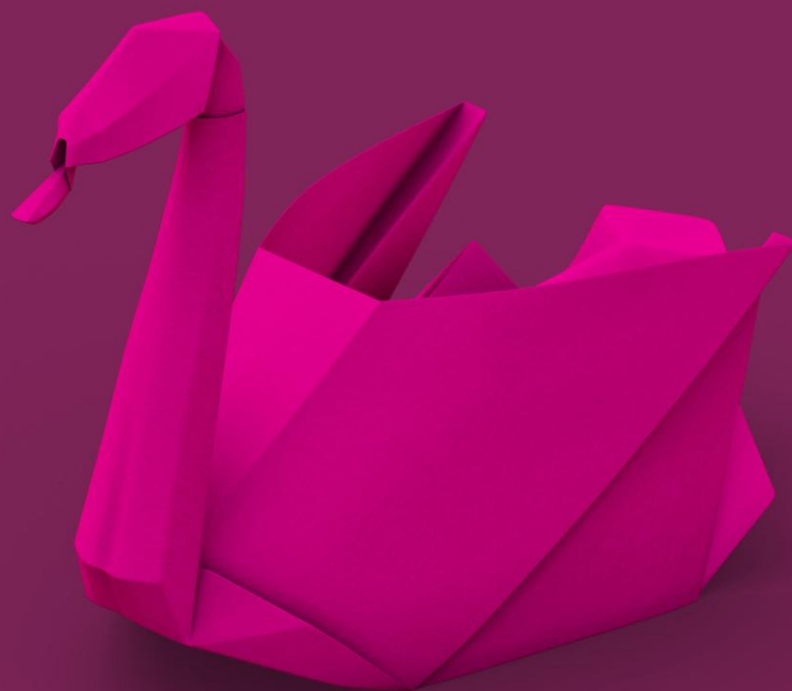


Ethika Auto Enrolment Pension Scheme Annual Governance Statement

By the Chair of Trustees for the
Scheme Year Ending 31 May 2025



Dalriada.
A better way

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Signatory of:



1 Introduction and Background

This statement has been prepared in accordance with regulation 23 the Occupational Pension Scheme (Scheme Administration) Regulations 1996, as amended (the "Administration Regulations"), and having taken account of the related guidance from The Pensions Regulator ("TPR"), when considering the various aspects of the operation of the Scheme on which we are required to report to members. Consideration has also been given to the Department for Work and Pensions guide on 'Reporting of costs, charges and other information'.

It relates to the Ethika Auto Enrolment Pension Scheme ("the Scheme") and covers the period from 1 June 2024 to 31 May 2025.

This statement will be published on a publicly available website.

Matters in relation to the Scheme are considered by a dedicated committee of the Dalriada Trustees Limited ("Dalriada") Board, which meets at least four times a year. However, issues are also considered on an ad hoc basis between committee meetings. The Scheme has a dedicated client manager, alongside a project manager, who ensures anything requiring attention by the committee is communicated, and acted upon, in a timely manner.

As members will be aware, from the Announcements issued since its appointment, Dalriada was appointed as trustee to the Scheme by TPR amid concerns that the Scheme was not being properly run and in order to protect the interests of its membership. This has presented Dalriada with several challenges around governance. Nevertheless, this statement is a legal requirement and, as such, can serve as a useful reminder of the issues faced by Dalriada and, where it cannot meet certain governance obligations, I have explained why that it is the case.

As previously reported, following our appointment, Dalriada concluded on 29 March 2019 that the Scheme was at risk of failure and as such a triggering event had occurred.

As a result of the triggering event, it was agreed that the Scheme would be wound up. In accordance with TPR's guidelines, Dalriada communicated with employers to advise that the Scheme would not be taking on any new employers but would continue to accept contributions from those already enrolled in the Scheme in April 2019.

In September 2019, Dalriada contacted employers to advise that employers must continue to meet their auto-enrolment obligations including paying contributions for eligible jobholders to an auto enrolment qualifying scheme, but advised that these contributions did not have to be paid to Ethika, and rather could be paid to an alternative provider of choice. Dalriada advised that it was liaising with auto enrolment providers to source an appropriate default arrangement for those employers who required a new arrangement.

In March 2020, Dalriada further contacted employers to advise that a default arrangement had been agreed with Smart Pensions Limited ("Smart"). Dalriada advised employers who wished to avail of the arrangement with Smart to make contact, and since 24 March 2020 no contributions have been received into the Scheme.

As reported in previous Statements, an amount totalling £1,170,848.34 was repaid to the Scheme from a company called Shard Capital Limited in May 2021. The account held with Shard has now been closed and the funds have been invested in line with the Scheme's current Statement of Investment Principles ("SIP"). Any funds paid to the Scheme after Dalriada's appointment (26th March 2019) also remain invested in line with the SIP.

A further investment was made in a company called Patagro Handels which is a Swiss based investment. On checking the Patagro Handels register, Dalriada became aware that the Nidwalden Court opened the bankruptcy of Patagro Handels on 4 October 2021. We made contact with the Court and received response requesting for a claim on behalf of the Scheme to be submitted by 29 April 2022. As this meant Dalriada was dealing with Swiss law and in order to ensure that the claim was submitted effectively, we instructed a Swiss legal firm, Lenz & Staehelin, to advise on the formalities. A claim for CHF 1,798,866.70 (to include interest of CHF 280,280.88 in line with the Loan Agreement) was submitted on 28 April 2022.

While we thought that it was important to lodge a claim on behalf of the Scheme, we were not confident that there would be any return on this investment. Dalriada subsequently received confirmation that the Scheme was recognised as a third class claim and that creditors of the third class would not receive a dividend, in other words no recovery is expected.

At the same time Dalriada, on behalf of the Scheme, was offered assignment of the claim. This was offered to all creditors classed as third class. Dalriada took up this offer and received further documentation from the Courts with regards to the investment made in Patagro Handels. Following a review of the information, Dalriada has concluded that any recovery is unlikely.

On appointment, Dalriada received insufficient information with regards to the investments made by the incumbent trustees. Dalriada is not confident that there will any return to the Scheme from the third investment in a company called Visolaris.

As reported in previous statements, Dalriada has not been provided with the full administration records required to allow us to reconcile contributions paid to the Scheme from each employer. We are currently undertaking a reconciliation exercise and have been contacting employers and payroll providers directly to request any contribution history held for employees. We have also requested that employers provide us with any 'common data' held for employees, including dates of birth and addresses. This exercise remains ongoing.

Since 26 March 2019, TPR have been conducting a criminal investigation (Project Athena) into how the Schemes were administered and how the funds were invested. TPR have conducted a number of enquiries including seizing devices and documents relating to the investigation and the individuals involved; analysis of the evidence these devices and documents provided; and initial interviews with key individuals. The investigation remains ongoing.

As reported in our Announcement to members in November 2020, there has been a significant Court decision that determined pension schemes like the Scheme were able to make claims on the Fraud Compensation Fund ("FCF"). Dalriada has since been working with the Pension Protection Fund ("PPF"), who manage the FCF.

The FCF is open to claims by occupational pension schemes that have suffered a loss as a result of an act of dishonesty. Dalriada is working with the FCF and evidence has been provided to the FCF in support of a potential claim for the Scheme. We have also been working with the FCF to confirm eligibility, given the nature of the Scheme.

Whilst these developments around the FCF are positive and potentially good news for members, at this time we cannot say for certain that the Scheme will be eligible or, if eligible, any potential claim will ultimately be successful.

Once the FCF claim process has been completed, be it successful or otherwise, we will wind up the Scheme.

Dalriada will keep members informed by way of further Announcements.

Default arrangement

A number of requirements of the Administration Regulations relate only to a “default arrangement” as defined in the Occupational Pension Schemes (Charges and Governance) Regulations 2015.

The Scheme does not have a default fund for ongoing accrual. It is not a qualifying scheme within the definition given by section 99 of the Pensions Act 2008. The Scheme is not used to meet any auto-enrolment obligations and no contributions are being paid into the Scheme. The Scheme’s assets are made up solely by way of member transfer payments into the Scheme.

The Scheme did not, and does not, offer a Default Lifestyle Strategy. As there is no default investment arrangement in the Scheme there have been no specified performance-based fees incurred during the Scheme year.

The Scheme did not offer members any choice as to how their funds were invested.

The Scheme invested in unusual, unregulated, high risk and largely illiquid investments that that are difficult to value. As such, in Dalriada’s view, there has never been an appropriate default investment arrangement for the Scheme. There is also no life-styling option available.

For the reasons set out in the previous section, it is not possible to provide members with a meaningful statement on the return on their investments. The purported investments made by the previous trustee(s) were not made acting upon the recommendation of any appropriately qualified advisor.

As has been reported in previous Chair Statements, Dalriada took appropriate advice to determine a suitable investment strategy for the liquid funds held by the Scheme. The Scheme has employed a low-risk investment strategy to account for the illiquidity of the remaining investments made by the previous trustee. The current strategy reflects Dalriada’s intention to wind-up the Scheme as soon as it is able and transfer any remaining member funds to a more suitable arrangement. The current strategy (beyond the first £85,000 (or such sum as the Trustee estimates will be required to meet the costs of the Scheme) which will be held 100% in cash), is to hold 90% in short-dated corporate bonds and 10% in cash.

Dalriada will continue to take appropriate advice from AIS to review the investment strategy from time-to-time and to determine whether it remains suitable for the Scheme.

This Chair’s Statement, and other information, is published on a dedicated Scheme website. However, as the assets in the Scheme cannot be fully determined, we cannot produce meaningful annual benefit statements for the Scheme members. We are therefore unable to comply with the requirement to notify members in an Annual Benefit Statement that the relevant parts of the Chair’s Statement have been published on the website.

Statement of Investment Principles (“SIP”)

As previously reported, Dalriada was aware that a SIP was prepared in April 2017 by the previous trustees of the Scheme. Dalriada previously raised concerns about the extent to which this SIP complied with the statutory and regulatory requirements.

This SIP suggested that a review would take place in Quarter 4 2017 as membership increased. Dalriada is not aware of this review having taken place and as such understands that no serviceable SIP existed for the Scheme.

The day-to day oversight of the Scheme’s investments were delegated by the Trustee to the Scheme’s Investment Adviser, AIS. Where assets have been recovered, Dalriada has taken appropriate and professional investment advice to determine a suitable investment strategy, and has produced a SIP to reflect that strategy. A revised SIP was prepared and subsequently adopted on 31 October 2022, and

subsequently revised in October 2023 and again in September 2024. This will be reviewed by Dalriada every three years. Such a strategy reflects Dalriada's intention to wind-up the Scheme as soon as it is possible, giving the members the opportunity to transfer any remaining funds to a more suitable arrangement.

As the unrealised investments are unconventional and predominantly unregulated, they do not comply with any maximum charge requirements. Where appropriate and possible to do so, Dalriada is working to realise investments.

A statement, known as an Implementation Statement, should be completed for schemes with 100 members or more. The Implementation Statement sets out key information in relation to the investments made by the Scheme and their management, includes details on how the Trustee has carried out the principles contained in the Scheme's SIP and reports on any changes made to the SIP during the Scheme year.

The Trustee has produced an Implementation Statement for the year ending 31 May 2025.

Copies of the SIP and accompanying Implementation Statement are published on the members' website.

Review of default strategy and default arrangements

There is no default investment arrangement or default investment strategy in place for the Scheme at the current time. As such, there has been no review of the default arrangement or default strategy in the year in question and no previous review for which a date can be given.

Core Financial Transactions

Trustees have a specific duty to ensure that core financial transactions relating to DC schemes are processed promptly and accurately. These include the following:

- investing contributions in the scheme
- transferring assets related to members into or out of the scheme
- transferring the assets between different investments within the scheme
- making payments from the scheme to or on behalf of the members.

The Scheme does not currently accept contributions or transfers in and is unable to pay any level of benefit, including transfers values, to members at the present time.

This is due to a number of factors, not least uncertainty, to date, as to the value of the Scheme's remaining investments and the position with regard to potential tax charges which may be levied against the Scheme should it be deemed that unauthorised payments to members occurred.

The financial transactions the Scheme does make are primarily in relation to costs.

Unsurprisingly, Dalriada has been unable to carry out routine administrative actions for the Scheme over the reporting period. Therefore, there have been no material administration service issues which need to be reported here.

Notwithstanding this, Dalriada, as a professional independent trustee, has processes and controls in place that are suitably designed to ensure any service objectives can be achieved once the Scheme is in a position to operate in the manner of a normal scheme. Dalriada's administrative processes are independently audited and accredited under AAF 01/20 and AAF 02/07.

Once Dalriada is in a position to process member benefit requests these will be managed and monitored in line with Dalriada’s standard service level agreement levels and targets and formally reported on, on a quarterly basis.

In addition, acknowledging that we need accurate member data for the processing of member benefits, Dalriada will carry out an analysis of ‘common data’ and ‘scheme specific data’ (as defined by TPR). This helps us to ensure the integrity of member data that is processed.

We perform monthly bank account reconciliations for all the schemes to which Dalriada is appointed. The purpose of these reconciliations is to ensure that all transactions processed through the bank accounts (money in and out) can be accounted for. Any transactions which cannot be accounted for are investigated and corrected if required.

Charges and Transaction Costs

The governance rules require trustees to make an assessment of investment management charges and transactions costs borne by the scheme members and the extent to which those charges and costs represent good value for money for members.

The investment management charges incurred by the regularised scheme investments are as follows:

Name	Fund Manager Charge	Additional Expenses	Mobius Life	Effective total annual fund charge
L&G Cash	0.05%	0.00%	0.04%	0.09%
L&G Short Dated Sterling Corporate Bond	0.14%	0.0216%	0.04%	0.2016%
BlackRock Sterling Corporate Bond 1-5 years	0.06%	0.0149%	0.04%	0.0949%

The Trustee has calculated the other charges and, so far as they were able to do so, the transaction costs, borne by Scheme members for the Scheme Year.

In this context, “charges” means (subject to some specific exceptions, such as charges relating to pension sharing orders) all administration charges other than transaction costs.

“Transaction costs” are costs incurred as a result of the buying, selling, lending or borrowing of investments.

Dalriada has deviated from the approach set out in the statutory guidance for the reasons set out below.

In the period covered by this Chair’s statement no payments into the Scheme have been accepted, either by way of contribution or transfers-in, that would be considered transaction costs. During the period there were no disinvestments made to the Scheme bank account from the regularised Scheme investments held with Mobius Life Limited. There have been no transaction costs over the period.

Dalriada assumed trusteeship of the Scheme via a bulk appointment by TPR, when Dalriada was also appointed to five other schemes. The Schemes shared (and continue to share) similar characteristics, such as the previous trustees, administration records and investments. Where work is carried out that has a mutual benefit to all six schemes collectively, the costs will be shared across all schemes.

Under the terms of its appointment, the fees of Dalriada and its advisers fall as debt due from the employer (or sponsor). The sponsor company in this case was dissolved on 10 December 2024 Where the employer is

unable to meet Dalriada's fees and costs, the terms of appointment set out that costs (or "charges") should be met from Scheme funds.

Due to the mismanagement of the Scheme by its previous trustees, the ongoing investigations and the subsequent actions taken by Dalriada since appointment, it is inevitable that the Scheme has incurred, and will continue to incur, significantly higher ongoing costs than would be the case for a similarly sized but conventional auto-enrolment scheme.

During the current period, the Scheme met trustee costs accrued for the period in question totalling £28,839.88 (excluding VAT) and £828.00 (excluding VAT) in respect of legal costs.

Dalriada will continue to confirm to members the amount of costs incurred in subsequent Chair Statements.

As and when this it is cost effective to do so, Dalriada will confirm to members the amount of costs incurred and have a full set of Report and Accounts prepared and an independent auditor will be appointed who will carry out an audit of the Scheme which will include an audit of any core financial transactions that have taken place.

"Good value" assessment of charges and transactions

Generally, trustees should assess the extent to which the charges described above represent "good value" for members during the scheme year, by considering the level of member borne charges against the benefits attributable to such charges.

Whether something represents good value is not capable of being precisely defined. However, for these purposes, trustees should consider that charges may be viewed as representing good value for members where an optimum combination of cost and quality is achieved for the whole membership, relative to other options available in the market.

The characteristics of the Scheme are unusual and there are no readily available comparators to determine whether the costs incurred represent good value.

However, the actions undertaken by Dalriada, beyond those considered necessary for the appropriate management of the Scheme, are centred on action around recovery of funds (including legal costs). Such actions are considered on a cost-benefit analysis. Where necessary, Court approval would be sought for the use of Scheme funds to pay for any legal action.

Dalriada was appointed following a tender exercise by TPR and is subject to ongoing oversight by TPR.

Dalriada's costs (both for ongoing management and regarding action around recovery of funds) are calculated using a blended charging rate. This rate sits well below Dalriada's standard market rates for senior staff. The trustee's legal advisers operate on a similar basis, albeit on a different charging rate.

As commented above, Dalriada, as a professional independent trustee, has processes and controls in place that are suitably designed to ensure any service objectives can be achieved once the Scheme is in a position to operate in the manner of a normal scheme. Dalriada's administration processes are independently audited and accredited under AAF 01/20 and AAF 02/07.

Dalriada is required to advise members of the cumulative effect over time of the application of charges and costs on the value of a member's accrued rights to money purchase benefits. However, due to the nature of Dalriada's appointment, the uncertainty of the value of the Scheme's investments and how these should then be attributable to members, this is not possible to do at this time.

It should be noted that, should a claim on the FCF be successful, the costs incurred by Dalriada attributable directly or indirectly to dealing with the act(s) of dishonesty giving rise to the claim can be compensated for

as part of the claim. Dalriada would expect a significant proportion of the costs incurred by the Scheme to date to be compensated by the FCF, but this subject to the final determination to be made by the FCF about the level of compensation should a positive decision be achieved.

Consequently, it is impossible at this time to provide a meaningful illustration of the cumulative effect over time of the relevant costs and charges on the value of the members' benefits until the level of any FCF compensation for costs incurred is known. When Dalriada is in a position to do so, it will advise members of the cumulative effect over time of the relevant costs and charges on the value of the members' benefits.

Given the nature of the Scheme and the fact that Dalriada was appointed as Trustee with exclusive powers as a result of TPR's concerns about the misuse and misappropriation of Scheme funds, and those concerns having been well founded, the Scheme could not and cannot provide good value to members.

As noted above we cannot produce meaningful annual benefit statements for the Scheme members. We are therefore unable to comply with the requirement to notify members in an Annual Benefit Statement that the relevant parts of the Chair's Statement have been published on the website.

Once the FCF claims process is complete, whether successful or not, Dalriada will wind up the Scheme and secure members benefits with an alternative registered pension provider, to the extent it is possible to do so.

Value for Members Assessment and Reporting of Net Investment Returns

The Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 ("the 2021 Regulations) introduced new requirements for trustees of relevant occupational pension schemes to carry out a more detailed value for members ("VfM") assessment.

For the purposes of the 2021 Regulations, the Scheme is a "relevant occupational pension scheme" because at the date of this Statement the Scheme had total assets worth less than £100 million and had been operating for three or more years.

A VfM assessment should include a comparison of the reported costs, charges and fund performance (net investment returns) for the given scheme against a minimum of three other comparison schemes, as well as a self-assessment of key scheme governance and administration criteria.

Given the particular circumstances of the Scheme, the lack of comparison schemes with which to usefully compare the Scheme and the fact that the Scheme will ultimately be wound-up, a more detailed VfM assessment and consideration of the key scheme governance and administration criteria, is not possible and would not be meaningful. Furthermore, given the lack of comparison schemes with invested assets, a comparison of investment returns is not possible.

In regard to a VfM assessment of the reported investment charges, while we are unable to provide a comparison against a minimum of three other comparison schemes, we can confirm that the Scheme's investment advisor regularly reviews the charges applied to the investments with Mobius.

In terms of key scheme governance and administration criteria, the particular circumstances of the Scheme inevitably mean that there are governance requirements that cannot be complied with. Dalriada keeps a record of any breaches and duly notifies TPR each quarter.

In terms of administration requirements, the particular circumstances of the Scheme mean that it cannot be administered in line with common practice and TPR guidance. However, Dalriada communicates regularly with members, setting up a website for members, a dedicated member helpline and a Scheme e-mail address, should members have any queries with regard to their membership of the Scheme. Dalriada regularly updates members by way of Announcements, which are published on the members' website.

However, despite not being able to carry out a detailed VfM assessment in line with the 2021 Regulations, we are of the view that such an assessment would conclude that the Scheme could not, and cannot, provide value for members, given the circumstances outlined in this Statement.

2 Trustee knowledge and understanding

The Trustee has considered the latest guidance in relation to Chair Statements from TPR and has ensured that its practices reflect the requirements set out. I have set out below how the Trustee ensures it currently meets the knowledge and understanding requirements of trustees.

DALRIADA TRUSTEES LIMITED ("DALRIADA")

Dalriada is an independent professional trustee, established in 2003, which has been appointed by TPR under section 7 of the Pensions Act 1995 to a significant number of schemes. These appointments have been as a result of TPR having concerns about the nature and operation of the schemes and the extent to which the then trustees understood their statutory and fiduciary duties and responsibilities. Dalriada refers to such schemes as "Regulatory Appointments". The Scheme is a Regulatory Appointment.

Dalriada has established a specialist team drawn, from various relevant disciplines within Dalriada to manage the governance of these Regulatory Appointments, which we have called the Irregular Schemes Team.

A dedicated committee – the Irregular Schemes Practice Board ("the Practice Board") – has been established by the Board of Directors of Dalriada to oversee the activities of the Irregular Schemes Team in its governance of this Scheme and other Regulatory Appointments. Care has been taken to ensure that the membership of the Practice Board is such that there is sufficient knowledge and understanding to meet the requirements set out in sections 247 and 248 of the Pensions Act 2004 and TPR's Code of Practice 7 on Trustee Knowledge and Understanding.

I have set out below the membership of the Practice Board, along with a short summary of their skill set and experience. In addition, it is worth noting that three members of the Practice Board are directors of Dalriada.

Dalriada operates a team-based approach, which gives the Irregular Schemes Team access to over 150 pensions and support personnel, with a broad skill set suited to identifying and implementing the variety of tasks required to successfully manage the schemes. This includes pension administration experts, an in-house legal team, fund accountants and investment experts. Whilst the core Irregular Schemes Team deals with the majority of matters arising on the Scheme on a day-to-day basis (in conjunction with its appointed advisers), it can access the specialist expertise of the wider Dalriada team as and when required.

As far as we are aware, no other professional independent trustee firm has established and developed a specialist team in this difficult and challenging area of trusteeship. The relevant experience developed by the Irregular Schemes Team on such cases is unmatched and unrivalled.

THE PRACTICE BOARD

Claire Sidebottom

Claire is the Chair of the Practice Board and is also a Director of Dalriada. She has worked in the pensions industry for six and a half years and has over 15 years of experience in project and programme management.

Claire heads up the practice area which deals specifically with Dalriada's Regulatory Appointments, specialising in appointments by TPR to schemes suspected of being involved in pension liberation and/or the

misappropriation of funds. She has developed considerable experience of the complex and non-standard issues faced by these schemes, having worked with external advisors and TPR since joining Dalriada in 2017

Claire is responsible for improving the outcomes of these schemes' members by managing them through the FCF, as applicable.

Claire is a fully accredited member of the Association of Professional Trustees, has completed TPR's Trustee Toolkit and has met all CPD requirements.

Sean Browes

Sean has been working in the pensions industry since he graduated in 1988. He worked for two major benefit consultancies in both administration management and consultancy roles, before joining Dalriada in 2003. Sean has a broad range of skills and experience suited to all areas of pension scheme management.

Sean leads the Irregular Schemes Team, dealing with Dalriada's appointments by TPR to schemes suspected of being involved in pension liberation or thought to be scams. He now has a wealth of experience and knowledge with regard to the unique characteristics associated with the administration and management of these types of scheme and the challenges they present.

Sean is a fully accredited member of the Association of Professional Pension Trustees, has completed TPR's Trustee Toolkit and holds the Pensions Management Institute's Certificate in DC Governance and Award in Pension Trusteeship (DC and DB). Sean has met all required CPD requirements.

Bill Galvin

Bill is a director of Dalriada and Chief Executive Officer ("CEO") of the 3173 Limited group of companies, which includes Dalriada.

Bill is well-known in the pensions industry and has a broad range of experience. He previously served as CEO of the Universities Superannuation Scheme ("USS") (the UK's largest pension scheme) for over a decade. During his time as CEO, Bill built a high-performing executive team and steered the scheme through very challenging circumstances. Prior to joining the USS, Bill spent almost five years at The Pensions Regulator, latterly as CEO, where he was responsible for the efficient regulation and supervision of the UK pension market, notably during the launch and introduction of auto enrolment in 2012.

Bill is experienced operating at board level, with over 13 years as a CEO, leading, structuring and dealing with complex projects/organisations. He brings a facilitative but highly effective leadership style to the Practice Board. He is skilled at grappling with demanding issues, making decisions and delivering outcomes in complex public and private sector environments.

Bill is also a Council Member for the Institute for Fiscal Studies and a Governor of the Pensions Policy Institute. He has previously served on the Boards of the Pensions Advisory Service, The Solicitors Regulation Authority and the European Insurance and Occupational Pensions Authority. He has completed TPR's Trustee Toolkit and met all necessary CPD requirements.

Tom Lukic

Tom is a director of Dalriada and leads the Dalriada business across the Midlands. He has broad pensions experience with particular expertise in employer covenant and corporate transactions. He has worked with a range of trustee boards managing scheme assets from c.£5 million to more than £1 billion. Similarly, he is experienced in working with a broad spectrum of sponsoring employers from small, owner-managed businesses through to much larger and complex groups, being either privately owned or fully listed.

Tom's experience, both as an adviser and as an Accredited Professional Trustee, provides particular insight into corporate structures and insolvencies. Where the investments of Regulatory Appointments include shares and/or bonds in, or issued by, corporate entities, an understanding of the accounting and financial structures of these entities is essential and Tom provides a wealth of experience in this area.

Tom is a fully accredited member of the Association of Professional Pension Trustees, has completed TPR's Trustee Toolkit and holds the Pensions Management Institute's Award in Pension Trusteeship (DC and DB). Tom has met all required CPD requirements.

Amanda Banister

Amanda is a professional trustee with a wealth of experience in the pensions industry and is also a Director of Dalriada. Before joining Dalriada, Amanda was a pensions partner in a global law firm. She also spent three years in-house at the Pension Protection Fund in its early years, shaping its legal approach and gaining wide experience in pensions policy and insolvency/restructuring. After leaving, she continued to advise the PPF on some of its highest profile and most complex matters.

Amanda's experience of working with and advising the PPF is a valuable asset to the Practice Board, as is her significant experience of contentious pensions issues, including Pensions Ombudsman disputes. Amanda also has a strong governance and risk management skillset, with an ability to solve testing problems, which are strongly aligned with the work of the Practice Board and Regulatory Appointments in general.

Amanda is a qualified solicitor, has completed TPR's Trustee Toolkit and holds the Pensions Management Institute's Award in Pension Trusteeship. Amanda has met all required CPD requirements.

3 Knowledge of the trust deed and rules

All documents setting out the trustee's current policies

The Scheme has a dedicated client manager who has an in-depth knowledge of the Scheme and its governing documentation.

At the point of becoming Independent Trustee to the Scheme, a prescribed take-on process was followed. This included an assimilation and review of the relevant Scheme documentation, including the trust deed and rules. The Practice Board is made aware of any issues or risks in relation to the Scheme's trust deed and rules as and when they arise, with appropriate action agreed in relation to the issue or risk identified. In addition to the knowledge held by the client manager and Irregular Schemes Team, the Trustee obtains legal advice in relation to the Scheme's documentation, where necessary.

There have been no new trustees introduced in this reporting period. However, there is an appropriate induction process in place to support new trustees.

A working knowledge of the current Statement of Investment Principles

As above, the Scheme has a dedicated client manager who has an in-depth knowledge of the Scheme and its governing documentation, including the SIP. The Practice Board is made aware of any issues or risks in relation to the Scheme's SIP as and when they arise, with appropriate action agreed in relation to the issue or risk identified.

Sufficient knowledge and understanding of the law relating to pensions and trusts and understanding of the principles relating to the funding and investment of occupational schemes

Those Dalriada staff working on the Scheme are obliged to self-evaluate their learning and development requirements on an annual basis as part of Dalriada's internal review process. The process identifies how staff can develop their knowledge and understanding, as well as where they can share their expertise in order to best support the Scheme. Dalriada staff are also required to comply with their respective training requirements in order to maintain a required level of continuing professional education ("CPE") and to provide evidence of courses, seminars and other types of professional development to satisfy their respective professional bodies' CPE requirements.

Every Professional Trustee is required to undertake a minimum number of hours training each year. This is recorded centrally by Dalriada's Human Resources Team and, where appropriate, forms part of staff personal development plans. This training can include internal and external courses and attendance at industry events, as well as a degree of self-learning by way of subscriptions to professional publications and electronic information channels.

Further, every Professional Trustee is required to complete TPR's Trustee Toolkit and subscribes to the updates issued by TPR.

Professional Trustees belong to Dalriada's knowledge management network which keeps them up to date with industry thinking. They also have access to a team of in-house pensions experts who inform the team about changes to pensions legislation and practices.

The trustees have access to Pendragon Perspective and Aries - both industry-leading tools, giving access to pension legislation.

Dalriada has its own in-house legal specialists to provide support and guidance to trustees around legislation and interpretation of scheme documentation. This is further aided by advice from external legal advisers, which is obtained when the Trustee feels this reinforcement is necessary to support their own understanding.

Combined knowledge and understanding, together with available advice enables the trustees to properly exercise their function

Dalriada has informally assessed the skill set and experience of each member of the Practice Board and the client team. It has taken into account the development activities already mentioned, along with the internal resources made available to staff, supplemented, where required, by professional external advice.

The Practice Board understands the need to more formally assess the skills of its members. This is done using a skills matrix developed for this purpose. Any areas for development flagged during this process will be addressed as part of the individual's personal development plan and reviewed throughout the year.

An evaluation of the effectiveness of the Practice Board as a whole is also carried out.

I consider that the combined knowledge and understanding of the Practice Board and the client team enables them to exercise properly their function as trustee of the Scheme. In particular:

- Members of the Practice Board have the relevant financial knowledge and experience to enable the Trustee to comply with its duties in relation to investment of the Scheme's assets. Tom Lukic's experience (see above) is particularly advantageous in this area.
- There is a vast range of pensions experience and knowledge within the Practice Board and the client team. This is appropriate to deal with the governance of the Scheme in line with the trust deed and rules, along with other scheme documentation. There is also a great deal of experience relevant to dealing with issues which might be thrown up by the Scheme which require the amendment of scheme documentation.
- Members of the Practice Board have a great deal of knowledge and experience in relation to schemes of complex nature, such as this Scheme. This includes schemes where investments made by previous trustees are deemed to be highly inappropriate, their administration has been poor and / or the previous trustees have not had the sufficient knowledge and understanding to be trustees of an occupational pension scheme.
- Sean Browes has many years of experience in the administration of pension schemes, allowing a keen oversight of the administration of the Scheme.

Member Representation

Dalriada seeks to keep members informed and to facilitate direct access for members to Dalriada by means of a:

- Dedicated member website;
- Dedicated contact e-mail address; and
- Dedicated phone line.

Signed for and on behalf of Dalriada Trustees Limited (the Trustee)

Agreed as final version by the Chair of the Trustee of the Ethika Auto Enrolment Pension Scheme

Dated: 22 December 2025

Dalriada. A better way

Belfast

Linen Loft
27-37 Adelaide Street
Belfast
BT2 8FE

Birmingham

Edmund House
12-22 Newhall Street
Birmingham
B3 3AS

Bristol

Castlemead
Lower Castle Street
Bristol
BS1 3AG

Glasgow

The Culzean Building
36 Renfield Street
Glasgow
G2 1LU

Leeds

Princes Exchange
Princes Square
Leeds
LS1 4HY

London

46 New Broad Street
London
EC2M 1JH

Manchester

St James Tower
7 Charlotte Street
Manchester
M1 4DZ