

Advice on the annual Implementation Statement

Spirent Communications Plc Retirement Cash and Life Assurance Plan

09 July 2026

This note has been prepared for the Trustees of the Spirent Communications Plc Retirement Cash and Life Assurance Plan (the “Plan”) in response to your request that we provide a draft Implementation Statement for the Plan.

Background and introduction

There is a requirement for most trust-based defined benefit (“DB”) and defined contribution (“DC”) pension schemes to produce an annual Implementation Statement (the “Statement”) which covers the Plan Year.

The Department for Work and Pensions (“DWP”) issued [Statutory Guidance](#) in June 2022 which applies to Statements that Trustees are required to prepare in respect of any Scheme year ending on or after 1 October 2022. The guidance gives an overview of the items which Trustees “must”, “should”, are “encouraged”, “could” or “may” include in their Statements.

“Must” items are requirements imposed by legislation. “Should” items are expected to be followed, and if not followed, Trustees should describe concisely the reasons for deviating from the guidance approach. For “Could”, “May” and “Encouraged” items, it is hoped that Trustees will address them where possible but they are not expected to explain reasons if not followed. We have included all “must” and “should” items.

The guidance has clarified that the Pensions Regulator is the primary audience for the Statement. At the same time, the Statement should be written in plain English as far as possible, such that a reasonably engaged and informed member could interpret and understand the disclosures. Schemes are encouraged to consider producing member-facing summary versions of the

Statement (with signposting to the full document) if Scheme-specific research has found that members are more likely to engage with a different style of communication, such as a summary version. Please let us know if you would like us to prepare a summary version of the Statement for members.

The DWP has confirmed that it is important that Trustees of all Schemes understand and consider financially material Environmental, Social and Governance (“ESG”) factors and stewardship approaches in their investment decision.

The Statement should set out how, and the extent to which, the Trustees have followed its Statement of Investment Principles (“SIP”) during the Year, as well as details of any review of the SIP during the Year, subsequent changes made with the reasons for the changes, and the date of the last SIP review. In addition, Trustees should seek to demonstrate they have had regard to the Statutory Guidance.

The Statement is also required to include a description of the voting behaviour by, or on behalf of, Trustees (including the most significant votes cast by trustees or on their behalf) during the Year and state any use of the services of a proxy voter during that year.

Our draft Statement covers both the DB, DC and hybrid benefits available to members of the Plan.

Key points to note

We have produced the draft Statement in this note based on our current understanding of the regulatory requirements and the DWP’s stewardship guidance. Ultimately it is the Trustees’ responsibility to produce a compliant Statement and the Pensions Regulator can impose fines for non-compliant statements. Therefore, **you may wish to obtain legal advice to ensure that all requirements have been met.**

There is interest in Implementation Statements from the Pensions Regulator, policymakers, and the media; as such **please ensure you are comfortable with the content being in the public domain.**

In the section of the Statement on voting behaviour, we have included data on the Plan’s funds that hold equities as follows:

- L&G World Equity Index Fund; and

- L&G World Equity (GBP hedged) Index Fund

The Plan also held further investments with L&G in a range of bond and liquidity funds during the year. Holdings in these funds do not confer voting opportunities, hence we have not included details on these funds in the draft Statement.

Next steps

We propose that you review the Statement and include it within your Report & Accounts ending 31 March 2026 to comply with the relevant regulations. The Report & Accounts need to be finalised within seven months of the end of the Plan Year, ie by **31 October 2026**.

You are required to publish your Statement on a website for public access as soon as reasonably practicable after the Report & Accounts are signed off.

We expect you will use the same location which holds the SIP, although please let us know if you wish to discuss alternatives. A specific web address for the location of the published materials on the internet must be included in members' Annual Benefit Statements (where members do not receive one, they must be sent a separate notification containing this information).

Please let us know if you have any questions or would like to discuss.

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Implementation Statement, covering the Plan Year from 1 April 2025 to 31 March 2026

The Trustees of the Spirent Communications Plc Retirement Cash and Life Assurance Plan (the “Plan”) is required to produce a yearly statement to set out how, and the extent to which, the Trustees have followed their Statement of Investment Principles (“SIP”) during the Plan Year, as well as (i) details of any review of the SIP during the Plan Year, (ii) any subsequent changes made with the reasons for the changes, and (iii) the date of the last SIP review. Information is provided on the last review of the SIP in Section 1 and on the implementation of the SIP in Sections 2-9 below.

The Statement is also required to include a description of the voting behaviour during the Plan Year by, and on behalf of, Trustees (including the most significant votes cast by Trustees or on their behalf) and state any use of the services of a proxy voter during that year. This information is provided in Section 9 below.

In preparing the Statement, the Trustees have had regard to the [guidance on Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement](#), issued by the Department for Work and Pensions (“DWP’s guidance”) in June 2022.

This Statement is based on and uses the same headings as the Plan’s latest SIP dated February 2024 and should be read in conjunction with the SIP.

1. Introduction

No changes were made to the voting and engagement policies in the SIP during the Plan Year. The last time these policies were formally reviewed was February 2024.

The Trustees have, in their opinion, followed the policies in the Plan’s SIP during the Plan Year. The following Sections provide detail and commentary about how and the extent to which they have done so.

2. Investment objectives

No formal review of the Plan’s investment objective was undertaken during the Plan year. The Trustees recognise that the key investment objective for the Plan is to ensure that the Plan has sufficient assets to make provisions for 100% of its liabilities, taking into consideration that many members are moderately close to retirement, whilst investing with a balanced aim to maximise members’ benefits. The Trustees consider that their investment strategies continue to align with this investment objective.

No formal review of the Plan’s default investment arrangement was undertaken during the Plan year, with the last formal review having taken place in March 2017. As part of that formal performance and strategy review of the default investment arrangement, the Trustees considered the hybrid nature of the benefits, membership demographics and the variety of ways that members may draw their benefits in retirement from the Plan.

Based on the outcome of this analysis, the Trustees concluded that the default investment arrangement has been designed to be in the best interests of the majority of the relevant members participating in the default investment arrangement and reflects the demographics of those members.

The Trustees review the membership demographics of the Plan, and any material changes in respect of the same, on a triennial basis, or more frequently if required.

3. Investment strategy

The Trustees, with the help of its advisers, monitor the Plan’s investment strategy and performance of the default investment arrangement from time to time. The Trustees have concluded that the strategy remains appropriate for the Plan at the current time.

No changes to the investment strategy over the year, with the Plan invested in a combination of equity, gilt and liquidity funds.

4. Considerations in setting the investment arrangements

The Trustees last formally reviewed their investment beliefs, as set out in the SIP, in July 2019. As part of this, the Plan's investment adviser held an Environmental, Social and Governance ("ESG") training session to discuss the options available to the Trustees and the Trustees reconsidered their investment beliefs. As a result of this review, the Trustees updated the investment beliefs in the SIP to include their policies on their approach to financially material considerations (including ESG issues and climate change) and the extent to which non-financial matters are considered and stewardship practices.

The Trustees invest for the long term, to provide for the Plan's members and beneficiaries. To achieve good outcomes for members and beneficiaries over this investment horizon, the Trustees therefore consider instances where managers' stewardship¹ activities are aligned to the creation of long-term value and the management of long-run systemic risks. All of the Plan's investment managers are signatories to the UK Stewardship Code.

The investment adviser monitors the investment managers on an ongoing basis, through regular research meetings. The investment adviser monitors any developments at managers and informs the Trustees promptly about any significant updates or events they become aware of regarding the Plan's investment managers that may affect the managers' ability to achieve their investment objectives. This includes any significant change to the investment process or key staff for any of the funds the Plan invests in, or any material change in the level of diversification in the fund.

The Trustees monitor the performance of the Plan's investment managers on a quarterly basis. Performance is considered in the context of the manager's benchmark and objectives. The manager has produced performance broadly in line with expectations over the long-term.

4.1 Policy towards risk

The Trustees' policy for some risks, given their nature, is to understand them and to address them if it becomes necessary, based upon the advice of the investment adviser or information provided to the Trustees by the Plan's investment managers. These include the risk of inadequate returns, credit risk, equity risk, currency risk and ESG (including climate) risks.

With regard to the risk of inadequate returns, the Trustees make use of equity and equity-based funds, which are expected to provide positive returns above inflation over the long term. These funds are expected to produce adequate real returns over the longer term.

The Plan invests in bond funds to broadly match pensioner liabilities and in equities and liquidity for non-pensioner liabilities.

Together, the investment and non-investment risks set out in the SIP risks give rise generally to funding risk. The Trustees formally review the Plan's funding position as part of its annual actuarial report to allow for changes in market conditions. On a triennial basis the Trustees review the funding position allowing for membership and other experience. The following risks are covered in this Statement: diversification risk in Section 3, investment manager risk and excessive charges in Section 5, illiquidity/marketability risk in Section 6 and ESG risks in Section 7.

5. Implementation of the investment arrangements

The Trustees have not made any changes to its manager arrangements over the Plan Year and the Trustees were comfortable with all of their investment manager arrangements over the course of the Plan Year.

The Trustees last undertook a "value for members" assessment in October 2024 which assessed a range of factors. Overall, as for the previous assessment in October 2023, the Trustees believe the arrangement provides reasonable value for money but identified areas of the arrangement which could be improved should the arrangement continue to run in its current form for the long term.

The Trustees reviewed the DC arrangements in March 2017 and similarly concluded that the investment managers provide reasonable value for money.

¹ The responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

6. Realisation of investments

The Trustees review the Plan's net current and future cashflow requirements on a regular basis. The Trustees' policy is to have access to sufficient liquid assets in order to meet any outflows whilst maintaining a portfolio which is appropriately diversified across a range of factors, including suitable exposure to both liquid and illiquid assets.

It is the Trustees' policy to invest in funds that offer daily dealing to enable members to readily realise and change their investments. All of the funds which the Plan is invested are daily priced.

7. Financially material considerations and non-financial matters

As part of its advice on the selection and ongoing review of the investment managers, the investment adviser incorporates in its investment manager rankings an assessment of the nature and effectiveness of managers' approaches to financially material considerations (including climate change and other ESG considerations).

The Trustees received further training in March 2023 covering the DWP's new stewardship guidance issued in June 2022 and actions Trustees should be working towards.

8. Voting and engagement

The Trustees have delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement. However, the Trustees take ownership of the Plan's stewardship by monitoring and engaging with managers as necessary.

As part of its advice on the selection and ongoing review of the investment managers, the investment adviser, incorporates its assessment of the nature and effectiveness of managers' approaches to voting and engagement.

The Trustees received training at the March 2023 Trustee meeting following the introduction of the DWP's guidance, and the Trustees discussed whether to set stewardship priorities intended to focus engagement with their investment managers on specific ESG factors. The Trustees decided not to set specific stewardship priorities at the current time.

The Trustees regularly invite the Plan's investment managers to present at Trustee meetings.

The Trustees are conscious that responsible investment, including voting and engagement, is rapidly evolving and therefore expects most managers will have areas where they could improve. Therefore, the Trustees aim to have an ongoing dialogue with managers to clarify expectations and encourage improvements.

The Trustees also have access to reports from its managers on voting and engagement activities undertaken on its behalf.

9. Description of voting behaviour during the Plan Year

All of the Trustees' holdings in listed equities are within pooled funds and the Trustees have delegated to their investment managers the exercise of voting rights. Therefore, the Trustees are not able to direct how votes are exercised and the Trustees themselves have not used proxy voting services over the Plan Year.

In this section we have included voting data in relation to the equity funds in which the Plan is invested:

- L&G World Equity Index Fund; and
- L&G World Equity (GBP hedged) Index Fund

The Trustees have sought to obtain the relevant voting data from the investment managers in respect of the funds listed above.

Over the Plan year, the Plan held further investments with L&G in bond and liquidity funds. Holdings in these funds do not confer voting opportunities, hence they have not been included within this Statement.

9.1 Description of the voting processes

L&G

L&G's voting and engagement activities are driven by ESG professionals and its assessment of the requirements in these areas seeks to achieve the best outcome for all its clients. Its voting policies are reviewed annually and takes

into account feedback from clients. Every year, L&G holds a stakeholder roundtable event where clients and other stakeholders are invited to express their views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as L&G continues to develop its voting and engagement policies and define strategic priorities in the years ahead.

All decisions are made by L&G's Investment Stewardship team and in accordance with its relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents, which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company.

L&G's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by L&G and it does not outsource any part of the strategic decisions. Its use of ISS recommendations is purely to augment its own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services ("IVIS") to supplement the research reports that they receive from ISS for UK companies when making specific voting decisions.

To ensure its proxy provider votes in accordance with its position on ESG, it has put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what L&G considers are minimum best practice standards which it believes all companies globally should observe, irrespective of local regulation or practice.

L&G retains the ability in all markets to override any vote decisions, which are based on its custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows L&G to apply a qualitative overlay to its voting judgement. It has strict monitoring controls to ensure its votes are fully and effectively executed in accordance with its voting policies by its service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform it of rejected votes which require further action.

In determining significant votes, L&G's Investment Stewardship team takes into account the criteria provided by the Pensions UK guidance in respect of the same.

9.2 Summary of voting behaviour over the Plan Year

A summary of voting behaviour over the period is provided in the table below.

	L&G World Equity Index Fund	L&G World Equity (GBP Hedged) Index Fund
Total size of fund at end of the Plan Year	c£35.1m	c£9.8m
Value of Plan assets at end of the Plan Year (£ / % of total assets)	c£3.0m (37%)	c£2.5m (31%)
Number of equity holdings at end of the Plan Year	2,790	2,790
Number of meetings eligible to vote	2,842	2,842
Number of resolutions eligible to vote	35,913	35,913
% of resolutions voted	99.9%	99.9%
Of the resolutions on which voted, % voted with management	80.3%	80.3%
Of the resolutions on which voted, % voted against management	19.4%	19.4%
Of the resolutions on which voted, % abstained from voting	0.3%	0.3%

Of the meetings in which the manager voted, % with at least one vote against management	69.7%	69.7%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	15.1%	15.1%

9.3 Most significant votes over the Plan Year

We set out below a selection of the most significant votes cast by the Plan's asset managers who hold listed equities over the Plan Year. We have interpreted "significant votes" to incorporate:

- Potential impact on financial outcome on future company performance;
- Potential impact on the Plan's stewardship objectives;
- Size of holding in the fund/mandate
- Whether the vote was high-profile or controversial, that could be based on level of media interest; level of political or regulatory interest; level of industry debate; and
- Where the manager was subject to a conflict of interest.

L&G

The votes below are in relation to companies held by both of the funds held by the Plan which invest in equities: the L&G World Equity Index Fund and the L&G World Equity (GBP Hedged) Index Fund.

L&G has not provided specific next steps in relation to the votes listed, however all decisions regarding voting and future engagement with companies are made by L&G's Investment Stewardship team and in accordance with their relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of L&G's stewardship team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant companies. This ensures their stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies. L&G has also not provided information on management's recommendation for each vote, so we have not included this in the Statement.

- **Microsoft Corporation, December 2025. Vote:** Against. **Outcome of the vote:** Pass.

Summary of resolution: Vote to elect director Satya Nadella.

Rationale for the voting decision: L&G voted against this proposal as it expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.

Approximate size of the mandate's holding at the date of the vote: 4.0%

The reason the vote was considered to be "most significant": This vote was considered significant as it is an application of an escalation of its voting policy on the topic of the combination of the board Chair and CEO.

- **Lam Research Corporation, November 2025. Vote:** For. **Outcome of the vote:** Not passed.

Summary of resolution: Vote to reduce ownership threshold for shareholders to call special meeting.

Rationale for the voting decision: L&G voted in favour of the proposal as it views the current threshold in place to call a special meeting as too high. The resolution is seeking to reduce the threshold which would improve shareholder rights.

Approximate size of the mandate's holding at the date of the vote: 0.4%

The reason the vote was considered to be "most significant": This vote was considered significant as L&G deems this a high-profile meeting due to the relatively high level of support received.

- **AbbVie Inc, May 2025. Vote:** For. **Outcome of the vote:** Not passed.

Summary of resolution: Vote to adopt simple majority vote.

Rationale for the voting decision: L&G voted in favour of the proposal as a vote in favour will reduce the supermajority vote requirement currently in place, which will improve minority shareholder rights.

Approximate size of the mandate's holding at the date of the vote: 0.4%

The reason the vote was considered to be "most significant": This vote was considered significant as L&G deems this a high-profile meeting due to the relatively high level of support received.

- **Caterpillar, Inc, June 2025. Vote:** For. **Outcome of the vote:** Not passed.

Summary of resolution: Vote to report on a Civil Rights Audit.

Rationale for the voting decision: L&G voted in favour of the proposal as it supports proposals related to diversity and inclusion policies. It sees adoption of these by its investee companies as favourable, as it views these issues to be a material risk to its companies.

Approximate size of the mandate's holding at the date of the vote: 0.2%

The reason the vote was considered to be "most significant": This vote was considered significant as L&G views diversity as a financially material issue for its clients, with implications for the assets it manages on its clients' behalf.

- **Walmart Inc, June 2025. Vote:** Against. **Outcome of the vote:** Passed.

Summary of resolution: Vote to elect director Randall L. Stephenson.

Rationale for the voting decision: L&G voted against this proposal as it expects the company to have at least one third of women on its board. Hence, L&G voted against electing a male director.

Approximate size of the mandate's holding at the date of the vote: 0.5%

The reason the vote was considered to be "most significant": This vote was considered significant as L&G views gender diversity as a financially material issue for its clients, with implications for the assets it manages on its clients' behalf.