

The Visa Europe Pension Plan (the “Plan”)

Statement of Investment Principles (the "Statement")

Scope of Statement

This Statement has been prepared in accordance with the Pensions Act 1995 (as amended), and the Occupational Pension Schemes (Investment) Regulations 2005 (as amended). The Trustee complies with the requirements to maintain, take advice and consult with the employer on the SIP and with the disclosure requirements.

The assets of the Plan are held in trust by the Trustee whose powers of investment are set out in Clause 7 of the Trust Deed and Rules dated 15 December 2021.

The Trustee will review this Statement annually and the Plan’s investment strategies no later than three years after the effective date of this Statement; without delay after any significant change in investment policy; and whenever the Trustee deems that a review is needed for any other reason.

The Plan comprises two sections: the Defined Benefit Section and the Defined Contribution Section. This Statement covers both the Defined Benefit Section and the Defined Contribution Section.

Responsibilities in relation to Statement

The Trustee is responsible for the investment strategies of the Plan and has obtained written advice on the investment strategies appropriate for the Plan and on the preparation of this Statement. This advice was provided by Aon Investments Limited ("Aon") who are authorised and regulated by the Financial Conduct Authority.

The day-to-day management of the Plan’s assets has been delegated to investment managers. A copy of this Statement is available to the members of the Plan on request and will be published on a publicly accessible website.

Defined Benefit Section

Objectives

The Trustee's primary objectives for setting the investment strategy of the Plan are set out below. In setting and monitoring the Plan against these objectives, the Trustee has taken into consideration the Plan's current and future liabilities, the strength of the sponsor covenant and the risk capacity of both the Trustee and sponsor.

- **"return objective"** – to acquire and maintain suitable assets of appropriate liquidity which, together with contributions from the sponsor, have a reasonable expectation of generating sufficient income and capital growth to meet the cost of current and future benefits which the Plan provides.
- **"risk objective"** – to limit funding volatility by aiming to only take a level of risk consistent with any long-term funding objective agreed in collaboration with the sponsor. The investment strategy selected is designed to mitigate "unrewarded" risks (a Liability Driven Investment approach is used to mitigate interest rate and inflation risks). Where return seeking assets need to be held, the Trustee aims to diversify its sources of return by selecting investments spread across a range of investment managers, asset classes and markets, so as to mitigate concentration risk, geopolitical risk, and currency risk to an appropriate extent.

Details of the investment strategy are included in the Appendix.

Choosing investments

The types of investments held and the balance between them is deemed appropriate given the liability profile of the Plan, its cashflow requirements, the funding position of the Plan and strength of covenant, and the Trustee's objectives. The assets of the Plan are invested in the best interests of the members and beneficiaries.

The Trustee exercises its powers of investment in a manner intended to ensure the security, quality, liquidity and profitability of the Plan as a whole. In order to avoid an undue concentration of risk, a broad range of available asset classes has been considered. The assets of the Plan are invested predominantly on regulated markets (with investments not on regulated markets being kept to a prudent level) and diversified to avoid excessive reliance on any particular asset, issuer or group of undertakings so as to avoid accumulations of risk in the Plan as a whole.

Day to day selection of underlying investments is delegated to investment managers appointed by the Trustee.

Assets held to cover the Plan's liabilities are invested in a manner appropriate to the nature and duration of the expected future retirement benefits payable under the Plan.

Investment in derivatives is only made in so far as they contribute to the reduction of investment risks or facilitate efficient portfolio management and are managed such as to avoid excessive risk exposure to a single counterparty or other derivative operations.

Investment strategy and asset allocation

The Trustee recognises that the key source of financial risk (in relation to meeting their objectives) arises from asset allocation. It therefore retains responsibility for setting asset allocation and takes expert advice as required from its investment adviser.

The investment strategy set out in the Appendix was agreed by the Trustee following advice from Aon as the Plan's investment advisers and following consultation with the sponsor.

Investment risk measurement and management

The key investment risks are recognised as arising from investment strategy, employer failure and investment managers.

Investment strategy risks

The Trustee will determine the most appropriate investment strategy for the Plan by taking into account advice from its investment adviser and the characteristics of the Plan's liabilities. The Trustee will review the investment strategy at least once every three years.

As part of the investment strategy, the Trustee has agreed a Liability Driven Investment (LDI) approach which aims to mitigate interest rate and inflation risk faced by the Plan.

Cash flow risk arises from the need to realise assets in the short term. If realisations of investments in order to meet benefit payments were to be made at a time when prices are depressed this could reduce the likelihood of meeting the primary objectives. To avoid this, the Trustee and its advisers manage the Plan's cash flow requirements carefully over the short-term.

Employer failure risks (Plan Sponsor risk)

The employer's covenant is assessed formally in conjunction with each triennial actuarial valuation of the Plan. Between valuations, the employer's covenant is monitored by the Trustee by receiving updates from the employer and its covenant adviser as required.

The Trustee will re-consider the appropriateness of the Plan's investment strategy if it determines there has been a significant change in the strength of the employer's covenant.

Investment manager risks

The review and selection of investment managers is carried out on an ongoing basis and is based on advice taken from the Trustee's investment advisers, Aon.

The Trustee has appointed Aon to alert it to any matters of material significance that might affect the ability of its appointed investment managers to achieve their performance objectives. The Trustee may also meet with its appointed investment managers to discuss any issues that may arise.

The Trustee receives, on a quarterly basis, a consolidated investment performance report, detailing the current valuation of assets held and performance achieved by each of the managers employed over the period. It is expected that the Plan's investment managers should achieve their investment return objectives set over the long term. It is not expected that the investment manager will meet these targets in each discrete period. However, the investment manager should demonstrate their ability to meet these targets in a way which is consistent with the level of risk adopted.

Custody

Investment in pooled funds gives the Trustee a right to the cash value of the units rather than to the underlying assets. The investment managers of the pooled funds are responsible for the appointment and monitoring of the custodian of the pooled fund's assets.

The custodians appointed by the investment managers are independent of the employer.

Defined Contribution Section

Investment objective

The Trustee is responsible for providing an appropriate range of investment options to members. Its key aim is to provide a range of investments that are suitable for meeting members' investment objectives over their investment time horizons. In choosing the Plan's investment options, the Trustee's policy is to take account of:

- the types of investments to be held by the Plan;
- the balance between different kinds of investments ensuring suitable diversification both across asset class and investment manager;
- risks – including the ways these are to be measured and managed;
- the expected return on investments;
- the realisation of investments.

In addition, the Trustee will consider the characteristics of various member types or groups and the potential differences between these in relation to attitude to risk over the period of their membership in the Plan, and the different ways in which benefits may be taken at retirement.

Investment options

The investment options are available to members through the Scottish Widows platform.

The Plan offers members three lifestyle strategies:

- Options Open;
- Lump Sum Withdrawal; and,
- Annuity Purchase.

The three lifestyle strategies correspond to the retirement access choices of: flexible drawdown, annuity or cash. The lifestyle strategies were developed from an analysis of the demographics of the Plan's membership and provide members with a choice of investment risk and growth potential.

The Trustee also makes available a range of 16 alternative self-select funds. The self-select fund range has been designed to enable members to create a bespoke investment portfolio, or to select a specialist individual fund. The Trustee's policy is to provide suitable information for members so that they can make appropriate investment decisions. The range of funds was chosen by the Trustee after taking advice from its investment advisers. In choosing the Plan's investment options, it is the Trustee's policy to consider:

- A full range of asset classes.
- The suitability of the possible styles of investment management and the need for manager diversification.
- The suitability of each asset class for DC and AVC arrangements.

- The need for appropriate diversification of asset classes.
- Delivery of the investment options in an efficient and cost-effective manner.

The Trustee also considers the expected return on investments to be as follows:

- The Trustee expects the long-term return on the investment options that invest predominantly in equities to exceed price inflation and general salary growth.
- The long term returns on the bond and cash options are expected to be lower than returns on predominantly equity options.
- Long dated bond funds are expected to broadly match the price of annuities, giving some protection in the amount of secured pension for members closer to retirement for those members wishing to secure an annuity with part or all of their DC benefits.
- Cash funds will provide protection against changes in short-term capital values and may be appropriate for members wishing to take part or all of their DC benefits in the form of a cash lump sum.

Full details of the investment options available to members can be found in the Appendix.

Default investment options

The Trustee will apply the policies set out in the SIP to all default arrangements.

Primary Default Option

Members who join the Plan and do not make an active investment choice have their contributions invested in the primary default investment option. The Trustee has chosen the Options Open Lifestyle as the primary default investment option for the Plan.

The primary default investment option has been chosen by the Trustee so as its aim is to maximise the projected value of members' retirement savings, within a strategy that also seeks to manage the level of various risks (including volatility) over the members' investment time horizon, with a particular focus on the period leading up to retirement age. The default has been designed so that at retirement members can take their DC benefits in any one or more of the options available to them, including drawdown, cash or annuity.

The Trustee, with its investment adviser, assesses the suitability of the default investment arrangement at least every three years or following a significant change to the membership. When reviewing the default investment arrangement, consideration is given to the regulations governing the ways in which members can access their benefits at retirement. Assessments also consider the membership profile of the Plan, members' expected fund values at retirement and development in the DC investment marketplace. Assessments may result in changes to the default.

Changes were made in 2024 to one of the funds that is used in the default and alternative investment options, the Visa Global Equity Fund, to improve the overall environmental, social and governance ("ESG") profile. These changes reduced the overall Fund's carbon intensity and 30% of the Fund's investment is now aligned to being 'net-zero' for carbon emissions by 2050. The Trustee believes these changes will lead to improved member outcomes over the medium and long-term by investing in companies that are better positioned for the future. The Trustee launched a new 'Visa Growth Fund'. This fund wraps the existing Visa Global Equity Fund and Visa Property Fund. There is no

difference to members' underlying investment exposures, but this change is designed to increase simplicity of the investment design for members, and help the platform provider manage liquidity of the underlying funds.

Secondary Default Options

Secondary default investment options were created in October 2021 during the consolidation of the self-select fund range. The Visa Cash Fund, Visa Bond Fund and the Visa Global Equity Fund are classified as secondary default options for regulatory purposes.

Ongoing monitoring and review

The Trustee has a policy in place to review the funds within both the lifestyle strategies and self-select funds on an on-going basis. Where it is deemed that a manager or fund is no longer appropriate, the Trustee has operational procedures in place to remove and replace the manager or fund from the fund range.

The Trustee reviews the Plan's investment strategy triennially, assessing how members take their benefits from the DC Section, plus any changes to views on expected returns, volatility and correlations of the underlying asset classes. This is done to ensure that the lifestyle strategies and self-select fund options remain appropriate for a broad range of the membership. These reviews also take into account any significant changes in the make-up of the Plan's membership and inform decisions relating to the Plan's future investments to ensure there are a suitable, diverse range of investment options available to the membership of the Plan. The Trustee also considers any feedback from members to ensure that a sufficient range of funds is offered to meet members' needs.

Investment risk measurement and management

The Trustee recognises a key risk is that members will have insufficient income in retirement or an income that does not meet their expectations. The Trustee considers this risk when setting the investment objectives for the Plan. The Trustee's policy in respect of risk measurement methods and risk management processes is set out below.

The Trustee also considers the following sources of risk:

- Risk of fund managers not meeting their objectives ("manager risk"). This risk is considered by the Trustee and its advisers both upon the initial appointment of the fund manager and on an ongoing basis thereafter.
- Risk of asset classes not delivering the anticipated rate of return over the long term.
- Risk of the lifestyle strategies being unsuitable for the requirements of some members.
- The risk of fraud, poor advice or acts of negligence ("operational risk"). The Trustee has sought to minimise such risk by ensuring that all advisers and third-party service providers are suitably qualified and experienced, and that suitable liability and compensation clauses are included in all contracts for professional services received.

Due to the complex and interrelated nature of these risks, the Trustee considers these risks in a qualitative as well as quantitative (where relevant) manner as part of the triennial defined contribution strategy review.

The Trustee measures risk in terms of the performance of the funds compared to the respective benchmarks on a quarterly basis. The Trustee also monitors any significant issues with the fund managers that may impact their ability to meet the performance targets set by the Trustee.

Members are provided with information on each of the funds available through the Plan via the Plan's investment guide and individual fund factsheets that are provided by Scottish Widows and updated on a quarterly basis.

Additional Voluntary Contributions (AVCs)

The Trustee has full discretion as to the appropriate investment vehicles made available to members of the DB Section of the Plan for their voluntary contributions. Only investment vehicles normally considered suitable for voluntary contributions will be considered by the Trustee, having taken appropriate written advice from a qualified and authorised investment adviser.

The Plan's current AVC providers are Scottish Widows and Zurich. The funds available through Scottish Widows mirror the investment options available through the DC Section. These investment options are open to new investments. The Zurich arrangement is closed to new investments.

In selecting this range of funds offered, the Trustee have taken advice from their professional advisers on the risks faced by members in investing on a money purchase basis and the Trustee's responsibilities in the selection and monitoring of the investment options offered. The Trustee will continue to manage the AVC arrangements having taken professional advice on these matters and will monitor the performance periodically.

Members are directed to seek independent financial advice when considering their AVC arrangements.

DB and DC Sections

Realisation of investments/liquidity – Trustee policy

The Trustee recognises that there is a risk in holding assets that cannot easily or quickly be realised should the need arise. These assets are known as “illiquid assets”.

In particular for the DB section, careful consideration has also been given to the need to have readily liquid assets available to supplement the cash backing the liability driven investment funds, should this be necessary. Consequently, a significant portion of the assets held are realisable at short notice (through the sale of units in pooled funds).

For the DC section, the majority of assets held on behalf of members are realisable at short notice (through the sale of units in pooled funds).

There is a requirement under the Occupational Pension Schemes (Investment) Regulations 2005 for trustees to maintain a written policy in relation to their investment in illiquid assets in their default arrangements. This policy has been prepared by the Trustee of the Visa Europe Pension Plan in compliance with that requirement.

Primary Default Option

The Trustee does hold illiquid investments on behalf of DC members in the primary default option, the Options Open Lifestyle.

The illiquid investments are holdings within pooled funds used by the Plan. Specifically, the Visa Growth Fund holds underlying physical property, which is classified as an illiquid investment, through an underlying pooled fund. Additionally, the underlying fund or funds held within the Visa Multi Asset Fund may also allocate to illiquid holdings (commodities and infrastructure). The allocation to illiquid holdings is at the discretion of the investment manager of the underlying fund, and the allocations may increase or decrease over time.

The Visa Growth Fund is utilised through both the growth phase and the pre-retirement phase of the Options Open Lifestyle, hence illiquid investments are held by members of all ages in the primary default option. The Visa Multi Asset Fund is introduced during the pre-retirement phase of the Options Open Lifestyle and is therefore only held by members who are within 15 years of retirement. The Trustee believes that the underlying illiquid investments within the Visa Growth Fund and Visa Multi Assets Fund provide diversification from the other key return drivers held by members.

Whilst the Trustee recognises that illiquid investments may be associated with higher costs, and illiquidity risks, they nevertheless believe that the benefits of diversification and access to an illiquidity premium should benefit members in the long term. They also believe that the blended fund structure of the Visa Growth Fund in which property is held should ensure sufficient member liquidity, even in the event that the underlying property fund needs to suspend trading. The Trustee believes the underlying manager of the Visa Multi Asset Fund is best placed to use their discretion as to the appropriateness of holding illiquid investments in the fund at any particular time, and to use the liquid portions of the fund to ensure members have sufficient access to liquidity, therefore there may be an increase in illiquid holdings in the Visa Multi Asset Fund in future.

Secondary Default Options

The Trustee does not currently hold any illiquid investments on behalf of DC members within any of the Plan's secondary default options, the Visa Cash Fund, Visa Global Equity Fund and Visa Bond Fund.

The Trustee does not have any specific concerns with illiquid investments. However, at this time, they believe the current assets utilised within each of the Visa Global Equity Fund and Visa Bond Fund reflect the optimal mix for members, in terms of expected risk, expected return and diversification. The Trustee believes that the use of illiquid investments would not be appropriate within the Visa Cash Fund in particular, given full liquidity is a core objective of this fund.

The Trustee would be willing to consider the use of illiquid investments in the secondary default options in the future. This is a consideration that would form part of any future review of investment strategy or selection of investment manager.

Responsible Investment

In setting the Plan's investment strategies, the Trustee's primary concern is to act in the best financial interests of the Plan and its beneficiaries, seeking the best return that is consistent with a prudent and appropriate level of risk. The Trustee believes that in order to fulfil this commitment and to protect and enhance the value of the Plan's investments, it is important to act as a responsible steward of the assets in which the Plan invests.

1. Environmental, Social, and Governance considerations

The Trustee further acknowledges that an understanding of financially material considerations including environmental, social and corporate governance ("ESG") factors (such as climate change) and risks related to these factors can contribute to the identification of investment opportunities and financially material risks.

The Trustee has agreed the following set of belief statements in connection with ESG matters:

- "Our fiduciary duty requires us to take all financially material risks into account, including ESG risks."
- "Our investment managers should consider sustainability issues related to the companies they invest in as doing so is likely to improve risk-adjusted returns in the long-term."
- "We believe that our investment managers should integrate ESG factors into their investment process."

To this end, as part of their delegated responsibilities, the Trustee expects the Plan's investment managers to take into account corporate governance, social, and environmental considerations (including long-term risks posed by sustainability concerns including climate change risks) in the selection, retention and realisation of investments. Any decision made by the Plan's investment managers should not apply personal ethical or moral judgments to these issues but should consider the sustainability of business models that are influenced by them.

The Trustee is taking the following steps to monitor and assess ESG related risks and opportunities:

- The Trustee will have periodic training on Responsible Investment to understand regulatory requirements and approaches to this area, and how ESG factors, including climate change, could impact the Plan's assets and liabilities.
- As part of ongoing monitoring of the Plan's investment managers, the Trustee will use ESG ratings information provided by Aon, where relevant and available, to monitor the level of the Plan's investment managers' integration of ESG on a quarterly basis.
- Supported by Aon, the Trustee has also undertaken a 'deep dive' of their managers' responsible investment policies and approaches, and subsequently has engaged directly with their fund managers on these areas.
- Regarding the risk that ESG factors including climate change negatively impact the value of investments held if not understood and evaluated properly; the Trustee has received training on these risks. Further, the Trustee will take advice from Aon on this matter when setting the Plan's asset allocation, when selecting managers and when monitoring their performance.

- The Trustee will include ESG-related risks, including climate change, on the Plan's risk register as part of ongoing risk assessment and monitoring.

2. Stewardship - Voting and Engagement

The Trustee recognises the importance of its role as a steward of capital and the need to ensure the highest standards of governance and promotion of corporate responsibility in the underlying companies and assets in which the Plan invests. The Trustee recognises that ultimately this creates long-term financial value for the Plan and its beneficiaries.

The Trustee regularly reviews the continuing suitability of the appointed managers and takes advice from its investment adviser with regard to any changes. This advice includes consideration of broader stewardship matters and the exercise of voting rights by the appointed managers. If an incumbent manager is found to be falling short of the standards the Trustee has set out in its policy, the Trustee undertakes to engage with the manager to set out expectations and seek a more sustainable position (where possible) but may ultimately look to replace the manager.

The Trustee accepts responsibility for how managers steward assets on its behalf, including the casting of votes in line with each manager's individual voting policies.

The Trustee reviews the stewardship activities of its investment managers on an annual basis, covering both engagement and voting actions, as part of their Implementation Statement process to ensure they are in line with Trustee expectations and in members' best interests. The Trustee also carries out an ESG specific review of the Plan's managers on an annual basis. The annual ESG review includes stewardship matters and the exercise of voting rights by the appointed managers. The Trustee will review the alignment of its policies to those of the Plan's investment managers and ensure that its managers, or other third parties, use their influence as major institutional investors to carry out the Trustee's rights and duties as a responsible shareholder and asset owner. This will include voting, along with – where relevant and appropriate – engaging with underlying investee companies and assets to promote good corporate governance, accountability and positive change. Prospective investment managers are also required to provide this information for the Trustees to review in advance of any new appointment.

The Trustee will engage with the Plan's investment managers as necessary for more information, to ensure that robust active ownership behaviours, reflective of its active ownership policies, are being actioned. This information, along with information on how the policies set out in this Statement were applied across the Plan's investments, will be shared with both DB and DC members in the annual Implementation Statement.

With regard to transparency over voting, the Trustee expects to receive reporting from the Plan's investment managers on voting actions and rationale for these votes, where relevant to the Plan, in particular where: votes were cast against management; votes against management were significant (more than 20%) or votes were abstained.

From time to time, the Trustee will consider the methods by which, and the circumstances under which, it would monitor and engage with an investment manager. The Trustee may engage on matters concerning an issuer of debt or equity, including its performance, strategy, risks, social and environmental impact and corporate governance, the capital structure and management of actual or potential conflicts of interest.

When setting its own policies, particularly in relation to stewardship and corporate sustainability, the Trustee has regard to the sponsor's relevant policies. The Trustee will look to integrate their policies and practices with those of the sponsor, provided these do not cause a financial detriment to members.

3. Members' Views and Non-Financial Factors

Where members make an active decision to share their views with the Trustee on ethical matters, social and environmental impact matters and present and future quality of life matters (defined as "non-financial factors" under the 2018 Regulations) the Trustee will note and discuss these.

The Trustee is aware of the impact diversity and inclusion can have on investment decisions.

4. Arrangements with Investment Managers

The Trustee monitors the investments used by the Plan on an annual basis to consider the extent to which the investment strategies and decisions of the investment managers are aligned with the Trustee's policies as set out in this Statement, including those on non-financial matters.

This includes monitoring the extent to which investment managers:

- make decisions based on assessments about medium- to long-term financial and non-financial performance of an issuer of debt or equity; and
- engage with issuers of debt or equity in order to improve their performance in the medium- to long-term.

The Trustee is supported in this monitoring activity by its investment adviser.

The Trustee receives reporting and verbal updates from its adviser on various items including the investment strategy, performance, and longer-term positioning of the strategy. The Trustee focusses on longer-term performance when considering the ongoing suitability of the investment strategy in relation to the Plan's objectives and assesses the investment managers over the long-term.

Before appointment of a new investment manager, the Trustee reviews the governing documentation associated with the investment and will consider the extent to which it aligns with its policies. Where possible, the Trustee will seek to express its expectations to the investment managers to try to achieve greater alignment.

The Trustee believes that having appropriate governing documentation, setting clear expectations to the investment managers (and doing so by other means e.g. verbally or in writing at time of appointment), and regular monitoring of investment managers' performance and investment strategy, is in most cases sufficient to incentivise the investment managers to make decisions that align with the Trustee's policies and are based on assessments of medium- and long-term financial and non-financial performance.

Where investment managers are considered to be making decisions that are not in line with the Trustee's policies, expectations, or the other considerations set out above, the Trustee will typically first engage with the manager but could ultimately replace the investment manager where this is deemed necessary.

There is typically no set duration for arrangements with investment managers, although the continued appointment for all investment managers will be reviewed periodically. For certain closed ended vehicles, the duration may be defined by the nature of the underlying investments.

Costs and transparency

The Trustee has engaged third-party specialists to assist in collating data on the costs and charges incurred on the Plan's investment funds, as described in further detail below.

The Trustee believes it is important to understand the different costs and charges incurred by the Plan. For the DB section, costs are incurred by the DB Plan (and therefore ultimately paid for by the sponsoring employer) whilst costs incurred on the DC Section are borne by the members. Costs incurred include:

- Explicit charges, such as the annual management charge, and additional expenses that are disclosed by investment managers as part of the Total Expense Ratio ('TER');
- Investment platform costs;
- Implicit charges, such as the portfolio turnover costs (transaction costs) borne within a fund;
- Performance-based fees in respect of several mandates in the DB Section.

The Trustee defines portfolio turnover costs as the costs incurred in buying and selling underlying securities held within the fund's portfolio. These are incurred on an ongoing basis and are implicit within the performance of each fund.

Other costs of providing the DC Section of the Plan (e.g. administration and adviser costs) are not charged to members.

For the DC Section, the Trustee collects information on member-borne costs and charges on an annual basis, where available, and sets these out in the Plan's Annual Chair's Statement regarding DC Governance (the "Annual Chair's Statement"), which is made available to members in a publicly accessible location.

No specific ranges are set for the DB section on acceptable costs and charges, particularly in relation to portfolio turnover costs. However, the DC default arrangements are subject to a cap of 0.75% of funds under management, or an equivalent combination charge. The Trustee expects its DC investment adviser to highlight if these costs and charges appear unreasonable when they are collected as part of the Annual Chair's Statement exercise.

It is the view of the Trustee that long term performance, net of fees, is the most important metric on which to evaluate its investment managers.

The Trustee believes that active investment managers can add value, net of fees. It is therefore comfortable with the use of active funds in the DB and DC Plan. For DC members, passively managed funds are also made available as a self-select option for those members who prefer low cost solutions.

Effective decision making

The Trustee recognises that decisions should be taken only by persons or organisations with the skills, information and resources necessary to take them effectively. It also recognises that where it takes investment decisions, it must have sufficient expertise and appropriate training to be able to evaluate critically any advice received. The Trustee receives investment training from its investment adviser and also the Plan's investment managers in order to make informed decisions.

Approved by the Trustee of the Visa Europe Pension Plan and effective from December 2024.

The Visa Europe Pension Plan

Appendix to Statement of Investment Principles

Defined Benefit Section

Investment strategy

The Plan's investment strategy has been established as set out below. The Plan's actual asset allocation is reviewed regularly by the Trustee to determine whether any rebalancing is required. Input is sought in relation to any rebalancing from the Trustee's investment adviser.

	Target Weight
Absolute Return	30.0%
Investment Grade Credit	10.0%
Liability Driven Investment (LDI)	60.0%
Total	100.0%

Cash balances

A working balance of cash is held for imminent payment of benefits or expenses. Under normal circumstances it is not the Trustee's intention to hold a significant cash balance. The Trustee regularly monitors this and retains responsibility for the amounts held.

Investment management arrangements

Manager and fund	Benchmark	Performance Target	Fees (p.a.)
Returns Section			
Unconstrained Bonds and Property Debt¹			
DRC UK Whole Loan Fund	N/A	To achieve a net internal rate of return of 6-7% p.a. (net of fees)	0.75% on invested capital.
ICG-Longbow Real Estate Debt IV	N/A	To achieve a net internal rate of return of 7.5% p.a. (gross of fees)	0.90% on invested capital. Performance fee of: 10% for returns between 6% and 7%; and 20% for returns over 7%.
Protection Section			
Absolute Return			
Insight Bonds Plus Fund	Sterling Overnight Index Average (SONIA)	Benchmark + 2.0% p.a. (gross of fees)	0.25% Performance fee of: 10% for returns in excess of benchmark +0.15%, capped at 4.0%.

T. Rowe Price Dynamic Global Bond Fund	Sterling Overnight Index Average (SONIA)	Benchmark +3.0% p.a. (gross of fees)	Incremental base fee, based on the total assets under management of the VEPP and the VUPP, of: 0.42% on the first £15.0m; 0.33% on the next £15.0m; 0.325% on the next £30.0m. Should total assets under management of the VEPP and the VUPP exceed £60.0m, a flat base fee of 0.30% is applied to entire asset holding.
Aegon European ABS Fund	Bloomberg Barclays Capital Euro ABS Fixed and Floating Index (GBP Hedged)	To outperform the benchmark	Incremental base fee, based on the total assets under management of Aon-advised clients, of: 0.25% on the first £50.0m; 0.23% on the next £50.0m; 0.20% on the next £150.0m; 0.16% thereafter.
Hedging Portfolio²	Liability Benchmark	To provide a 100% hedge against the interest rate and inflation risk of the Plan's liabilities measured on a gilts +0.0% p.a. basis	-
Investment Grade Credit			
BlackRock Buy and Maintain UK Credit Fund	-	-	Fixed base fee of 0.12%. Total BlackRock holdings are subject to a minimum fee of £150k p.a. ³
Liability Driven Investment (LDI)			
BlackRock LDI	-	-	0.05% on present value of liabilities hedged. Total BlackRock holdings are subject to a minimum fee of £150k p.a. ³

1. These assets are in the process of being redeemed, depending on redemption terms and market conditions, some of these assets may be redeemed gradually over time.

2. From 1 April 2024, the "Hedging Portfolio" combines performance from the BlackRock Buy and Maintain UK Credit Fund and BlackRock LDI, with the combined performance benchmarked against the performance of the Plan's liability benchmark.

3. Minimum fee agreed to be in place until 30th September 2026. Following this date, minimum fee will be £200k p.a.

Defined Contribution Section

Investment options and objectives

There are three Lifestyle strategies available:

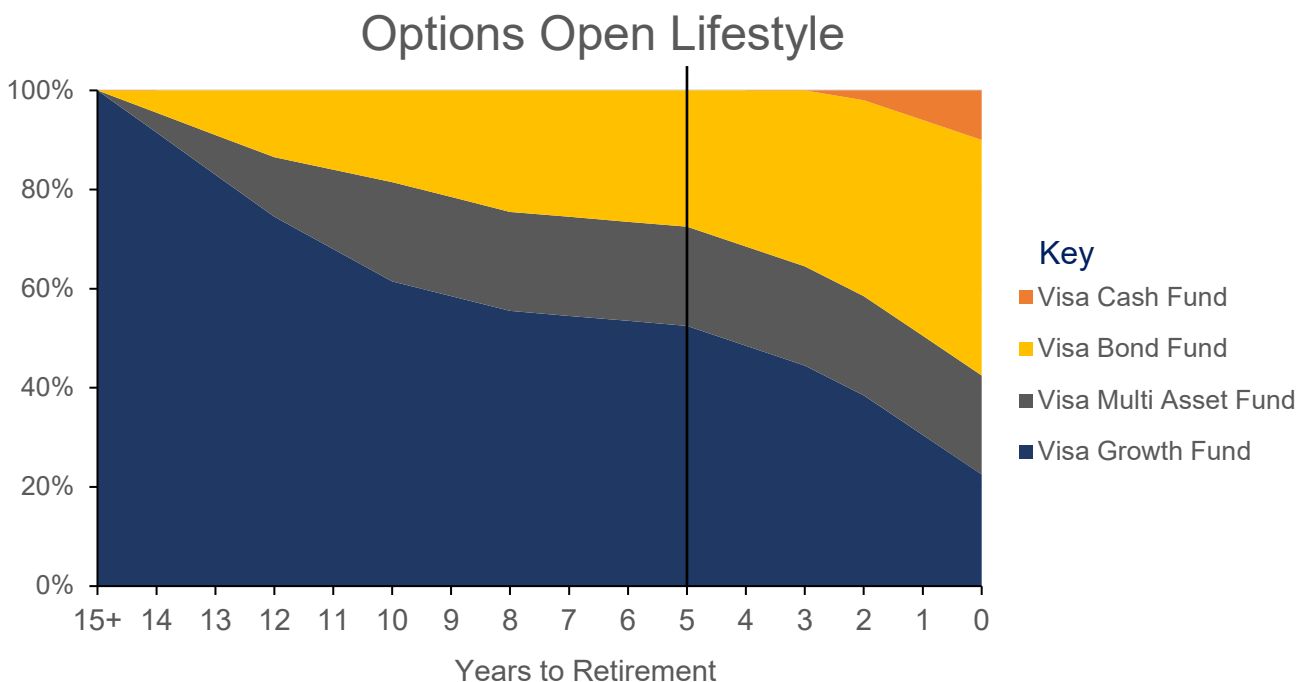
- Options Open Lifestyle
- Lump Sum Withdrawal Lifestyle
- Annuity Purchase Lifestyle

The Lifestyle strategies are designed for members to consider how they want to use their Account, upon retirement. They also help members make investment decisions aligned with their objectives. As members proceed through their working life, their investment priorities and their attitudes to risk, change. As such the Lifestyle strategies automatically adjust the distribution of investments to reduce the expected volatility as members approach retirement. The Lifestyle strategies are a useful option for members who do not want to regularly review their investments held.

Please note, that should it not be possible to trade in any of the Lifestyle Options' constituent funds, the Trustee will review the investment options available and agree a suitable alternative.

Options Open Lifestyle (the primary default option)

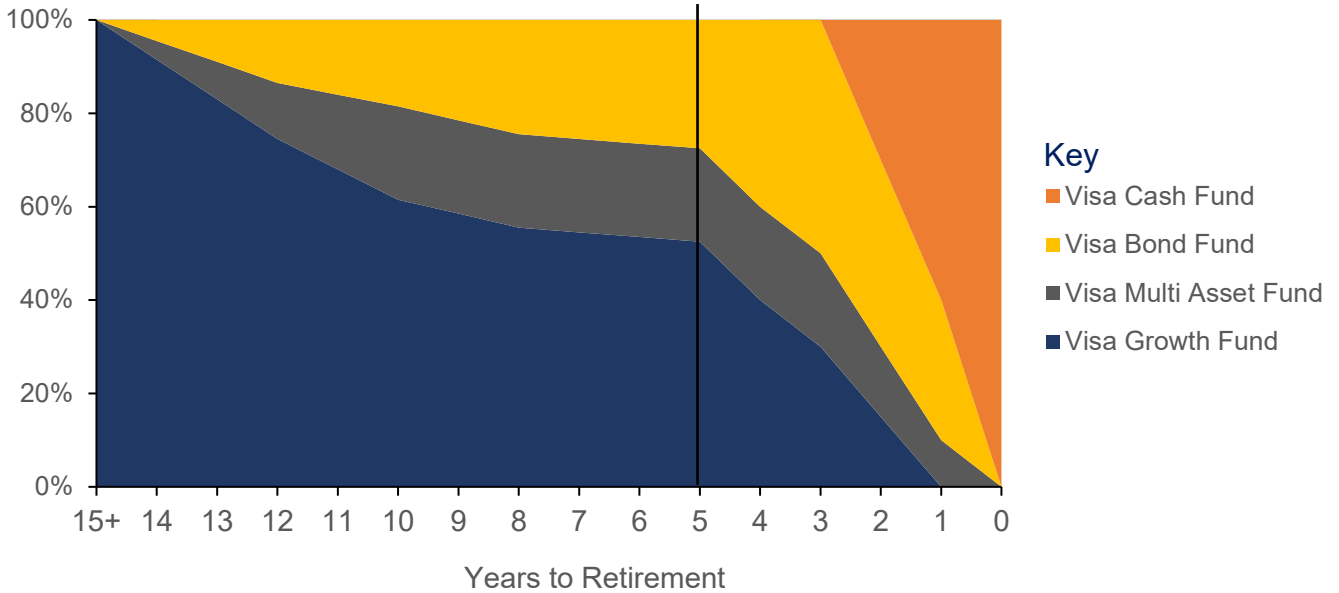
The Options Open Lifestyle strategy is designed for members who are undecided on how they intend to use their Account upon retirement. Initially members' assets are invested in the Visa Growth Fund (90% Visa Global Equity Fund and 10% Visa Property Fund). The Options Open Lifestyle will gradually transition into the Visa Multi Asset Fund and the Visa Bond Fund 15 years prior to a member's expected retirement date, and then later into the Visa Cash Fund. The switching takes place on a regular basis and is outlined below.



Lump Sum Withdrawal Lifestyle

The Lump Sum Withdrawal Lifestyle strategy is identical to the Options Open Lifestyle strategy until five years pre-retirement. From three years pre-retirement the Lifestyle commences transitioning into the Visa Cash Fund, where members' assets will be fully invested at retirement.

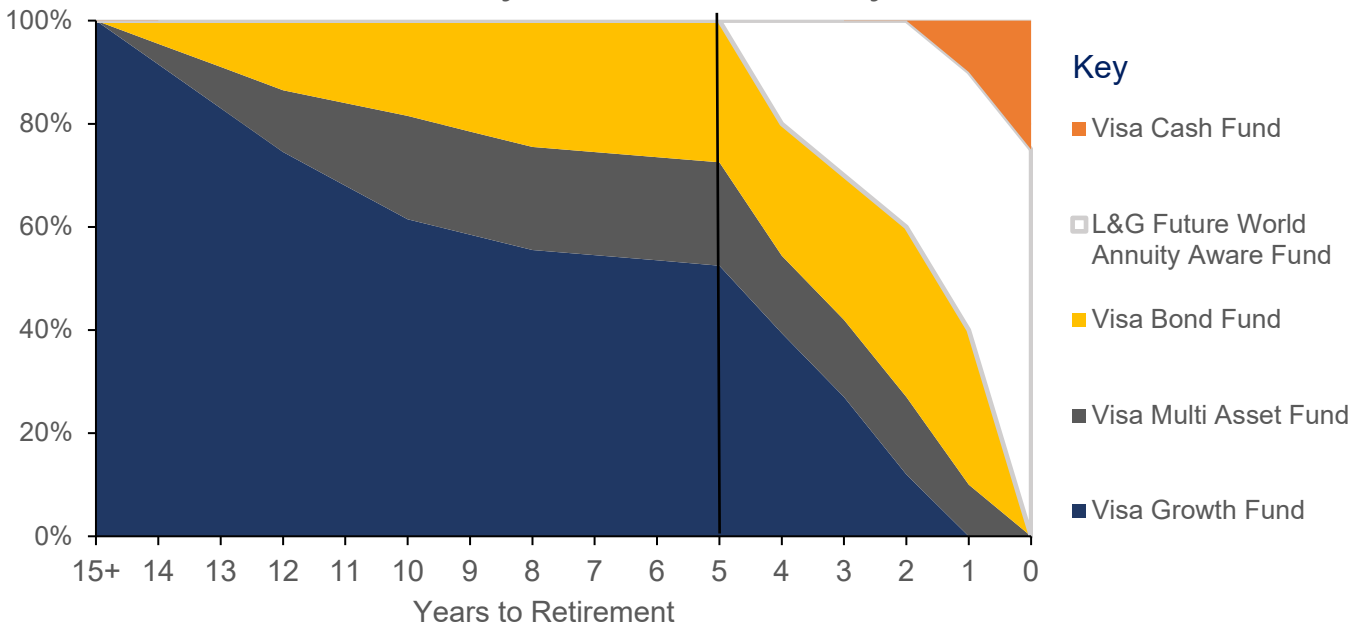
Lump Sum Withdrawal



Annuity Purchase Lifestyle

The Annuity Purchase Lifestyle adopts the same investment profile as the Options Open and Lump Sum Withdrawal Lifestyles until 5 years pre-retirement, whereupon the Lifestyles digress. The Annuity Purchase Lifestyle invests in annuity matching bonds and cash at retirement. The switching takes place on a regular basis and is outlined below.

Annuity Purchase Lifestyle



Individual Funds

The Trustee also makes available 16 self-select funds. The self-select fund range has been designed to enable members to create a diversified investment portfolio. The range contains a number of passively managed options as well as actively managed funds. Details of these funds, as well as those available through the lifestyle strategies are shown in the table below.

Manager and fund	Benchmark	Performance Target	TER (% p.a.)
White Labelled Funds			
Visa Growth Fund ¹	54.0% MSCI World Select Multiple Factor ESG Low Carbon Target Index 27.0% MSCI World ESG Focus Low Carbon Screened Index (Hedged GBP) 9.0% MSCI Emerging Markets 10.0% FTSE EPRA Nareit Developed	Invests in one or more underlying funds with the aim of achieving long term capital growth.	0.329
Visa Global Equity Fund	60.0% MSCI World Select Multiple Factor ESG Low Carbon Target Index 30.0% MSCI World ESG Focus Low Carbon Screened Index (Hedged GBP) 10.0% MSCI Emerging Markets	Invests in one or more underlying funds with the aim of achieving long term capital growth.	0.249
Visa Property Fund	FTSE EPRA Nareit Developed	Invests in one or more underlying funds with the aim of achieving long term capital growth.	1.040
Visa Bond Fund	16.67% Bloomberg Global Aggregate – Corporates Hedge GBP, 16.67% Bloomberg Global High Yield Index Excl CMBS & EMG 2% Capped GBP Hedged Index 16.67% J.P. Morgan EMBI ESG Global Diversified GBP Hedged Index 50.0% Markit iBoxx GBP Non-Gilts	Invests in one or more underlying funds with the aim of achieving investment return in the form of capital growth and income over the long term.	0.156
Visa Multi Asset Fund	Bank of England Quarterly SONIA	Benchmark + 4.5% p.a. over rolling 5-year period (gross of fees)	0.764
Visa Cash Fund	SONIA	To provide return in line with money market rates by taking into account environmental and other characteristics when selecting investments.	0.110
Visa Responsible Investment Fund	50% MSCI ACWI 50% Solactive L&G ESG Global Markets Index	To achieve long-term capital growth through equity investments which are expected to benefit either directly or indirectly from a focus on environmental, social and governance (ESG) considerations.	0.393
Equity			
Schroders Global Emerging Markets	MSCI Emerging Markets Index GBP	3.5% outperformance per annum (gross of fees) over 3 years	0.960
Schroders Global Equity	MSCI World Index	Benchmark +2-2.5% (gross of fees) over rolling 3-year periods	0.594
Aquila World ex-UK Equity Index	FTSE Custom Developed ex UK ESG Screened	To track the benchmark	0.114
Legal & General UK Equity Index	FTSE All-Share	To track the benchmark	0.120
Aquila MSCI World Index	MSCI World NET TR in GBP Index	To track the benchmark	0.124
Specialist			

HSBC Islamic Fund	Dow Jones Islamic Market Titans 100 Index	To track the benchmark	0.390
Fixed Income			
Aquila Index-Linked Over 5 Year Gilt Index	FTSE Actuaries UK Index-Linked Gilts Over 5 Years Index	To track the benchmark	0.108
Aquila Up to 5 Year Index Linked Gilt Index	FTSE Actuaries UK Index-Linked Gilts up to 5 Years Index	To track the benchmark	0.119
Legal & General Future World Annuity Aware	FTSE Annuities Custom Index	To track the benchmark	0.144
Multi-Asset			
Managed Fund	ABI Mixed Investment 40%-85% Shares	To generate long term growth	0.285

Source: Scottish Widows. Total Expense Ratio ("TER's") as at 30 September 2024.

1. The Visa Growth Fund is used only in the lifestyle strategies and is not available for self-select members to invest in as both of the underlying component funds (the Visa Global Equity Fund and the Visa Property Fund) are offered on a standalone basis.

AVC Options

The DB AVC arrangements were rationalised in 2020 when members' DB AVCs invested with Scottish Widows, Aviva, Utmost Life and Pensions (formerly Equitable Life) and unit linked holdings with Zurich were transitioned to Scottish Widows. All legacy DB AVC arrangements with Scottish Widows, Aviva, Utmost Life and Pensions and Zurich are closed to new investment and all on-going DB AVC contributions are invested with Scottish Widows. Members' DB AVC investments transitioned to Scottish Widows are invested in the same investment options as those that are available to the Plan's DC members, and as set out in the section above.

There are a small number of AVC members who invest partially, or wholly, in the Zurich With Profits Fund and who remain invested with Zurich. The investment options available to members through the Zurich arrangement are set out in the table below.

Asset Class	Fund	TER (% p.a.)
Lifestyle	Balanced Lifestyle	0.72
	Aquila UK Equity Index	0.56
Equity Funds	Equity Managed	0.72
	UK Equity	0.74
Multi-Asset/Balanced Funds	Managed	0.73
Fixed Income	Long Dated Gilt	0.72
Cash	Secure 2	0.70
With Profits Funds	With Profits Fund	0.70

Source: Zurich