MURRAY JOHNSTONE LIMITED RETIREMENT BENEFITS PLAN

STATEMENT OF INVESTMENT PRINCIPLES

1. BACKGROUND

Aberdeen Pension Trustees Limited ("the Trustee"), Trustee of the Murray Johnstone Limited Retirement Benefits Plan ("the Plan"), have drafted this Statement of Investment Principles ("the Statement") to comply with the requirements of the Pensions Act 1995 (as amended by the Pensions Act 2004 and the Occupational Pension Schemes (Investment) Regulations 2005 and subsequent regulations) ("the Act") and subsequent legislation. Before preparing it the Trustee has consulted abrdn Holdings Limited as the Principal Employer (the "Company") and obtained and considered the written professional advice from the Plan's consultant, Mercer Limited ("Mercer"), including advice contained in the latest valuation undertaken by the actuary.

The Trustee has entered into a bulk annuity contract with Phoenix Life ("Phoenix Life") in respect of all of the Plan's members who have accrued benefits in the Plan. This was funded out of the Plan's existing assets.

As all of the Plan assets are represented by this annuity contract, with the exception of a reserve to meet residual cashflow requirements, the Trustee believes that the general requirements around the contents of a Statement of Investment Principles are no longer applicable to the Plan. The remainder of this Statement sets out the Trustee's policies where relevant.

The Trustee selected Phoenix Life as the Plan's annuity provider having obtained and considered the written advice of Mercer whom the Trustee believes to be suitably qualified to provide such advice. The advice received and arrangements implemented are, in the Trustee's opinion, consistent with the requirements of Section 36 of the Pensions Act 1995 (as amended). We will review this statement every year.

2. INVESTMENT POLICY

The Trustee's primary objective is to ensure that the assets of the Plan are sufficient to meet their obligations to beneficiaries.

The Trustee considers that its broad objective is to invest the Plan's assets in such a manner that members' entitlements can be paid when they fall due. As a key step to achieving this, the Trustee, following consultation with the Company, has entered into an irrevocable bulk annuity contract issued by Phoenix Life. Phoenix Life is authorised by the Prudential Regulation Authority to write contracts of this nature in the UK.

The Trustee's key short term objective is to ensure an efficient progression towards an insurer buy-out of the Plan's known liabilities, with the aim of achieving an appropriate discharge of liability in respect of known obligations in accordance with the Plan's governing documentation and relevant legislation.

In due course, in order to complete buy-out, the known members' benefits will be secured by means of individual annuity policies issued by Phoenix Life directly to the members, in accordance with the terms of the bulk annuity policies. The Plan will then be wound up. The aim is to complete the Plan's buy-out and wind-up within a reasonable timeframe.

The Plan's principal asset is the bulk annuity policy with Phoenix Life. As a result, all of the Plan's assets are represented by this policy, with the exception of residual cash held in the abrdn Liquidity Fund (Lux) – Sterling Fund.

The residual cash is to be held, in order to help the Trustee meet imminent cash outgo in connection with ongoing expenses arising that are to be met from the Plan, liability changes prior to buy-out, including any liability adjustments arising prior to buy-out in relation to GMP equalisation.

Future benefits payable from the Plan prior to buy-out will be funded by the bulk annuity policy.

3. THE TRUSTEE'S POLICY WITH REGARD TO RISK MEASUREMENT AND MANAGEMENT

The key risks considered by the Trustee are as follows:

- Failure of the annuity provider. Before entering into the bulk annuity contract, the Trustee carefully considered the current financial strength of Phoenix Life and concluded that the risk of failure was acceptably low. In addition, the Trustee is aware that regulatory oversight and, ultimately, the Financial Services Compensation Scheme, provide a degree of statutory protection to policyholders of long term insurance contracts such as the bulk annuity policy, in the event that an insurer gets into financial difficulty or becomes insolvent.

- Lack of diversification. The Trustee recognises that the decision to invest in a bulk annuity contract with a single provider represents a concentration of risk. However, after careful scrutiny of the provider prior to transaction, the Trustee is satisfied that the degree of risk taken is acceptable.

- Illiquidity. The Trustee does not expect to be able to obtain cash from the annuity contract other than to meet promised benefits as agreed with the provider. It has therefore ensured that the contract meets all required benefits. With certain exceptions, the policy also covers future corrections to benefits and entitlements for any overlooked beneficiaries, without the need for the Trustee to pay an additional premium. The Trustee also holds an additional cash reserve to meet residual cash flow requirements.

4. ADDITIONAL ASSETS, CASHFLOW AND REALISATION OF INVESTMENTS

The Trustee invests the remaining reserve of the Plan in pooled funds operated by abrdn Investments.

All residual assets are invested in the abrdn Liquidity Fund (Lux) – Sterling Fund, which has an investment objective to preserve capital and a stable value whilst maintaining high liquidity and achieving returns. The Fund is benchmarked against the SONIA Index.

The Trustee maintains a reserve to meet any residual cash flow requirements, in particular for expenses. Any expenses above the reserve held will be met by the Company.

5. SOCIALLY RESPONSIBLE INVESTMENT/CORPORATE GOVERNANCE

Given that the majority of the assets are invested in an annuity contract; the Trustee has decided it is no longer relevant to adopt a policy on these issues.

In addition, there are no voting rights attached to the annuity contract, so the control of corporate governance issues have been ceded by the Plan to Phoenix Life.

6. COMPLIANCE WITH THIS STATEMENT

Aberdeen Pension Trustees Limited, Trustee of the Murray Johnstone Limited Retirement Benefits Plan, the investment manager and Mercer Limited, our consultants, each have duties to perform to give effect to the Principles contained within this Statement. These are:

The Trustee will review this Statement in response to any material changes to any aspects of the Plan, its liabilities, finances and the attitude to risk of the Trustee and the Company which they judge to have a bearing on the stated Investment Policy.

Further reviews will occur no less frequently than every three years. Any such review will again be based on written, expert investment advice and will be in consultation with the Company.

Mercer Limited, our consultants, will provide the advice needed to allow us to review and update this statement annually (or more frequently if required, following any material changes to the investment policy).

Aberdeen Pension Trustees Limited, Trustee of the Murray Johnstone Limited Retirement Benefits Plan

April 2024