

THE ROBERT BOSCH LIMITED MONEY PURCHASE PLAN

Annual statement regarding governance

The Trustees of the Robert Bosch Limited Money Purchase Plan (the “Plan”) present their annual Chair’s statement on governance (the “Statement”). This Statement covers the year from 6 April 2024 to 5 April 2025 (the “Plan Year”).

The Trustees have reviewed and assessed that the key governance functions are consistent with the standards set out in the Occupational Pension Scheme (Charges and Governance) Regulations 2015 and document the adoption and compliance in this Statement.

The Plan’s mission is to help members attain a good financial outcome for life in retirement. This Statement describes the work that the Trustees have done to achieve that, and how they seek to ensure that the Plan is well-managed and delivers excellent services to members.

This statement covers the following key areas:

- The investment strategy relating to the Plan’s default investment option;
- The processing of core financial transactions;
- In relation to the Plan’s investments:
 - o How charges and transaction costs within the Plan represent value for members;
 - o an illustration of how charges impact members’ pension pots, investment returns net of charges,
 - o the allocation to different asset classes within the default investment option, and;
 - o the types of investments that members hold.
- The Trustees’ compliance with statutory knowledge and understanding (TKU) requirements.

This Statement does not contain advice in respect of actions that members should take and is not intended to be used for that purpose. If members need advice, they can visit the Financial Conduct Authority website <https://www.fca.org.uk/consumers/finding-adviser>. If members choose to use a financial adviser, they should be sure to check their area of expertise. The adviser will inform members of any charges that apply in return for their advice.

This statement will be published on a publicly available website at www.bosch.co.uk/pension-scheme, and will be signposted in members’ annual benefits statements.

1. Default investment option

The Plan’s default investment option is a lifestyle strategy, meaning there is a ‘growth phase’ early in members’ working lives where members’ pension pots are invested in assets that are designed to generate high levels of return. As members get closer to retirement, assets are gradually switched into investments expected to provide a better match for a member planning to access their savings flexibly via drawdown at retirement. Members who have not actively made an investment choice will be invested in the default investment option.

It should be noted that members cannot access their benefits via flexible drawdown within the Plan. At retirement they will need to transfer their benefits to an arrangement that allows drawdown to access that retirement option.

The default investment option is shown below and is as follows:

- Members’ more than 25 years from their retirement date will be wholly invested in the ‘High Growth Fund’ which is comprised of different types of equities. These investments are expected to provide returns above inflation over the long term.
- At 25 years from retirement members’ investments start to switch into the ‘Moderate Growth Fund’ and will be wholly invested in the fund at 15 years from retirement. The Trustees believe it is prudent to diversify members’ investments due to the inherent market volatility associated with equities and

therefore look to protect members' assets as they start to approach retirement. The Moderate Growth Fund invests in a diverse range of asset classes to provide some protection against risk.

- At eight years from retirement members' investments start to switch into the 'Cautious Growth Fund' and will be wholly invested in the fund at their retirement date. The Cautious Growth Fund is expected to provide an element of capital preservation while providing some growth potential for members wishing to access their savings through income drawdown and sufficient liquidity for withdrawal of a 25% tax-free cash lump sum, in line with the current legislative allowance around tax-free cash.



The Trustees with support from Mercer Limited (their investment adviser), review how the funds within the default investment option and self-select fund range have performed against fund objectives and benchmarks. Investment performance information is delivered via reporting at each Trustee meeting, which were held on 27 June 2024, 18 September 2024, 12 December 2024 and 20 March 2025 in the Plan Year.

The last full review of the default investment option was completed in June 2023. As part of this review, the Trustees decided to adjust the investment funds underlying the High, Moderate and Cautious Growth Funds to reduce members' costs and to introduce a specialised drawdown fund into the Cautious Growth Fund. These changes were implemented with effect from 11 January 2024.

The next investment review will begin in late 2025.

Other funds that regulations require to be treated as default investment arrangements

The Plan has an additional investment fund that the Trustees must treat as a default investment option. This is due to Legal & General suspending new contributions into the Property Fund in 2020. At that time, the Trustees decided to divert members' contributions into the Cash Fund without their explicit consent.

Although this position was reverted when the Property Fund re-opened for contributions, the Trustees treat the Cash Fund as an additional default option subject to the same review and governance requirements as the default investment option.

Statement of Investment Principles

In accordance with the Administration Regulations, the Trustees have appended the latest copy of the Statement of Investment Principles (the "SIP") dated 20 June 2024, prepared for the Plan under Section 35 of the Pensions Act 1995 and regulation 2 / regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005. During the Plan Year the SIP was updated following changes to the default investment option and to reflect the Trustees' view on illiquid investments.

The SIP covers the Trustees' aims and objectives in relation to the default investment option as well as the Trustees' policies relating to matters such as risk and diversification. In addition to the default funds and the wider fund range, the SIP covers alternate investment choices under the Plan, covering a range of funds that the Plan's members can choose to invest in.

2. The processing of core financial transactions

As required by the Administration Regulations, the Trustees must ensure that core financial transactions are processed promptly and accurately. This includes (but is not limited to):

- Investment of contributions paid into the Plan;
- Transfer of members' assets into and out of the Plan;
- Switching of members' assets between different investment options within in the Plan; and
- Payments from the Plan to, or in respect of, members (retirements, for example).

The Trustees operate a system of internal controls aimed at monitoring the Plan's administration and management. They monitor the extent to which the Plan's core financial transactions are processed promptly and accurately through the following framework:

- Appointing a reputable professional pension administration provider, Aptia (the "Administrator").
- Having in place service level agreements ("SLAs") with the Administrator which covers administration processes, including core financial transactions. The SLAs are monitored by the Trustees on a regular basis via reports provided by the Administrator and discussed at each Trustees' meeting.
- In addition to SLAs, the Administrator also reports on end-to-end processing times which helps the Trustees identify case types that they can work with the Administrator to improve processing times.
- Reviewing the contribution payment and investment dates relating to each month's contributions to the Plan. This information is detailed within the quarterly Trustee meeting materials and reviewed by the Trustees.
- The Schedule of Contributions sets out timescales for the Company to submit monthly contributions to the Plan. In practice contributions are made well in advance of these timescales. The deduction and payment of contributions is reviewed by the Company.
- Appointing a professional firm to undertake an annual audit. All financial transactions are subject to annual audit requirements as part of the Trustees' annual report and accounts
- Members have access to an online portal that enables them to conduct their own checks in relation to financial transactions such as contribution payments and investment switches.

Table 1: Core Transaction SLAs

SLA	Case type
2 working days	Provide a quote in relation to a death case
2 working days	Settle a death case
5 working days	Respond to an enquiry
8 working days	Individual investment switch
9 working days	Process a leaver case
10 working days	Produce a retirement quote
10 working days	Produce a transfer in quote
10 working days	Settle a transfer in case
10 working days	Produce a transfer out quote
10 working days	Settle a transfer out case
10 working days	Produce a divorce quote
13 working days	Settle a retirement case
15 working days	Change data
15 working days	Set-up a new member record
51 Working days	Settle a divorce case

The processes adopted by the Administrator to help meet the SLAs include:

- Transactions recorded and monitored on the workflow system;
- Member / policyholder transactions are independently checked via a quality queue within the workflow process;

- Investment deadline (3 working days) on receipt of contributions (from receipt of reconciled and validated contribution data and money) hardcoded into workflow system that feeds into a central investment cycle spreadsheet, which is monitored and reviewed to highlight exceptions;
- Daily monitoring of bank accounts (and separate cheque receipt log-reconciled daily maintained by a central treasury team);
- At least two individuals checking all investment and banking transactions;
- Monthly reconciliation of contributions received;
- Input into the admin system and any subsequent changes approved by an authorised individual.

The Trustees have the following in place to help ensure the timely processing of core financial transactions:

- Maintaining a risk register that details the risks to Plan members, and mitigations to those risks. The register was last reviewed in December 2024.
- The Plan Auditor carries out spot checks to ensure that contributions are paid in accordance with the Schedule of Contributions.
- The Trustees monitor the accuracy of the Plan's common data. A summary report is received from the Plan Administrator. In March 2025, the Plan achieved a score of 93% for its common data. In addition, the Trustees will be working closely with the Administrator to ensure that the Plan is ready for Pension Dashboards.

The Trustees challenge the Administrator regarding the processing of core financial transactions. The Administrator is aware of the statutory deadlines for the processing of all member-related services, including core financial functions such as investment switches and benefit payments, and have confirmed that all core financial transactions over the Plan Year were invested on time and within the statutory deadlines. The Trustees regularly receive the relevant details from the Administrator to enable effective monitoring of these processes.

Should standards fall, the Administrator will be asked by the Trustees to explain the reason why and how the issue can be rectified. The Trustees will continue to seek the relevant details to support effective monitoring of these processes.

Based on the above, the Trustees are satisfied that the Plan's core financial transactions have been processed promptly and accurately by the Administrator during the period to which this Statement relates.

3. Charges and transactions costs

Charges

The charges borne by members consist of annual investment management charges, platform services and insurance intermediary services. These are deducted directly through the unit prices of the funds that members invest in. These combined charges are known as Total Expense Ratios ("TERs"). All other costs associated with running the Plan are met by the Company.

As required by the Administration Regulations, the Trustees are required to report on the charges and transactions costs for the investments used in both the default investment option and the self-select fund range, and their assessment of the extent to which the charges and costs represent good value for members.

The Plan is used as a qualifying arrangement for auto enrolment and as such must comply with regulations on charge controls introduced from April 2015. Specifically, the default investment option must have a total expense ratio equal to, or below, the charge cap of 0.75% p.a. of savings. The Trustees can confirm this threshold is adhered to.

The TERs shown in Table two for each fund are sourced from Scottish Widows and Prudential.

Transaction Costs

Transaction costs are not explicitly deducted from a fund but are captured in its investment performance (in other words, the higher the transaction costs, the lower the returns produced by a fund). The Financial Conduct Authority has provided guidance (PS17/20) to investment managers regarding

calculations and disclosures of transaction costs which comply with regulations. The transaction costs shown in this statement are calculated on a methodology known as 'slippage cost'. This compares the price of the stocks being traded when a transaction was fulfilled 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. A negative figure is effectively a gain from trading activity, whilst a positive figure is effectively a cost from trading activity.

Scottish Widows have worked with the various underlying investment firms to collate the required data on transaction costs. The total transaction cost reported by Scottish Widows for each fund is shown in Table two. The limitations regarding the disclosure of transactions costs are detailed below:

- Transaction cost totals represent annualised costs incurred by the fund manager within the underlying fund. Figures do not currently contain impacts of dilution adjustments incurred at the Scottish Widows fund level when Scottish Widows deals in the underlying funds.
- Reporting cycles may differ between fund managers. Data provided may not align completely across funds. The latest available annualised information, as close to the Plan Year as possible has been used in each case.
- Fund managers may use different methodologies to calculate their transaction costs; therefore, overall transaction cost figures may not be directly comparable, or may exclude some elements or breakdowns of the total cost.

Table 2: Investment Funds Costs and Charges

Fund	TER (% p.a.)	Transaction Costs (% p.a.)
High Growth	0.20	0.04
Moderate Growth	0.51	0.14
Cautious Growth	0.49	0.12
Global Shares	0.20	0.04
Bond	0.36	0.15
Property	0.75	0.00
Multi-Asset	0.83	0.31
Annuity Aware	0.14	0.00
Cash**	0.16	-0.08
Prudential With Profits*	0.96	0.11

Source: Scottish Widows and Prudential as at 31 March 2025.

*For members in this fund, the Trustees also pay £500 p.a. in addition to the member-borne charge of 0.96% p.a. Transaction costs provided by Prudential reflect an annualised average over the 5 years to 31 March 2025

The Trustees fully support transparency of charges and costs for members. However, a key consideration for members is the performance produced net of combined charges and costs. Moreover, a cheaper fund does not necessarily deliver the best value for money.

To illustrate the impact of charges and costs on a typical member's pension pot, the Trustees have produced illustrations below based on statutory guidance.

Example illustrations showing the impact of charges and transaction costs within the Plan

The following assumptions have been made when producing the illustration:

1. The illustration starts at age 18 for active members to represent a new starter and age 43 for deferred member. The illustrations continue until the age of 65 (the Plan's normal retirement age).
2. The starting pension pot size for the active member is assumed to be £0, and £21,930 for deferred.
3. Inflation and salary increases are assumed to be 2.5% each year.
4. For active members a salary of £28,190 has been assumed.
5. For active members the Trustees have assumed a contribution rate of 10% per year.

6. Transaction costs are assumed to not be negative at any stage. As defined in regulation 2(1) of the Occupational Pension Schemes (Charges and Governance) Regulations 2015, the illustration should be based on an average of the previous 5 years' transaction costs or, where data is available for fewer than 5 years, an average of transactions costs over the years for which data is available.
7. The projected growth rates before ongoing charges are as follows:
- A. **Default investment option** (most popular investment choice): investment return of 3.3% to -1.0% per year above inflation, with ongoing charges between 0.51% and 0.20% a year and transaction costs between 0.11% and 0.16% p.a.
 - B. **Multi-Asset Fund** (most expensive fund): investment return of -1.3% above inflation, with ongoing charges of 0.83% a year and transaction costs of 0.33% p.a.
 - C. **Annuity Aware Fund** (least expensive fund): investment return of 3.4% above inflation, with ongoing charges of 0.14% a year and transaction costs of 0.00% p.a.
 - D. **Cash Fund** (additional default investment arrangement): investment return of -0.7% above inflation, with ongoing charges of 0.16% a year and transaction costs of 0.00% p.a.

Active Members (those still contributing to the Plan regularly)

Member's Age	Most popular fund		Most expensive fund		Least expensive fund		Additional default investment arrangement	
	Default investment option		Multi-Asset Fund		Annuity Aware		Cash Fund	
	Before fees	After fees	Before fees	After fees	Before fees	After fees	Before fees	After fees
	(£)		(£)		(£)		(£)	
19	£2,870	£2,860	£2,820	£2,780	£2,860	£2,860	£2,810	£2,810
20	£5,830	£5,810	£5,630	£5,530	£5,830	£5,810	£5,610	£5,600
25	£22,370	£22,080	£19,610	£18,730	£22,280	£22,150	£19,390	£19,270
30	£42,120	£41,220	£33,480	£31,080	£41,830	£41,410	£32,830	£32,500
35	£65,710	£63,720	£47,230	£42,620	£65,060	£64,130	£45,940	£45,300
40	£93,890	£90,170	£60,860	£53,430	£92,660	£90,920	£58,730	£57,680
45	£124,850	£118,240	£74,370	£63,530	£125,460	£122,520	£71,190	£69,660
50	£152,050	£140,510	£87,770	£72,990	£164,420	£159,790	£83,350	£81,240
55	£179,780	£161,940	£101,050	£81,830	£210,710	£203,750	£95,210	£92,460
60	£208,360	£183,130	£114,220	£90,100	£265,710	£255,590	£106,780	£103,300
65	£226,480	£194,630	£127,280	£97,840	£331,060	£316,730	£118,050	£113,800

Deferred Members (those no longer making contributions to the Plan)

Member's Age	Most popular fund		Most expensive fund		Least expensive fund		Additional default investment arrangement	
	Default investment option		Multi-Asset Fund		Annuity Aware		Cash Fund	
	Before fees	After fees	Before fees	After fees	Before fees	After fees	Before fees	After fees
	(£)		(£)		(£)		(£)	
44	£22,580	£22,480	£21,890	£21,640	£22,700	£22,670	£21,820	£21,790
45	£23,170	£22,960	£21,850	£21,350	£23,500	£23,430	£21,710	£21,640
50	£25,490	£24,480	£21,670	£19,970	£27,920	£27,630	£21,170	£20,940
55	£27,670	£25,700	£21,480	£18,680	£33,170	£32,590	£20,650	£20,260
60	£29,830	£26,800	£21,300	£17,480	£39,410	£38,430	£20,140	£19,600
65	£30,400	£26,450	£21,120	£16,350	£46,820	£45,330	£19,640	£18,960

Investment returns after all charges and transaction costs

The tables below show performance, net of all charges and transaction costs, of all funds available to members during the Plan year. The format of the data shown is consistent with that required to be shown in the Plan's Chair's Statement. For the avoidance of doubt, performance is shown net of all charges and transaction costs. For the default investment option, returns are based on the asset allocation as at the member age shown, over the time periods shown.

Default investment option			
Age of member		1 year	5 years
25		5.1%	12.9%
45		4.5%	9.9%
55		3.9%	7.0%
Self-select fund		1 year	5 years
Global Shares		6.1%	12.8%
Bond		1.5%	-1.4%
Multi-Asset		3.5%	3.1%
Property		6.3%	3.7%
Annuity Aware		-2.6%	-5.0%
Cash*		5.0%	2.4%

* additional default investment arrangement
Scottish Widows as at 31 March 2025

Asset Allocation in the default investment option

The tables below show the percentage of each of the main asset classes held by the default investment option at different lengths of time until retirement.

Where the fund invests in one or more underlying funds, the asset allocation shown is that of the underlying funds.

Default investment option

Asset Class	Percentage allocation - average 25-year-old (%)	Percentage allocation - average 45-year-old (%)	Percentage allocation - average 55-year-old (%)	Percentage allocation – Average 1 day prior to State Pension Age
Listed equities	94.9	82.0	69.0	36.3
Private equity	-	-	-	-
Property	-	4.0	7.9	3.0
Infrastructure	-	-	-	-
Bonds	-	6.0	12.1	33.3
Private debt	-	-	-	-
Cash	-	1.6	3.2	14.0
Other	5.1	6.4	7.8	13.4
Total	100.0	100.0	100.0	100.0

Additional default investment arrangement: Cash Fund

Asset Class	Percentage allocation - average 25-year-old (%)	Percentage allocation - average 45-year-old (%)	Percentage allocation - average 55-year-old (%)	Percentage allocation – Average 1 day prior to State Pension Age
Listed equities	-	-	-	-
Private equity	-	-	-	-
Property	-	-	-	-
Infrastructure	-	-	-	-
Bonds	-	-	-	-

Private debt	-	-	-	-
Cash	100.0	100.0	100.0	100.0
Other	-	-	-	-
Total	100.0	100.0	100.0	100.0

Cash: Money market instruments that behave similarly to cash e.g. treasury bills. It only includes invested cash and not the cash balance held by the Plan.

Bonds: Loans made to the bond issuer, usually a government or a company, to be repaid at a later date.

Listed Equity: Shares in companies that are listed on global stock exchanges. Owning shares makes the Plan a part owner of the company, entitled to a share of the profits (if any) payable as dividends.

Private Equity: Unlisted equities that are not publicly traded on stock exchanges.

Infrastructure: physical structures, facilities, systems, or networks that provide or support public services including water, gas and electricity networks, roads, telecommunications facilities, schools, hospitals, and prisons

Property: Real estate, potentially including offices, retail buildings which are rented out to businesses.

Private Debt: Other forms of loan that do not fall within the definition of a 'Bond'.

Other: Any assets that do not fall within the above categories.

Value for Members

In accordance with regulation 25(1)(b), the Trustees are required to undertake a review of the charges and transaction costs incurred by members to determine whether they represent good value.

Core among the Trustees' beliefs is that value is about using the resources at their disposal effectively to help members achieve a good outcome for life after work. This means that value is not just about obtaining the lowest costs. Also, while some elements of value should be scrutinised carefully over the short term (for example, the performance of the Plan Administrator), others such as the suitability and performance of investment funds span several years.

Overall, the Trustees believe that the Plan offers members good value. The reasons underpinning this conclusion include:

- Charges for the default investment option and other funds treated as default investment arrangements are significantly below the charge cap of 0.75% per annum;
- Charges on all funds have been assessed by the Plan's advisers as good or reasonable value, compared to peer group funds;
- Performance of the Plan's investments has been reasonable, noting some underperformance in funds underlying the default investment option. The Trustees expect the position to improve in time as the changes made in January 2024 take effect.

In addition to the member charges, the Trustees have also analysed the value derived from their wider governance of the Plan considering:

- Investment governance;
- Communications;
- Plan governance;
- Administration services; and
- At-retirement services.

Moreover, the Company, not the members, pay for all advisory, communication, governance and administration costs associated with operating the Plan. Hence, the Trustees concluded that the Plan's overall benefits and options represent good value.

4. Trustee knowledge and understanding

In accordance with sections 247 and 248 of the Pensions Act 2004, the Trustees are required to maintain an appropriate level of knowledge and understanding which, together with professional advice that is available to them, enables them to properly exercise their functions and duties in relation to the Plan.

The Trustees must be conversant with the Plan's documentation and of current policy relating to the Plan generally. The Pensions Regulator interprets 'conversant' as having a working knowledge of those documents such that the Trustees are able to use them effectively when they are required to do so in the course of carrying out their duties on behalf of the Trustees.

This requirement has been met during the Plan Year as the Trustees have undertaken ongoing training, both as a group and individually to keep abreast of developments within the pensions industry. The table below demonstrates how the Trustees have met the requirements:

Requirement	How the requirement has been met over the Plan Year
A working knowledge of the trust deed and rules	- The Trustees have access to the Trust Deed and Rules in case any queries arise. However, any questions which require an interpretation of the Rules, are referred to their lawyers for advice. - During the Plan Year, the Trustees undertook an exercise to appoint a member-nominated Trustee, demonstrating knowledge of the Plan Rules.
A working knowledge of the current Statement of Investment Principles	- Over the Plan Year, the Trustees reviewed the criteria under which they assess their investment adviser, a requirement under the Competitions and Markets Authority Statement and Objectives. - The Trustees updated their SIP to reflect a change to their investment strategy following a review, as well as include a policy around illiquid investments following training by their investment adviser.
A working knowledge of all documents setting out the Trustees' current policies	- The Trustees undertake an annual evaluation of training requirements, which includes specific consideration of whether any further training is required in respect of these documents. - The Trustees have access to all key Plan documentation and produced a summary of the Trustees' objectives / policies and in which document they are recorded or where they are evidenced. - During the Plan Year the Trustees started preparing an Effective System of Governance requiring a review of their governing documents and policies.
A sufficient knowledge and understanding of the law relating to pensions and trusts	- The Trustees have access to legal advisers, Eversheds Sutherland, who support them with their understanding of the law relating to pensions and trusts and will draw attention to any legislative changes the Trustees need to be aware of. - In order to adhere to future requirements regarding decumulation support for members, the Trustees arranged for members to access guidance, advice and a route to access flexible drawdown via Mercer Retirement Services.
Sufficient knowledge and understanding to the relevant principles relating to the funding and investment of occupational schemes	- As the Plan is a DC Plan the Trustees are not required to consider funding principles.

Combined Trustee knowledge and understanding, together with available advice, enables to properly exercise their functions.	- All new Trustees are required to have completed the Pensions Regulator's Trustee Toolkit within six months of initial appointment and familiarise themselves with the Plan, stakeholders, advisers providers and working methods. - The Trustee Board comprises individuals with diverse professional skills and experiences, reflecting the varied nature of the challenges that its governance must address. - To support the Trustees in keeping up to date on investment matters, investment managers present updates at each meeting. The Trustees have sufficient knowledge to challenge their managers as evidenced by the minutes at each meeting. - The Trustees review their training needs on a regular basis and at least annually. During the Plan Year, the Trustees undertook a knowledge gap assessment using a skills matrix to identify areas for focused future training. The matrix is reviewed and updated regularly. While there were a few gaps on an individual basis, which the Trustees will aim to address, the Trustees and their advisers are comfortable that as a collective group, they have sufficient knowledge to properly exercise their functions. - The Trustees maintain a training log that sets out individual and whole-board based training activity. The Trustees' professional advisers attend all quarterly meetings and are asked to input into the agenda. - The Trustees regularly receive email bulletins and updates from its advisers on the latest developments affecting Defined Contribution pension schemes.
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Considering the review carried out by the trustee body, and the professional advice available to them, the Trustee Board consider they are properly enabled to exercise their function as Trustees.

Chair's declaration

This statement is required under legislation set out in regulation 23 of The Occupational Pension Schemes (Scheme Administration) Regulations 1996 (the 'Administration Regulations'), as amended by the Occupational Pension Schemes (Charges and Governance) Regulations 2015.

I confirm that the above statement has been produced by the Trustees to the best of the Trustees' knowledge.

The original copy of this document was signed by Peter Milburn (Chair of the Trustees) on behalf of the Robert Bosch Limited Money Purchase Plan on 4 November 2025.