

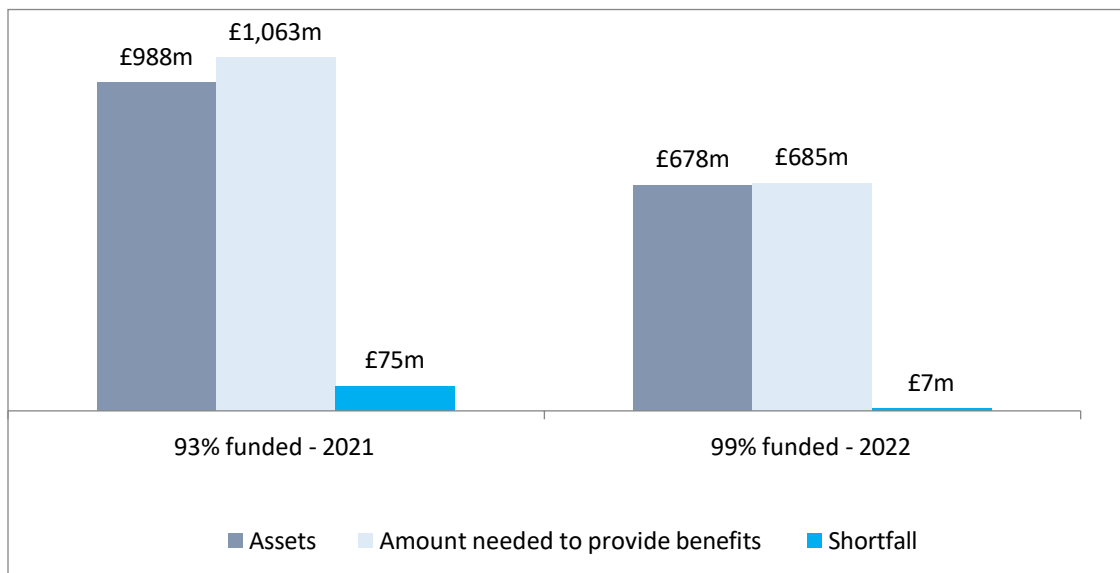
Summary Funding Statement for period to 31 December 2022

This funding check gives you a picture of the financial health of the Eaton UK Pension Plan (the Plan). The value of the Plan's assets and the expected cost of its commitments both change over time. This is because estimates of investment returns, interest rates, life expectancy and inflation are all revised regularly. As a result, regular funding checks are required.

This statement provides the position at 31 December 2022, the date of the Plan's most recent actuarial valuation, and confirms the position at the same date in 2021 provided in the previous update.

Funding position

The results on 31 December 2021 and 2022 were:



The assets and liabilities shown above include all of the Plan's assets and liabilities, including those in the Defined Contribution sections of the Plan from members' Additional Voluntary Contributions (AVCs), Money Purchase Accounts (MPAs) and Individual Member Accounts (IMAs).

Why has the funding position changed?

The significant reduction in the value of the Plan's assets was due to the investment turbulence in autumn 2022. That same investment turbulence reduced the expected cost of providing benefits even more. This and the contributions paid by Eaton meant that since the last check (as at 31 December 2021) the Plan's funding level has increased from 93% to 99%.

Contributions to the Plan

As part of the 31 December 2022 valuation, Eaton and the Trustee agreed that the Employers would reduce their regular contributions to meet the cost of benefits being earned by Plan members to 20.0%

of members' pensionable earnings effective from 1 January 2024. There is no change in the pension members are earning; this reduction reflects the lower cost of providing Plan benefits following the changes in market conditions in 2022. There was no change to the rates being paid by members.

The Employers paid contributions at the higher rates agreed following the 2019 Plan valuation until the 2022 valuation was finalised in March 2024, and the Trustee and Eaton agreed that these overpaid contributions would cover all contributions due until the end of July 2024. The new rate of Employer contributions of 20.0% will be introduced from 1 August 2024.

Other ways of valuing the Plan (or wind-up position)

As a part of the 31 December 2022 valuation the Trustee considered the funding position were the Plan to wind-up. Under this scenario, the Plan's assets would be used to meet the cost of winding-up and then secure benefits by buying annuities from an insurance company. A wind-up assessment is required by law and must be provided as part of this statement; it does not mean that Eaton or the Trustee are considering winding up the Plan.

If the Plan were to wind up, the Trustee would first secure in full members' Additional Voluntary Contributions, Money Purchase Accounts and those Individual Member Accounts that are expected to cover the minimum pension underpin. The estimated funding level for all benefits was 89% assuming that the Plan wound up as at the valuation date of 31 December 2022. This is an improvement from the position at 31 December 2019 when it was estimated that the Plan was 72% funded on this measure.

What happens if the Plan is wound up and there is not enough money to pay all benefits?

First the Trustee would look to the Employers to make good the shortfall, and Eaton has agreed guarantees with the Trustee through one of its other subsidiary companies, which would provide additional funding sufficient at the valuation date for the Trustee to secure members' benefits in full in these circumstances.

The Government has also set up the Pension Protection Fund (PPF) to pay benefits to members in the event that employers become insolvent and are unable to meet their pension commitments.

If such circumstances were ever to occur, you would receive compensation from the PPF. However, this might be less than the full benefit you had earned in the Plan depending on your age and when your benefits were earned.

Payments to Eaton and directions from the Pensions Regulator

There have been no payments to Eaton from the Plan since the last Statement. The Pensions Regulator has powers to impose funding plans or modify plans. No such directions have been made for the Plan.

Where can I get more information?

If you want us to send you the documents which provide more detail, such as the Statement of Investment Principles, the Actuarial Valuation Report or the full Report and Accounts, please contact:

 eatonpensions@wtwco.com

 **Eaton UK Pension Plan, WTW, Sunderland, SR43 4JU**