

Terra Nova Insurance Company Limited Pension & Life Assurance Scheme (“the Scheme”) – This Statement forms part of the 2025 Trustee Report and Accounts

Annual Implementation Statement – September 2025

1. Introduction

This statement sets out how, and the extent to which, the Statement of Investment Principles (“SIP”) produced by the Trustee has been followed during the year to 30 September 2025. This statement has been produced in accordance with the Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018, the subsequent amendment in The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and the statutory guidance on reporting on stewardship in the Implementation Statement dated 17 June 2022. This statement is based on, and should be read in conjunction with, the relevant version of the SIP that was in place for the year under analysis, which was the SIP dated June 2023.

Sections 2 and 3 of this Statement set out the investment objectives of the Scheme and any review of the SIP conducted over the year, respectively.

Section 4 of this Statement includes an assessment of how the policies in the SIP have been followed during the year.

Section 5 includes information on the engagement and key voting activities of the underlying investment manager of the Scheme and sets out how the Scheme’s engagement and voting policy has been followed during the year.

2. Investment objectives of the DB assets of the Scheme

The Trustee believes it is important to consider the policies in place in the context of the investment objectives defined. The objectives of the Scheme included in the SIP with regard to investment policy are as follows:

- To make sure that the Trustee can meet the obligations which have been promised to the beneficiaries of the Scheme by the Principal Employer.
- To pay due regard to the Principal Employer's interests in the size and incidence of contribution payments.
- To ensure that the investment policies pay due attention to the liability profile of the Scheme and achieve the desired balance between risk and performance.
- To regularly review the investment manager and monitor performance against benchmarks.

3. Review of the SIP

The Trustee reviewed the current SIP during the year and agreed that it did not require revision. The SIP was last updated in June 2023 following a review of the investment strategy for both the TN and LSF Sections of the Scheme, which resulted in the investment strategy for both Sections being substantially de-risked.

A copy of the SIP is available online on the following link:

<https://content.markel.com/api/public/content/TNICL-pension-and-life-assurance-scheme?v=e9304875>

4. Assessment of how the policies in the SIP have been followed for the year to 30 September 2025

The information provided in this section highlights the work undertaken by the Trustee during the year, and over the longer term where relevant, and sets out how this work followed the Trustee's policies in the SIP, with specific comments relating to the DB assets and the additional voluntary contributions ("AVCs") assets as relevant. Comments on the AVCs also apply to historic money purchase Transfer-In Accounts. The latest version of the SIP in place for the period under review, dated June 2023, is available to view online and sets out the policies referenced below.

In the Trustee's view, all policies in the SIP have been followed during the year to 30 September 2025.

	Requirement	Policy	In the year to 30 September 2025
1	Securing compliance with the legal requirements about choosing investments	<i>The Trustee obtains advice from their Investment Consultant, who can provide expert advice enabling the Trustee to choose investment vehicles that can fulfil the Scheme's investment objectives. In the Trustee's opinion this is consistent with the requirements of Section 36 of the Pensions Act 1995.</i>	<p>No changes were made to the investment mandates structure over the year to 30 September 2025.</p> <p>In December 2024, the Trustee reviewed the Scheme's investment manager, BlackRock, and were generally satisfied that BlackRock continues to tick all the relevant 'boxes' that it believes to be important for a passive investment manager.</p>
2	Kinds of investments to be held	<p><i>For the DB investments, the Trustee has established a strategic benchmark for the assets. Assets are invested across corporate bonds, gilts (both fixed interest and index-linked) and cash (for TN Section only) in order to achieve the stated objectives.</i></p> <p><i>The range of asset classes made available for the AVC investments is: global equities, UK equities, fixed interest gilts, index linked gilts, corporate bonds, and a cash fund.</i></p>	<p>For the DB assets, the Trustee reviewed its investments over the year and agreed that the strategic benchmark for the assets remained relevant and no changes were implemented.</p> <p>The basis of the Trustee's strategy during the year under review was to invest the DB assets in bonds (comprising fixed interest gilts, index linked gilts and corporate bonds) and cash (for the TN Section only). The strategic allocation in place as of 30 September 2025 was as follows:</p> <ul style="list-style-type: none"> • TN Section: <ul style="list-style-type: none"> - Bonds – 93.0% - Cash – 7.0% • LSF Section: <ul style="list-style-type: none"> - Bonds – 100.0%
3	The balance between different kinds of investments	<p><i>Within the DB investments the Trustee has established a strategic benchmark for the assets. This is a high-level asset distribution for the Scheme's investments.</i></p> <p><i>The Trustee monitors the asset allocation on a regular basis and may rebalance the Scheme's investments if necessary to bring them in line with the strategic benchmark.</i></p>	<p>The Trustee reviewed the investment arrangements for the Scheme's Additional Voluntary Contributions ("AVCs") in March 2025 and concluded that the current default arrangements continued to meet the Trustee's objectives (as set out in the SIP) and the AVC funds are delivering good value for members. The AVC investments comprise the following funds:</p>

		<p><i>Within the AVC investments, the funds have been selected to provide a range of options to members.</i></p>	<ul style="list-style-type: none"> - Global equity - UK equity - Over 15 year gilts - All stocks gilts - Over 5 year index linked gilts - Overseas bonds - A cash/money market fund <p>The Trustee monitors the underlying fund performance on a quarterly basis.</p> <p>The Trustee considers that the available AVC investments are suitably diversified across a range of asset classes, geographical regions and stocks.</p>
4	Risks, including the ways in which risks are to be measured and managed	<p><i>The Trustee recognises risk from a number of perspectives. Detail on the risks considered and the approach taken to risk management and measurement is set out in section 4 of the SIP.</i></p>	<p>As detailed in the risk section in the SIP, the Trustee considers both quantitative and qualitative measures for the risks that the Trustee believes may be financially material to the Scheme.</p> <p>For the DB assets, the Trustee recognises that whilst increasing risk may increase potential returns over a long period, it also increases the risk of a shortfall in returns relative to that required to cover changes in the Scheme's accrued liabilities especially over the short to medium term.</p> <p>On a quarterly basis during the year, the Trustee reviewed the Scheme's asset allocation compared with target to assist in the monitoring of risks at a strategic level. To monitor risks relating to the investment manager or funds, the Trustee also reviewed the performance of the investment manager on a quarterly basis. There were no concerns regarding the manager during the year, but the Trustee invited the manager to present to the Trustee on the performance and management of the portfolio in December 2024. Monitoring of the AVC investments was also undertaken on a quarterly basis.</p>
5	Expected return on investments	<p><i>Within the DB assets, the Scheme's investment strategy has been designed to ensure that the investments generate a level of return required to meet the overall objective.</i></p> <p><i>The Scheme's underlying investments are passive (with exception of the Liquidity Fund within the TN Section which is managed by BlackRock on an active basis) and designed to track a broad market index.</i></p>	<p>The investment performance report was reviewed by the Trustee on a quarterly basis during the year.</p> <p>The investment performance report includes how the investment manager is delivering against their objectives for each fund.</p> <p>Over the 3-year period to 30 September 2025, the DB assets posted returns as follows:</p> <ul style="list-style-type: none"> • TN Section: 2.1% p.a. • LSF Section: 1.8% p.a. <p>All the passive funds have broadly tracked their respective benchmarks.</p>

		<p><i>In selecting the AVC investments, the Trustee has considered the investment profile of the funds and their suitability for the Trustee's objectives and needs of members.</i></p>	<p>All of the funds within the AVC assets successfully tracked their benchmarks over the 3-year period to 30 September 2025, except for the passive index-linked gilts fund. The larger than expected tracking error observed on this fund is deemed to have arisen due to differences in timing of the pricing between the funds and the benchmarks.</p> <p>No actions were taken by the Trustee during the year in respect of manager appointments.</p>
6	Realisation of investments	<p><i>Ad hoc cashflow requirements are taken from the Scheme's assets in a manner consistent with the strategic asset allocation.</i></p> <p><i>Liquidity risk is managed by investing the majority of assets in investments that are realisable at short notice in most prevailing market conditions.</i></p> <p><i>The Scheme's investment manager has discretion in the timing and realisations of investments and in considerations relating to the liquidity of those investments.</i></p>	<p>The selection, retention and realisation of assets is carried out so as to broadly maintain the Scheme's overall strategic allocation, and consistent with the overall principles set out in the SIP.</p> <p>All disinvestment requirements over the year were taken from the Cash Fund for the TN Section, and the Corporate Bond Fund for the LSF Section.</p>
7	Financially material considerations over the appropriate time horizon of the investments, including how those considerations are taken into account in the selection, retention and realisation of investments	<p><i>The Trustee considers financially material considerations in the selection, retention and realisation of investments. Within the funds consideration of such factors, including environmental, social and governance factors, is delegated to the investment manager.</i></p> <p><i>The investment manager is expected to evaluate these factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments in line with their own corporate governance policies and current best practice.</i></p>	<p>The Scheme's SIP includes the Trustee's policy on Environmental, Social and Governance ('ESG') factors, Stewardship and Climate Change. This policy sets out the Trustee's beliefs on ESG and climate change and the processes followed by the Trustee in relation to voting rights and stewardship.</p> <p>The Trustee keeps its policies under regular review, with the SIP subject to review at least triennially. The SIP was last reviewed in June 2023 following changes to the investment strategies.</p> <p>Investment performance reporting is reviewed by the Trustee on a quarterly basis – this includes funds ratings and assessment of ESG relevance and integration from the investment consultant.</p> <p>The Trustee has not set any investment restrictions on the appointed investment manager in relation to particular products or activities but may consider this in future.</p>
8	The extent (if at all) to which non-financial matters are taken into account in the selection, retention	<p><i>Member views and non-financially material issues are not currently explicitly taken into account in the selection, retention and realisation of investments. The Trustee would</i></p>	<p>The Trustee did not explicitly consult members regarding their views during the year.</p>

	and realisation of investments	<i>reflect upon any member views communicated to the Trustee.</i>	
9	The exercise of the rights (including voting rights) attaching to the investments	<i>Investment managers are expected to evaluate ESG factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments in line with their own corporate governance policies and current best practice.</i>	Further information is set out in section 5 below.
10	Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, trustees would monitor and engage with relevant persons about relevant matters)	<i>The investment manager is expected to evaluate ESG factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments in line with their own corporate governance policies and current best practice.</i> <i>Outside of those exercised by investment managers on behalf of the Trustee, no other engagement activities are undertaken.</i>	As the Scheme invests solely in pooled funds, the Trustee requires its investment manager to engage with the investee companies on its behalf. The Trustee reviews key voting/engagement activity through the production of this Statement (see later section).
11	How the arrangement with the asset manager incentivises the asset manager to align its investment strategy and decisions with the Trustee's policies	<i>The Trustee's policy in relation to Investment Manager Arrangements is set out in section 15 of the SIP. In line with this section, managers are chosen based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected for.</i>	The Trustee is satisfied that the investment manager has delivered expected returns and risk profiles for the relevant asset classes consistent with the Trustee's objectives and performed in line with expectations during the year under review.
12	How the arrangement incentivises the asset manager to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.	<i>The Trustee's policy in relation to investment manager arrangements is set out in section 15 of the SIP.</i> <i>Retention is dependent upon the Trustee having ongoing confidence that the investment manager will achieve its investment objective. The Trustee makes this assessment taking into account various factors which includes performance to date as well as an assessment of future prospects. The investment manager is therefore incentivised both to achieve the objectives set for them, which are consistent with the Trustee's policies and objectives, and to ensure that they remain capable of doing so on a rolling basis. This encourages the</i>	

		<i>investment manager to take a suitably long-term view when assessing the performance prospects of, and engaging with, the debt issuers in which they invest or seek to invest. The investment manager is aware that their continued appointment is based on their success in delivering the mandate for which they have been appointed to manage.</i>	
13	How the method (and time horizon) of the evaluation of the asset manager's performance and the remuneration for asset management services are in line with the trustees' policies mentioned in sub-paragraph (b) of the legislation.	<i>As well as assessing investment returns over quarterly, annual and triennial periods, the Trustee will consider a range of other factors, with the assistance of their investment consultant, when assessing the investment manager as outlined in Section 15 of the SIP.</i> <i>The investment manager is remunerated by way of a fee calculated as a percentage of assets under management. The principal incentive is for the investment manager to retain their appointment (in full), by achieving their objectives, in order to continue to receive the associated fee.</i>	The Trustee has considered the long-term investment performance of the manager as part of its quarterly investment performance monitoring, as well as its investment consultant's views of the investment manager, and was comfortable that the longer term performance and forward looking capabilities remained suitable. Over the year, the Trustee met with the investment manager and reviewed the fees and costs of the funds where the DB assets are invested. It was concluded that the fees remain competitive and broadly in line with the Trustee's expectations. There were no changes to the remuneration arrangements in place during the year.
14	How the Trustee monitors portfolio turnover costs incurred by the asset manager, and how they define and monitor targeted portfolio turnover or turnover range.	<i>The Trustee has not historically monitored the investment manager's ongoing transaction costs explicitly but measures these implicitly through ongoing performance assessments which are net of these costs. The Trustee seeks explicit reporting on ongoing costs for the appointed investment manager.</i>	In December 2024, the Trustee reviewed the Scheme's investment manager, BlackRock. As part of that, BlackRock reported on execution and portfolio turnover costs and how they compare with peers. The Trustee was comfortable with costs reported by BlackRock as they aim to minimise turnover on their passive fixed income solutions.
15	The duration of the arrangement with the asset manager	<i>There is typically no set duration for the manager appointment. However, appointments typically can be terminated at short notice.</i>	No action was taken in relation to investment manager appointments during the year.

5. Voting Activity

The Trustee has delegated its voting rights to the investment manager, BlackRock, principally through being invested in pooled funds (noting that in this case votes are cast on behalf of the pooled fund rather than the Trustee, who do not own the underlying assets directly). When the investment manager presents to the Trustee, the Trustee or investment consultant may ask the investment manager to highlight key voting activity and will question the manager's voting decisions if it deems them out of line with the pooled fund's objectives or the objectives/policies of the Scheme. The Trustee does not use the direct services of a proxy voter or proxy advisor - over the year, the Trustee has not actively challenged the manager on voting activity but

reserves the right to do so if deemed appropriate. The Trustee has previously agreed to adopt the voting policy of BlackRock Investment Stewardship. As such, the Trustee has also agreed to use BlackRock's definition of "significant votes" (see below for examples of significant votes).

BlackRock conducted over 2,500 engagements between 1 July 2024 and 30 June 2025 (data to 30 September 2025 not available at the time of writing) on a range of ESG issues likely to impact their clients' long-term economic interests. These are:

- Strategy, purpose and financial resilience;
- Board quality and effectiveness;
- Incentives aligned with financial value creation;
- Climate and natural capital; and
- Company impacts on people.

BlackRock meets with executives and board directors, communicates with company advisors and engages with other shareholders where appropriate.

BlackRock is a signatory to the 2020 UK Stewardship Code, issued by the UK's Financial Reporting Council, which sets high expectations for how investors, and those that support them, invest and manage money on behalf of UK savers and pensioners, and how this leads to sustainable benefits for the economy, the environment and society.

BlackRock has been a signatory of the UN Principles of Responsible Investment ('UN PRI') since 2008. BlackRock is also a founding member of the Task Force on Climate-related Financial Disclosures ('TCFD').

BlackRock is expected to provide voting summary reporting on at least an annual basis. BlackRock has been asked to confirm key voting activity in relation to the pooled funds in which the Trustee invests over the 12-month period to 30 September 2025 and have responded as outlined below. We note that BlackRock reports on key voting activity are produced on a quarterly basis and cover one-year periods. The Trustee also notes that there is limited scope for engagement on fixed income investments, particularly on bonds issued by the UK Government.

BlackRock's proxy voting process is led by the BlackRock's Investment Stewardship teams. The analysts within each team will generally determine how to vote at the meetings of the companies they cover. BlackRock also subscribes to research from the proxy advisory firms Institutional Shareholder Services ('ISS') and Glass Lewis, however it is just one among many inputs into their vote analysis process. Voting decisions are made by members of the BlackRock Investment Stewardship team with input from investment colleagues as required, in each case, in accordance with BlackRock's Global Corporate Governance and Engagement Principles and custom market-specific voting guidelines. BlackRock provides full transparency of their voting on their publicly available website.

Summarised below is the voting activity, provided by BlackRock, conducted in respect of the Scheme's funds for which the underlying assets carry voting rights.

- **Aegon BlackRock (70/30) Global Equity Fund (AVC investments)**
 - There have been 4,923 votable meetings over the year and there was a total of 54,113 votable items.

- BlackRock participated in the vote for 52,019 of the 54,113 votable items (i.e. about 96% of the votable items). Of these votes, BlackRock voted against 7% of proposals and voted with management in 93% of proposals.
- **Aegon BlackRock UK Equity Fund Index (AVC investments)**
 - There have been 465 votable meetings over the year and there was a total of 6,246 votable items.
 - BlackRock has participated in the vote for 5,953 of the 6,246 votable items (i.e. about 95% of the votable items). Of these votes participated, BlackRock voted against 4% of the proposals and voted with management in 96% of the proposals.

Further details on BlackRock’s stewardship policies and voting activity can be found here:

<https://www.blackrock.com/corporate/insights/investment-stewardship/blackrock-investment-stewardship>

Significant Votes Examples

The Trustee has agreed to adopt BlackRock Investment Stewardship’s (‘BIS’) voting policy for the Scheme’s investments, and as such, has agreed to adopt BIS’ definition of “significant votes” when deciding on its own stewardship priorities, as required by regulation.

BIS prioritise their work around themes that they believe will encourage sound governance practices and deliver sustainable long-term financial performance at the companies in which they invest on behalf of their clients. The themes they have identified are reflected in their global principles, market-specific voting guidelines and engagement priorities, which underpin their stewardship activities and form the benchmark against which they look at the sustainable long-term financial performance of investee companies.

BIS publishes vote bulletins after the shareholder meeting to provide transparency for clients and other stakeholders on their approach to the votes that they consider to be most significant and thus require more detailed explanation.

The most significant votes in relation to the Scheme’s investments over the period are summarised below. Votes shown relate to assets with voting rights held within the Scheme’s AVC arrangements – the DB assets do not have attached voting rights.

Please note that BlackRock does not report on the implications of each outcome (e.g. “lessons learned” and likely next steps), nor whether they voted for or against management, or whether they communicated their intent to the company ahead of voting. As such, these details are not presented on the table below.

Company	Resolution details	How the manager voted (Outcome)	Reason for manager’s vote	Why vote is significant
Perpetual Limited	<p>Summary of the Resolution: Approve Remuneration Report</p> <p>Date of the vote: 17 October 2024</p>	Against (Fail)	Remuneration arrangements were poorly structured.	Incentives aligned with financial value creation

Company	Resolution details	How the manager voted (Outcome)	Reason for manager's vote	Why vote is significant
Mineral Resources Limited	<p>Summary of the Resolution: Approve Remuneration Report</p> <p>Date of the vote: 21 November 2024</p>	Against (Fail)	Remuneration arrangements were poorly structured.	Incentives aligned with financial value creation
The Sage Group plc.	<p>Summary of the Resolution: Approve Remuneration Policy</p> <p>Date of the vote: 6 February 2025</p>	For (Pass)	Remuneration arrangements were poorly structured, and it was believed to exist a poor use of remuneration committee discretion regarding increases.	Incentives aligned with financial value creation
Stellantis NV	<p>Summary of the Resolution: Approve Remuneration Report Containing Remuneration Policy for Management Board Members</p> <p>Date of the vote: 15 April 2025</p>	Against (Pass)	Remuneration arrangements are poorly structured. Poor use of remuneration committee discretion regarding the grant of a one-off award. Disclosure does not provide sufficient understanding of the company's remuneration policies and the link between performance-based pay and company performance.	Incentives aligned with financial value creation
Renault SA	<p>Summary of the Resolution: Approve Compensation Report of Corporate Officers</p> <p>Date of the vote: 30 April 2025</p>	For (Pass)	Disclosure does not provide sufficient understanding of the company's remuneration policies and the link between performance-based pay and company performance.	Incentives aligned with financial value creation
SIG plc	<p>Summary of the Resolution: Re-elect Alan Lovell, Andrew Allner, Bruno Deschamps, Kath Durrant, Shatish Dasani and Simon King as Directors</p> <p>Date of the vote: 1 May 2025</p>	Against (Pass)	Vote against Nominating/Governance Committee members for failure to adequately account for diversity on the board.	Board quality and effectiveness

Company	Resolution details	How the manager voted (Outcome)	Reason for manager's vote	Why vote is significant
<p>Equinor ASA</p>	<p>Summary of the Resolutions: Assess if the Company's Planned Increase in Oil and Gas Production is Consistent with the Majority Shareholder Expectations</p> <p>Discontinue the Wind Power Business; Decommission All Wind Power Plants</p> <p>Withdrawal from All Offshore Wind Globally; Eliminate Management Bonuses</p> <p>Date of the vote: 14 May 2025</p>	<p>Against (Fail)</p>	<p>BIS voted against these proposals as, in their view, they lacked economic merit and would have been overly prescriptive to management's decision making</p>	<p>Climate and natural capital</p>
<p>Shell Plc</p>	<p>Summary of the Resolutions: Request Company Disclose Whether and How Its: Demand Forecast For LNG; LNG Production And Sales Targets; And New Capital Expenditure In Natural Gas Assets; Are Consistent With Climate Commitments, Including Target To Reach Net Zero Emissions By 2025</p> <p>Date of the vote: 20 May 2025</p>	<p>Against (Fail)</p>	<p>The company already provides sufficient disclosure and/or reporting regarding this issue, or is already enhancing its relevant disclosure. No demonstrable economic benefit to shareholders</p>	<p>Climate and natural capital</p>
<p>Takeda Pharmaceutical Co., Ltd.</p>	<p>Summary of the Resolution: Approve Annual Bonus</p> <p>Date of the vote: 25 June 2025</p>	<p>Against (Pass)</p>	<p>Against due to issues with compensation-related disclosure and governance.</p>	<p>Incentives aligned with financial value creation</p>

Company	Resolution details	How the manager voted (Outcome)	Reason for manager's vote	Why vote is significant
	<p>Summary of the Resolution: Elect Director Emiko Higashi</p> <p>Date of the vote: 25 June 2025</p>	Against (Pass)	Against directors responsible for compensation due to issues with compensation-related disclosure and governance.	Board quality and effectiveness
Barrick Gold Corporation	<p>Summary of the Resolution: Elect Director John L. Thornton</p> <p>Date of the vote: 6 May 2025</p>	Withhold (Pass)	Board has failed to demonstrate ability to effectively represent shareholders' best interests.	Board quality and effectiveness
Amazon	<p>Summary of the Resolution: Report on Impact of Data Centres on Climate Commitments</p> <p>Date of the vote: 21 May 2025</p>	Against (Fail)	The company already provides sufficient disclosure and/or reporting regarding this issue or is already enhancing its relevant disclosures.	Climate and natural capital
Alphabet	<p>Summary of the Resolution: Publish a Human Rights Impact Assessment of AI Driven Targeted Advertising</p> <p>Date of the vote: 6 June 2025</p>	Against (Fail)	The company already provides sufficient disclosure and/or reporting regarding this issue or is already enhancing its relevant disclosures.	Company impacts on people