

The Nordson UK Pension and Life Assurance Plan (the “Plan”)

Annual Chair’s Statement for the Plan Year

This statement has been prepared by the Trustees of the Nordson UK Pension and Life Assurance Plan (“the Plan”) in accordance with regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations (“the Regulations”) 1996. It explains how the Trustees have met their obligations in relation to:

- The default arrangements;
- Requirements for processing financial transactions;
- Assessment of charges and transaction costs;
- The requirement for trustee knowledge and understanding;

over the period 1 October 2024 to 30 September 2025 (“the Plan Year”) as well as providing details of current ongoing exercises affecting the Plan.

In line with the Occupational Pension Schemes (Administration, Investment, Charges and Governance Amendment) Regulations 2021 (“the 2021 Regulations”), the Trustees have assessed the extent to which they believe the Plan provides Value for Members, the results of which are set out in this Chair’s Statement.

1. The Default Arrangements

The Fund within the Plan is not used as a ‘default arrangement’ for the purposes of the Administration Regulations.

There is one defined contribution arrangement in the Plan which is a Prudential With-Profits Fund. The Prudential With-Profits asset allocation (split into growth assets, alternative assets, fixed interest and cash assets) was the following as at the Plan Year end date of 30 September 2025:

Asset type	With-Profits traditional pension policies
Company shares (equities)	41.0%
Property	13.3%
Growth assets	54.3 %
Alternative assets	17.0%
Fixed interest stocks – issued by the UK government	6.7%
Fixed interest stocks - other (including corporate bonds)	20.3%
Cash	1.7%
Fixed interest and cash assets	28.7%
Total assets	100%

Source: M&G Prudential, 30 September 2025

The aim of the Prudential With-Profits Fund is to generate capital growth over the medium to long term (at least five years), with some stability against market volatility over the short term compared to investing directly in shares.

As part of the With-Profits investment, returns are passed to policyholders through bonuses.

With-Profits funds operate slightly differently to traditional unit-linked investment funds and the below sets out how they work:

Overview of With-Profits funds

- Contributions are pooled together and invested in an insurance company’s With-Profits fund.
- The With-Profits fund is invested in a range of different types of investment, such as shares, property, bonds and cash.
- With most policies, the amount of growth on contributions depends mainly on the performance of the investments in the With-Profits fund.
- The costs of running the fund are deducted and what is left over (the profit) is available to be paid to the With-Profits investors. Investors receive a share of profits in the form of annual bonuses added to their policies. This is usually “smoothed” so that in years where investment returns are high, some is held back to allow bonuses to be paid in years where investment returns are low.
- A “terminal bonus” may also be payable when investors retire, and it is designed to broadly reflect the actual performance of the fund over the period invested.
- Usually, once added, bonuses can’t be taken away. But the insurance company can claw back some or all of

the bonuses paid by making a Market Value Reduction (MVR) – or Market Value Adjustment (MVA) – to policies if they are surrendered early (i.e. if members transfer out of the fund or take their benefits early). This is most likely in times of adverse investment conditions like a stock market crash.

- The potential reductions (or enhancements) to funds are unique to each individual member's circumstance. It is therefore not possible to consider whether it is beneficial for members to transfer to an alternative investment vehicle without considering the individual transfer values and also any applicable guarantees (like the terminal bonus) that could also be lost on transfer.

2. Requirement for processing financial Transactions

The Trustees are required to report to members about the processes and controls in place in relation to the "core financial transactions". The law specifies that these include the following:

- investing contributions paid into the Plan;
- transferring assets related to members into or out of the Plan;
- transferring assets between different investments within the Plan; and
- making payments from the Plan to or on behalf of members.

The Trustees ensure that these important financial transactions are processed promptly and accurately. Whilst the Trustees retain ultimate responsibility for these transactions, in practice responsibility for these functions is delegated to the Plan's administrator. The Plan's administrator for the With-Profits Fund is M&G Prudential. There are service level agreements (SLA) in place with Plan administrators covering the timeliness and accuracy of transactions and there are monitored through administration reports at Trustee meetings. If any issues occur, then the Trustees will work closely with the Plan's administrators to resolve issues and use external support if required. There were no issues identified over the Plan Year.

The Plan administrator has daily monitoring of bank accounts and transaction processing and a dedicated team to check all investment and banking transactions.

The Trustees monitor core membership movements, including those which result in financial transactions, via the Plan administrators' regular administration reports.

There was one financial transaction processed during the Plan Year which was a retirement which was processed within service levels.

3. Assessment of member-borne charges and transaction costs

In accordance with regulation 25(1)(a) of the Occupational Pension Schemes (Scheme Administration) Regulations 1996, the Trustees calculated the charges borne by members of the Plan in the Plan Year ending 30 September 2025.

(For these purposes 'charges' means Plan administration charges excluding transaction costs, costs relating to certain court orders, charges relating to pension sharing under the Welfare Reform and Pensions Act 1999, winding up costs, or costs solely associated with the provision of death benefits. Transaction costs are those incurred as a result of buying, selling, lending or borrowing investments.)

Each year, the Trustees request information on charges and member-borne transaction costs relating to the Plan.

• Policy/Plan Fee	Nil
• Bid/Offer Spread	Nil
• FMC*	1.21%
• Other Charges**	Other Charges**

* The With-Profits fund has no explicit charges. The bonuses declared are set with reference to investment returns earned less an annual Fund Management Charge (FMC). The annual charge to the plan is the allowance made for expenses, distributions to shareholders and profits or losses from other sources arising in the With-Profits fund. The annual charge is reviewed each year as part of the process for setting bonus rates and at the last review was set to be 1.21% of invested funds.

** A Charge of up to 2% is reflected in any claim to cover the cost of the guarantees. The guarantees reflect that the member is invested in the With-Profit Fund, in particular the guarantees applying to the value payable at Normal Retirement Date or on death.

Prudential is unable to provide Plan specific illustrations showing the effect of charges. The indicative illustrations set out below and the accompanying notes show the impact of the charges in today's money.

Years	Before Charges	After Charges
1	£10,100	£10,000
3	£10,500	£10,100
5	£10,800	£10,100
10	£11,600	£10,300
15	£12,500	£10,400
20	£13,500	£10,600

Notes:

1. Values shown are illustrative estimates only and are not guaranteed.
2. Projected pension pot values are shown in today's terms.
3. Member starts at age 45.
4. The starting pot size is assumed to be £10,000.
5. No future contributions are assumed to be payable.
6. Future investment returns are assumed to be 4.00% per annum.
7. Inflation is assumed to be 2.5% per annum.
8. The charges for the With-Profits Fund are assumed to be 1.21% per annum.
9. Rounded to nearest £100

The With-Profits Fund remains a suitable investment choice due to the guarantees that are associated with this investment vehicle, and the penalties that are likely to be incurred in moving from the With-Profits fund (such as the loss in terminal bonus). The fund is not used as a default fund and is not subject to the charges cap.

The illustrations of the charges for Plan members are set out and explained in the Appendix of this Chair's Statement.

4. Value for member assessment

As the Plan has total assets of below £100m, under the 2021 Regulations, the Trustees are required to carry out a detailed Value for Members assessment. This includes using three comparator schemes for the purpose of comparing the costs and charges and net performance returns of the Plan with other larger DC schemes.

The comparator schemes chosen include a bundled DC arrangement and an unbundled DC arrangement, both with DC assets in excess of £100m. The third comparator is NEST, a Master Trust arrangement that has a duty to take on the members in the Plan if required.

The costs and charges and net investment returns of the Plan and those of the comparator schemes chosen are set out in the Appendix to this Statement.

The Appendix highlights that higher charges are applied to members policies within the Plan than the comparator schemes.

In addition, the With-Profits Fund has underperformed its comparator schemes when comparing net investment returns over the period assessed.

In accordance with regulation 25(1)(b) of the Administration Regulations, the Trustees have assessed the extent to which charges (and transaction costs) borne by members represent good value for members.

Although the comparator schemes' defaults are not with-profits funds and so do not represent a true like for like comparison, on the basis of costs and charges and net investment returns alone, the comparison suggests that the Plan does not provide good value for members relative to the comparator schemes.

However, please note that as the terminal bonus received may vary and is not guaranteed it has not been included in this assessment. The terminal bonus may outweigh the benefits of transferring to an alternative fund if a member is close to accessing the terminal bonus. There are a number of complex actuarial factors taken into account when calculating surrender values in any With Profits fund and this approach is not normally shared as it's classed as commercially sensitive information. Members should seek regulated financial advice before considering a transfer of pension benefits.

In addition, the Trustees are required to carry out a self-assessment of the Plan's governance and administration against certain criteria, which are prescribed in the 2021 Regulations. The Trustees intend to conduct a gap-analysis as part of the General Code of Practice requirements and fill any gaps to ensure the highest level of governance support is provided. The Trustees will liaise with the Plan's administrator to review the quality of all Plan data this year. In relation to governance and administration, the Trustees believe that members receive good value. The Trustees are committed to ensuring that members receive value for money from the Plan.

In accordance with The Pensions Regulator's current DC Code of Practice and with relevant legislation available at the time of this statement, the Trustees concluded that the Plan's overall benefits and options do represent value for money (within the limitations of a With-Profits Fund) for the following reasons:

- Despite the deduction of 1.21% from the underlying fund which is made each year, the funds remain suitable as transferring the money from the With-Profits Fund would potentially involve the loss of regular bonuses already applied crucially the future terminal bonus. There may also be additional penalties that apply on transfer;
- There is no explicit annual management charge made from members' funds which are invested in the With-Profits Fund;
- Although the With-Profits Fund has underperformed when compared to the comparators, the With-Profits Fund has consistently received steady and consistent growth;
- Members do not pay for the costs of Plan administration, professional adviser costs or indeed any costs (other than fund management) associated with running the Plan.

5. Net Investment Returns

The Occupational Pension Schemes (Administration, Investment, Charges and Governance Amendment) Regulations 2021 introduces new disclosure requirements for Trustees of DC pension schemes. From 1 October 2021, the Trustees are required to calculate and state the return on investments from their default and self-select funds, net of transaction costs and charges. The Trustees have calculated the net return on investments for all funds, as far as they were able to do so.

Below are the annualised net investment returns to 30 September 2025 for the Prudential With-Profits Fund.

	Annualised returns	
	1 year	5 years (p.a.)
With-Profits Fund	6.2%	6.2%

Notes

- The annualised net returns for the Plan at 5 years are based on the Fund Management Charge and Transaction Costs for the Plan Year. Note that the Transaction Costs were zero.

6. Trustee Knowledge and Understanding (TKU)

The law requires the Trustees to possess sufficient knowledge and understanding to enable them to properly exercise their functions as a trustee including (in relation to a DC scheme) that they must be conversant with:

- The trust deed and rules of the Plan.
- The statement of investment principles.
- Any other Plan administration policies or Plan documents.

And must have appropriate knowledge and understanding of:

- The law relating to pensions and trusts.
- The principles relating to:
 - The funding of occupational pension schemes.
 - Investment of the assets of such schemes.

The Trustees have the following approach to achieving required levels of knowledge and understanding:

- All Trustees have an excellent working knowledge of the trust deed and rules, the current Statement of Investment Principles and all the Trustees current policies. Trustees are given refresher training as and when deemed necessary and all new Trustees will be given an induction with full training and support from

- All Trustees have sufficient knowledge and understanding of law relating to pensions and trusts, and the principles relating to the funding and investment of occupational schemes. The Trustees use legal and investment advisors and receive training on law, funding and investment when deemed necessary. The Trustees regularly conduct a board effectiveness assessment of skills, knowledge and experience which is conducted by an external agency. This will be assessed in the next year as part of gap-analysis against the new General Code of Practice.
- The Plan advisors provide a "current issue" note for each Trustee meeting that covers training on relevant topics. Over the scheme year the topics covered were:
 - Investment market updates
 - The General Code of Practice
 - Chair's Statement and Value for Members requirements
 - Risk management.
- The Trustees receive formal additional ad-hoc training from advisers about matters relevant to the Plan as and when required.

The combined knowledge and understanding of the Trustees, together with the professional advice available to them, enables them to properly exercise their duties as Trustees of the Plan.

On behalf of the Trustees



Steve Hankin
Chair of the Trustees

Appendix 1 – Charges comparison against three comparator schemes

The tables below sets out the Plan's costs and charges against three comparator schemes. NEST was added as a comparator as it has a duty to accept all transfers into the scheme. Therefore, if the Plan was forced to wind-up, as an option it would consider transferring all of its DC assets into the NEST scheme.

	Nordson			NEST		
	T-costs	TER	Total Charges	T-costs	TER	Total Charges
<i>Default - age 65</i>	-	1.210	1.210	0.059	0.480	0.539
<i>Default - age 55</i>	-	1.210	1.210	0.059	0.480	0.539
<i>Default - age 45</i>	-	1.210	1.210	0.059	0.480	0.539

	Comparator 2			Comparator 3		
	T-costs	TER	Total Charges	T-costs	TER	Total Charges
<i>Default - age 65</i>	0.03	0.15	0.18	0.10	0.23	0.33
<i>Default - age 55</i>	0.03	0.14	0.17	0.10	0.19	0.29
<i>Default - age 45</i>	0.03	0.12	0.15	0.10	0.18	0.28

Appendix 2 - Illustrations of the effect of annualised net investment returns against three comparator Schemes.

	Nordson		NEST		Comparator 2		Comparator 3	
	Annualised returns (%)		Annualised returns (%)		Annualised returns (%)		Annualised returns (%)	
	1 year	5 years	1 year	5 years	1 year	5 years	1 year	5 years
<i>Default Lifestyle - age 45</i>	6.2	6.2	11.9	8.9	15.6	12.6	13.1	7.4
<i>Default Lifestyle - age 55</i>	6.2	6.2	12.2	9.0	13.8	9.8	11.1	6.6

Note

- The annualised net returns for the Plan at 5 years are based on the Fund Management Charge and Transaction Costs for the Plan Year. The Transaction Costs for the Plan Year were zero.