ExxonMobil Pension Plan - The Chair's Annual DC Governance Statement

NOTE: THIS COMPLIANCE STATEMENT RELATES SOLELY TO THE PLAN'S MONEY PURCHASE BENEFITS (SUCH AS ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCS) AND OTHER MONEY PURCHASE BENEFITS). THIS STATEMENT IS NOT RELEVANT TO ANY MEMBERS' DEFINED BENEFIT PENSION.

Introduction

This Statement has been prepared by the Trustee of the ExxonMobil Pension Plan (the 'Plan') to demonstrate how the Plan has complied with the governance standards introduced under The Occupational Pension Schemes (Charges and Governance) Regulations 2015. This Statement relates to the period from 1 January 2023 to 31 December 2023.

It is generally the case that Defined Benefit (DB) schemes with only money purchase Additional Voluntary Contribution (AVC) arrangements are excluded from the above regulations. However, the Plan holds a small element of non-AVC money purchase benefits, most of which arise from historical transfers-in from non-AVC arrangements, and therefore the governance standards and reporting requirements apply to all money purchase assets in the Plan.

Investment strategy and monitoring

The Trustee's objective is to provide its members with a range of suitable funds from which they can construct their own portfolio. The Plan's Statement of Funding and Investment Principles (SFIP) sets out the objectives of each fund. The full SFIP can be found in Appendix A.

The current AVC/DC arrangement offers members the opportunity to select their own investments across a range of asset classes; members' investments are not automatically invested in a default strategy. However, following the introduction of The Occupational Pension Schemes (Charges and Governance) Regulations 2015, the Plan's six self-select funds with Aegon and the Mixed Asset Retirement Transition Strategy are considered default arrangements as a result of investment transitions which took place in 2010, 2014, 2020, 2021 and 2023, where some members' AVCs/DC savings were moved automatically to these funds when an alternative option was not chosen.

The Plan holds a number of legacy (or acquired) investment policies with Prudential and Standard Life alongside a policy with Utmost which was held for part of the 2023 Plan Year. The Standard Life policies (the Retirement Account policy) consists of two sub-funds; the Standard Life Pension With-profits Fund and the Standard Life Pension Millennium With-profits Fund, both of which are deemed defaults. The legacy policies are closed to new contributions.

Default strategy review

The last default investment review was completed during the Plan Year on 20 July 2023. The Trustee, in conjunction with its investment advisers, firstly considered the profile of the membership including the likely risk tolerance of members and recent (and expected) retirement choices. The Trustee then reviewed the fund options within this context to consider whether the funds continued to broadly meet the needs of members of the Plan.

The review concluded that the current fund options (including defaults) remained appropriate, and that no changes would be made to the funds. Some of the key findings were as follows:

- There had been no material changes to the regulatory framework or profile of the Plan's DC/AVC membership since the last review was undertaken in 2020.
- The fund options (including defaults) continued to be aligned with the Trustee's investment beliefs in relation to the DC/AVC assets.
- Members were likely to use their AVCs to fund their tax-free cash under the Plan and there were investment options available which were aligned with this objective.
- Blackrock was rated highly by the Trustee's investment adviser as a passive investment manager and continued to remain appropriate to deliver the Plan's AVC funds.
- The with-profits assets have unique characteristics and contain guarantees which may be valuable to members, particularly those close to retirement.
- Performance of the funds had been consistent with their objectives over the long term.

The next default investment review is scheduled to take place in July 2026.

Investment performance monitoring

The performance of the Plan's Aegon investment fund range is reviewed quarterly to ensure that performance is in line with each fund's objective. The Trustee assesses the performance of each fund against its respective benchmark over short and long periods as part of this review.

The legacy and acquired AVC/DC provider funds' performance is monitored annually as part of a wider general review of all the Plan's AVC arrangements. The Trustee annually reviews performance of the with-profits funds with Standard Life and Prudential in line with the annual bonus declarations and overall provider reviews.

Based on the reviews carried out during the reporting period, the Trustee remain satisfied that investment performance remains consistent with the aims and objectives stated in the SFIP.

Closure of the remaining legacy property funds

As reported in the last Chair's Statement, the Trustee had decided to close the Standard Life Property Fund and Utmost Property during the 2022 Plan Year. As a result, members' assets in the Standard Life Property Fund and Utmost Property Fund were transferred to the Aegon fund range in July 2023. Members were able to select which Aegon fund(s) they wished to invest these assets in, however for members that did not express a choice, their property fund assets were mapped into to the ExxonMobil Mixed Asset Fund. This fund has a 75% allocation to global equites and 25% allocation to corporate bonds and was deemed the closest match out of the existing Aegon fund range from a risk / return perspective.

The exercise was completed as planned in July 2023 and there are no longer any Plan assets remaining in the legacy property funds.

Net Investment returns

The Trustee is required to report the net investment returns for the default arrangements and for all self-select funds during the Plan year. The net investment return is after all transaction costs and charges.

Default funds

Individual fund options

Fund	1 year (%)	3 years (%p.a.)	5 years (%p.a.)	10 years (%p.a.)
Aegon BlackRock iShares Corporate Bond All-Stocks Index (BLK) Class S7	8.50	-4.84	0.28	2.55
Aegon BlackRock iShares Over 15 Year Gilt Index (BLK) Class S7	1.32	-17.65	-6.62	0.91
Aegon BlackRock ACS UK Equity Index (BLK) Class S7	6.55	7.70	6.01	4.94
Aegon BlackRock MSCI World Index (BLK) Class H	17.13	10.13	13.13	-
Aegon BlackRock Cash (BLK) Class S5	4.44	1.76	1.18	0.66
ExxonMobil Mixed Asset Class P	14.94	6.28	-	-
Standard Life Pension With-profits Fund	See notes at the end of this section			
Standard Life Pension Millennium With-profits Fund				

Mixed Asset Retirement Transition Strategy

Age of member as at start of the stated period	1 year (%)	3 years (%p.a.)	5 years (%p.a.)	10 years (%p.a.)
25	14.94	6.28	-	-
45	14.94	6.28	-	-
55	14.94	6.28	-	-

Other (non-default) funds

Individual fund options

Fund	1 year (%)	3 years (%p.a.)	5 years (%p.a.)	10 years (%p.a.)
Standard Life Millennium With-profits 2006	See notes at the end of this section			
Prudential With-Profits Fund				

Global Equity Retirement Transition Strategy

Age of member as at start of the stated period	1 year (%)	3 years (%p.a.)	5 years (%p.a.)	10 years (%p.a.)
25	17.13	10.13	13.13	-
45	17.13	10.13	13.13	-
55	17.13	10.13	13.13	-

UK Equity Retirement Transition Strategy

Age of member as at start of the stated period	1 year (%)	3 years (%p.a.)	5 years (%p.a.)	10 years (%p.a.)
25	6.55	7.70	6.01	-
45	6.55	7.70	6.01	-
55	6.55	7.70	6.01	-

Notes

When preparing this section of the statement, the Trustee has taken account of the DWP's Statutory guidance on "Completing the annual Value for Members assessment and Reporting of Net Investment Returns".

Returns provided for the Retirement Transition Strategies assume a nominated retirement age of 65.

Five and ten year performance information is not available for funds that have been in place for a shorter timeframe.

There are several with-profits funds in which some members are invested. These funds do not provide returns in the same way as a typical unit linked DC fund, annual bonuses are awarded depending on the performance of the underlying funds alongside other more complex factors. For more information on these funds, please review your Plan documentation to establish which with-profits fund(s) you have investments in and visit the Standard Life website at: https://www.standardlife.co.uk/investments/funds/with-profits-information#guides and Prudential website at: https://www.mandg.com/pru/customer/en-gb/funds/investment-fund-range/with-profits.

Asset allocation reporting

The Trustee is required to report the allocation of assets in each default arrangement in the Plan. The results are shown in this section of the statement.

Aegon BlackRock iShares Corporate Bond All-Stocks Index (BLK) Class S7

Asset class	Asset allocation
Cash	
Corporate Bonds	100.0%
Government bonds	
Listed Equities	
Unlisted Equities	
Property	
Private debt / credit	
Infrastructure	
Other	
Total	**100.0%**

Aegon BlackRock MSCI World Index (BLK) Class H

Asset class	Asset allocation
Cash	
Corporate Bonds	
Government bonds	
Listed Equities	100.0%
Unlisted Equities	
Property	
Private debt / credit	
Infrastructure	
Other	
Total	**100.0%**

Aegon BlackRock iShares Over 15 Year Gilt Index (BLK) Class S7

Asset class	Asset allocation
Cash	
Corporate Bonds	
Government bonds	100.0%
Listed Equities	
Unlisted Equities	
Property	
Infrastructure	
Private debt / credit	
Other	
Total	**100.0%**

Aegon BlackRock Cash (BLK) Class S5

Asset class	Asset allocation
Cash	100.0%
Corporate Bonds	
Government bonds	
Listed Equities	
Unlisted Equities	
Property	
Infrastructure	
Private debt / credit	
Other	
Total	**100.0%**

Aegon BlackRock ACS UK Equity Index (BLK) Class S7

Asset class	Asset allocation
Cash	
Corporate Bonds	
Government bonds	
Listed Equities	100.0%
Unlisted Equities	
Property	
Infrastructure	
Private debt / credit	
Other	
Total	**100.0%**

ExxonMobil Mixed Asset Class P

Asset class	Asset allocation
Cash	
Corporate Bonds	25%
Government bonds	
Listed Equities	75%
Unlisted Equities	
Property	
Infrastructure	
Private debt / credit	
Other	
Total	**100.0%**

Mixed Asset Retirement Transition Strategy

The asset allocation of the Mixed Asset Retirement Transition Strategy varies by age and so we have shown this for a member aged 25, 45, 55 and 65 (on their birthday).

Asset class	Asset allocation			
	Age 25	Age 45	Age 55	Age 65
Cash				100%
Corporate Bonds	25%	25%	25%	
Government bonds				
Listed Equities	75%	75%	75%	
Unlisted Equities				
Property				
Infrastructure				
Other				
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Standard Life Pension With-profits Fund

Asset class	Asset allocation
Cash	
Corporate Bonds	13.8%
Government bonds and other*	57.1%
Listed Equities	24.2%
Unlisted Equities	1.5%
Property	3.4%
Infrastructure	
Total	**100.0%**

Standard Life Pension Millennium With-profits Fund

Asset class	Asset allocation
Cash	
Corporate Bonds	10.6%
Government bonds and other*	15.0%
Listed Equities	60.9%
Unlisted Equities	3.2%
Property	10.3%
Infrastructure	
Total	**100.0%**

**Government bonds & Other includes index linked bonds, cash deposits and money market instruments. This is the format and groupings Standard Life has provided in its reporting. No further detail or breakdown was available.*

Notes

When preparing this analysis, the Trustee has taken into account of the DWP's statutory guidance on "Disclose and Explain asset allocation reporting and performance-based fees and the charge cap".

Performance based fees

The Trustee is required to report on any investment funds that have incurred performance-based fees over the period and if so, the amount shown as a percentage of the average value of the assets held by that fund during the Plan year. It was confirmed that no performance-based fees applied to the Plan's DC/AVC funds during the period.

Financial transactions

The Trustee has in place Service Level Agreements (SLAs) with the Plan Administrator which cover the timescales of all administration tasks (DB and AVC) including all core financial transactions.

These core financial transactions include the investment of contributions, transfers into and out of the Plan, fund switches and payments out of the Plan to and in respect of members.

The Plan administrator carries out monthly monitoring, reconciliation and record keeping of AVC contributions, investments and payments from the Plan. All discrepancies are investigated and reconciled. The Plan's accounts are also independently audited annually by the Trustee's appointed auditors.

The Trustee monitors whether core transactions are processed promptly and accurately by reviewing quarterly reports detailing the key information about the Plan's administration, including whether the administration team has met its required service levels standards for the period. All monthly AVC contributions over the period were invested in line with the agreed SLAs.

The Plan Administrator follows an agreed administration manual and has a checking / authorisation process in place for all financial transactions.

On average, 92% of all tasks were completed within SLA during the reporting period however this relates to both DB and AVC tasks. During the reporting period, a Service Improvement Plan has been in place with the Administrator, at the request of the Trustee. Since the Service Improvement Plan was put in place, administration performance has improved. Updates are provided at every Trustee meeting by the Administrator and weekly calls continue to take place between ExxonMobil HR and the Administrator to discuss any issues.

Common data tests were carried out during 2023. The overall data quality score for common data was 94%. Common data tests are reported within the quarterly administration reports. The Trustee is taking steps to improve the completeness of common data including undertaking member tracing.

As a result, the Trustee is satisfied that core financial transactions were processed accurately during the scheme year but is working to improve the speed at which these tasks are processed.

Charges and transaction costs

Fund charges paid by the members are set out in the tables overleaf.

Default funds

Fund name	Total Expense Ratio (TER)	Transaction costs as at 31 December 2023 (unless stated)
ExxonMobil Mixed Asset Fund	0.28%	0.01%
Aegon BlackRock MSCI World Index Fund	0.26%	0.00%
Aegon BlackRock Cash Fund	0.28%	0.02%
Aegon BlackRock (Aquila Life) UK Equity Index Fund	0.25%	0.08%
Aegon BlackRock (Aquila Life) Over 15 Year UK Gilt Fund	0.26%	0.03%
Aegon BlackRock (Aquila Life) Corporate Bond Fund	0.27%	0.05%
Mixed Asset Retirement Transition Strategy	0.28%	0.01% - 0.02%
Standard Life Pension With-Profits Fund*	See notes section	0.10%
Standard Life Millennium With-profits Fund*		0.00%

Other (non-default) funds

Fund name	Total Expense Ratio (TER)	Transaction costs as at 31 December 2023 (unless stated)
Global Equity Retirement Transition Strategy	0.26% - 0.28%	0.00% - 0.02%
UK Equity Retirement Transition Strategy	0.25% - 0.28%	0.02% - 0.08%
Utmost Property Pension Fund**	1.87%	0.35%
Standard Life Property Pension Fund**	0.62%	0.20%
Standard Life Millennium With-profits 2006*	See notes section	0.00%
Prudential With-Profits Fund*		Not available***

* Fund closed to contributions
** Fund closed and removed as an investment option during the 2023 Plan Year
*** This information was not provided to the Trustee by Prudential in time for inclusion within the statement. The Trustee has engaged with its advisers to work with Prudential to ensure the information is provided in a timely manner in future years.

Notes

In relation to the with-profits funds, there are no explicit charges for investing in these funds, however these are taken into account when the provider calculates the annual bonus.

Transaction costs are those incurred by fund managers as a result of buying, selling, lending, or borrowing investments. Please note a zero cost has been reported where there has been a negative transaction cost (i.e. an overall gain was made on the transaction, which can happen as a result of changes in the pricing of the assets being bought or sold).

This is because it is not expected that transaction costs will always be negative and using a negative or zero cost during any one Scheme year may not accurately represent the actual transaction costs a member may expect to see in any future year.

Statutory guidance has been taken into account when providing the charges and transaction cost data.

Costs and charges illustrations

The Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018 requires the Trustee to produce an illustration showing the compounding effect of costs and charges on DC funds. As a result, the Trustee has set out an illustration in Appendix B, which shows the projected values based on three example AVC members (these are not actual members). The three examples show members at different ages, with different average pension savings and investing in a range of different investment options. The projections compare what the investments could grow to at age 65 before and after charges have been deducted.

The illustrations have been prepared by WTW, who confirmed that they had taken account of the statutory guidance when preparing the illustrations.

Value for Members

The Trustee reviews all member-borne charges (including transaction costs where available) annually, with the aim of ensuring that members are obtaining value for their money, given the circumstances of the Plan's AVC and other money purchase benefits. The last review was undertaken in May 2024 covering the 2023 Plan Year.

The Trustee notes that value for members does not necessarily mean the lowest fee, and the overall quality of the service received has also been considered in this assessment. The Trustee's advisers have confirmed that the fund charges for the Aegon arrangement are competitive for the types of fund available to members based on external benchmarking of similar arrangements.

The Trustee's assessment included a review of the performance of the investment funds in the Aegon arrangement (after all charges) in the context of their investment objectives. The returns on the investment funds members can choose have been consistent with their stated investment objectives.

In carrying out the assessment, the Trustees also considered the other benefits members receive, which include:

- The oversight and governance provided by the Trustee, including ensuring the arrangement is compliant with relevant legislation, such as the charge cap, and holding regular meetings to monitor the AVC/money purchase arrangements and address any material issues that may impact members

- The range of investment options and strategies

- The quality of communications delivered to members; the quality of support services; and the efficiency of administration processes and the extent to which the administrator met or exceeded its service level standards for the Scheme year.

Overall, for these reasons, the Trustee believes that members of the Aegon arrangement are receiving good value based on the services they receive and the charges they incur.

The Trustee also assessed the member value from the legacy funds.

In relation to the with-profits funds, the Trustee recognises the specific characteristics of these funds, such as capital guarantees and guaranteed bonus rates that may apply. The Trustee acknowledges that some members may value these investment options and, as such, each member will need to consider whether they wish to keep their AVCs invested in the funds or switch them to the Aegon fund range.

The Trustee also took 'value' into account when deciding whether to close the legacy property funds (as described earlier in this statement).

Trustee Knowledge and Understanding (TKU)

The Trustee has a robust TKU structure in place which enables it, together with the support of its professional advisors, to ensure it has sufficient knowledge to effectively discharge its duties and responsibilities under the Plan. The Trustee has a good working knowledge of the documents governing the Plan (including the Trust Deed and Rules, the Statement of Funding and Investment Principles, and all documents which set out current policies). The Trustee takes advice from professional advisers when it is appropriate to do so. In addition, the ExxonMobil pension legal adviser attends every Trustee meeting to provide guidance as required to the Trustee and the Trustee's other advisers will attend for relevant agenda points.

The Trustee Directors have generally worked together for a number of years and as such have learnt to operate in a way which plays to each director's strengths and area of expertise. All Directors have completed The Pension Regulator's Trustee Toolkit.

There was one new Trustee Director appointed during the year who received induction training from the Company Secretary, legal adviser, financial controllers and treasury advisers and pension manager to ensure that they had the required level of general and Plan specific knowledge to effectively carry out their trustee duties. The new Director completed the Pension Regulator's Trustee Toolkit within 6 months of appointment.

The Trustee's approach to meeting the TKU requirements, and ensuring it retains good working knowledge of the Plan documents, include:

- Maintaining a rolling programme of bespoke Trustee training which is delivered during a designated training day and / or within Trustee meetings where appropriate.
- Recording all training and attendance at appropriate seminars in the Trustee training log.
- Reviewing the training programme annually.
- An online site for Trustee Directors to access the latest Plan documents.
- Annually (at the start of each year) the Trustee reviews the training it received in the previous year, considers what training would be beneficial for the coming year (taking account of the Plan's expected activities) and seeks to establish any gaps in knowledge, all of which can then be addressed within the training programme for the year. This was carried out in January 2023 and all identified training needs were subsequently addressed during 2023.

The Trustee received bespoke training sessions in September 2023 by their advisers WTW covering the following topics:

- **General Code** including the requirements for establishing an Effective System of Governance (ESOG) framework and Risk Management Function (RMF)

- **Equity, Diversity and Inclusion (EDI)** including the importance of considering EDI principles in the running of the Plan

- **Cyber risk** including the Pensions Regulator's requirements, the potential impacts of a data breach, emerging threats and the actions trustees can take to mitigate cyber risk

- Abolition of the Lifetime Allowance

Additionally, individual directors attended external training sessions as appropriate. Examples included:

- Delivering Value for Money in DC Pensions by PLSA – February 2023

- Pensions Dashboards – the way forward by Hogan Lovells – March 2023

- The Pensions Regulator's annual DB funding statement 2023 – the implications for trustees and sponsors by WTW – May 2023

The effectiveness and performance of the Trustee is regularly monitored in the following way:

- Maintenance and progression against the annual business plan; Reviewed in November 2022 in advance of the 2023 Plan year.

- Quarterly monitoring of the SLAs which are in place with the internal ExxonMobil team who support the Trustee to ensure timely completion of required activities.

- The Trustee regularly reviews the service it receives from its advisers and service providers.

- The Trustee Directors proactively provide comments on possible improvements in relation to the operation and performance of the Board as a whole.

Additionally, the Trustee undertook a Trustee Effectiveness self-assessment during the 2023 Plan Year. This evaluation considered the effectiveness of meetings, decision making, ongoing monitoring, chairship, board composition, review processes and external relations. The overall results were positive and indicated that the Trustee is effective in its operation of the Plan. There were a small number of areas identified where potential enhancements could be made and these are being progressed.

Taking into account the knowledge and experience of the Trustee Directors, along with the specialist advice (both in writing and whilst attending meetings) received from the appointed professional advisors (e.g. investment consultants, legal advisors), the Trustee Directors believe they are well placed to exercise their functions as Trustees of the Plan properly and effectively.

Statement of compliance

On behalf of the Trustee of the ExxonMobil Pension Plan, I confirm that the Trustee is comfortable that the Plan has met the minimum governance standards (in relation to money purchase assets) as defined in The Occupational Pension Scheme (Charges and Governance) Regulations 2015 during the period 1 January 2023 to 31 December 2023.

Signed on behalf of the Trustee:

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Date:

June 6, 2024

Appendix A: latest SFIP – to be appended to the final version

STATEMENT OF FUNDING AND INVESTMENT PRINCIPLES

FOR

EXXONMOBIL PENSION PLAN

1. INTRODUCTION

This document constitutes the written statement of the principles governing decisions about funding and investments for the ExxonMobil Pension Plan ("the Plan"). It has been prepared by ExxonMobil Penson Trust Limited ("EMPTL"), the Trustee of the Plan.

It focuses on the Defined Benefit ("DB") assets, but where additional Defined Contribution ("DC") requirements apply (from the Pensions Regulator's Code of Practice and the DWP's minimum governance standards introduced under The Occupational Pension Schemes (Charges and Governance) Regulations 2015), EMPTL's policies and objectives for these are clearly identified.

In creating this document, advice was sought from Willis Towers Watson, the actuary of the Plan. Esso Petroleum Company, Limited ("EPCo"), ExxonMobil Chemical Limited and International Marine Transportation Limited (together, the "member companies"), were consulted on the components comprising the Investment Principles. Components comprising the Funding Principles have been agreed between the Trustee and EPCO, the plan's principal employer. EMPTL will review this document every year.

2. LEGISLATION

In preparing this document EMPTL has had regard to the requirements of the UK Pensions Acts and associated regulations. The Pensions Act 2004 defines the Statutory Funding Objective whereby the Plan must have sufficient and appropriate assets to cover its Technical Provisions.

3. FUNDING PRINCIPLES

Funding Requirements

The Trustee's current policy is that full actuarial valuations are completed triennially to determine the Plan's Technical Provisions. If a shortfall in funding is identified, EMPTL will work with the member companies to put in place an appropriate recovery plan to return to full funding. In the intervening years between full valuations, valuation updates are completed for information purposes, but there is no obligation for the member companies to fund any deficits which are identified. The Trustee may request a full actuarial valuation at any time if concerns over the funding level arise.

The Technical Provisions assumptions for the Plan are detailed in Appendix A.

Period within which a failure to meet the Statutory Funding Objective is to be rectified

EMPTL and the member companies have agreed that any shortfall against the Plan's Statutory Funding Objective, which is identified at an actuarial valuation, should normally be eliminated within the year, and no later than 24 months of valuation date. This commitment is reviewed annually and renewed unless exceptional circumstances prevail.

Contributions

The level of contributions for each member company will be determined by EMPTL at each full actuarial valuation having taken actuarial advice, and will be agreed by the member companies. When there is a funding surplus, EMPTL and the member companies may agree that the payment required in respect of contributions will be met from the surplus, rather than paid into the Plan.

Policy on discretionary increases

Discretionary increases to current and deferred pensions are granted by the member companies from time to time. No allowance is made for any such future increases within the calculations of the Technical Provisions. When granted, the actuary will determine the value of the additional benefits using assumptions consistent with those adopted for the calculations of the Technical Provisions as at the most recent actuarial valuation, and the member companies will make a payment to the Plan to eliminate any shortfall against the Technical Provisions that is considered to result from the discretionary increase. When there is a funding surplus, EMPTL and the member companies may agree that the payment required in respect of any discretionary increase awarded will be met from the surplus, rather than paid into the Plan.

Guarantee

In addition to cash funding, EMPTL has a guarantee from Ancon Insurance Company Inc. ("Ancon"), which can be invoked in the event the member companies do not meet their funding obligations when due. Ancon will make a payment to the Plan to cover any shortfall in funding up to a monetary limit equal to 105% of Plan liabilities valued on the basis set out in Section 179 of the UK Pensions Act 2004.

Arrangements for other parties to make payments to the Plan

Other than a potential payment from Ancon under the terms of the guarantee, there are no arrangements for anyone other than the member companies and members to make payments to the Plan.

Payments to the employers

Other than the reimbursement by the Plan of Esso Petroleum Company, Limited for regular payments made, the Rules of the Plan do not include provisions for EMPTL to make any payment to a member company out of the funds held unless there is a surplus following the winding up of the Plan (or a portion thereof).

Policy on reduction of cash equivalent transfer values

EMPTL will ask the actuary to advise it from time to time on the extent to which assets of the Plan are sufficient to provide cash equivalent transfer values for all non pensioners without adversely affecting the security of the benefits of other members and beneficiaries. If the actuary advises that the assets are insufficient to provide cash equivalent transfer values in full to all members on the method and assumptions adopted for that purpose, EMPTL will consider whether to apply reductions to those transfer values (in line with relevant legislation), after consulting the member companies.

4. INVESTMENT PRINCIPLES

EMPTL's investment policy is to carry out its primary fiduciary duty in all circumstances, which is to act in the best financial interests of the beneficiaries of the Plan. It considers that it is acting in the best financial interests of the beneficiaries by adopting a generally passive indexing strategy and investing in pooled, broadly diversified low-cost index based funds.

EMPTL's investment objective is that the Plan has sufficient and appropriate assets to meet the amount required, on an actuarial calculation, to make provision for the Scheme's liabilities (the technical provisions).

To further this investment objective, the Trustee's overarching policy is as follows:

- To hold sufficient liquid assets to meet likely near term benefit payments, as well as unexpected cash requirements in the majority of foreseeable circumstances, so that realisation of assets will not disrupt the overall investment policy;

- To hold assets of appropriate liquidity which are expected to generate returns over the long term to meet, together with new contributions, the cost of current and future Plan benefits at an acceptable level of risk and cost. EMPTL will seek to prudently balance risk and return considerations in order to meet its obligations.

5. IMPLEMENTATION OF THE INVESTMENT PRINCIPLES

Asset Selection

EMPTL's policy is to invest in passive, index-tracking pooled funds for each asset class, unless there are sound reasons to do otherwise. This ensures that the Plan's investments are broadly diversified and avoid undue concentration in particular companies, industries or countries beyond their market weights.

Asset Allocation

Separate target asset allocation policies have been created for each of the UK and Ireland liabilities in the Plan. The details of the target asset allocation policies are included in Appendix B.

EMPTL accepts that the assets are unlikely to remain at their exact target weights due to market fluctuations. Therefore a policy is in place which aims to rebalance the assets periodically to the target allocations to take account of such deviations. This is further detailed in Appendix B.

Monitoring of Investment Performance

EMPTL invests in index-tracking assets and therefore expects investment returns to closely match the returns of the underlying indices. These indices are the basis for the benchmarks used in performance monitoring. An external independent performance monitoring agency provides monthly reports on the asset performance versus the benchmark. These reports are reviewed regularly by EMPTL. Any material deviation from the benchmark are investigated by Exxon Mobil Corporation, in its role as advisor to EMPTL.

Portfolio turnover

EMPTL invests in passive index-tracking funds, it does not set targets for portfolio turnover. It is acknowledged and accepted that the investment managers will periodically rebalance their funds to reflect changes in the underlying indices, and that the costs of these transactions are absorbed into the fund.

Advice

Before investing in any manner, the Trustee obtains and considers proper advice on the question as to whether an investment is satisfactory, having regard to its investment principles and also the need for diversification of investments and to the suitability to the Plan of proposed investments. EMPTL has appointed EPCo and Exxon Mobil Corporation (Benefits Finance & Investment Division) ("BF&I"), (EPCo and BF&I together, the "investment advisors"), to provide advice on investment strategy, to monitor the performance of the investment managers and to co-ordinate and administer the investment activity of the Plan. On an annual basis EMPTL reviews and, if appropriate, reconfirms its belief that BF&I and EPCO are qualified by its ability in and practical experience of financial matters, and to have the appropriate knowledge and experience of the management of investments of pension schemes. EMPTL believes that it has sufficient experience and knowledge to make investment decisions based on the advice received. EMPTL has at least one formal meeting with BF&I and EPCO per year, together with adhoc informal interactions as required or requested by EMPTL.

Specific Guidelines

- **Derivatives:** Restrictions on the use of derivatives are included in EMPTL's investment management agreements. EMPTL relies on its investment advisors, to monitor the use of derivatives by the investment managers to ensure compliance with the investment mandate.

- **Securities lending:** EMPTL invests in funds which have securities lending programs. These funds are managed by investment managers with whom Exxon Mobil Corporation has a global relationship. Therefore, EMPTL relies on its investment advisors, to determine whether the securities lending programs are appropriate for the plan assets, and to monitor the programs on an ongoing basis. BF&I maintains best practice guidelines for securities lending as part of its internal control framework.

- **Self investment:** To invest in the securities of Exxon Mobil Corporation only to the extent that they form a constituent of the total US equity index being tracked.

AVCs

The Plan provides facilities for members to make additional voluntary contributions (AVCs). EMPTL's objective is to provide, via an external investment institution or institutions appointed from time to time, AVC facilities that offer Plan members a range of investment accounts from which to choose. The same policy set out in Section 8 below (applying to DB) applies equally to the AVC arrangement with Aegon. However, EMPTL will take a pragmatic and proportionate approach given the size of the arrangement and that the AVCs are invested passively with BlackRock via Aegon. Appendix C sets out further details of the AVC arrangements.

6. RISK MANAGEMENT

EMPTL recognises and continues to monitor a number of risks involved in the investment of the Plan's assets, including:

Solvency risk and mismatching risk – addressed through the asset allocation strategy and through ongoing annual actuarial valuations.

Manager risk – addressed through careful assessment and ongoing monitoring of the reputation and financial strength of the managers.

Liquidity risk – the Plan administrators estimate the monthly benefit outgoings and ensure that sufficient cash balances are available.

Inappropriate investments – addressed through constraints on the use of derivatives, gearing, specific asset limits and other restrictions on the investment managers.

Currency risk – addressed through the mix and diversification of the assets.

Political risk – the risk of an adverse influence on investment values from political intervention is reduced by diversification of the assets across many countries.

Custodian risk – addressed through the agreement with the third party custodians and ongoing monitoring of the custodial arrangements. Restrictions are applied to who can authorise transfers of funds and the accounts to which transfers can be made.

Counterparty risk – addressed through the investment manager guidelines with respect to cash management.

Fraud/Dishonesty/Negligence – addressed through liability clauses in the investment manager agreements.

In addition, EMPTL recognises risks associated with funding – the failure of an employer, addressed through maintenance of the EMPTL review of employer covenant and the guarantee from Ancon Insurance Company Inc.

EMPTL also considers risks specific to DC and these are set out in Appendix C.

7. APPOINTMENT OF INVESTMENT MANAGERS

EMPTL appoints its investment managers with an expectation of a long-term partnership. Alignment between a manager's management of the Plan's assets and EMPTL's investment principles are a fundamental part of the appointment process. Before investing, EMPTL will seek to understand the manager's approach to passive index-based investing (including engagement with portfolio companies). When investing in a pooled investment fund, EMPTL will ensure the investment objectives of the fund are consistent with its own objectives.

To maintain ongoing alignment, investment managers are provided with the most recent version of this document on an annual basis and are required to explicitly confirm that the Plan's assets are managed in line with EMPTL's principles and objectives as outlined in sections 4 and 5.

Managers are paid an ad valorem fee, in line with normal market practice, for a given scope of services which includes fund management, reporting and engagement with portfolio companies. It is EMPTL's view that fees linked to investment performance are generally not compatible with a passive investment. Such fee structures are therefore only used in a limited number of cases.

When assessing a manager's performance, EMPTL focuses on long term outcomes, and does not expect to terminate a manager's appointment based purely on short-term performance. However, a manager's appointment could be terminated within a shorter timeframe due to other factors.

8. GOVERNANCE OF EQUITY INVESTMENTS

The funds in which EMPTL invests do not give fund participants direct voting access to the companies in which they are invested so EMPTL relies on the Investment Managers to represent their best interests when voting. Prior to investing in a fund, the stated aim of that fund is reviewed to ensure it aligns with EMPTL's principle of acting in the best financial interests of the Plan's beneficiaries.

EMPTL recognises its fiduciary duty to protect and enhance the value of the Plan's assets. It supports active dialogue between its investment managers, as shareholders, and companies, with the objective of raising standards of corporate governance.

EMPTL's policy for the governance of equity investments is to be put into action via its appointed investment managers. It is recognised that investment managers can fulfil their role in corporate governance, on behalf of EMPTL, through direct contact with the management of the companies in which EMPTL has invested and also through the exercise of voting rights. Investment managers' actions must at all times enhance the value of the Plan assets.

EMPTL's policy for the governance of equity investments is that votes should be cast on every issue unless country specific procedures make voting procedurally difficult or uneconomic. By voting regularly shareholders can influence the way in which directors run a company so that its value to shareholders may be increased through the promotion of best practices in company management.

BF&I, in its role as advisor to EMPTL, manages the relationships with EMPTL's Investment Managers. Periodic discussions with managers are held on their engagement activities with portfolio companies, including the manager's approach to proxy voting. Should this review process reveal that an investment manager's portfolio is not aligned with EMPTL's policies or the stated fund objectives, EMPTL will engage with the investment manager further to encourage alignment. If, following engagement, it is the view of EMPTL that the degree of alignment remains unsatisfactory, the manager will be terminated and replaced.

For most of the Plan's investments, EMPTL expects the investment manager to invest with a medium to long time horizon, and to use their engagement activity to drive improved performance for shareholders over these periods. EMPTL also expects that managers' engagement with portfolio companies will include environmental, social and governance matters.

Considerations in the selection, retention and realisation of investments

It is the policy of the Trustee that all financially material considerations in the selection, retention and realisation of investments should be taken into account and that non-financial matters (such as environmental, social and governance considerations (including, but not limited to, climate change)) should be taken into account only to the extent that they have an impact on the best financial interests of the beneficiaries.

Therefore, as a consequence of this approach, environmental, social and governance considerations in the selection, retention and realisation of investments are taken into account through the applicable market index security weightings and returns.

In 2022 EMPTL published its first report in respect of the Occupational Pension Schemes (Climate Change and Governance Reporting) Regulations 2021, which is available to members and the general public.

Members of the Plan remain free/welcome to comment on any aspect of the investment of the Plan's assets.

DocuSigned by:
Tim Stevens
7EBC289CBC0E44E...

EXXONMOBIL PENSION TRUST LIMITED
DATE : November 22, 2023

APPENDIX A

TECHNICAL PROVISIONS METHOD AND ASSUMPTIONS FOR THE ACTUARIAL VALUATION OF THE PLAN AS AT DECEMBER 31, 2022

Technical Provisions Method

The actuarial method used is the Projected Unit Method.

Technical Provisions Assumptions

Financial Key Assumptions – selected by reference to investment market conditions as at the effective date of the valuation.

- A single discount rate of 4.55% p.a. was used for the valuation based on actuarial advice and after consideration of prevailing market conditions.

- Assumed RPI price inflation is selected having regard to information available in respect of financial markets at the valuation date. An assumption of 3.35% p.a. has been used. Price inflation set by reference to the Consumer Price Index (CPI) is assumed to be 0.55% p.a. below RPI price inflation (ie 2.8% pa).

- For members of the Contributory Section, increases to pensions earned in respect of service between 5 April 1997 and 6 April 2006 (inclusive) are assumed to be at the rate of 3.35%, and increases to pensions earned after 5 April 2006 are assumed to be 2.5% pa. Discretionary pension increases are not reflected in the Technical Provisions calculation, and therefore no increases are assumed in relation to pensions earned before 6 April 1997 (except for the component in relation to GMP arising from Post 5 April 1988 which allows for statutory increases in payment at an assumed rate of 2.8% pa).

- For members of the Non-contributory Section, increases to pensions are assumed to be 2.5% pa.

- The general pay escalation assumption is selected having regard to past experience and views of the member companies on future pay policy. An assumption of increases at 0.5% p.a. above CPI price inflation was used in the valuation. In addition, allowance is made for promotional increases on an age related basis as set out in the table overleaf.

- Statutory revaluation of deferred pensions is assumed to be equal to CPI price inflation in respect of pensions earned before 6 April 2009 and equal to 2.5% pa in respect of pensions earned from 6 April 2009.

- Demographic Key Assumptions were reviewed and where necessary revised for the Actuarial Valuation as at December 31, 2022.

- Mortality Base tables used are selected after reviewing recent Plan experience and the underlying demographic characteristics of the prevailing membership. Allowance is also made for EMPTL's and member companies' views on how these rates might change in the future.

- Past experience is used to assess in-service decrements.

- When analysing the Plan's recent experience for the purpose of assumption setting, data is considered over a three year period (or longer), rather than the one year period since the most recent actuarial valuation.

- A summary of the assumptions used is set out overleaf.

Summary of demographic assumptions

All members

Post-retirement mortality is based on the member's year of birth and uses the following assumptions.

- Current mortality: Based on the SAPS S3 series tables set out below, projected from 2013 to the valuation date using the future improvements as set out below:
  - Male members and male dependants: 93% of 'Normal Health Pensioners (M)'
  - Female members and female dependants: 85% of 'Normal Health Pensioners, Heavy (F)'
- Future improvements in longevity: in line with 'CMI Core Projection Model (2022 version)' from the valuation date with a long term improvement rate of 1.5% pa, default smoothing parameter (of 7.0), default weighting parameter (of nil for 2020 and 2021 experience and 25% for 2022 experience) and an initial additional improvements parameter of 0.75% pa. Improvements between 2013 and the valuation date are also assumed to be in line with the 'CMI Core Projection Model (2022 version)' but with the long term improvement rate of 1.25% pa, an initial additional improvements parameter of 0.5% pa and all other parameters unchanged.

The proportion of members assumed to be married is 90% for men and 60% for women.

Husbands are assumed to be two years older than their spouses.

Members are assumed to commute 20% of their pension for a tax-free cash lump sum at retirement on terms which are consistent with the Technical Provisions assumptions, but with the margins for prudence removed (equivalent to assuming commutation factors approximately 15% lower than those implied by the Technical Provisions assumptions).

Active members

In service – specimen rates per 1000 members									Salary scale	
	Withdrawal		Death		Ill-health retirement		Early retirement			
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
25	24	55	-	-	-	-	-	-	100	100
30	24	70	-	-	-	-	-	-	122	122
35	24	50	-	-	-	-	-	-	144	144
40	24	33	-	-	-	-	-	-	163	163
45	24	33	-	1	1	1	-	-	179	179
50	12	33	-	1	2	2	-	-	191	191
55	12	20	1	2	4	3	100	100	199	199
60	-	20	1	3	8	5	500	500	202	202

No allowance has been made in the calculation of the Technical Provisions in respect of active members to reflect the likelihood that members may lose salary linkage on their Plan accrued pension earlier than anticipated due to them becoming members of the ExxonMobil Supplementary Plan.

Deferred members

The mortality basis prior to pensions coming into payment uses the same tables as the post-retirement mortality basis described above.

Expenses

Administrative expenses (with the exception of Ireland-related expenses, which are met from Plan assets) and PPF levies are not capitalised but are paid by the sponsoring companies as they arise. However, no employer contributions will be paid for the administrative expenses nor PPF levies where these fall due between 1 January 2023 and 31 December 2024 unless related to the fee for the guarantee provided to the Plan by Ancon.

APPENDIX B

ASSET ALLOCATION

Following asset allocation studies for the UK and Ireland sections of the Plan, the following asset allocation targets have been agreed by the Trustee.

Target Allocations	UK	Ireland
Equity	20%	20%
Fixed Income (GBP)	80%	-
Fixed Income (EUR)	-	80%

The equity portfolio of the UK section currently includes a small amount of private equity funds, reflecting a legacy investment strategy. The private equity investment is declining over time as the funds distribute returns. No new allocations are made to private equity.

The Trustee reviews the fixed income allocation between government and corporate bonds annually as part of the review of the Liability Driven Investment program and rebalances between the two as required to optimise the efficiency of the interest rate hedge which the program provides. When agreeing on this rebalance, the Trustee will have regard to the estimated cost of the transactions, as well as the efficiency of the hedge.

Assets also include a small holding in an insurance policy (represents less than 0.5% of assets).

Plan assets should only be held in cash to the extent that cash is needed for operations.

REBALANCING

As market movements cause asset values to fluctuate, the Plan's assets drift from the target allocation. The Trustee's preference is to rebalance the assets back to their target weights on a quarterly basis, and delegates this activity to BF&I. Usual practice is for rebalancing to be done on a quarterly basis (February, May, August, and November month ends) to strike a balance between the benefits of rebalancing and the associated transaction costs. Quarterly rebalancing may be temporarily adjusted/suspended in certain situations e.g. significant market volatility. In those cases, EMPTL expects that BF&I will communicate the postponement and propose a plan to return to rebalancing. Any proposed suspension of a rebalance for greater than one month requires authorisation by the Trustee.

Investments into and divestments from the Plan should be done in such a way as to bring the asset mix closer to its target e.g. invest contributions in the most underweight fund.

APPENDIX C

DEFINED CONTRIBUTION (DC) ADDITIONAL VOLUNTARY CONTRIBUTION (AVC) ARRANGEMENT

EMPTL currently offers the following range of funds through Aegon (Scottish Equitable):

Asset class	Name of fund	Benchmark
Mixed Assets	ExxonMobil Mixed Asset	75% MSCI World NET TR (£) Index, 25% iBoxx £ Non Gilts Index
Global Equity	Aegon BlackRock MSCI World Index (BLK)	MSCI World NET TR (£) Index
Cash	Aegon BlackRock Cash (BLK)	GBP 7 Day LIBID
UK Equity	Aegon BlackRock Aquila Life UK Equity (BLK)	FTSE All Share Index
Gilts	Aegon BlackRock Aquila Life Over 15 Years UK Gilt (BLK)	FTSE UK Gilts Over 15 Years Index
Bond	Aegon BlackRock Aquila Life Corporate Bond Index Fund All stocks (BLK)	iBoxx £ Non Gilts Index

The objective of these options is to provide members with suitable funds from which they can construct their own portfolio. The funds' objectives and expected returns are as follows:

- ExxonMobil Mixed Asset Fund: Invests approximately 75% in the MSCI World Index Fund and 25% in investment grade corporate bonds denominated in sterling. The fund aims to provide returns consistent with the markets in which it invests.
- Aegon BlackRock MSCI World Index Fund: Invests in the shares of overseas and UK companies and aims to achieve a return consistent with the MSCI World Index
- Aegon BlackRock Cash Fund: Aims to achieve an investment return that is in line with wholesale money market short-term interest rates. Specifically, the Fund is benchmarked against 7 Day Sterling LIBID. The underlying investments of the fund are a diversified portfolio of money market instruments. The instruments are of a high quality and have a minimum credit rating of A1 or an equivalent standing.
- Aegon BlackRock Aquila Life UK Equity Fund: Invests in the share of UK companies and aims to achieve a return that is consistent with its benchmark.
- Aegon BlackRock Aquila Life Over 15 Years UK Gilt Fund: Invests in UK government fixed income securities (gilts) that have a maturity period of 15 years or longer. The fund aims to achieve a return consistent with its benchmark.
- Aegon BlackRock Aquila Life Corporate Bond Index Fund: Invests in investment grade corporate bonds denominated in sterling. The fund aims to achieve a return consistent with its benchmark.

Due to the presence of a small value of non-AVC money purchase assets in the Plan, the Plan is subject to additional governance and reporting requirements, one of which relates to funds which may be deemed as 'defaults' under legislation.

Due to previous investment mapping exercises, members within the main AVC arrangement of the Plan have been mapped into the above investment options. Therefore, these funds are considered by legislation as scheme defaults.

Retirement Transition arrangements

Members can choose to invest in one of three Retirement Transition Strategies:

- Mixed Asset Retirement Transition Strategy – invests 100% in the ExxonMobil Mixed Asset Fund until five years before selected retirement age (this has been used as a default fund in previous investment mapping exercises)
- Global Equities Retirement Transition Strategy – invests 100% in the Aegon BlackRock MSCI World Index Fund until five years before selected retirement age
- 100% UK Equities Retirement Transition Strategy – invests 100% in the Aegon BlackRock Aquila Life UK Equity Fund until five years before selected retirement age

All funds provide the possibility of long-term growth while a member is further away from their selected retirement age.

Five years before a member's selected retirement age, each of the Retirement Transition Strategies gradually switches the assets into the Aegon BlackRock Cash Fund. This will continue until the member is in 100% in the Aegon BlackRock Cash Fund at their selected retirement age. This aims to reduce volatility as a member approaches retirement and acknowledges that most members are expected to use their AVCs to fund their tax-free cash under the Plan.

Historical arrangements

There are also members invested in With-Profit funds with Prudential and Standard Life as set out below:

- Standard Life Pension With-Profits Fund
- Standard Life Millenium With-Profits Fund
- Prudential Cash Accumulation With-Profits Fund

The Standard Life Penison With-Profits Fund and the Standard Life Millenium With-Profits Fund are classified as defaults under legislation.

With-profits investments aim to general capital growth over the medium to long term, with stability against market volatility over the short term. Money is invested in pooled assets and the returns are not based on a precise level of stocks held on the date of buying or selling. By smoothing through market movements, returns may be higher or lower than actual underlying asset performance. Guarantees or financial adjustments may apply and the levels are determined on a member-by-member basis.

EMPTL believes that the Plan's identified default arrangements are suitably designed, and it continues to monitor them through the investment policies outlined in this document to ensure that assets are invested in the best interests of the Plan's members and any potential beneficiaries.
The default arrangements do not include a specific allocation to illiquid assets, although there may be an allocation to illiquid assets within The Standard Life Pension With-Profits Fund and the Standard Life Millenium With-Profits Fund at the discretion of the investment manager. The Trustee's policy is to invest in assets that are sufficiently liquid to allow them to be realised readily and typically daily dealt. The Trustee does not currently have any plans to invest in illiquid assets in the future in relation to the Plan's DC investment options.

EMPTL considers that it is acting in the best financial interests of members by providing an AVC investment fund range consisting of pooled, broadly diversified, passive, low-cost indexed strategies. As a consequence of this approach, environmental, social and governance considerations in the selection, retention and realisation of investments are delegated to its investment manager.

Members of the Plan remain free/welcome to comment on any aspect of the AVC investments.

EMPTL delegates governance activities (proxy voting / engagement) to its investment manager and carries out a periodic compliance review of these activities.**Risk Management**

EMPTL recognises a number of investment risks involved in the investment of the Plan's DC assets, including:

Inflation risk - the risk that the investment return over members' working lives does not keep pace with inflation.

Retirement objective mismatch or sequencing risk – the risk that members' investment allocation in the years prior to retirement does not match their retirement objectives, exposing members to inefficient or uncertain outcomes.

Shortfall or opportunity cost risk - the risk that members end up with insufficient funds at retirement with which to secure a reasonable income.

Manager risk - the risk that a passive fund's performance significantly deviates from the Index or for an actively managed fund that the chosen investment manager underperforms the benchmark against which the investment manager is assessed.

Capital risk - the risk of a fall in the value of the members' fund.

Liquidity risk – the risk it is not possible for an investment to be traded at the point the member wishes to access their DC assets.

EMPTL recognizes the above investment risks are specific to each member and these risks are managed by the range of DC investment options which are provided to the members. The EMPTL monitors these risks through the quarterly Aegon reporting, the annual governance report and triennial investment review. Additionally communications (such as the AVC guide) explains the risks to members and how they can look to mitigate the above when making their investment choices.

The Funding Principles and Appendix A of this Statement of Funding and Investment Principles has been agreed by ExxonMobil Pension Trust Limited and by the member companies; Esso Petroleum Company, Limited, ExxonMobil Chemical Limited and International Marine Transportation Limited.

Signed on behalf of ExxonMobil Pension Trust Limited	**Signed on behalf of Esso Petroleum Company, Limited**
DocuSigned by: Tim Stevens 7EBC289CBC0E44E...	DocuSigned by: A0F2575B0C9C4A8...
Name: Tim Stevens	Name: PAUL GREENWOOD
Position: Director	Position: Director
Date: November 22, 2023	Date: November 22, 2023
Signed on behalf of ExxonMobil Chemical Limited	**Signed on behalf of International Marine Transportation Limited**
DocuSigned by: Nick Bone 34537EA6216B41E...	DocuSigned by: Roger Adams 34066B005D0D4B4...
Name: Nick Bone	Name: Roger Adams
Position: Director	Position: Director
Date: November 24, 2023	Date: November 22, 2023

Appendix B - Illustration of the effect of costs and charges on a member's AVC pension pot

The illustration has been prepared in accordance with the relevant statutory guidance and reflects the impact of costs and charges for three typical examples of AVC members within the Plan for those funds which are defaults. The illustrations below show the projected fund values based on certain assumptions before and after charges so that the potential impact of charges is clearly shown. Members should be aware that these are simply illustrations, and so the actual fund values and implication of charges for an individual member are likely to differ due to personal details, investment choices and actual performance of the funds. This means that the information contained in this Appendix is not a substitute for the individual and personalised illustrations which are provided to members each year by the Plan.

Example Member	Years	Aegon BlackRock MSCI World Index Fund		ExxonMobil Mixed Asset Fund		Aegon BlackRock Cash Fund	
		Before charges	After charges	Before charges	After charges	Before charges	After charges
Youngest member aged 20	1	£2,800	£2,800	£2,800	£2,800	£2,700	£2,700
	3	£4,300	£4,300	£4,300	£4,300	£3,900	£3,900
	5	£5,800	£5,800	£5,800	£5,800	£5,100	£5,000
	10	£10,100	£9,900	£10,100	£9,900	£7,800	£7,700
	15	£14,800	£14,500	£14,800	£14,500	£10,400	£10,100
	20	£20,300	£19,600	£20,300	£19,600	£12,800	£12,400
	25	£26,400	£25,400	£26,400	£25,200	£15,000	£14,400
	30	£33,300	£31,800	£33,300	£31,600	£17,000	£16,300
	35	£41,100	£38,900	£41,100	£38,700	£18,900	£18,000
	40	£50,000	£46,900	£50,000	£46,600	£20,700	£19,500
	45	£60,000	£55,900	£60,000	£55,400	£22,300	£21,000
Average active AVC member aged 42	1	£14,700	£14,700	£14,700	£14,600	£14,100	£14,100
	3	£19,200	£19,100	£19,200	£19,100	£17,400	£17,200
	5	£24,000	£23,700	£24,000	£23,700	£20,500	£20,300
	10	£37,000	£36,300	£37,000	£36,200	£27,900	£27,400
	15	£51,700	£50,300	£51,700	£50,200	£34,800	£33,800
	20	£68,300	£66,000	£68,300	£65,800	£41,200	£39,800
	23	£79,300	£76,300	£79,300	£76,000	£44,800	£43,100
Average deferred AVC member aged 51	1	£15,400	£15,300	£15,400	£15,300	£14,800	£14,700
	3	£16,200	£16,000	£16,200	£16,000	£14,300	£14,200
	5	£17,000	£16,800	£17,000	£16,700	£13,900	£13,700
	10	£19,200	£18,700	£19,200	£18,700	£12,900	£12,500
	14	£21,200	£20,500	£21,200	£20,400	£12,100	£11,600

Projected fund values are rounded to the nearest hundred.

Example Member	Years	Aegon BlackRock Aquila Life UK Equity		Aegon BlackRock Aquila Life Over 15 Year UK Gilt		Aegon BlackRock Aquila Life Corporate Bond	
		Before charges	After charges	Before charges	After charges	Before charges	After charges
Youngest member aged 20	1	£2,800	£2,800	£2,800	£2,800	£2,800	£2,800
	3	£4,300	£4,300	£4,300	£4,300	£4,100	£4,100
	5	£5,800	£5,800	£5,800	£5,800	£5,400	£5,400
	10	£10,100	£9,900	£10,100	£9,900	£8,900	£8,700
	15	£14,800	£14,400	£14,800	£14,500	£12,400	£12,000
	20	£20,300	£19,500	£20,300	£19,600	£16,000	£15,400
	25	£26,400	£25,100	£26,400	£25,400	£19,700	£18,800
	30	£33,300	£31,400	£33,300	£31,800	£23,500	£22,300
	35	£41,100	£38,400	£41,100	£38,900	£27,400	£25,700
	40	£50,000	£46,200	£50,000	£46,900	£31,300	£29,200
	45	£60,000	£54,900	£60,000	£55,900	£35,400	£32,700
Average active AVC member aged 42	1	£14,700	£14,600	£14,700	£14,700	£14,400	£14,400
	3	£19,200	£19,100	£19,200	£19,100	£18,300	£18,100
	5	£24,000	£23,700	£24,000	£23,700	£22,200	£21,900
	10	£37,000	£36,200	£37,000	£36,300	£32,100	£31,400
	15	£51,700	£50,000	£51,700	£50,300	£42,300	£41,000
	20	£68,300	£65,500	£68,300	£66,000	£52,700	£50,600
	23	£79,300	£75,600	£79,300	£76,300	£59,100	£56,500
Average deferred AVC member aged 51	1	£15,400	£15,300	£15,400	£15,300	£15,100	£15,000
	3	£16,200	£16,000	£16,200	£16,000	£15,200	£15,100
	5	£17,000	£16,700	£17,000	£16,800	£15,400	£15,100
	10	£19,200	£18,600	£19,200	£18,700	£15,800	£15,300
	14	£21,200	£20,300	£21,200	£20,500	£16,100	£15,400

Projected fund values are rounded to the nearest hundred.

Example Member	Years	Mixed Asset Retirement Transition Strategy	
		Before charges	After charges
Youngest member aged 20	1	£2,800	£2,800
	3	£4,300	£4,300
	5	£5,800	£5,800
	10	£10,100	£9,900
	15	£14,800	£14,500
	20	£20,300	£19,600
	25	£26,400	£25,200
	30	£33,300	£31,600
	35	£41,100	£38,700
	40	£50,000	£46,600
	45	£55,500	£51,300
Average active AVC member aged 42	1	£14,700	£14,600
	3	£19,200	£19,100
	5	£24,000	£23,700
	10	£37,000	£36,200
	15	£51,700	£50,200
	20	£67,800	£65,300
	23	£73,500	£70,400
Average deferred AVC member aged 51	1	£15,400	£15,300
	3	£16,200	£16,000
	5	£17,000	£16,700
	10	£19,200	£18,700
	14	£19,600	£18,800

Projected fund values are rounded to the nearest hundred.

Assumptions and notes

1. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of inflation.
2. Contributions and costs/charges that are shown as a monetary amount reduction are paid halfway through the year.
3. Investment returns and costs/charges as a percentage reduction per annum are assumed to be deducted at the end of the year.
4. Charges and costs are deducted before the application of investment returns.
5. Inflation is assumed to be 2.5% each year.
6. Contributions, where applicable, are assumed to increase in line with inflation.
7. Values shown are estimates and not guaranteed.

8. The projected growth rates for each fund or arrangement are as follows:

Fund	Real projected growth rate (p.a.)
Aegon BlackRock MSCI World Index Fund	2.5%
ExxonMobil Mixed Asset Fund	2.5%
Aegon BlackRock Cash Fund	-1.5%
Aegon BlackRock (Aquila Life) UK Equity Index	2.5%
Aegon BlackRock (Aquila Life) Over 15 Year UK Gilt	2.5%
Aegon BlackRock (Aquila Life) Corporate Bond	0.5%
Mixed Asset Retirement Transition Strategy	-1.5% to 2.5% (adjusted depending on term to retirement)

9. Transaction costs and other charges have been provided by Aegon and covered the period 1 January 2020 to 31 December 2023. Transaction costs have been averaged by WTW using a time-based approach.
10. Pension scheme's normal retirement age is 65.
11. With-profits funds are not illustrated as there are no explicit member-borne charges to show. These are taken into account when determining the annual bonuses as described earlier in this statement.
12. Example members:
    a. Youngest: age 20, total annual contribution: £650, starting fund value: £2,100
    b. Average: age 42, total annual contribution: £1,850, starting fund value: £12,500
    c. Deferred member: age 51, total contribution: nil, starting fund value: £15,000