

Closing Statement regarding the discharge of defined contribution benefits from the Shoosmiths Retirement Savings Scheme ("the Scheme" or "the SRSS")

1. Introduction

- 1.1. This statement has been prepared by the Trustees of the Shoosmiths Retirement Savings Scheme ("the Trustees"). It covers the Scheme year 1 November 2024 to 31 October 2025 and the period up to 31 May 2026.
- 1.2. Over the Scheme year, Trustees are required to conduct an annual assessment of the SRSS (known as 'Value for Member') against several key areas such as administration and communication, investment performance and charges against typical workplace pension arrangements in the market. The 2024/25 assessment concluded that the SRSS 'needed improvement' and due to the legacy nature of the Scheme and historical infrastructure of the product, this resulted in the Trustees having very limited options to make the required improvements within the SRSS.
- 1.3. The decision was made by the Trustees and the Firm to close the Scheme and for active members their future contributions were redirected from 1 February 2026 to the Aviva Group Personal Pension Plan ("Aviva GPP"), the Firm's existing workplace pension arrangement. In respect of existing assets, the Trustees were conscious that members' assets were attached to potentially valuable benefits (in the form of With-Profit bonuses paid out annually). Therefore, the decision was taken to transfer member assets to a Section 32 product with Aviva ("the Deferred Annuity Contract") which is a policy held in the member's own name and allows the continued investment in the Aviva With-Profits Fund. At the same time a Deed of Amendment was executed to help the Trustees facilitate the wind-up process of the Scheme. On 28 May 2026 the Trustees completed the necessary agreement to discharge the DC benefits to the Aviva Deferred Annuity Contract.
- 1.4. From 28 May 2026 the Scheme ceased to be a "relevant scheme" for the purposes of the regulations relating to the Annual Governance Statement. Therefore, in line with guidance produced by the Pensions Regulator, the Trustees have elected not to produce an Annual Governance Statement this year. Instead, the Trustees has produced this Closing Statement which is designed to:
 - 1.4.1. Provide a summary of the process followed to successfully close the Scheme to future contributions and discharge the Scheme assets.
 - 1.4.2. Comment on how the Trustee have continued to comply with the appropriate governance standards whilst the Scheme remained in place.
 - 1.4.3. Provide formal confirmation that all Scheme assets have been discharged from the Scheme.

2. Activity relating to the closure and transfer of the Scheme

- 2.1. The process to review the Scheme was a joint approach between the Trustees and the Firm and at all stages there was collaboration between both parties.
- 2.2. As the Aviva GPP was the existing workplace pension arrangement and had demonstrated value for money and efficient administration, the Firm (following discussions with Aviva and the Trustees) selected this arrangement to redirect ongoing contributions.
- 2.3. Over the period 13 October 2025 to 13 December 2025 the Firm carried out a formal 60-day consultation with those active members affected by the proposed move to the Aviva GPP. Following the completion of the consultation period, the Firm reviewed its proposals and took the decision to move ahead with them as planned. The Scheme was closed to future contributions on 31 January 2026 and contributions to the Aviva GPP commenced on 1 February 2026.

- 2.4. Alongside this, the Firm requested that the Trustees consider securing existing benefits elsewhere for the Scheme. The priority of the Trustees is to make decisions which it believes to be in the best interests of members overall and, having considered the value of the With-Profit benefits (potentially valuable guarantees), the Trustees elected to transfer the Scheme benefits to the Aviva Deferred Annuity Contract. Active members were also provided with the option to consent to transfer their benefits to the Aviva GPP (which would be processed as a 'buddy transfer' to ensure that members with protected tax-free cash would retain this entitlement). Over the period 18 January 2026 to 18 April 2026 the Trustees issued a bulk transfer notice to all Scheme members three months prior to the transfer to advise of their intention to close the Scheme.
- 2.5. The Trustees were reassured that members assets will not be 'out of the market' for any time as their benefits remain invested in the Aviva With-Profits Fund.
- 2.6. Regular discussions between Aviva, the Firm and Trustee representatives took place in the months leading up to the transition.
- 2.7. Following completion of the transfer the Trustees confirmed that all assets and members had been transferred out of the Scheme.
- 2.8. As part of this process, the Trustees were supported by their professional advisers and took independent legal advice in relation to the proposed wind-up and transfer of benefits.

3. The Scheme arrangement

- 3.1. The Scheme provided benefits on a DC basis only. The Scheme was run on a fully insured basis with Aviva as the sole provider.
- 3.2. The Scheme was closed to new joiners with effect from 1st January 2013.
- 3.3. Aviva provided administration and investment services, together with annual benefit statements.

4. Ongoing governance of the DC Section

Investment monitoring of the Default

- 4.1. Over the Scheme year and up until the discharge of DC benefits on the 28 May 2026, the Scheme operated a single investment strategy, a 'With-Profits' fund operated and managed by Aviva, which constitutes the default fund ("the Default") for the Scheme.
- 4.2. All the Scheme's assets were invested in the Aviva With-Profits Fund (Aviva Life & Pensions UK Ltd FLC With-Profits Sub-Fund).
- 4.3. As the Scheme was a 'fully insured' scheme, the Trustees were not responsible for deciding (nor were they able to decide or influence) the investment objectives and strategy adopted by the Scheme under the insurance policy with Aviva, which is the Scheme's sole investment.
- 4.4. Under the contract with Aviva, it was not possible to make significant changes to the structure and services without forfeiting the current terms of the Aviva With-Profits Fund. In view of this, the Trustees ability to make changes to the Scheme was limited.

Core financial transactions

- 4.5. In line with governance standards, the Trustees have continued to monitor the quality of the Scheme's administration, and in particular ensure that 'core financial transactions' had been processed promptly and accurately. For the DC benefits provided through the Scheme, these comprise:
 - 4.5.1. The investment of contributions
 - 4.5.2. Transfers into and out of the Scheme

4.5.3. Investment switches within the Scheme

4.5.4. Payments out of the Scheme

5. Controls and monitoring arrangements

- 5.1. The controls in place in relation to ensuring the promptness and accuracy of core financial transactions are:
- 5.1.1. That Aviva had internal agreed service standards, although they do not publish the performance externally. Aviva was unable to provide the Trustees with a Scheme-specific Service Level Agreement (SLA), nor was it able to provide ongoing reporting to allow further monitoring. Aviva did provide an annual service level standards report across the book of business, which was reviewed by the Trustees.
 - 5.1.2. That the Trustees' bank account was reconciled daily within the Firm's SAP system and is subject to monthly checks at Partner level.
 - 5.1.3. Additional measures that helped to monitor the accuracy of core financial transactions, via an external audit of the Scheme's annual report and accounts and the administrator's annual checks on data quality.
 - 5.1.4. That the administrator's controls and processes were also subject to both an internal and external audit to review work against all standards to ensure quality is maintained.

Performance during the Scheme year

- 5.2. During the reporting year, core financial transactions (including payment of contributions, transfers out of the Scheme, and settlement of benefits at retirement) are, as far as the Trustees were concerned, processed accurately. This is evidenced by administration reports considered at each Trustee meeting.
- 5.3. The Trustees received MI reports from the administrator during the Scheme year and were satisfied with the performance.
- 5.4. Neither Aviva's reports nor the audit of the annual report and accounts identified material issues with the accuracy of core financial transactions. Complaints had significantly reduced due to the measures agreed with Aviva the previous year, which included a dedicated scheme administrator to oversee benefit claims.
- 5.5. Whilst outside of the Scheme year, the transfer of DC benefits to the Aviva Deferred Annuity Contract represented a significant core financial transaction. The Trustee prepared for this transfer by liaising closely with the Firm, Aviva and its professional advisers to ensure that the data held was of the required standard, suitable processes were in place and a robust plan had been agreed to support the efficient transfer of assets without detriment to members.

6. Value for members and costs and charges

- 6.1. In previous years, the Trustees have been required to assess the extent to which the charges and transaction costs borne by members represent good value for members. For the Scheme, these member-borne deductions covered the cost of providing the investment management services, administration services and communications.
- 6.2. The last 'Value for Member' assessment completed for 2024/25 concluded that the Scheme no longer offered value for members. Administration and governance continue to be at a level that is below the standard expected in the reporting period. Whilst costs and charges are competitive relative to other With-Profits arrangements, net investment returns have continued to decline since the previous Scheme year, despite With-Profits funds usually being more generous than current default strategies in the market.

- 6.3. As the overall assessment concluded that the Scheme no longer delivered good value for members, and following advice from their professional advisers, the Trustees agreed the best course of action was to wind the Scheme up and transfer the DC benefits into the Aviva Deferred Annuity Contract.
- 6.4. The charges under the Deferred Annuity Contract maintains the same charging structure as the Scheme.

7. Trustee knowledge and understanding

- 7.1. Over the reporting period the Trustees comprised four trustees of whom one is the Chair. Two of the Trustees are senior pension lawyers within Shoosmiths LLP, who have significant experience in advising trustees and companies on pension and trust law. The Trustees also had to meet ongoing professional development requirements relevant to legal services.
- 7.2. The Trustees continued to remain conversant with the Scheme's Trust Deed & Rules as well as all other Scheme documents such as the statement of investment principles, the risk register and current policies, e.g. conflicts of interest. They did so through their experience in governing the Scheme, as well as specific activities over the Scheme year and access to professional advice.
- 7.3. There was a structured training programme in place that included annual self-assessment by the Trustees to identify knowledge gaps and training needs in relation to emerging legislation, Scheme changes and upcoming matters in the Scheme's business plan. The training programme also included completion of the Pensions Regulator's trustee toolkit. A training log was maintained in relation to training undertaken and was reviewed at each Trustee meeting.
- 7.4. Training was a standing item on each agenda and a record of training undertaken was recorded.
- 7.5. The structured training programme was supplemented with training activities such as attending seminars, conferences, and reading pensions-related articles.
- 7.6. The Trustees consulted with professional advisers as and when required, for example on consultancy, investment and legal matters as well as the Scheme wind-up exercise. The professional advisers were engaged to pro-actively alert the Trustees on relevant changes to pensions and trust law. Professional advisers also provided support in relation to understanding and reviewing the Scheme's documents, attending Trustee meetings and in delivery of training at these meetings.
- 7.7. The Trustees maintained knowledge and understanding of the law relating to pensions and trusts, the funding of occupational schemes and investment of Scheme assets and the process of a scheme wind-up through a combination of training and taking professional advice.
- 7.8. Following the transfer to the Aviva Deferred Annuity Contract, the Trustees are no longer responsible for overseeing the benefits formerly held in the Scheme; this is now the responsibility of Aviva as the product provider.
- 7.9. Over the Scheme year and throughout the process to transfer the DC benefits, the Trustees regularly sought advice from their professional advisers on consultancy, governance and legal matters pertaining to the

Scheme. The Trustees' professional advisers have proactively alerted the Trustees to specific issues relating to the transfer and provided advice and training as required.

7.10. Over the Scheme year and in advance of the transfer of DC benefits the Trustees have taken advice in the following key areas:

7.10.1. The Trust Deed & Rules and the ability to transfer DC benefits without consent

7.10.2. Selection of the Aviva GPP for future contributions of the Scheme

7.10.3. The suitability of the Deferred Annuity Contract for receiving the Scheme's DC benefits

7.11. The Trustees have also received training in the following key areas:

7.11.1. Wind-up process and obligations for the Trustees

7.11.2. Wider regulatory and environment, capturing recent and upcoming legislative changes

7.12. The Trustees considered that their combined knowledge, skills and understanding, together with the advice and training received from its professional advisers, enabled the Trustees to properly and effectively exercise their Trustee functions, both in respect of overseeing the Scheme benefits and the subsequent wind-up of the Scheme and transfer of benefits to the Aviva Deferred Annuity Contract.

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David Thompson, Chair of the Trustees