long term but will keep this under review, especially since the Scheme may buy-in in the short-term.

Changes in investment strategy or changes in the view of the investment managers can lead to the duration of the arrangement being shorter than expected.

Regarding IM Properties PLC, the Trustees rely upon the expertise of the individual portfolio managers at IM Properties PLC. The Trustees will keep under review the ability of each of these individuals to perform their role for the Scheme and if necessary, may decide to recruit external property consultants should they feel it appropriate to do so. This would most likely be due to a change in the company's structure or underperformance of the property portfolio.

Additional Voluntary Contributions ("AVCs") Arrangements

Some members obtain further benefits by paying AVCs to the Scheme. The liabilities in respect of these AVCs are equal to the value of the investments bought by the contributions. From time-to-time the Trustees review the choice of investments available to members to ensure that they remain appropriate to the members' needs.

Risks

The Trustees are aware and seek to take account of several risks in relation to the Scheme's investments. Under the Pensions Act 1995 and the Occupational Pension Scheme (Investment) Regulations 2005, the Trustees are required to state their policy regarding the ways in which risks are to be measured and managed. Overall, the Trustees measure and monitor their risks by receiving reports on the performance of their assets, their managers and the movements in the Scheme's liabilities. The key risks and the policies are as follows:

Solvency and Mismatching Risk	This is measured through a qualitative and quantitative assessment of the expected development of the assets relative to the liabilities. The risk is managed by setting a scheme specific asset allocation with an appropriate level of risk.
Concentration Risk	This is measured by comparing the underlying asset allocation to the strategic asset allocation. If relevant, it is managed through the diversification of the Scheme's assets across a range of different funds with different investment styles and underlying securities, and different investment managers.
Investment Manager Risk	This is assessed as the deviation of actual risk and return relative to that specified in the investment manager's objectives. It is measured by monitoring on a regular basis the actual deviation of returns relative to the investment manager's objectives and an assessment of factors supporting the managers' investment process.
Sponsor Risk	This is assessed as the ability and willingness of the sponsor to support the continuation of the Scheme and to make good any current or future deficit. This is managed by assessing the interaction between the Scheme and the sponsor's business, as measured by several factors including the creditworthiness of the sponsor and the size of the pension liability relative to the sponsor.
Liquidity Risk	This is monitored according to the level of cashflows required by the Scheme over a specified time. The Scheme's administrators will assess the cash requirements to limit the impact of cashflow requirements on the Scheme's investment policy. The risk is managed by having a suitable amount of readily realisable investments and by holding a certain level of cash type assets. The Scheme invests in assets that there are invested in quoted markets and are as readily realisable as the Trustees feel suitable given the Scheme's cashflow position and the expected development of the liabilities.
Currency Risk	The Scheme's liabilities are denominated in sterling. The Scheme may gain exposure to overseas currencies by investing in non-sterling assets or via currency investment. Some currency hedging maybe used to manage this risk.
Loss of Investment Risk	There is a risk of loss of investment by each investment manager and potentially the custodian. This includes losses beyond those caused by market movements e.g. losses caused by fraud. The Trustees undertake regular reviews of the internal controls and processes of the investment managers.
Environmental, Social and Governance (ESG) and Climate Change Risks	There is a risk that ESG issues and climate change are not considered as part of the investment process and so may expose the portfolio to unexpected risks. This can lead to losses that may not have been factored into any expectations of future investment returns. It should be noted that the long-term ESG considerations are less relevant as the Scheme may buy-in in the short term.

Compliance

The Trustees confirm that they have received and considered written advice from Spence on the establishment and implementation of their investment strategy.

The Trustees confirm that they have consulted with the Employer regarding their strategy. Copies of this statement and any subsequent amendments will be made available to the Employer, the investment manager, the Scheme Actuary and the Scheme auditor upon request.

The Trustees will monitor compliance with this Statement annually. This will include a review of the suitability of the investment strategy on an ongoing basis and consideration of the continued suitability of the appointed investment manager.

NAME (block capitals) GARY HUTTON

Signed [redacted]

Trustee

Date of Signing: 5.08.2025

QAS Institute and Faculty of Actuaries® Quality Assurance Scheme

NAME (block capitals) ROBERT CROFT

Signed [redacted]

Trustee

Date of Signing: 05, 08. 2025.

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Trustee

Date of Signing: 05 August 2025

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Date of Signing: 5/8/25

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Quality Assurance Scheme

Appendix

Strategic Asset Allocation

The Scheme has a strategic asset allocation as set out in the table below:

Portfolio	Allocation	Asset Class	Allocation
UK Government issued Gilts & Index-Linked Gilts	72%	Various single stock UK Fixed Gilts	18%
		Various single stock UK Index-Linked Gilts	54%
Cash	22%	Sterling Liquidity	22%
Direct Property	6%	Property	6%
Total	**100%**		**100%**

Note: It is not expected that the portfolio will be rebalanced to maintain a liability hedge ratio and due to the illiquid nature of property.

Rebalancing and Cashflow management

The Trustees recognise that the asset allocation of investments will vary over time due to market movements. The Trustees seek to keep the asset allocation in line with its benchmark but are cognisant of the costs of rebalancing.

Where possible, cash outflows will be met from the income of the Scheme's assets to minimise transaction costs. Where income is insufficient, monies will be raised through the sale of holdings in the BlackRock Sterling Liquidity Fund. Similarly, if cashflows in were to be received, the money will be invested into the BlackRock Sterling Liquidity Fund.

Investment Managers

The Trustees invest most of the assets of the Scheme through TrinityBridge, the Scheme's Fiduciary Manager. TrinityBridge provides investment administration for the Scheme and so carries out the day-to-day management of the underlying investment manager and the direct Gilt holdings that the Scheme invests in.

The table below shows the underlying investment managers appointed to carry out the day-to-day management of the assets, as well as the funds that they manage, their benchmarks and relevant objectives.

Investment Manager	Fund	Benchmark	Objective
TrinityBridge	BlackRock Sterling Liquidity Fund	Sterling Overnight Index Average Rate (SONIA)	Track benchmark
	Various single stock UK Fixed Gilts	The return on the specific Fixed Gilt	Track benchmark
	Various single stock UK Index-Linked Gilts	The return on the specific Index-linked Gilt	Track benchmark
IM Properties	Direct commercial property	MSCI IPD UK Commercial Property Index	Absolute Return Objective of 6% p.a. gross of fees over the long term.

The investment managers' performance will be monitored on a quarterly basis.

The Scheme invests in various UK government Gilt and Index-Linked Gilts. The objective of these investments is to provide the Scheme with hedging protection against adverse movements in interest rates and inflation expectations. The investments will also pay semi-annual coupon payments.

Fees

The fee arrangements for the investment managers are summarised below:

Investment Manager	Fund	Annual Management Charge
BlackRock Investment Management	BlackRock Sterling Liquidity Fund	0.10%
IM Properties	Direct commercial property	0.30%

The Trustees have appointed TrinityBridge as their Fiduciary Manager. Currently TrinityBridge charges the Scheme £75,000 (excl. VAT) per annum for Fiduciary management. This annual charge will be reduced to £40,000 (excl. VAT) per annum from 1st September 2025. TrinityBridge also charge the Scheme £10 per trade placed.

The Trustees have appointed Spence as their investment consultant. Spence are remunerated on a fixed fee basis, although additional fees may be agreed for specific projects.

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