2021 Annual governance statement by the Chair of Trustees

Introduction

Governance rules apply to defined contribution pension arrangements which are designed to help members achieve a good outcome from their pension savings.

As the Chair of the Trustee of the Belron - UK Pension Plan (the "**Plan**"), I have to provide you with an annual statement which explains what steps have been taken by the Trustee board, with help from its professional advisers, to meet the relevant governance standards in relation to:

1. The investment options in which members' funds are invested
2. The requirements for processing financial transactions
3. Charges and transaction costs borne by the members
4. An illustration of the cumulative effect of these costs and changes
5. A 'value for members' assessment
6. Trustee knowledge and understanding.

This statement covers the period from 1 April 2020 to 31 March 2021.

The Trustee board is committed to having high governance standards and meets regularly to monitor the controls and processes in place in connection with the Plan's investments and administration.

I welcome this opportunity to explain what the trustees do to help to ensure the Defined Contribution Section of the Plan is run as effectively as it can be. If you have any questions about anything included in this Statement, or any suggestions about what can be improved, please do contact the Pensions Team at pensions@belronuk.com.

1. Default investment arrangement

The Plan is used as a Qualifying Scheme for auto-enrolment.

When members join the Plan (whether by opt-in or via auto-enrolment) they can choose where their contributions are to be invested. However, many members feel uncomfortable making such choices. Accordingly, there is also a 'default' investment option, set up by the Trustee, which members can choose to invest in, or in which members will be invested if they make no selection. This year 98% of members had their contributions invested in the default investment option.

Setting an appropriate investment strategy

The Trustee is responsible for the Plan's investment governance, including setting and monitoring the investment strategy for the Plan's default arrangement.

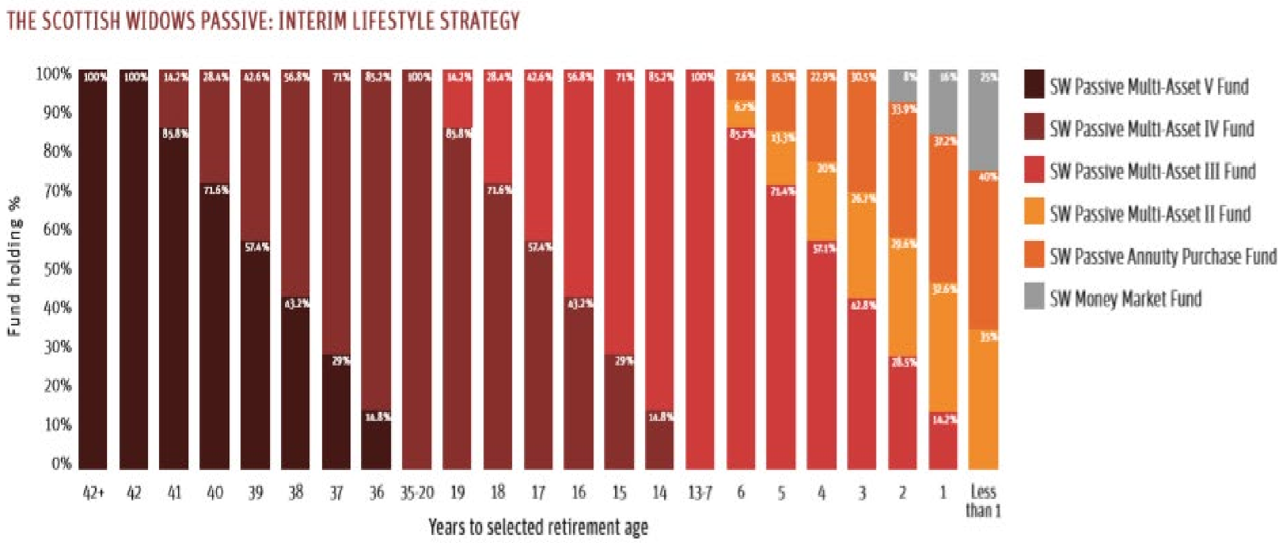
The default investment option is called the Scottish Widows Passive Interim Lifestyle. This lifestyle strategy is made up of five passive multi-asset funds, which offer a similar projected risk profile to the previous default but with a lower risk of underperformance as members approach retirement. The funds provide greater diversification by being invested in a wider range of asset classes. In addition, the Passive Interim Lifestyle option does not just target an annuity purchase and tax-free cash at retirement but allows for a mix of retirement options, reflecting that members may wish to make decisions closer to retirement.

Details of the investment strategy and investment objectives of the Passive Interim Lifestyle option are recorded in a document called the Statement of Investment Principles ("SIP"). The SIP is included as an appendix to this Statement and is also available on request from the Pensions Team.

In summary, the key points to note in relation to the default investment option are as follows*:*

- In trying to increase a member's fund as far as reasonably possible it is necessary to take investment risk. Markets do however move up and down. In order to seek to reduce the risk of funds going down as the member approaches retirement, the Passive Interim Lifestyle option and other lifestyle options available will automatically transfer assets into lower risk funds. This is also to ensure an adequate degree of diversification and to ensure that the strategy is suitable for members over their working career.

- The glidepath that the Passive Interim Lifestyle follows from growth through to retirement is as follows:



- The switch from growth funds through to retirement takes place over a 42-year period and reduces risk as retirement approaches. While the risk return profile of the growth funds is at the medium-high end of the risk spectrum, the glidepath will help members manage risk as retirement approaches.

- The Trustee has chosen passively managed funds to seek to minimise the risk of underperformance in the funds (and thus the confidence of members) in what is still an early stage of the evolution of the Defined Contribution Section and, additionally, as the amount of assets under management currently is insufficient to justify the added cost of active management. A passive fund is one which simply seeks to follow an index (e.g. the FTSE 100). An active fund is one in which a manager chooses where to invest the funds; because of the work needed to analyse all the different funds, costs are higher.

Reviewing the default investment arrangement

The Trustee will:

- review the investment strategy and objectives of the default investment option at regular intervals and at least once every 3 years; and
- consider the needs of the Plan membership when designing the default option.

The Trustee last carried out a review of the default investment strategy with its DC Consultant, Punter Southall Aspire (PS Aspire), on 28th November 2019. The existing investment options had been in place since October 2017 and the purpose of the 2019 review was to consider whether the default investment strategy remained appropriate.

No changes were made to the default investment strategy or the investment options as a result of the review and the Trustee was satisfied that the default investment strategy remains appropriate.

The default investment should have a growth phase that offers medium to high investment risk, while seeking long term investment growth, and this is in line with the current growth phase of the Plan's default investment strategy. Regular quarterly monitoring of investment performance has shown that the existing default investment strategy is performing in line with expectations. In addition, as the growth phase carries a higher risk, this is mitigated by phasing in lower risk versions of the fund as a member moves closer to retirement, allowing members still to benefit from positive returns on a higher risk investment whilst mitigating the risk gradually. This is in line with the risk management strategy detailed in the SIP.

A small reduction in the annual management charges was negotiated with the provider, which was effective from May 2020.

During the year Scottish Widows made changes to some of the funds that make up the default option (the passive Multi Asset Funds IV, III and II). The changes included a reduction in the 'home bias' by a reduction in the allocation to UK equities and greater diversification by investing in a wider range of asset classes, whilst maintaining a significant level of equity exposure. The new passively-managed asset classes included property, via Real Estate Investment Trusts (REITS), and Emerging Market Equity. The changes were phased over 6 months, starting in September 2020. The Trustees' DC Consultant, PS Aspire, assessed the changes and advised that the new asset allocation and structure will provide more diversified sources of return, provide more robust downside risk characteristics which improves long-term expected performance, retain the same risk profile while offering diversifications benefits, have no additional cost to members and also noted that Scottish Widows planned to incorporate Environmental, Social and Governance (ESG) considerations in the default investment strategy through a mixture of engagement and investment selection.

The Trustee had planned to review the investment options in the second half of 2021, however it is currently proposed that the DC section will transfer to a Master Trust[1] in November 2021. In place of the scheduled review, the Trustee will, with its advisers, consider the transfer of existing assets to the new Master Trust scheme.

The Trustee also monitors the performance of the default investment option (and all the funds available) quarterly by reviewing an Investment Governance Report developed with and provided by PS Aspire. The Trustee monitors performance of each fund relative to a number of different factors including how closely the passively managed funds match their relevant benchmarks.

The Trustee believes that the target benchmarks for each fund are not necessarily helpful comparators for members, as outperforming or underperforming a composite benchmark may not provide a clear indication that the retirement outcome is achievable and that members need more tangible and understandable comparators. For example, during the growth phase (which is the longest period in every lifestyle strategy) the underlying funds should aim to outperform the consumer price index (CPI) by 3% whilst, in the consolidation phase (or pre-retirement phase), the primary objective of the funds should be to outperform CPI, after all charges, while aiming progressively to dampen volatility as a scheme member's fund approaches maturity.

Therefore, the Trustee also monitors each fund against an 'inflation plus' benchmark, based on projected returns for the specific asset classes, to show the real value of members' assets against inflation. The table on the following page sets out the 'inflation plus' benchmarks for each fund.

[1] The Employer has proposed to close the DC Section to future contributions and set up a Master Trust, which is an occupational defined contribution pension scheme set up to cover multiple separate employers' pension arrangements. This structure offers an efficient way to deliver good member outcomes due to the Master Trust's scale.

Fund	Inflation Plus benchmark
SW Passive Multi Asset I	CPI
SW Passive Multi Asset II	CPI + 1%
SW Passive Multi Asset III	CPI + 2%
SW Passive Multi Asset IV	CPI + 3%
SW Passive Multi Asset V	CPI + 3.5%

In addition to the monitoring carried out by the Trustee, the provider also monitors the performance of all the funds offered on their platform. The provider has in place set procedures to take remedial action in the event of funds underperforming. These actions include issuing formal letters and notices to the investment fund manager to outline the concerns with the performance and request information on remedial action being taken. In the event that performance does not improve the provider will remove the fund from their platform.

The Trustee reviews that took place during the year concluded that the default option is performing broadly as expected and is consistent with the aims and objectives of the default as stated in the SIP.

2. Core financial transactions

The Trustee is required to report to you about the processes and controls in place in relation to the "core financial transactions". The law specifies that these include the following:

- investing contributions paid into the Plan;
- transferring assets related to members into or out of the Plan;
- transferring assets between different investments within the Plan; and
- making payments from the Plan to or on behalf of members.

The Trustee must ensure that these important financial transactions are processed promptly and accurately. In practice, responsibility for this is delegated to the Plan's administrator (although accountability remains with the Trustee). The Plan's administration is delivered by Scottish Widows and the Trustee has in place a service level agreement (SLA) to ensure that core financial transactions are processed promptly and accurately. As an example, the provider will act on an instruction to buy units following an individual member's transfer in by the end of the following business day and will sell units following a retirement claim within 2 business days.

The Plan's administrator provides quarterly reports to the Trustee on its performance against the SLAs and the accuracy of transactions, for both the Plan and all the schemes they administer, which allows the Trustee to assess how effectively and accurately the core financial transactions are completed. Any mistakes or delays are investigated thoroughly, and action is taken to put things right as quickly as possible.

Over the quarter to 31 March 2021, 80% of 'time critical processes' and 93% of 'manual administration tasks' were completed within the Service Level Agreement. Overall service levels were consistent over the year, although they fell short of the Service Level Agreement over the year largely due to an increase in claims and delays in recruitment due to the Covid-19 pandemic. Scottish Widow's Client Relationship Manager provided regular updates to the Pensions Manager and the Trustee on the service centre and processes put in place to improve service.

In addition, the internal Pensions and Payroll Teams carry out a detailed review of contributions each month to ensure that correct values are paid over and invested for each member. As accurate member data is needed to process contributions and payments correctly, regular data audits are carried out and steps taken to correct any errors or gaps found.

The Plan's auditor carries out a full audit each year. The audit includes a review of the contributions and of the financial transactions during the year, which includes a sample of transfers in and transfers out (based on materiality).

Overall, the Trustee is satisfied that, over the period covered by the statement:

- the administrator was operating appropriate procedures, checks and controls,
- whilst the administrator fell short of the agreed SLAs, due in the main to the impact of the pandemic, plans were in place to improve performance,
- there have been no material administration errors in relation to the processing of core financial transactions; and
- all core financial transactions have been processed promptly and accurately.

3. Charges and transaction costs paid by members

The Trustee is required to explain the charges and transaction costs (i.e. the costs of buying and selling investments in the Plan) which are paid by members rather than by the employer.

The total annual charge for each of the funds that make up the default and other lifestyle and investment options available are:

▪ Scottish Widows Passive Multi-Asset V Fund	0.453%
▪ Scottish Widows Passive Multi-Asset IV Fund	0.454%
▪ Scottish Widows Passive Multi-Asset III Fund	0.457%
▪ Scottish Widows Passive Multi-Asset II Fund	0.454%
▪ Scottish Widows Passive Multi-Asset I Fund	0.452%
▪ Scottish Widows Passive Annuity Purchase Fund	0.435%
▪ Scottish Widows Money Market Fund	0.436%

A reduction in member charges was effective from 1 May 2020. The charges across all funds were reduced by 0.03% and the Trustees continually keep charges under review to ensure best value for members.

The annual charges are inclusive of transaction costs and are well below the permitted maximum charge.

As the default investment option is a lifestyle strategy, members' assets are automatically moved between different investment funds as they approach their target retirement date. This means that the level of charges and transaction costs will vary depending on how close members are to their target retirement date and in which fund they are invested.

Transaction Costs

The transaction costs shown on the following page are those incurred when the Plan's fund managers buy and sell assets within investment funds. The charges and transactions costs have been supplied by Scottish Widows.

Fund Name	Fund Code	Transaction Costs Total (bps)[5]	Transaction Taxes (bps)	Fees & Charges (bps)	Implicit Costs (bps)	Indirect Costs (bps)[2]	Anti Dilution Offset (bps) [3]	Lending & Borrowing (bps)[4]	% Assets Reported Total % Reported	Fund Manager (s) *	Guidance Notes
SW Money Market CS1	FFCH	**1.4**	0.0	0.0	1.4	0.0	0.0	0.0	**100.0%**	FM4	*5, 6, 7*
SW Passive Annuity Purchase CS1	FFGA	**-1.8**	0.0	0.0	0.0	0.6	6.4	0.3	**100.0%**	FM3	*1, 2, 3, 4, 5, 6, 7*
SW Passive Multi Asset I CS3	FFLA	**-1.6**	0.0	0.0	0.0	-0.4	6.4	0.3	**100.0%**	FM3	*1, 2, 3, 4, 5, 6, 7*
SW Passive Multi Asset II CS3	FFLB	**0.0**	0.0	0.0	0.9	1.0	7.1	0.5	**100.0%**	FM1, FM2, FM3, FM4	*1, 2, 3, 4, 5, 6, 7*
SW Passive Multi Asset III CS3	FFLC	**0.4**	0.0	0.0	0.6	2.3	8.7	0.6	**100.0%**	FM1, FM2, FM3, FM4	*1, 2, 3, 4, 5, 6, 7*
SW Passive Multi Asset IV CS3	FFLD	**-0.7**	0.1	0.1	-0.7	1.6	9.0	0.8	**100.0%**	FM2, FM3	*1, 2, 3, 4, 5, 6, 7*
SW Passive Multi Asset V CS3	FFLE	**0.0**	0.0	0.0	0.0	1.3	7.6	0.6	**100.0%**	FM3	*1, 2, 3, 4, 5, 6, 7*

* Reference to the External Fund Manager Data table

External Fund Manager Data

Fund Manager[6,7]	Period Start	Period End	Ref.	
Aberdeen Standard Investments	06/04/2020	05/04/2021	FM1	
BlackRock Inv Mgt (Dublin) Ltd	06/04/2020	05/04/2021	FM2	
BlackRock Pensions Mgmt Ltd	06/04/2020	05/04/2021	FM3	
Schroders Investment Management	06/04/2020	05/04/2021	FM4	

Guidance Notes

1. For funds with more than one component, transaction cost calculations are based on blended fund-level holdings at the report date given.
2. Indirect Costs relate to transaction costs incurred within an underlying investment vehicle within the fund manager's fund.
3. Anti Dilution Offset (where provided) reflects the price adjustments the fund manager has made to protect existing investors from dilution effects resulting from investors buying or selling units. This reduces the total transaction cost incurred by existing investors and so is deducted from the costs incurred.
4. Lending & Borrowing (where provided) reflects transaction costs associated with short term loans of securities that the fund manager may undertake to increase investment returns.
5. Transaction cost totals represent annualised transaction costs incurred by the fund manager within the underlying fund. Figures do not currently contain impacts of dilution adjustments incurred at the Scottish Widows fund level when Scottish Widows deals in the underlying funds.
6. Reporting cycles may differ between fund managers, and so data provided may not align completely with the overall report date. The latest available annualised information has been used in each case.
7. Fund managers may use different methodologies to calculate their transaction costs; therefore overall transaction cost figures may not be directly comparable, or may exclude some elements or breakdowns of the total cost.
8. Transaction costs have not been provided by the fund manager(s) for some components of the fund. The percentage of assets reported on has been stated above. If no data on percentage coverage was provided by the fund manager, it is assumed that 100% coverage was achieved for these funds/fund components.

4. Effect of Costs & Charges

The data below illustrates the cumulative effect of costs and charges on member's fund values over time.

Projected pension pot in today's money: Starting Fund £7,000. Starting Contributions £200pm.
The table shows the development of the projected pension pot over time before and after charges for members of any age assuming the pension pot is invested fully in the fund shown.
The illustrations shown below are for a representative selection of the funds members may invest in. They were selected to reflect the range of projected returns and charges for the available funds. Note that these are not necessarily the funds that make up the default lifestyle strategy.
For the Default Lifestyle Strategy the development of the projected pension pot depends on the member's current age because the mix of funds changes as the member approaches retirement. Given this, we have also provided a second table showing illustrations of the development of the projected pot size over time for a sample of ages assuming the pension pot is invested in the Default Lifestyle Strategy.

Fund choice

Years	SW Passive Annuity Purchase CS1		SW Passive Multi Asset V CS3		SW Passive Multi Asset I CS3		SW Money Market CS1	
	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
1	9,240	9,210	9,520	9,480	9,280	9,250	9,290	9,250
3	13,600	13,500	14,700	14,500	13,800	13,600	13,800	13,600
5	17,900	17,600	20,100	19,800	18,200	17,900	18,200	17,900
10	28,000	27,300	34,500	33,600	28,900	28,100	28,900	28,100
15	37,400	36,100	50,500	48,400	39,000	37,600	39,100	37,600
20	46,200	44,100	68,000	64,500	48,700	46,400	48,800	46,400
25	54,300	51,400	87,400	81,700	58,000	54,600	58,100	54,600
30	61,900	58,000	108,000	100,000	66,700	62,300	66,900	62,300
35	68,900	64,000	132,000	120,000	75,100	69,400	75,400	69,400

Notes

1. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
2. Retirement is assumed to be at age 65
3. The starting pot size is assumed to be £7,000.
4. Inflation is assumed to be 2.5% each year.
5. Gross contributions of £200 per month are assumed from the start of the projection to retirement and are assumed to increase in line with inflation at 2.5% per year.
6. Values shown are estimates and are not guaranteed.
7. The projected growth rates for each fund are:
   - SW Passive Annuity Purchase CS1: 1.5% below inflation
   - SW Passive Multi Asset V CS3: 1.9% above inflation
   - SW Passive Multi Asset I CS3: 1.0% below inflation
   - SW Money Market CS1: 1.0% below inflation
8. The charges assumed for each fund are the current charges as shown in the Chair's Statement.

Illustrative Example – With contributions. Default Lifestyle Strategy

Projected pension pot in today's money: Starting Fund £7,000. Starting Contributions £200pm. Invested in the Default Lifestyle strategy.
This table shows the development of the projected pot size over time for a sample of ages assuming the pension pot is invested in the Default Lifestyle Strategy.
For the Default Lifestyle Strategy the development of the projected pension pot depends on the member's current age because the funds change as the member approaches retirement.
For non-lifestyle investments the projected pension pot does not depend on the starting age and develops as shown in the first table.

Years	Age Now 60		Age Now 55		Age Now 45		Age Now 35		Age Now 20	
	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
1	9,330	9,290	9,360	9,330	9,440	9,400	9,440	9,400	9,520	9,480
3	13,900	13,700	14,100	13,900	14,300	14,100	14,400	14,200	14,700	14,500
5	18,300	18,000	18,700	18,400	19,200	18,900	19,400	19,100	20,000	19,700
10			29,600	28,800	31,100	30,200	32,500	31,600	33,600	32,600
15					42,800	41,100	45,500	43,700	47,400	45,500
20					52,700	50,100	57,500	54,600	61,900	58,700
25							69,200	64,800	77,100	72,200
30							78,100	72,400	91,500	84,700
35									103,000	94,700

Notes

1. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
2. Retirement is assumed to be at age 65
3. The starting pot size is assumed to be £7,000.
4. Inflation is assumed to be 2.5% each year.
5. Gross contributions of £200 per month are assumed from the start of the projection to retirement and are assumed to increase in line with inflation at 2.5% per year.
6. Values shown are estimates and are not guaranteed.
7. For the default lifestyle strategy the projected growth rate varies over time as the funds invested in change.

The table below shows the average projected growth rates for the lifestyle strategy for a sample of terms to retirement:
Lifestyle approaches aim to provide a balance of growth opportunities in the early years and a degree of de-risking as you approach retirement. The actual return will depend on the funds chosen for each stage and the actual timing of any changes. When comparing possible returns from different funds, it is noted that higher risk funds will provide higher illustrative returns.

Years to Retirement	Projected Growth Rate (Average)	
1	1.10%	Below inflation
3	1.00%	Below inflation
5	0.90%	Below inflation
10	0.60%	Below inflation
15	0.50%	Below inflation
20	0.30%	Below inflation
25	0.20%	Below inflation
30	0.00%	Above Inflation
35	0.10%	Above Inflation

8. The charges assumed for each fund are the current charges as shown in the Chair's Statement.

Illustrative Example – Paid Up

Projected pension pot in today's money: Starting Fund £7,000. No further contributions.
The table shows the development of the projected pension pot over time before and after charges for members of any age assuming the pension pot is invested fully in the fund shown.
The illustrations shown below are for a representative selection of the funds members may invest in. They were selected to reflect the range of projected returns and charges for the available funds. Note that these are not necessarily the funds that make up the default lifestyle strategy.
For the Default Lifestyle Strategy the development of the projected pension pot depends on the member's current age because the mix of funds changes as the member approaches retirement. Given this, we have also provided a second table showing illustrations of the development of the projected pot size over time for a sample of ages assuming the pension pot is invested in the Default Lifestyle Strategy.

Fund choice

Years	SW Passive Annuity Purchase CS1		SW Passive Multi Asset V CS3		SW Passive Multi Asset I CS3		SW Money Market CS1	
	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
1	6,890	6,860	7,130	7,100	6,930	6,900	6,930	6,900
3	6,690	6,600	7,410	7,310	6,790	6,700	6,800	6,700
5	6,500	6,360	7,710	7,530	6,660	6,510	6,670	6,510
10	6,040	5,780	8,490	8,110	6,340	6,060	6,350	6,060
15	5,610	5,250	9,350	8,740	6,040	5,640	6,060	5,640
20	5,210	4,770	10,300	9,410	5,750	5,250	5,770	5,250
25	4,840	4,330	11,300	10,100	5,470	4,880	5,500	4,880
30	4,490	3,940	12,400	10,900	5,210	4,550	5,240	4,550
35	4,170	3,580	13,700	11,700	4,960	4,230	5,000	4,230

Notes

1. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
2. Retirement is assumed to be at age 65
3. The starting pot size is assumed to be £7,000.
4. Inflation is assumed to be 2.5% each year.
5. It is assumed that no further contributions are made.
6. Values shown are estimates and are not guaranteed.
7. The projected growth rates for each fund are:
   SW Passive Annuity Purchase CS1: 1.5% below inflation
   SW Passive Multi Asset V CS3: 1.9% above inflation
   SW Passive Multi Asset I CS3: 1.0% below inflation
   SW Money Market CS1: 1.0% below inflation
8. The charges assumed for each fund are the current charges as shown in the Chair's Statement.

5. Good value for members

When assessing the charges and transaction costs which are payable by members, the Trustee is required to consider the extent to which the investment options and the benefits offered by the Plan represent good value for members when this is compared to other options available in the market.

There is no legal definition of "good value" and so the process of determining good value for members is a subjective one. The Trustee has received advice from its advisers on how to assess good value and has also considered the regulatory guidance.

The Trustee reviews all member-borne charges annually, with the aim of ensuring that members are obtaining value for money given the circumstances of the Plan. The Trustee notes that value for money does not necessarily mean the lowest fee, and the overall quality of the service received has also been considered in this assessment. The Trustee's DC consultant has confirmed that the fund charges are competitive for the types of fund available to members.

The Trustee's assessment included a review of the performance of the Plan's investment funds (after all charges) in the context of their investment objectives. The Trustee also assessed the benefits members receive from the Plan, which include (amongst other things):

(i) the oversight and governance of the Trustee, including ensuring the Plan is compliant with relevant legislation and holding regular meetings to monitor the Plan and address any material issues that may impact members;

(ii) the design of the default investment option and how this reflects the interests of members as a whole;

(iii) the range of investment options and strategies;

(iv) the efficiency of administration processes and the extent to which Scottish Widows, as administrator, met or exceeded its service level standards for the Plan year;

(v) the quality of communications delivered to members; and

(vi) the quality of support services.

As detailed in the earlier section, the Trustee is comfortable that the default investment option and investment options reflect the interests of the members as a whole and is consistent with the Trustee's investment objectives.

The Trustee is comfortable with the quality and efficiency of the administration process. In addition, the Trustee believes that the Plan's communications are accurate, clear, informative and timely and deliver the necessary core messages, with planned continued focus on improving member outcomes. Members have access to well-developed online tools and a large amount of information via Scottish Widows' member site and via the internal company intranet.

Based on this assessment, the Trustee has concluded that the Plan represents good value for members.

6. Trustee knowledge and understanding

The law requires the Trustee board to possess, or to have access to, sufficient knowledge and understanding to run the Plan effectively.

The Trustee board takes its training and development responsibilities very seriously and keeps a record of the training completed by each trustee. This training record is reviewed annually to identify any gaps in knowledge and understanding across the Trustee board as a whole. The Trustee use a system to record their training, PensionPal, which helps the trustees to identify their training needs and work with the professional advisers to fill in any gaps.

Each Trustee must be conversant with the key Plan documents, including the Trust Deed and Rules and the Statement of Investment Principles. Each Trustee is asked to sign a statement to confirm that they have read the latest iteration of the Trust Deed and Rules and other key Plan documents to ensure a good working knowledge of the Plan. All of the Trustees have access to the key documentation for the Plan via PensionPal.

Newly appointed trustees are expected to complete the Trustee Toolkit, made available by the Pensions Regulator, and have formal induction training within 6 months of joining the Trustee board. The trustees are also expected to study for and take the examination for the Pension Management Institute's Certificate in Trusteeship to ensure they have sufficient understanding of the law relating to pensions and trusts. Currently, all of the trustees have completed the Trustee Toolkit and have achieve (or are working towards) the Certificate in Trusteeship.

All of the trustees attend an in-house annual training day, designed specifically each year to fulfil the current needs of the Trustee board. Individual trustees also attend external events as and when appropriate. In addition, two of the trustees and the Secretary to the Trustee have achieved the Pension Management Institute's DC Governance Certificate.

The Trustee board has more than 50 years experience between them and comprises of individuals with different areas of expertise, such as legal and governance, investment, finance and human resources. There is nonetheless a wish to achieve greater overall diversity. The Board is made up of individuals appointed by the Employer, independent trustees and those voted for by the members. Taking into account the Board's wide ranging experience, together with the ongoing training and development that is undertaken and the use of appointed third party advisers on matters such as investment and legal matters, I am confident that this enables the Trustee to exercise properly its functions as the Trustee of the Plan.

DocuSigned by:

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Robert Bass,
Chair of the Trustee

Signed: 22 September 2021