Implementation Statement, covering the Scheme Year from 6 April 2025 to 5 April 2026 (the "Scheme Year")

The Trustee of the Ultra Electronics Pension Scheme (the "Scheme") is required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed its Statement of Investment Principles ("SIP") during the Scheme Year, as well as details of any review of the SIP during the Scheme Year, subsequent changes made with the reasons for the changes, and the date of the last SIP review. Information is provided on the last review of the SIP in Section 1 and on the implementation of the SIP in Sections 2-8 below.

The Statement is also required to include a description of the voting behaviour during the Scheme Year by, and on behalf of, the Trustee (including the most significant votes cast by the Trustee or on its behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 9 below.

In preparing the Statement, the Trustee has had regard to the guidance on Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement, issued by the Department for Work and Pensions ("DWP's guidance") in June 2022.

This statement covers the DB and DC arrangements of the Scheme only (ie AVCs are excluded).

This Statement is based on the Scheme's SIP dated 29 October 2025, this being the SIP that was in place at the Scheme Year end. It should be read in conjunction with the latest SIP, which can be found online here:

https://www.cobhamultra.com/media/3887/ueps-sip-october-2025.pdf

1. Introduction

The SIP was reviewed and updated during the Scheme Year in October 2025, primarily to reflect the purchase of a bulk annuity policy to fully insure the DB Section's pension liabilities as well as details of the investment arrangements for the remaining assets of the DB Section. The Trustee's policies in relation to voting and engagement were also updated to reflect the completion of the bulk annuity policy. There were no changes to the DC / AVC Sections of the SIP.

As part of these updates, the employer was consulted and confirmed it was comfortable with the changes.

The Trustee has, in its opinion, followed all of the policies in the Scheme's SIP during the Scheme Year, including those on voting and engagement. The following Sections provide detail and commentary about how and the extent to which it has done so.

2. Investment objectives

The primary objective of the DB Section of the Scheme is to ensure that the benefit payments are met as they fall due.

To achieve this objective, the Trustee has purchased a bulk annuity policy with Just Retirement Limited ("Just") to fully insure the Scheme's DB pension liabilities, that is expected to match the benefits payable to the Scheme's members.

For the Scheme's residual assets, the Trustee has agreed a secondary objective to hedge known residual risks.

The Trustee's investment objective for the DC Section is to provide:

- members with access to an appropriate range of investment options, reflecting the membership profile and the variety of ways that members can draw their benefits in retirement; and
- a suitable default lifestyle investment option for those members previously invested in the Equitable Life With Profits Fund (which was closed on 1 January 2020). The objective for the default option is to generate returns above inflation whilst members are far from retirement, and then gradually reduce risk by switching investments over a 10-year period up to retirement.

The Trustee's investment objective for the AVCs is to make available a suitable range of investment options to meet members' risk / return objectives.

The Trustee assesses the value for money members receive from the DC / AVC arrangements on a regular basis. The last assessment was undertaken in November 2023 as part of the triennial review of the Scheme's DC and AVC arrangements. In addition the Trustee undertakes a light-touch review of the DC / AVC arrangements as part of the preparation of the annual DC Chair's Statement each year, with the last such review in September 2025. Based on the outcome of this review the Trustee concluded that the DC / AVC arrangements remained appropriate for the Scheme and consistent with the Trustee's objectives outlined above.

3. Investment strategy

The Trustee, with the help of its investment advisers and in consultation with the employer, reviewed and made a number of changes to the Scheme's investment strategy for the DB Section over the course of 2025. This culminated in the purchase of a bulk annuity policy with Just in July 2025 to fully insure the DB pension liabilities.

The majority of the Scheme's residual DB assets outside of the bulk annuity policy are held with BlackRock, invested in a combination of passive gilt and corporate bond funds, and a liquidity fund. The passive gilt and corporate bond funds are held to provide hedging against estimated possible residual liabilities.

There is no formal rebalancing policy in place. The Trustee will monitor the asset allocation over time and will consider, with its advisers, whether it is appropriate to rebalance the residual assets, for example if there is a change in the estimated value of the residual liabilities.

There were no changes to the investment strategy for the DC / AVC arrangements during the Scheme Year.

4. Considerations in setting the investment arrangements

When deciding how to invest the Scheme's assets, it is the Trustee's policy to consider a range of asset classes, taking account of the funding objectives, expected returns and risks associated with those asset classes. The Trustee also takes account of its beliefs about investment markets and which factors are most likely to impact the investment outcomes.

Further detail on the key risks considered is set out in Section 4.1 below.

The Trustee last reviewed the DC / AVC arrangements in November 2023. As part of this review, it considered the relevant investment risks set out in the addendum to the SIP.

The Trustee invests for the long term, to provide for the Scheme's members and beneficiaries. To achieve good outcomes for members and beneficiaries over this investment horizon, the Trustee therefore seeks to appoint managers whose stewardship activities are aligned to the creation of long-term value and the management of long-run systemic risks.

4.1 Policy towards risk

Risks are monitored on an ongoing basis with the help of the investment adviser. The Trustee maintains a risk register and this is discussed periodically. The Trustee also had in place an integrated risk management ("IRM") policy, to help to monitor and manage risks in relation to covenant, funding and investment to the Scheme, up until the completion of the bulk annuity policy in July 2025. An IRM dashboard was produced on a quarterly basis and discussed at Trustee meetings.

The Trustee's policy for some risks, given their nature, is to understand them and to address them if it becomes necessary, based upon the advice of the investment adviser or information provided to the Trustee by the Scheme's investment managers and bulk annuity provider. These include the risk of inadequate returns, credit risk, equity risk, currency risk and collateral adequacy risk. The Trustee's implementation of its policy for these risks during the year is summarised below.

The bulk annuity policy now represents the majority of the Scheme's DB assets. A key risk the Scheme is exposed to is the solvency of the bulk annuity provider, ie that it fails to honour its obligations under the policy. The Trustee recognises that this risk cannot be eliminated altogether, however, it notes the strong regulatory regime that applies to insurance companies in the UK, and that the Financial Services Compensation Scheme is expected to provide significant additional protection in the event of insolvency (albeit this is untested to date).

Some of the residual assets within the DB Section are subject to interest rate and inflation risk and credit risk because some of the Scheme's assets are held in bonds. However, the interest rate, inflation and credit exposure of these assets hedges the corresponding risks associated with the Scheme's residual liabilities.

For the DC / AVC arrangements the Trustee makes use of equity and equity-based funds, which are expected to provide positive returns above inflation over the long term. These form part of the growth phase of the lifestyle strategies available to members and are also available to members on a self-select basis.

Risk from lack of diversification is a risk that the failure of a particular investment, or the general poor performance of a given investment type, could materially adversely affect the Scheme's assets. The Trustee believes that the Scheme's assets are adequately diversified between different asset classes and within each asset class, in the context of the Trustee's objectives for the DB and DC Sections. The Trustee believes that the DC and AVC options (including the default option) also provide a suitably diversified range for members to choose from. This was a key consideration when determining the Scheme's investment arrangements.

The following risks are covered elsewhere in this Statement: investment manager and excessive charges in Section 5, valuation and illiquidity/marketability risk in Section 6 and climate-related and ESG risks in Section 7.

5. Implementation of the investment arrangements

The Scheme's investment adviser, LCP, monitored the investment managers on an ongoing basis, through regular research meetings. The investment adviser monitors any developments at managers and informs the Trustee promptly about any significant updates or events they become aware of regarding the Scheme's investment managers that may affect the managers' ability to achieve their investment objectives. This includes any significant change to the investment process or key staff for any of the funds the Scheme invests in, or any material change in the level of diversification in the fund.

The Trustee evaluates manager performance over both shorter and longer periods, encourages managers to improve practices and may consider alternative arrangements where managers are not meeting performance objectives.

Given the completion of the bulk annuity policy during the Scheme Year the Trustee determined it is no longer necessary to receive detailed performance monitoring reports on a quarterly basis from its investment adviser. Instead, performance of the remaining DB invested assets, and the DC / AVC assets, is reviewed annually, and on an ad-hoc basis, as required. The Trustee also reviews quarterly statements from the DC / AVC providers.

The Trustee obtained formal written advice from its investment adviser, LCP, before investing the Scheme's residual DB assets in the agreed upon funds. The Trustee also received formal written advice from LCP in respect of the bulk purchase annuity with Just, prior to signing the contract.

The Trustee relies on its investment adviser's research to understand managers' investment approaches, and ensure they are consistent with the Trustee's policies prior to any new appointment.

For the DC / AVC arrangements, the Trustee considered the investment charges incurred by the funds available to members as part of the annual DC Chair's Statement.

6. Realisation of investments

For the DB Section, the Trustee meets benefit payments using the income from the bulk annuity policy. Any additional cash flow requirements were met from the Scheme's residual assets which are mostly liquid and realisable at short notice.

For the DC / AVC arrangements it is the Trustee's policy to invest in funds that offer daily dealing to enable members to readily realise and change their investments. All of the DC / AVC funds which the Trustee made available during the Scheme Year are daily priced.

7. Financially material considerations, non-financial matters

As part of its advice on the selection and ongoing review of the investment managers, the Scheme's investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers' approaches to financially material considerations (including climate change and other ESG considerations).

The Trustee recognises that it has limited influence on the Scheme's approach to ESG, and other financially material considerations now that a bulk annuity policy has been purchased. However, the insurer's approach to

sustainability was considered as part of the selection process. This included the Trustee receiving a ESG report on Just as well as receiving a presentation from Just. The Trustee was satisfied that Just takes appropriate account of these considerations in its own investment decisions.

Outside of the bulk annuity policy, all the Scheme's assets are invested in pooled funds. 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 within the parameters of their funds.

No specific actions have been taken in relation to the selection, retention, and realisation of managers as a result of member and beneficiary views.

For the DC / AVC arrangements, the Trustee recognises that some members may wish for ethical matters to be taken into account in their investments and therefore, as mentioned in the SIP, it has made available an ethical UK equity fund as an investment option to members.

8. Voting and engagement

The Trustee has delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement. Each manager maintains its own voting policy, details of which can be found on their respective websites. However, the Trustee takes ownership of the Scheme's stewardship by monitoring and engaging with managers as detailed below.

As part of its advice on the selection and ongoing review of the investment managers, the Scheme's investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers' approaches to voting and engagement.

Following the introduction of DWP's guidance, in December 2022 the Trustee agreed to set the following stewardship priorities to focus monitoring and engagement with their investment managers on specific ESG factors:

- Climate Change;
- Board Remuneration; and
- Modern Slavery.

These priorities were selected as market-wide risks and areas where the Trustee believes that good stewardship and engagement can improve long-term financial outcomes for the Scheme's members. The investment adviser communicated these priorities, along with the Trustee's broader responsible investment expectations, to the Scheme's managers on behalf of the Trustee shortly after they were agreed. As stewardship priorities, the Trustee considers votes in relation to these matters to be significant votes.

There has been no change to the Trustee's stewardship priorities during this Scheme Year.

The Trustee is conscious that responsible investment, including voting and engagement, is rapidly evolving and therefore expects most managers will have areas where they could improve. Therefore, the Trustee aims to have an ongoing dialogue with managers to clarify expectations and encourage improvements.

9. Description of voting and engagement behaviour during the Scheme Year

All of the Scheme's holdings in listed equities are within pooled funds managed by L&G (the underlying investment manager for the Scheme's DC / AVC policy with ReAssure). The Trustee has delegated to L&G the exercise of voting rights. Therefore, the Trustee is not able to direct how votes are exercised and the Trustee itself has not used proxy voting services over the Scheme Year. However, the Trustee monitors L&G's voting and engagement behaviour on an annual basis through the production of this Statement.

In this section the Trustee has sought to include voting data in line with the Pensions and Lifetime Savings Association (PLSA) guidance, PLSA Vote Reporting template and DWP's guidance, on the Scheme's funds that held equities over the Scheme Year.

For the DB arrangements, the Scheme did not hold any listed equities either directly or via pooled funds over the period in question.

For the DC / AVC arrangements these are as follows:

- L&G Multi-Asset Index Fund;

- L&G FTSE4Good UK Equity Index Fund;
- L&G Global Equity 50:50 Index Fund;
- L&G UK Equity Index Fund; and
- L&G World (Ex-UK) Equity Index Fund.

9.1 Description of the voting processes

For assets with voting rights that the Scheme held during the Scheme Year – all of which relate to funds where L&G is the underling investment manager – the Trustee relied on the voting policies which L&G has in place. A summary of L&G's voting process is set out below.

All decisions are made by L&G's Investment Stewardship team and in accordance with L&G's relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures L&G's stewardship approach is integrated into the engagement and voting process, therefore sending consistent messaging to companies.

L&G's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote on clients' shares. All voting decisions are made by L&G and L&G does not outsource any part of the strategic decisions. L&G's use of ISS recommendations is purely to augment its own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that it receives from ISS for UK companies when making specific voting decisions.

To ensure L&G's proxy provider votes in accordance with its position on ESG, L&G has put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what L&G considers are minimum best practice standards, which it believes all companies globally should observe, irrespective of local regulation or practice. L&G retains the ability in all markets to override any vote decisions, which are based on its custom voting policy.

9.2 Summary of voting behaviour

A summary of voting behaviour for the funds in the DC / AVC arrangements over the period (excluding Clerical Medical which is solely AVC) is provided in the table below. Data is shown as at 31 March 2026 unless otherwise stated. Please note data may not sum due to rounding.

Manager Name	L&G	L&G	L&G	L&G	L&G
Fund name	Multi-Asset Fund	FTSE4Good UK Equity Index Fund	Global Equity 50:50 Index Fund	UK Equity Index Fund	World (Ex-UK) Equity Index Fund
Total size of fund	£150m	£223m	£1,672m	£9,344m	£4,945m
Value of Scheme assets at 5 April 2026	£0.5m	£0.0m	£0.8m	£0.4m	£0.4m
Number of equity holdings	7,038	215	2,853	470	2,701
Number of meetings eligible to vote	10,619	261	2,924	744	2,726
Number of resolutions eligible to vote	108,244	4,582	37,325	10,081	33,637
% of resolutions voted	100%	100%	100%	100%	100%
Of the resolutions on which voted, % voted with management	75%	94%	83%	94%	79%
Of the resolutions on which voted, % voted against management	24%	6%	17%	6%	20%
Of the resolutions on which voted, % abstained from voting	1%	0%	0%	0%	0%
Of the meetings in which the manager voted, % with at least one vote against management	69%	42%	64%	42%	71%

Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	14%	5%	13%	5%	16%

9.3 Most significant votes

Commentary on the most significant votes over the Scheme Year is set out below.

Given the large number of votes which are cast by managers during every Annual General Meeting season, the timescales over which voting takes place as well as the resource requirements necessary to allow this, the Trustee did not identify significant voting ahead of the reporting period. Instead, the Trustee has retrospectively created a shortlist of significant votes by requesting L&G provide a shortlist of votes, which comprises a minimum of ten significant votes, and suggested L&G use the PLSA's criteria[1] for creating this shortlist.

The Trustee has interpreted "most significant votes" to mean those that:

- align with the Trustee's stewardship priorities;
- are associated with companies in which the fund has a significant holding;
- might have a material impact on future company performance; and
- have a high media profile or are seen as being controversial.

In selecting the votes below, the Trustee has ensured that at least one significant vote is reported on from each of the funds in which the Scheme invests, noting that there is significant overlap between the underlying equity holdings within the L&G funds, and L&G votes consistently on a firm wide basis. Given this overlap, it is also not practical to include the approximate size of the holding at the date of the vote.

If members wish to obtain more investment manager voting information, this is available upon request from the Trustee.

Deere & Company, 25 February 2026

- **Summary of resolution:** Report on Expected Return on Investment of Company's Emissions Reduction Goals
- **Relevant stewardship priority:** Climate Change
- **Funds in which this stock is held:** Multi-Asset Fund, Global Equity 50:50 Index Fund, World (Ex-UK) Equity Index Fund
- **Why this vote is considered to be most significant:** This vote was considered significant as it is linked to one of the Trustee's stewardship priorities.
- **Company management recommendation:** Against
- **Fund manager vote:** Against
- **Rationale:** L&G expects companies to be taking sufficient action on the key issue of climate change. While L&G recognise the proponents stated intent to link emissions goals to financial performance, L&G does not believe this specific request would enhance investor understanding beyond Deere's existing disclosures and the commitments the company has already made. L&G has been engaging Deere on clearer sustainability reporting particularly around Scope 3 and how Deere's technologies improve resource efficiency and climate performance for customers. Deere has been receptive to L&G's recommendations and has indicated willingness to enhance disclosure on these topics in their upcoming reporting. This direction of travel aligns with L&G's expectations and will provide investors with more robust insight than the prescriptive report requested in the proposal. Given this progress, and the risk that the resolution reframes decarbonisation as a narrow ROI accounting exercise rather than a strategic value driver, L&G voted against the resolution.
- **Was the vote communicated to the company ahead of the vote:** Yes
- **Outcome of the vote and next steps**: Failed. L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

[1] Vote reporting template for pension scheme implementation statement – Guidance for Trustees (plsa.co.uk). Trustees are expected to select "most significant votes" from the long-list of significant votes provided by their investment managers.

Keysight Technologies, Inc., 19 March 2026

- **Summary of resolution:** Elect Director Richard P. Hamada
- **Relevant stewardship priority:** Board Remuneration
- **Funds in which this stock is held:** Multi-Asset Fund, Global Equity 50:50 Index Fund, World (Ex-UK) Equity Index Fund
- **Why this vote is considered to be most significant:** This vote was considered significant as it is linked to one of the Trustee's stewardship priorities.
- **Company management recommendation:** For
- **Fund manager vote:** Against
- **Rationale:** L&G chose to vote against the re-election of the director as part of L&G's escalation strategy as it has had concerns with the remuneration practices of the company for the past year. It also voted against this resolution as the current level of gender diversity on the company board does not meet L&G's minimum expectations. L&G views gender diversity as a financially material issue.
- **Was the vote communicated to the company ahead of the vote:** Yes
- **Outcome of the vote and next steps**: Passed. L&G will continue to engage with its investee companies, publicly advocate its position on these issues and monitor company and market-level progress.

Broadcom Inc., 21 April 2025

- **Summary of resolution:** Elect Director Henry Samueli
- **Relevant stewardship priority:** Climate Change
- **Funds in which this stock is held:** Multi-Asset Fund, Global Equity 50:50 Index Fund, World (Ex-UK) Equity Index Fund
- **Why this vote is considered to be most significant:** This vote was considered significant as it is linked to one of the Trustee's stewardship priorities.
- **Company management recommendation:** For
- **Fund manager vote:** Against
- **Rationale:** L&G voted against the re-election of the director as part of L&G's escalation strategy, as it does not believe the company has made sufficient progress against L&G's climate expectations and red lines, as set out in its sector guides through L&G's Climate Impact Pledge, its dial-mover engagement programme targeting companies in climate-critical sectors.
- **Was the vote communicated to the company ahead of the vote:** Yes
- **Outcome of the vote and next steps**: Passed. L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.

Anglo American Plc, 9 December 2025

- **Summary of resolution:** Amend Restricted Stock Plan
- **Relevant stewardship priority:** Board Remuneration
- **Funds in which this stock is held:** FTSE4Good UK Equity Index Fund, UK Equity Index Fund, Multi-Asset Fund, Global Equity 50:50 Index Fund
- **Why this vote is considered to be most significant:** This vote was considered significant as it is linked to one of the Trustee's stewardship priorities.
- **Company management recommendation:** For
- **Fund manager vote:** Against
- **Rationale:** L&G voted against the resolution as the proposed retrospective amendments to the LTIP guarantee a minimum vesting level for the 2024 and 2025 awards, based on the merger of Anglo American and Teck Resources Limited going through. Such retrospective changes and guaranteed transaction bonuses are a breach of L&G's remuneration policies. While L&G had detailed and constructive engagements with the Company, L&G was not able to obtain sufficient assurance and a clear indication of direction of future performance-based incentive plans to alleviate its concern at this time.
- **Was the vote communicated to the company ahead of the vote:** Yes
- **Outcome of the vote and next steps**: Withdrawn. L&G will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.