WOLSELEY

PLAN UPDATE

An update for members of the Wolseley Group Retirement Benefits Plan (DB Plan)

Summary Funding Statement 2

Plan noticeboard 6

AI and your pension 7

Get in touch 8

Summary Funding Statement

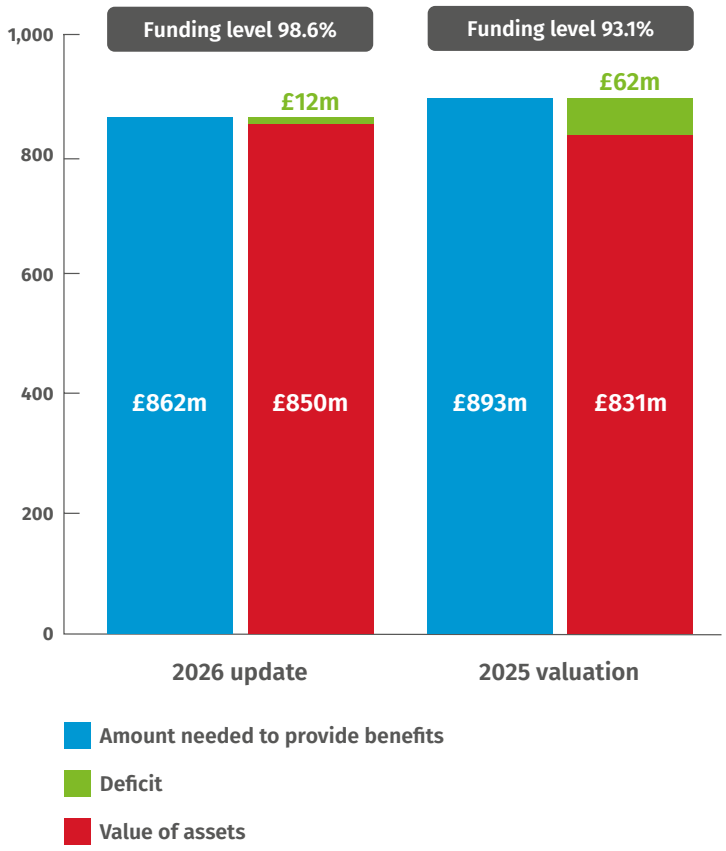
This statement explains the funding that supports your benefits in the Wolseley Group Retirement Benefits Plan. It tells you about the latest update on the funding position of the Plan and the substantial financial support that Ferguson provides.

The latest position

The Trustee carries out a formal valuation of the Plan every three years, with annual updates in between the formal valuations. The Plan Actuary has recently published the results of both the latest formal valuation at 30 April 2025 and the annual update at 30 April 2026.

At the 30 April 2025 formal valuation date, the Plan Actuary estimated there was a deficit of £62m, which corresponds to a funding level of 93.1%.

In the 30 April 2026 annual update, the Plan Actuary estimated there was a deficit of £12m, which corresponds to a funding level of 98.6%.



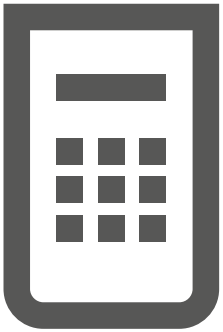
Change in funding position

In the February 2025 edition of *Viewpoint*, we showed the results of the annual update at 30 April 2024. This showed that, at that date, the Plan had a deficit of £39m, which corresponded to a funding level of 95.8%.

The funding level decreased between the 2024 update and the 2025 formal valuation. This was mainly due to changes made to the funding assumptions as the Plan prepared for a full scheme buy-in (also known as a bulk annuity purchase), together with additional allowances for data checks and future expenses.

The funding level then improved over the year to 30 April 2026. The main reason for the increase since the valuation is the deficit reduction contributions paid into the Plan. The increase in gilt yields over the year has also contributed slightly to this (the change in yields is estimated to have reduced the liabilities by more than the corresponding reduction in assets).

The next actuarial valuation of the Plan is due to be carried out by the Plan Actuary at 30 April 2028.



Purchase of bulk annuity policy with Aviva

In light of the improved funding position, the Trustee and Ferguson agreed to purchase a bulk annuity policy with Aviva Life & Pensions UK Limited (a specialist insurance company that provides annuity policies to pension schemes). The transaction was finalised in September 2025. The policy insures the benefits payable to members of the Plan whose benefits are not already insured with Pension Insurance Corporation (PIC). The purchase of a second bulk annuity policy means the Plan is in a very secure financial position.

Reducing the deficit revealed at the latest valuation

To work towards eliminating the deficit revealed at the valuation at 30 April 2025, the Trustee and Ferguson agreed a recovery plan, under which additional contributions totalling £62.6m will be paid between September 2025 and September 2029. Of these additional contributions, an amount equal to £42.7m was paid into the Plan during September and October 2025. The final payment relates to the deferred premium due to Aviva to complete the buy in transaction and is estimated to be £19.9m, payable in September 2029. These contributions are expected to eliminate the deficit in the Plan by 30 September 2029.

How is my pension paid for?

The money to pay for members' pensions is held in a common fund. It is not held in separate funds for each individual. However, Additional Voluntary Contributions (AVCs) are held by the Trustee separately for those individuals who have paid these.

Future Pensionable Service

The Plan closed to future Pensionable Service on 31 December 2013.

How is the amount the Plan needs worked out?

The Trustee has a funding plan (the Statement of Funding Principles) agreed with Ferguson, which aims to make sure there is enough money to pay for pensions now and in the future. The amount of money which Ferguson pays into the Plan may go up or down following three-yearly actuarial valuations.

The importance of Ferguson's support

The Trustee's objective is to have enough money in the Plan to pay pensions now and in the future. However, the success of the Plan relies on Ferguson continuing to support the Plan because:

- The funding level can fluctuate, and when there is a funding deficit, Ferguson will usually need to put in more money.
- The target funding level may turn out to be inadequate, resulting in Ferguson having to put in more money.
- Ferguson makes a monthly contribution towards the expenses of running the Plan.

What if the Plan started to wind up?

We are required to provide the following as part of the annual funding statement.

Even though funding may temporarily be below target, the Plan will continue to pay benefits in full as long as it continues. However, the Plan Actuary must also look at the Plan's solvency if it had to wind up.

At 30 April 2025, the Actuary looked at whether the Plan had enough money to buy insurance policies to provide members' benefits. Insurance companies have to invest in low-risk assets, which are likely to give low returns, and their policy prices will include administration charges and a profit margin. This means that even if a scheme is fully funded on the technical provisions (ongoing basis), the solvency figure is likely to be less than 100%.

The Actuary found that if the Plan had started winding up at 30 April 2025, the amount the Plan needed to ensure benefits were paid in full (the full solvency position) was £933m. The assets when measured against the solvency position were £830m, and, therefore, the deficit at 30 April 2025 on the solvency basis was £103m.

If the Plan winds up (namely is discontinued and the benefits are secured by purchasing insurance policies), you might not get the full amount of pension you have built up even if the Plan is fully

funded. However, whilst the Plan remains ongoing, even though funding may temporarily be below target, benefits will continue to be paid in full.

In the event that the Plan does start to wind up, Ferguson is required to pay enough into it to enable members' benefits to be completely secured by paying an insurance company to provide the pensions. If Ferguson became insolvent and was not able to pay the full amount, the Pension Protection Fund (PPF) might be able to take over the Plan and pay compensation to members. The PPF helps protect members' pensions where an employer becomes insolvent, although it does not guarantee to pay full benefits. Further information and guidance are available on the PPF's website at **www.ppf.co.uk**, or you can contact the PPF on 0345 600 2541 or by sending an email to **information@ppf.co.uk**



Payments to Ferguson

We can confirm that there have been no payments made to Ferguson out of Plan funds.

The Pensions Regulator

The Pensions Regulator has the power to change the Plan, give directions about working out its technical provisions or impose a schedule of contributions. We are pleased to say that it has not needed to use its powers in this way for the Plan.

Where can I get more information?

You can either go to the Plan website or contact the Plan administrator for a copy of the following documents, which provide further information about the Plan:

- Statement of Funding Principles
- Recovery plan
- Statement of Investment Principles
- Schedule of Contributions
- Annual Report and Accounts
- Actuarial valuation report at 30 April 2025
- Annual actuarial report at 30 April 2026
- Plan guide

Plan noticeboard

Appointment of member-nominated directors

We received a number of applications for the post of member-nominated director (MND), when the Plan's existing MNDS came to the end of their terms of office. (You may remember from the last *Viewpoint* newsletter that we have simplified the Trustee Board and reduced the number of directors.)

We would like to thank everyone who applied. The incumbent MNDs, Chris Cottington and Neil McCawley, were reappointed and will serve for a further three-year term.



Don’t let AI derail your retirement

Artificial Intelligence (AI) is transforming everyday tasks and can be a powerful tool for learning. You may be tempted to use tools like ChatGPT or Google’s Gemini to learn more about your pension or to simplify letters and statements you receive from Aptia.

While AI has great potential, it’s important to use it wisely – especially when it comes to protecting your personal data, such as your date of birth, address, NI number, bank details or other financial information. Sharing this information with an AI platform could put your data at risk. Keep your questions generic rather than specific, such as ‘How do UK pensions tax-free lump sums work?’ rather than ‘My Wolseley pension of £XYZ...’.

Publicly available AI tools may store or process your data in ways you can’t fully control. If those systems are hacked in the future, anything you’ve shared could fall into the hands of criminals.

You also need to remember that AI sometimes gets confused or simply makes things up, so always cross-check important information with a trusted source.

If you ever need help to understand your pension, please contact Aptia. And, if you need tailored financial advice, we recommend speaking to a qualified financial adviser.



Get in touch

Plan administrator

If you would like further information about the Plan and your benefits, contact Aptia, the Plan administrator.

Please remember to let us know if your contact details change, so that we can keep in touch with you about the Plan and pay your benefits when they are due.

Contact us online: pensionuk.aptia-group.com

Call us: 0330 102 7934

Plan website: wolseleygroupretirementbenefitsplan.co.uk

Aptia OneView:
You can use the secure web-based service to check your Plan benefits at any time by logging in at **https://v3.aptiaoneview.co.uk/WOLSELEYRBP/login**

Secretary to the Trustee

If you have any comments for the Trustee, please contact the Secretary to the Trustee:

Email: wolseley@vidett.com

Write to: Vidett, Forbury Works, 37-43 Blagrave Street, Reading RG1 1PZ