gknpensions.co.uk/scheme_1

August 2026

GKN Group Pension Scheme (No. 1) Newsletter

Inside ...

Message from the Chair of the Trustee

Welcome to your latest edition of the newsletter for members of the GKN Group Pension Scheme (No.1) ('the Scheme').

We continue to monitor the Scheme's investments on a regular basis and financial details for both the Defined Benefit (DB) and Defined Contribution (DC) sections are on pages 5–7. Recent market volatility may have affected investments. The DB section continues to outperform liabilities to 31 May 2026. In the DC section, the default strategy performed positively over the year – particularly the GKN Growth Fund as a result of strong equity market performance. Overall, the Scheme's funding position remains in a good position – for more detail on the DB Section, please see the enclosed Summary Funding Statement for the year ending 5 April 2025.

Our administrator – Gallagher

We completed transition of our DB benefits administration services over to Gallagher last year, so please reach out to them if you have any queries at all on your DB pension benefits. The best way to get in touch is via their online portal **www.pensionportal.co.uk/GKN1**.

Gallagher recently launched easy online App access, with a prize draw for early registrations. Congratulations to our winner, Mr RB Coakley!

If you haven't registered yet, please do so now (see page 3). We'd also love your feedback – once you've registered, you can do this via the 'Rate your experience' icon in the bottom left corner.

Change in the Trustee Chair

After several years on the Trustee Board, Andy McKinnon has stepped down as Chair. I would like to thank Andy for his significant contribution to the Scheme and for a smooth handover.

By way of introduction, I became Chair on 1 May 2026. I am an experienced professional trustee and have worked with pension schemes of all sizes and at different stages of their journey. I believe the best outcomes come from trustees, sponsors and advisers working openly together, with members' interests at the centre.

As Chair, my approach is practical, balanced and collaborative, helping the Board make well-informed decisions. Above all, I am committed to ensuring the Scheme continues to be well governed, providing members with the security and support they expect.

Protection from pension fraud

Pension fraud remains a high-profile issue and scammers are targeting pensioners often more than once! We've included an article on page 4 to help you stay informed with some useful information and tips.

I hope you find this newsletter interesting and informative. We welcome your feedback and suggestions for future topics.

If you have any comments or are interested in obtaining general information about the Scheme, please contact Gallagher.

Cath Williams
Independent Chair
GKN Group Pension Scheme (No.1)

Keep us updated

It's vital that we have your correct contact details to send important Scheme information. Please tell us about changes to your email, home address, or marital status. If your details are out of date, you may miss updates or face pension payment delays.

Accurate data also helps with the Government's pensions dashboards programme. Read more on page 9.

To check or update your details, or for any queries, contact the Scheme Administrator using the details below:

Online:

The best way to get in touch with Gallagher is via the Scheme portal, which provides an online form for member queries and access to documents. This platform is secure and allows all member enquiries to be appropriately allocated and promptly processed. You can access it on the link below:

www.pensionportal.co.uk/GKN1

By post:

GKN Group Pension Scheme (No.1)
Gallagher (Bristol)
PO Box 319
Mitcheldean
GL14 9BF

Alternatively you can call on **0330 678 3457**

DC members

If you have Defined Contribution (DC) benefits only, your Scheme Administrator is Legal & General (L&G).

Please contact them via **www.legalandgeneral.com/gkn-scheme1**

Get access via the Gallagher App

Scan the relevant QR code on your phone (Apple/Google) to install the app.

Register first (if you haven't already)

Before you can use the app, you'll need to register for the Gallagher Guide online at **www.pensionportal.co.uk/GKN1**. Have your NI number, date of birth, and Unique User ID (sent to you by Gallagher) ready.

Forgotten your Unique User ID?

Email the Gallagher Team using the link on the 'First Time User?' page or call the number above.

Nomination form

Make sure to complete or update your Nomination (Expression of Wish) Form so that any benefits go to the person/people of your choice should you die before/after retirement.

In the event of your death, the Trustee will refer to your nomination form to guide the distribution of death benefits, reflecting your wishes*. It's important to keep this form updated, especially if your circumstances have changed.

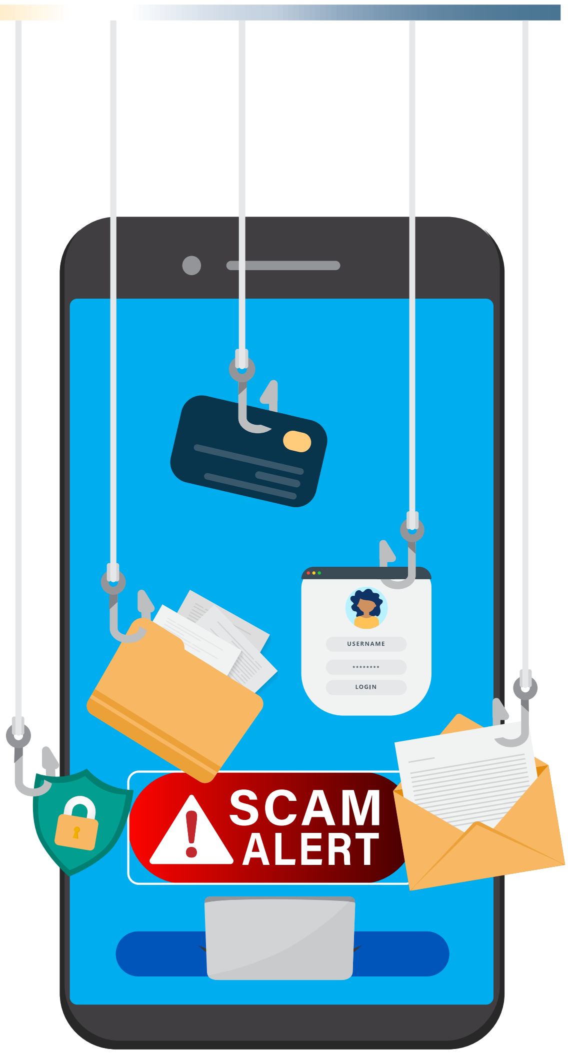
Remember, you can complete your nomination form or check all your current pension information online:

> Active (DB section) membership since before 24 April 2013 go to **www.pensionportal.co.uk/GKN1**.

> Members with DC benefits (with no DB benefits) who joined after 24 April 2013, go to **www.legalandgeneral.com/gkn-scheme1**.

**If you have been receiving a pension from the Scheme for over five years, you do not need to complete this form, as no death lump sum benefit will be paid.*

Protect yourself from pension fraud



Pension scams can be devastating, but what many people may not realise is that the danger doesn't always end after the initial scam. Recent cases have highlighted a worrying trend: victims of pension scams are being targeted again by fraudsters.

Watch out for scammers who contact you again:

Scammers target victims of pension scams again, pretending to be recovery experts or support services. They ask for personal details or money upfront but aim to scam victims a second time, causing further financial and emotional harm.

Be careful of fake organisations:

Fraudsters impersonate trusted organisations like the Fraud Compensation Fund (FCF), sending fake letters claiming to help with compensation. The FCF never contacts members directly or asks for money or sensitive information. Trustees, not the FCF, handle compensation communications.

How to protect yourself:

1. **Be wary of unexpected offers:** Legitimate pension providers rarely contact you out of the blue. Avoid free pension reviews or promises of guaranteed high returns.
2. **Verify who you're dealing with:** Beware of clone firms with fake websites. Check the Financial Conduct Authority (FCA) Financial Services Register to confirm if a firm is authorised, visit **https://register.fca.org.uk/s/**.
3. **Avoid pressure tactics:** Don't rush decisions or respond to urgent demands. Take time to verify and think carefully.
4. **Seek impartial advice:** Use free resources like **www.moneyhelper.org.uk** for guidance before making decisions.

For detailed guidance on spotting and responding to pension scams, visit the Pension Scams Action Group web page

www.thepensionsregulator.gov.uk/en/about-us/what-tpr-does-and-who-we-are/pension-scams-action-group

You can also find more help at **www.fca.org.uk/scamsmart**.

The financial health of your Scheme

DB section

Your DB pension isn't tied to daily market movements - it's paid from the Scheme overall, not an individual account. Rest assured that the Trustee monitors the Scheme's assets and liabilities to help ensure it can pay members' benefits when due.

Performance across investment markets was mixed over the year. Equities and gold delivered strong returns, while government bonds faced challenges as concerns over tariff-related inflation and increased government spending weighed on investor confidence in the asset class. Over the period, the DB section's assets benefited from market gains, and your benefits continued to be paid as expected.

DC section

Most members are in the default lifestyle strategy, which holds return-seeking assets such as equities, along with gilts (government bonds) and cash. Recent market moves may have affected these investments. However, your pension is a long-term investment built over many years. The default strategy is designed to grow above inflation over the long term and reduce expected investment risk as you approach retirement.

If you're still several years from retirement, short-term market falls may matter less because your savings have more time to recover. If you're closer to retirement, it's a good idea to review how your savings are invested and whether they still fit your plans.

DB Section Membership numbers as at 5 April 2025

Current Employees	966
Deferred members	1,592
Pensioners	3,154
Total	**5,712**

DC Section Membership numbers as at 5 April 2025

Current Employees	3,297
Deferred members	2,391
Pensioners	–
Total	**5,688**

- Pensioners include 365 dependent beneficiaries as at 5 April 2025.
- Included within pensioners are 101 pensioners whose pensions are paid from annuities held in the name of the Scheme.

Income and Expenditure for the period 6 April 2024 to 5 April 2025	DB Section Year to April 2025 £000s	DC Section Year to April 2025 £000s
Funds at the beginning of the Year	**677,283**	**218,493**
Contributions and Other Income	4,151	28,707
Less Benefits and Expenses	(43,537)	(4,567)
Net return on Investment Performance	(25,162)	7,986
Net (decrease)/increase in Funds during the Year	**(64,548)**	**32,126**
Transfer between Scheme Sections	4,482	(4,482)
Funds at the end of the Year	**617,217**	**246,137**

As of the Scheme year-end 5 April 2025, these figures show the Scheme to be in a strong position - and it has remained in strong financial health since then. See more recent updates in pages 6-7.

The financial health of your Scheme
DB Section

For the year to 30 September 2025, total Scheme performance against the benchmark portfolio was strong. Returns per asset class are shown below:

Asset Class	12-month return	B'mark
Liability hedging	–5.7	–5.9
Multi-strategy	8.5	7.6
Cash flow	4.7	4.2
Property	5.7	2.4
Private Markets	23.2	N/A

Over the year, the Scheme's assets outperformed the liabilities by 1.5%, meaning the assets performed better than the measure used to track changes in the Scheme's future benefit obligations. This was a positive outcome for the Scheme. Refer to the enclosed SFS for more details.

The Multi Strategy Portfolio (a diversified investment approach which spreads the scheme's money across several types of investments and techniques, such as shares and bonds) benefited from rising stock markets in developed countries, supported by strong economic news and continued excitement about AI. The Cashflow Credit Portfolio (made up mainly of high quality corporate bonds) also delivered positive returns in these conditions. Private Markets (such as private equity, property and private loans) added value too, as longer-term investments progressed and returned cash to the Scheme.

How the DB Section was invested	Value as at 30 September 2025 (£m)	Percentage
Liability hedging	298.5	53.5
Multi-strategy	135.8	24.3
Property	2.5	0.5
Private Equity	12.5	2.2
Cash**	108.9	19.5
TOTAL**	**558.3**	**100.0**

**Please note the following:

- Figures may not sum due to rounding
- The asset values exclude investments in AVCs
- We have included the net asset balance within cash

The financial health of your Scheme
DC Section

Details of the return for individual L&G funds can be found in the Trustee Report and Accounts or from L&G directly.

How the default funds performed

Shown below is the performance of the three default funds in the Scheme. If you would like to view performance for individual funds available under self-select, you can visit L&G's website **www.legalandgeneral.com/gkn-scheme1** to obtain this information.

Return to 30 September 2025	1 Year		3 Year	
Investment Sector Fund	Fund %	Index %	Fund %	Index %
GKN Growth Fund	**17.6**	**17.5**	**17.3**	**17.5**
GKN Diversified Fund	**9.4**	**10.4**	**8.9**	**11.1**
GKN Cash Fund	**4.6**	**4.6**	**4.6**	**4.6**

If you're in the default funds, you'll be invested in the GKN Growth Fund until 10 years before retirement, then the GKN Diversified Fund from 10 to 5 years before retirement. In the last 5 years, part of your DC pot moves into cash (based on how much may be needed to help provide your DB lump sum).

Following a review, the Trustee Directors have agreed changes to the default strategy, including a new pre-retirement fund and reducing the target cash holding in your DC pot at retirement from 25% to 10% (expected August 2026; details to follow).

This does not affect your ability to take up to 25% tax-free cash at retirement (subject to HMRC limits).

The remaining funds are available through the self-select options. If you choose your own funds, you should review your investments regularly to make sure they remain suitable. If you'd prefer the default funds, check which funds your DC savings are currently invested in and switch if needed.

Details of our **Scheme investment policy** – including details about our Environmental, Social and Governance responsibilities – and the extent to which the objectives have been achieved over the reporting year are available online. You can read our Statement of Investment Principles and Implementation Statement on the GKN pensions website. Go to **gknpensions.co.uk/scheme_1**

Don't forget, with the improved L&G App you can manage your pension whenever and wherever you need! You can:

> Check the value of your pension pot
> See your recent transactions and contributions
> Nominate and manage beneficiaries
> Explore and change your investment options
> Update your contact details and view important documents.

Access the App now via **www.legalandgeneral.com/app/** from any mobile device, or visit the L&G website **www.legalandgeneral.com/workplace/g/gkn-1**

Pensions in the news

Pension tax allowances – a reminder

The **Annual Allowance (AA)** is the yearly limit on pension contributions eligible for tax relief, including those made by you or your employer. For 2026/27, the standard limit is £60,000, but it may be lower for very high earners or if you've accessed certain pension benefits.

For active members with hybrid benefits (both DC and DB savings), the AA also covers any revaluation of deferred DB benefits.

The **Lifetime Allowance (LTA)** was abolished in April 2024. It is replaced by three new limits:

- Lump Sum Allowance – £268,275: this is the maximum tax-free cash you can take at retirement
- Lump Sum & Death Benefits Allowance – £1,073,100: covers death benefits and lump sums
- Overseas Transfer Allowance – £1,073,100: maximum you can transfer tax-free abroad

From April 2027, lump sum death benefits may also count towards Inheritance Tax unless paid to your spouse or civil partner, or a charity (see the details below under Inheritance Tax).

If you exceed these allowances, tax charges may apply. You can find out more by visiting **www.moneyhelper.org.uk** and searching under 'Pensions and retirement' for 'Tax and pensions'.

For advice, consult an independent financial adviser. You can find a registered adviser via **www.fca.org.uk/register**, or alternatively you can search via **www.moneyhelper.org.uk** ('find a retirement adviser').

State Pension and retirement ages

- You will have reached your State Pension Age (SPA) on your 66th birthday if you were born between 6 October 1954 and 5 April 1960.
- SPA rising to 67 between April 2026 and April 2028 for those born between 6 April 1960 and 5 April 1977.
- Government plans to increase to 68 in the 2030s.
- Normal Minimum Pension Age (NMPA), the earliest age you can retire from the Plan, is currently 55, rising to 57 in April 2028.

You can visit the Government website for more details on:

- SPA at **www.gov.uk/state-pension-age**
- State Pension at **www.gov.uk/browse/working/state-pension**
- Checking your State Pension forecast at **www.gov.uk/check-state-pension**

The MoneyHelper website also has some great guidance and tools. If you are thinking about retiring early, visit **www.moneyhelper.org.uk** and search 'Early retirement'.

Retirement Living Standards (Pensions UK)

The Pension and Lifetime Savings Association (PLSA) has rebranded to Pensions UK. Their Retirement Living Standards (RLS) can help you estimate how much money you may need in retirement, depending on what you would like to do.

To give you an idea of what you may need, the latest overview of the RLS is shown below:

- Minimum lifestyle: £13,400 (single) / £21,600 (couple)
- Moderate lifestyle: £31,700 (single) / £43,900 (couple)
- Comfortable lifestyle: £43,900 (single) / £60,600 (couple)

These estimates help members plan for retirement depending on lifestyle expectations.

To find out more, visit **www.retirementlivingstandards.org.uk**.

Inheritance Tax – future changes

At present, pensions are generally not included when working out the total value of your estate for Inheritance Tax (IHT) purposes.

In the Autumn 2024 Budget, the Chancellor of the Exchequer announced that from April 2027, inherited pensions would, in some circumstances, be considered as part of an individual's estate for IHT purposes.

What could this mean for my benefits in the Scheme?

If you are a member of the DB Section, some lump sums payable on death (e.g. five-year guarantees) and any pension guarantees offered by the Scheme will be assessed for IHT.

If you have any defined contribution (DC) benefits and/or any Additional Voluntary Contributions (AVCs), these will be considered as part of your estate for IHT purposes. As the proposed changes aren't expected to take effect until April 2027, you don't need to do anything now. If you think they could affect your estate planning, you may want to speak to a financial adviser.

Which benefits will be exempt from IHT?

Following an industry consultation, the Government has confirmed that the following will be exempt from IHT:

- Death-in-service benefits
- Dependants' scheme pensions
- Joint life annuities
- Charity lump sum death benefits.

All death benefits paid to spouses and registered civil partners will remain exempt from IHT. In addition, there will still be no IHT to pay on any assets you're passing on to your spouse or civil partner, including pensions.

You can find out more about IHT by visiting **www.moneyhelper.org.uk/en/family-and-care/death-and-bereavement/a-guide-to-inheritance-tax**.

Please note that IHT is a complex area, and neither the Trustee nor the Company are allowed to provide advice. If you feel that this is something you need to discuss further, you may wish to speak to a financial adviser. You can find a regulated adviser near you by visiting either **www.moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser**, or **www.fca.org.uk**.

Government Pension dashboards update

The pensions dashboard will enable you to see all your pensions not yet in payment – including your State Pension – in one place securely online.The dashboard will also help you find lost or forgotten pensions and support your retirement plans.

The Trustee continues to work closely with our administrator, Gallagher and our providers to ensure that the Scheme is ready to connect to the central ecosystem ahead of the Department for Work and Pensions' (DWP) final deadline for all pension schemes, which is 31 October 2026.

To ensure that the Trustee has the correct information to transfer details for the dashboard, it's vital that you keep us updated if your personal details change (see page 3).

Once all the relevant system checks have been completed, the Government will decide when the dashboard is ready to be launched for public use. This is expected to be in the first half of 2027.

The programme is being developed by the Money and Pensions Service, which is an arm's-length body sponsored by the DWP. The Government-backed MoneyHelper service, which provides free, impartial guidance on all aspects of money, will host the dashboard on its website.

You can find out more about the programme at **www.pensionsdashboardsprogramme.org.uk**.

In the meantime, if you're looking to track down a lost pension, visit **www.moneyhelper.org.uk** and search 'finding lost pensions' for advice and support.

Other useful resources

The Pensions Ombudsman

If a member is dissatisfied with the outcome of a dispute dealt with through the Scheme, it is possible to access pension dispute resolution with the Pensions Ombudsman. Their service is free, fair and impartial.

The Pensions Ombudsman can be contacted by email at **enquiries@pensions-ombudsman.org.uk**.

Members can also submit a complaint form online at **www.pensions-ombudsman.org.uk/making-complaint**.

Citizens Advice

Citizen Advice provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities. They also provide free and impartial face-to face pensions guidance. **www.citizensadvice.org.uk**.

There are plenty of places to get ideas from when thinking about your retirement, but if you need a starting point or inspiration, here are a few websites that you might find useful:

Age UK

www.ageuk.org.uk/information-advice – go to '**Work and learning**' and search for 'Retirement'. Here you can find useful resources, including a pension calculator, a 'planning for retirement' video, and a variety of links to help you with your finances (to either boost your current retirement income, or plan for the future).

The British Heart Foundation

www.bhf.org.uk/informationsupport provides a range of resources, online communities and support groups.

Volunteering Matters

www.volunteeringmatters.org.uk also offer interesting perspectives and useful information, should you wish to consider volunteering during your retirement.

Unite Union

0844 870 5605 is the Unite helpline number.

To help you find out more about the ongoing management of, and support for the Scheme you can request the following Scheme documents using the contact details on page 3:

- **Schedule of Contributions**
- **Statement of Investment Principles**
- **Trust Deed and Rules**
- **Internal Dispute Resolution Procedure**
- **Trustee Report & Accounts**

Don't forget you can access some of the above documents, and the newsletters, online via the Scheme website gknpensions.co.uk/scheme_1.

Your Trustee Directors

Trustee Directors are appointed to ensure the proper running of the Scheme. This includes:

- investing the Scheme assets,
- monitoring investment performance,
- making sure benefits are paid correctly,
- communicating with members, and
- ensuring member/personal data integrity.

Some Trustee Directors are appointed by the Company and others are Member Nominated and appointed for a five-year term.

The current Trustee Board members are shown below:

Independent Director

Cath Williams
(Chair effective 1 May 2026)

Company Appointed Directors

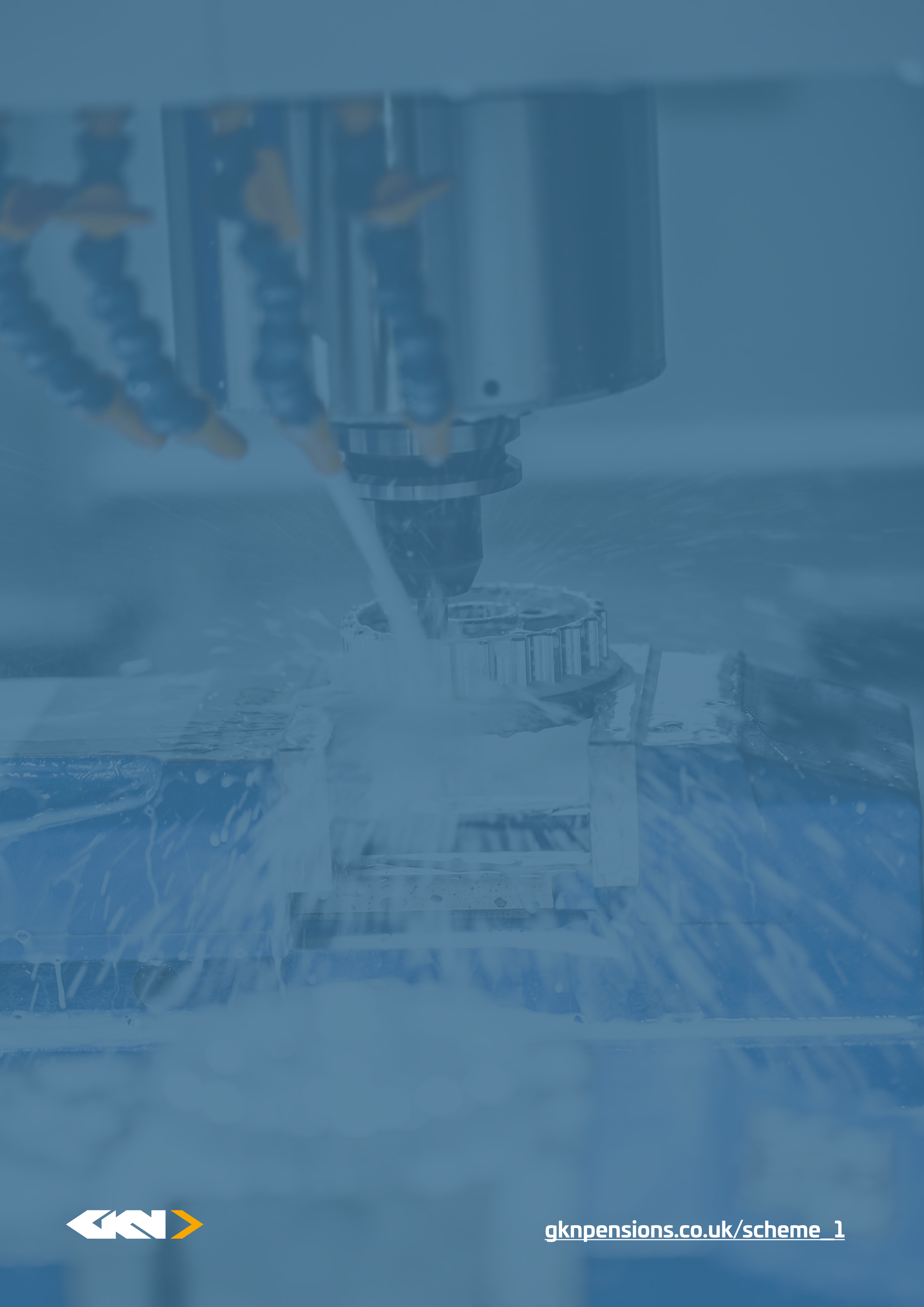
Michael Payne
Head of Treasury,
Melrose PLC

Andrew Fisher
Head of Financial Reporting,
Melrose PLC

Member Nominated Directors (MNDs)

Ken Boyle
Aircraft Electrician,
GKN Aerospace Filton

Tim Hodges
Retired HSE Leader,
GKN Aerospace Luton



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