JLG Industries (Europe) Employee Benefits Plan (1985)

Statement of Investment Principles: May 2025

1. Background

This Statement of Investment Principles (the **Statement**) sets down the principles governing decisions about investments for the JLG Industries (Europe) Employee Benefits Plan (1985) (the **Plan**) to meet the requirements of the Pensions Act 1995 (as amended by the Pensions Act 2004) (the **Act**) and the Occupational Pension Schemes (Investment) Regulations 2005.

This Statement has been prepared after obtaining written professional advice from Mercer, the Trustee's professional advisor, and after consultation with JLG Industries (United Kingdom) Limited (the **Sponsoring Employer**), as required by the Act.

Where matters described in this Statement may affect the Plan's funding policy, input has been obtained from the Plan's Actuary. The Trustees will review this Statement at least every three years, or as soon as practicable after any change in investment policy.

The Trustees' investment responsibilities are governed by the Plan's Trust Deed and relevant regulation of which this Statement takes full regard. The Trustees note that, according to the law, they have ultimate power and responsibility for the Plan's investment arrangements.

2. Investment Policy

The Trustees have adopted the following primary objective to help guide them in the strategic management of the assets and control of the various risks to which the Plan is exposed:

- The Trustees seek to invest the Plan's assets so as to maximise the likelihood:
  - that benefits will be paid to members as they fall due; and
  - of continued long-term financial support from the Sponsoring Employer.

As a key step to achieving these objectives, the Trustees, following consultation with the Sponsoring Employer and taking advice from their advisors, entered into a bulk annuity policy with Just Group PLC ("**Just**"). Just is authorised by the Prudential Regulation Authority to write contracts of long-term life insurance of this nature in the UK. All future benefits payable from the Plan, after June 30, 2025, will be funded by the bulk annuity policy.

3. Day to Day Management of the Assets

The Trustees have appointed Just as their annuity provider, having considered written advice on risk transfer, investment suitability, actuarial factors and insurer counter-party risk from Mercer Limited, who the Trustees consider to be suitably qualified to provide such advice, and legal advice from their legal advisor, Pinsent Masons.

The Trustees also hold cash within the Trustee Bank Account to meet ongoing expenses.

4. The Trustees' Risk Management Methodology

Whilst the entirety of the Plan's assets are invested in the bulk annuity policy with Just, the Trustees appreciate that some residual risks remain including:

- **Counterparty risk:** The principal risk facing the Trustees and Plan members is that Just may default on its obligations under the bulk annuity policy. Before entering into the bulk annuity policy, the Trustees obtained and carefully considered professional advice regarding the suitability of Just as a provider. In addition, the Trustees are aware of regulatory oversight and intervention, and ultimately that there is a level of protection offered to members by the Financial Services Compensation Scheme (**FSCS**) and the Pension Protection Fund (**PPF**).

- **Liquidity risk:** This is measured by the level of cashflow required by the Plan over a specific period. The Trustees do not expect to be able to obtain cash/liquidity from the bulk annuity policy other than in respect of benefits insured with Just. The Trustees' policy is to hold any residual assets of the Plan in the Trustee Bank Account, which can be used to provide additional liquidity for the Plan if required.

- **Lack of diversification:** The Trustees recognise that the decision to invest in a bulk annuity contract with a single provider, whilst reducing operational risks and complexity, represents a concentration of risk. However, after careful scrutiny of the provider prior to transacting, the Trustees are satisfied that the degree of risk taken is acceptable. In addition, Just invests in a diverse portfolio of assets to mitigate this risk.

5. Rebalancing and Cashflow Policy

The Plan's principal asset is the bulk annuity policy with Just. The entirety of the Plan's assets are represented by this policy, with the exception of residual cash held in the Trustee Bank Account.

The residual cash is being held to aid the Trustees in meeting imminent cash outgo in connection with ongoing expenses that are to be met by the Plan, until such time as the bulk annuity policy can be converted into a full “buy out” of the Plan, thereby facilitating the wind-up of the Plan.

6. Environmental, Social and Governance

ESG, Governance and Climate Change

The Trustees believe that good stewardship and environmental, social and governance (**ESG**) issues may have a material impact on investment returns, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustees also recognise that long-term sustainability issues, including climate change, present risks and opportunities that increasingly may require explicit consideration.

The Plan’s assets are invested predominantly in a bulk annuity policy with Just. The Trustees are reliant on the internal policies of Just on responsible investment and corporate governance and may review the policy from time to time as appropriate. To the extent that it is applicable, the Trustees have delegated consideration of ESG factors, including climate change consideration, and exercising voting rights and stewardship obligations attached to the investment to Just. Given the investment arrangement, the Trustees recognise that they have low exposure to risks arising from long-term sustainability issues, including climate change. Further, the Trustees note that Just was added to the Financial Reporting Council’s UK Stewardship Code in 2024.

Member Views

The Trustees do not explicitly consult members when making investment decisions but regularly update members via newsletters and by making available for public viewing a copy of this Statement.

7. Compliance with this Statement

The Trustees and the Investment Consultant each have duties to perform to ensure compliance with this Statement. These are as follows:

The Trustees will review this Statement in response to any material changes to any aspects of the Plan, its liabilities, finances and the attitude to risk of the Trustees and the Sponsoring Employer which they judge to have a bearing on the stated Investment Policy.

This review should occur no less frequently than every three years to coincide with the triennial Actuarial Valuation. Any such review will again be based on written, expert investment advice and will be in consultation with the Sponsoring Employer.

The Investment Consultant will provide the advice needed to allow the Trustees to review and (as required) update this Statement.

Signed: ……………………………… Date: ……………………………….

Trustees of the JLG Industries (Europe) Employee Benefits Plan (1985)

Date of Amendments to this Statement

First Amendment:	March 2003
Second Amendment:	October 2006
Third Amendment:	November 2008
Fourth Amendment:	June 2011
Fifth Amendment:	September 2016
Sixth Amendment:	June 2018
Seventh Amendment:	September 2018
Eighth Amendment:	September 2019
Ninth Amendment:	September 2020
Tenth Amendment:	September 2021
Eleventh Amendment:	September 2022
Twelfth Amendment:	November 2022
Thirteenth Amendment:	March 2023
Fourteenth Amendment:	May 2025