



REPORT TO MEMBERS

for the Defined Benefit (DB) Section of the Parker Hannifin
Pension & Death Benefit Plan (the 'Plan')

December 2025

IN THIS ISSUE...

Keeping track of your pensions - Using your pension portal - Pension Dashboards	2
Working out your ideal retirement income	3
DB Section's numbers at a glance	4
Pension 'buy-ins' - protecting the Plan	4
Stay safe from pension scams	5
Summary Funding Statement	6
Help and useful information	8
Is your Personal Information up to date?	8

WELCOME TO THIS YEAR'S REPORT

We hope you've had a great year and are looking forward to the festive season, and 2026.

New Year is the time when many people pause, look ahead, and think about the future. So, in this edition, we've included information and simple steps to help you with planning your future. There's more about our pension portals, which enable you to access information about your Parker Hannifin Plan pension quickly and easily. And we've also included an update on Pension Dashboards, a Government initiative that will enable you to access information about all your pensions - from the Plan, other workplace pensions and your State Pension - in one place, giving you the full picture of your pension finances.

We've also shared simple guidance on planning for retirement, with tips on how to estimate the income you might need and check whether you're on track.

The usual facts and figures about the Plan and its finances have been included. The good news is that the Plan remains in surplus - meaning that its investments, together with expected contributions, are expected to exceed the amount needed to pay members' benefits. We have also explained how the Trustee continues to strengthen this position by taking steps such as securing an insurance policy to protect members' benefits and reduce financial risks.

If there's anything you'd like us to cover in future newsletters, please get in touch with Janet Ward using the contact details on the back page.

Wishing you a happy festive season, and a happy and healthy 2026!

Derek Turnbull, Chair

On behalf of the Trustee of the Parker Hannifin Pension & Death Benefit Plan

KEEPING TRACK OF YOUR PENSIONS

Keeping track of your pensions is important because it helps you stay on top of your retirement income, make informed financial decisions and ensure you receive everything you're entitled to.

An easy way to keep track of your Plan pension

Looking after your pension shouldn't be complicated – and using one of our online pension portals, it doesn't have to be. It's a quick, easy and secure way to stay in control of your pension.

TO LOG IN:

If you are not a pensioner (active or deferred members): visit login.mypension.com/parkerhannifin

If you are a pensioner: visit <https://www.benefitoptions.co.uk/>

If you have yet to register and can't find your registration details, non-pensioners should call XPS and pensioners should contact Quantum Advisory, whose contact details are on the back of this newsletter.

1. Check your pension anytime, anywhere

No need to wait for a statement or payslip in the post – your pension information is just a few clicks away. You can see details of the pension you've built up (or are receiving) whenever it suits you.

2. Make updates in minutes

Moved house or changed your email? Updating your details online is simple and fast, helping to keep your pension record accurate. You can also complete or update an online Expression of Wish form to let us know who you'd like to receive any death benefits.

3. Plan for the future with confidence

If you're not yet retired, you can use the portal to run retirement quotations and explore how retiring earlier or later could affect your pension.

Managing your pension online means **less paper, more convenience** and helps keep your details secure.

Keeping track of all your pensions

Pensions dashboards are being developed to help you see all your pensions in one secure online place – including your State Pension and any workplace pensions you've built up, such as your pension in the Plan.

Schemes and pension providers are now connecting to the national dashboard system. The first providers linked up earlier this year, and all schemes are expected to be connected **by October 2026**. Access for members will follow once testing is complete.

You don't need to do anything yet, but **please make sure your contact details are up to date** so your information can be found easily when dashboards go live.

For those who aren't yet retired, keeping track of your pension and understanding what you might get is just the first step. It's also helpful to think about the income you might need in retirement, and whether you're on track to achieve it.

The article on page 3 explains more.

DON'T LOSE TRACK – UPDATE YOUR DETAILS

It only takes a minute! You can update your contact details quickly and easily by logging into your Plan portal. Alternatively, non-pensioners can contact the DB Section's administrator, XPS and pensioners can contact Quantum Advisory. The contact details for both XPS and Quantum Advisory are on the back page.

WORKING OUT YOUR IDEAL RETIREMENT INCOME

Pensions UK – the not-for-profit organisation for the UK pensions industry – have created the Retirement Living Standards as a handy guide to help you start thinking about how much money you might need in retirement.

They're designed to give you a clear picture of the kind of lifestyle different levels of income can provide.

The standards outline three levels – Minimum, Moderate, and Comfortable – showing what each might cover, from everyday essentials to leisure and travel.

While your actual needs will depend on your personal circumstances, these standards offer a useful benchmark to help you plan ahead and set realistic goals for your pension savings.

The latest Standards are given opposite. You can see more details on the website, including a range of common expenses at each level:

www.retirementlivingstandards.org.uk/.

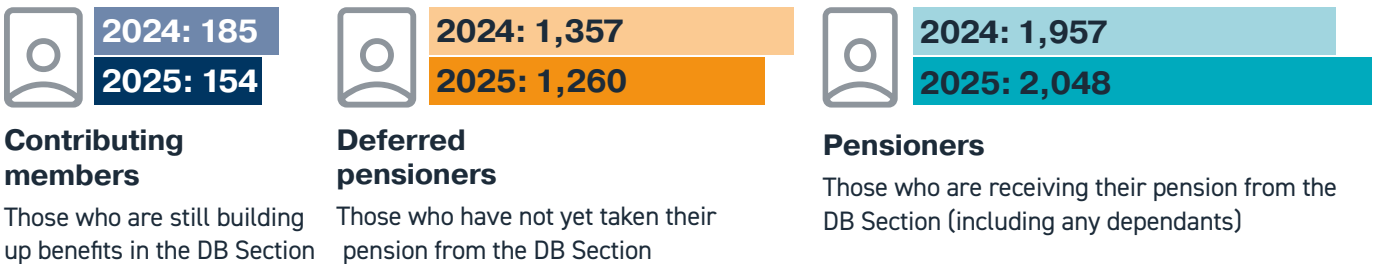
Aim	Estimated retirement spending (excl. housing costs)	
	One-person household	Two-person household
Minimum (enough for all basic needs, with some left over for extra expenses)	UK: £13,400 London: £15,800	UK: £21,600 London: £24,800
Moderate (provides more financial security, with flexibility for any extra expenses)	UK: £31,700 London: £33,000	UK: £43,900 London: £45,500
Comfortable (offers more financial freedom, with room for some spending on luxuries)	UK: £43,900 London: £45,700	UK: £60,600 London: £62,700



NUMBERS AT A GLANCE

The DB Section’s financial year ends on 30 June. Here, you’ll find some key information up to 30 June 2025.

Here’s a snapshot of the members in the DB Section at 30 June 2025 vs 30 June 2024.



Contributing members

Those who are still building up benefits in the DB Section

Deferred pensioners

Those who have not yet taken their pension from the DB Section

Pensioners

Those who are receiving their pension from the DB Section (including any dependants)

Here’s a snapshot of the money that was paid in and out over the year.

You may notice that the fund values here are slightly different from the values of the DB Section’s assets shown in the annual funding updates on page 6. This is because the annual funding updates are usually produced before the asset values have been audited, while the snapshot of the DB Section’s finances here uses the final audited values. The audit can lead to some differences in the value of the DB Section’s assets, which is why the values differ between here and page 6.

‘Money that went in’ includes payments from a bulk annuity (or ‘buy-in’ policy) policy with Aviva. More information is provided below.



PENSION BUY-INS: STRENGTHENING THE PLAN

A pension buy-in is a way for a pension scheme to **reduce financial risk**. The scheme buys an insurance policy (known as a bulk annuity) from a specialist insurer. This policy covers the cost of paying pensions. The insurer then makes payments to the scheme that match the pension payments due to members.

This arrangement helps protect a scheme’s finances from uncertainties such as how long members live, how investments perform, and changes in interest rates – helping ensure benefits can always be paid.

Importantly, the pensions paid to members now and in the future do **not** change as a result of a buy-in.

In January 2025 the Trustee paid £154.8 million to purchase a bulk annuity policy with Aviva which covers the majority of the Plan’s pensioner and dependant members. This is a major milestone for the Plan and a positive step that demonstrates the Trustee’s ongoing commitment to protecting the Plan’s financial health and your pension for the future.



STAY SAFE FROM PENSION SCAMS

It doesn't matter how financially savvy you are – pension scams are getting cleverer by the day, and anyone can become a victim. So, before you decide, make sure you **STOP, THINK** and **CHECK**.



STOP

- Don't be rushed into making decisions. Scammers might try and push you into signing something, or they could use high-pressure tactics like a "limited time" offer.
- If you suspect someone is a scammer, end the conversation immediately.



THINK

- Look at what's being offered. If it seems too good to be true, then it probably is.
- Does the email or text message look right? Does it contain spelling mistakes or come from an unusual address?
- Legitimate organisations and financial advisers won't contact you unprompted or offer their services for free.



CHECK

- Check that the organisation is regulated by the Financial Conduct Authority at register.fca.org.uk
- If you've received something claiming to be from the Scheme that doesn't look right, contact the Scheme administrator using the details at the end of this newsletter.
- Report your concerns to Action Fraud on 0300 123 2040 or at www.actionfraud.police.uk

As the Trustee, we have some powers to stop suspicious transfers, but you should do your own checks to make sure your savings are safe. You can read more about pension scams at: www.fca.org.uk/consumers/pension-scams

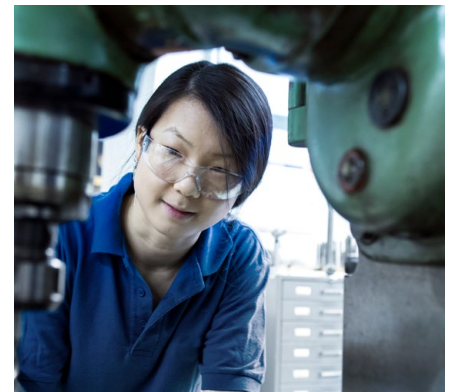
YOUR SUMMARY FUNDING STATEMENT

On a regular basis, the Trustee of the Parker Hannifin Pension & Death Benefit Plan produces a Summary Funding Statement, like this one, to give you an update on the funding position of the Plan.

The Trustee employs an independent expert, an Actuary, to provide these regular checks on the DB Section's finances. This includes calculating a **target level of assets** – the amount expected to be enough to continue to pay out all DB Section members' pensions (**liabilities**), based on assumptions about the future. For example, how long members are living, assumptions about how well investments will do and economic

circumstances. Nobody knows exactly how much money will be needed to pay everybody's pensions. This will depend on how actual experience compares with the assumptions made.

Plus, in between these full valuations, the Actuary also completes a snapshot valuation each year. The most recent full valuation for the DB Section took place in 2023 and the most recent snapshot was as at 30 June 2025.



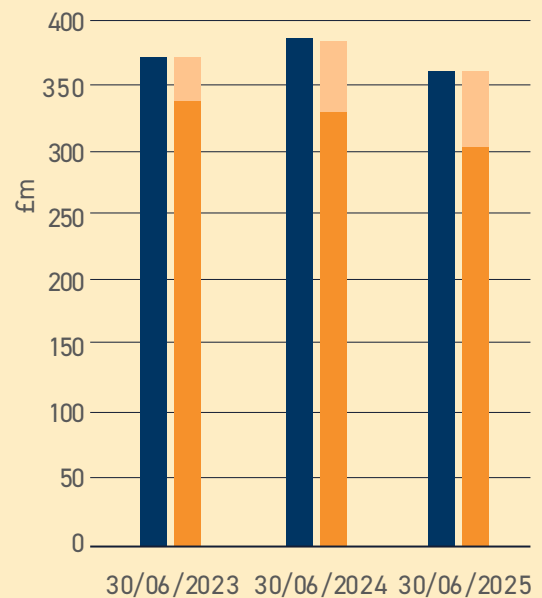
FULL VALUATION at 30 June 2023 and most recent snapshot at 30 June 2025

The DB Section's funding level shows how its target funding level (the money it expects to pay out now, and in the future) compares with its assets. These assets build up over time through employer and employee contributions along with investment income. If the assets are worth less than the target funding level, then the DB Section has a 'shortfall', but if the assets are worth more than the target funding level, then the DB Section has a 'surplus'.

When we wrote to you earlier this year we confirmed that the full valuation as at 30 June 2023 showed that the DB Section had a surplus of £33.2 million, and as at 30 June 2024 the surplus increased to £55.7 million. As at 30 June 2025, the surplus had increased by a further £1.6 million to £57.3 million.

The improvement over the year to 30 June 2025 is mainly due to favourable experience in financial markets, particularly from the increase in government bond yields and a fall in future inflation expectations (both of which decrease the target level of assets), together with additional contributions paid in by the Company. These factors were partially offset by a fall in the value of the Plan's assets as well as the impact of purchasing the bulk annuity policy with Aviva.

We expect the snapshot to change from year to year because the Plan's finances depend on changes in global financial markets. The next full actuarial valuation is due as at 30 June 2026.



■ Asset value	£375.2m	£390.0m	£364.2m
■ Target level of assets	£342.0m	£334.2m	£306.9m
■ Surplus	£33.2m	£55.7m	£57.3m

The figures may not sum due to rounding.

MORE INFORMATION WE NEED TO GIVE YOU

What if the DB Section has to wind up?

The Company and the Trustee do not intend to wind up the DB Section. We do however monitor the impact on the DB Section should the Company no longer be able to support it and we need to report this information to members. In this event, a wind up of the DB Section would be likely, and the responsibility for paying members' pension benefits would be transferred to an insurance company.

The Trustee also monitors the cost of securing all members' benefits with an insurance company. The most recent estimate provided by our independent advisers looked at the position on 30 June 2023, which showed that the Plan had a surplus of £10.4 million on that basis. This is a smaller surplus compared with the position shown on page 6, but this is fairly common amongst similar UK pension schemes. The funding position means that **the Plan was estimated to have sufficient assets so that all members' pensions could be paid in full by an insurance company** at that date.

As noted elsewhere in this report, in January 2025 the Trustee purchased an insurance policy that covers the benefits payable to most of the pensioner members in the Plan. The policy is an asset of the Plan as a whole and is not allocated to specific members.

Is my pension protected?

In the unlikely event of the Company becoming insolvent and there not being enough money to secure benefits in full with an insurance company, members may not receive their full pension benefits.

To help members in this situation, the Government has set up the Pension Protection Fund. If the Plan were to enter the Pension Protection Fund, the amount members receive may be less than the pension benefits built up for them in the Plan.

The Pension Protection Fund rules are complex – the amount it will pay depends on the rules of the Plan, whether a pension is already being paid, a member's age and the type of pension benefit.

More information and guidance about the Pension Protection Fund is available at www.ppf.co.uk or by emailing them at information@ppf.co.uk or calling them on **0345 600 2541**.

Is there anything else I need to know?

Legally, we have to tell you that the Company has not taken any payments out of the DB Section since the last Summary Funding Statement. We can also confirm that The Pensions Regulator has not intervened to change the way that benefits build up or the way valuations are calculated.

FURTHER INFORMATION

Please check your pension website www.parkerpensionplan.com/db for further information. If you have any questions, please contact the DB Section's administrators using the details on the back page.

If you're considering making any changes to your pension arrangements, you should speak to an independent financial adviser before taking any action. The law prevents us from providing you with financial advice.



HELP AND USEFUL INFORMATION

Your pension administrator

If you have a question about the DB Section or anything in this report, would like help with your pension (including taking your benefits or transferring out) or want to change your personal details, the DB Section’s administrator or the Pensions Department is the best place to start.

FOR ACTIVE AND DEFERRED MEMBERS

Contact the DB Section’s administrator, XPS

Email: parkerhannifin@xpsgroup.co.uk

Phone: 0118 313 0800

Write to: Parker Hannifin Pension and Death Benefits Plan, XPS Administration, PO Box 562, Middlesbrough, TS1 9JA

FOR PENSIONERS

Contact Quantum Advisory

Email: parker@qallp.co.uk

Phone: 029 2010 5095 (General queries)

029 2010 5034 (Pension payment queries)

Write to: Quantum Advisory, Cypress House, Pascal Close, St Mellons, Cardiff; CF3 0LW

Contact the Pensions Department

Email: janet.ward@parker.com

Phone: 0191 402 9046

Write to: Parker Hannifin Pension Trustees Ltd., c/o Janet Ward, Parker Hannifin Manufacturing Ltd, Dukesway, Team Valley Trading Estate, Gateshead, NE11 0PZ

IS YOUR PERSONAL INFORMATION UP TO DATE?

Please let us know if you change your name or address so we can continue to contact you about the Plan and your benefits.

It is also important to make sure that your Expression of Wish form is up to date so that your benefits can be left to the right person or people in the event of your death. Although the Trustee has the discretion to decide who should receive any benefits, your Expression of Wish form will help us to make a decision.

It’s quick and easy to update your details online:

- Pensioners can log into their Benefit Options Account at www.benefitoptions.co.uk
- Those who’ve yet to start taking their pension can log in via parkerpensionplan.com

Alternatively, simply contact your Administrator, using the details above.

The Trustee

The current Trustee Directors that look after the Plan are:

Derek Turnbull

Chair

Nigel Judd

Member-Nominated

Timothy Ajayi

Member-Nominated

Niall Sutton

Member-Nominated

Jim Elsey

Employer-Nominated

Jenny Weir

Employer-Nominated

Phill French

Employer-Nominated

Tony Woodward

Employer-Nominated

Laura Humphrey

Employer-Nominated