

Introduction

This document constitutes the Statement of Investment Principles prepared by the Trustee of the Boxclever Group Pension Scheme (the "**Scheme**"). This Statement sets out the applicable principles and policies governing the Trustee's decisions around the Scheme's investments that enable the Scheme to meet the requirements of:

- the Pensions Act 1995, as amended by the Pensions Act 2004;
- the Occupational Pension Schemes (Investment) Regulations 2005, as amended by the Occupational Pension Schemes (Investment) (Amendment) Regulations 2010, the Occupational Pension Schemes (Investment) (Amendment) Regulations 2018 and the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.

UK Consumer Electronics Limited (a participating employer) entered into liquidation on 10 November 2014. The other participating employers entered into liquidation on 8 January 2016. As a result the Scheme entered an assessment period for the purposes of the Pension Protection Fund (the "**PPF**") which may result in the PPF assuming responsibility for the Scheme at the end of the assessment period.

The Scheme was comprised of a defined benefit section and a defined contribution section. The Scheme also made provisions for the payment of Additional Voluntary Contributions ("**AVCs**") on a defined contribution basis. Following the Scheme's entry into a PPF assessment period, all defined contribution section and AVC benefits have been secured outside of the Scheme.

The Scheme no longer holds any invested assets and is funded by a loan granted by the PPF under section 139 of the Pensions Act 2004. The Trustee is responsible for the administration of the Scheme and for maintaining appropriate operational procedures around cashflow management and the PPF loan.

Scheme Governance

The Trustee is responsible for the governance and investment of the Scheme's assets. The Trustee considers that the governance structure set out in this statement is appropriate for the Scheme's circumstances. As the Scheme no longer holds any invested assets there are no specific policies around investment and there are no day to day operational aspects currently being delegated to investment advisers or managers.

The Scheme actuary is Evan Thomas of XPS Pensions Limited ("**XPS**") and the investment adviser is XPS Investment Limited.

Defined Benefit Section - Investment Objectives and Strategy

The Scheme was established in October 2001 following the merger of the Granada and Thorn television rental businesses in 2000. However, in September 2003, the Boxclever joint venture collapsed leaving the Scheme significantly underfunded with no ongoing support to fund the accrued benefits and the top-up arrangement linking past service benefits with members' later pensionable salary.

The Scheme's assets were subsequently exhausted in January 2019 and the Trustee has entered into a loan agreement with the PPF to meet benefit payments and the costs of operating the Scheme as and when they fall due.

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Accordingly, the Trustee does not hold any invested assets and has not deemed it appropriate to put in place policies around the management of investments (including rebalancing, monitoring, benchmarking, manager objectives, fees and costs, investment risk, ESG or the exercise of voting rights) at this time.

The main objective of the Trustee relates to ongoing cashflow management and meeting benefit payments and scheme expenses in the short term until such time as the Scheme exits the PPF assessment period.

The Scheme will remain in a PPF assessment period whilst the Pensions Regulator ("TPR") seeks to secure financial support for the Scheme from ITV plc and its Granada subsidiaries. Ongoing litigation proceedings are currently being taken forward by TPR. Depending on the outcome of these proceedings and the level of financial support secured, the Scheme will either transfer to the PPF or wind up outside of the PPF with members' benefits secured with an insurance company at a level equivalent to at least PPF compensation levels. The Trustee continues to support TPR in these proceedings.

Declaration

The Trustee confirms that this Statement of Investment Principles reflects the current circumstances of the Scheme and the policies it has decided to implement. The Trustee acknowledges that it is its responsibility, with guidance from its professional advisers, to ensure that the assets of the Scheme are appropriately invested and managed in accordance with these policies.

Date: March 2022

For and on behalf of Box Clever Trustees Limited, sole trustee of the Boxclever Group Pension Scheme

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Appendix – Implementation Statement

Implementation Statement – Boxclever Group Pension Scheme

Scheme year ended 31 May 2021

Purpose of the Implementation Statement

As required, this Implementation Statement has been prepared by the Trustee of the Boxclever Group Pension Scheme (the "**Scheme**") to set out, where applicable, how the Trustee's policies on exercising rights (including voting rights) and engagement policies have been followed over the year either directly or undertaken on their behalf.

Voting and engagement policies

The Scheme currently has no invested assets and is funded wholly by a loan facility granted by the Board of the Pension Protection Fund under section 139 of the Pensions Act 2004. As a result, the Trustee does not currently maintain any policies around voting and engagement and does not undertake or delegate responsibility for any such activities to professional advisers or investment managers.

Date: March 2022

For and on behalf of Box Clever Trustees Limited, sole trustee of the Boxclever Group Pension Scheme