

Annual Statement Regarding Governance

London United Busways Trustee Company No.3 Limited (the 'Trustee') is the trustee of the London United Busways Retirement Benefits Plan (the 'Plan').

Regulations effective from 6th April 2015 require the Trustee to prepare a statement showing how it has met certain minimum governance standards in relation to defined contribution (DC) benefits. These standards cover four principal areas relating to the Plan's DC benefits, namely:

- the default investment arrangement;
- core financial transactions;
- value from member borne deductions; and,
- the trustees' knowledge, understanding and resources.

This statement sets out the steps taken by the Trustee to meet the statutory governance standards for the period 1 January 2023 to 31 December 2023 (the 'Scheme Year'). It has been prepared in compliance with regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (the 'Administration Regulations').

The Trustee operates a DC Working Party.

During 2023, the Trustee hosted two DC focussed meetings, with the DC Working Party maintaining any day-to-day work requiring attention outside of the Trustee meetings. The DC Working Party is made up of the Trustee Chair, RATP Dev UK Ltd's (the 'Sponsoring Employer') Pensions Manager (who also serves as a Trustee), and the Trustee's DC consultant (Mercer).

Members have the following DC benefits in the Plan:

- Additional Voluntary Contributions ('AVCs') – no new AVCs were accepted after 30 June 2017.
- Benefits in the Pension Investment Plan ('PIP') – no contributions could be made to the PIP after 24 October 2013.

Key terms

This statement uses some terms that you may not be familiar with, in particular:

- Some of the investment funds are 'with profits' and some are 'unit linked'. Broadly speaking, a unit linked fund is an investment vehicle that pools assets and gives investors a unit that entitles them to a share of the assets including their investment return or loss. A with profits fund is similar to a unit linked fund but seeks to smooth out the ups and downs of investment returns and provide guarantees.
- Transaction costs are the expenses incurred by asset managers when buying, selling, lending or borrowing investments.
- 'Smoothing' is a term relevant to with profit funds and is broadly speaking when profit in good years is held back to cover losses in bad years.
- A Market Value Reduction (only applicable to the Clerical Medical With Profits Fund) is a way of ensuring that members in a with profits fund do not lose out when another member in a with profits fund takes his or her savings out early.

1. Investment (including the default investment arrangement)

The Trustee is responsible for setting the Plan's investment strategy and for appointing investment managers to carry out that strategy. The Plan is not required to have a default arrangement, but the Trustee must establish whether any of their investment arrangements could be considered a default. A default investment arrangement is an investment fund that is used for members who join pension arrangements but do not choose how their DC savings are invested.

There is no default option in relation to the AVCs. This is because members made an investment choice when opting to make AVCs.

However, from a review of the joining documentation for the PIP, the Trustee has received legal advice indicating that the Clerical Medical With Profits Fund is a default investment option for the PIP.

Details of the investment strategy (i.e. the Trustee's aims, objectives and policies for the default option) are set out in a document called the Statement of Investment Principles (the 'SIP'). The latest copy of the SIP for the default investment option is appended to this statement. It has been prepared in accordance with regulation 2A of the Occupational Pension Schemes (Investment Regulations) 2005. Part of the SIP's aim is to articulate the principles and policies that guide the Trustee's decisions when making investments including in relation to matters such as risk and diversification.

The objectives of the default arrangement are to achieve a stable and smoothed level of return over the medium to long term. The Trustee selected the Clerical Medical With Profits Fund because its objectives are consistent with the Trustee's. The fund is invested in a range of assets including equities, government and corporate bonds, property and cash. The strategic investment mix is reviewed regularly by Clerical Medical and assets are chosen with a view to getting the best possible long-term performance and making sure the fund can meet its guarantees. It may provide bonuses in line with policies, and additionally guarantees at the discretion of Clerical Medical and depending on the investment performance of the fund's underlying assets.

The Trustee's DC Working Group conducts an annual review of the DC arrangements, including performance of the default, with help from professional advisers. This annual review includes reviewing a comprehensive monitoring report, which includes past performance.

The Trustee also carries out a more in-depth review of both the strategy and performance of the default option at least every three years (and more often if there are any significant changes in investment policy or the membership) as required by legislation.

The Trustee conducted an in-depth review of the default investment strategy and performance of the default investment option (as required by regulation 2A of the 2005 Investment Regulations) in 2020 on advice from Mercer. The review considered the performance of the Plan's investments and profile of members. This final review took place at the DC Working Party meeting on 10 November 2020. This review concluded:

- Performance of the unit linked funds has been mixed and should continue to be monitored by the Trustee;
- The Clerical Medical With Profits Fund has generally performed in third or fourth quartiles compared with our With Profits funds, based on the data available;
- Utmost offers a small fund range and limited online service for members; and,
- At a minimum, member communication was required to assist members with considering the suitability of the available investment options.

The Trustee did not undertake a review as at November 2023. This is because of ongoing work by the Trustee to transfer the DC and AVC benefits out of the Plan as a result of the current DC arrangement having been assessed as providing 'poor value' for members. The Trustee has provisionally agreed to transfer members' DC and AVC benefits out of the Plan and is in the process of appointing a provider. The Trustee anticipates this transfer will provide better long-term performance and improve member outcomes at retirement.

Net Investment Returns

From 1 October 2021 trustees of all relevant pension schemes are required to calculate and state the return on investments from their default and self-select funds, net of transaction costs and charges. This information must be recorded in the annual Chair's Statement and published on a publicly accessible website: www.ratpdevtransitlondon.com/pensions.

The table below shows performance, net of all charges and transaction costs, of all funds available to members during the Plan year:

Annualised returns to 31 December 2023 (%)		
Fund Name	1 year	5 year
Clerical Medical With-Profits*	Not available	Not available
UK Government Bond	-1.54%	-4.01%
Global Equity	15.74%	11.65%
UK Equity	-1.05%	3.45%
Managed	2.50%	4.09%
Money Market	4.56%	1.10%

* By its nature, the charging structure and performance of the Clerical Medical With-Profits fund is not transparent – for example, investment returns are earned in the form of discretionary bonuses calculated by the provider. Additionally, amounts paid out are smoothed over a period and will not specifically reflect the value of the underlying assets.

Statutory guidance has been taken into account when preparing this section of the statement.

Asset allocation disclosure

The Occupational Pension Schemes (Administration, Investment, Charges and Governance) and Pensions Dashboards (Amendment) Regulations 2023 ("the 2023 Regulations") introduce new requirements for trustees and managers of certain occupational pension schemes.

For the first scheme year that ends after 1 October 2023, trustees or managers of relevant occupational pension schemes are required to disclose their full asset allocations of investments from their default arrangements.

There are currently no performance-based fees being charged for the Plan as at 31 December 2023.

As at the time of signing the statement, neither Utmost nor Clerical Medical had been able to provide the required information to enable the Trustee to produce the asset allocation disclosures. The Trustee will continue to request this information from Utmost and will seek to complete the below table.

Asset class	Clerical Medical With-Profits Fund (%)
Cash	Not provided as at 18 June 2024
Fixed Income ^(a)	Not provided as at 18 June 2024
Listed equities	Not provided as at 18 June 2024
Private equity	Not provided as at 18 June 2024
Real assets	Not provided as at 18 June 2024
Private debt	Not provided as at 18 June 2024
Other	Not provided as at 18 June 2024

^(a)Fixed income allocation includes Corporate, Government and Other Bonds, as well as absolute return.

- The following describes the types of investments covered by the above asset classes:
 - Cash – Cash and assets that behave similarly to cash e.g. treasury bills. It only includes invested cash and not the cash balance held by the Plan.
 - Fixed Income (Bonds) – Loans made to the bond issuer, usually a government or a company, to be repaid at a later date.
 - Listed Equity – Shares in companies that are listed on global stock exchanges. Owning shares makes the Plan a part owner of the company, entitled to a share of the profits (if any) payable as dividends.
 - Private Equity – Unlisted equities that are not publicly traded on stock exchanges. Encompasses a broad range of investment styles, including:
 - Venture Capital – Small, early stage businesses that may have high growth potential, albeit at significant risk.
 - Private (Growth) Equity – Relatively mature companies that are going through a transformational event with potential for growth.
 - Real assets, including:
 - Infrastructure – physical structures, facilities, systems, or networks that provide or support public services including water, gas and electricity networks, roads, telecommunications facilities, schools, hospitals, and prisons.
 - Property – Real estate, potentially including offices, retail buildings which are rented out to businesses.
 - Private Debt – Other forms of loan that do not fall within the definition of a 'Bond'.
 - Other – Any assets that do not fall within the above categories.

2. The processing of core financial transactions

As required by the Administration Regulations, the Trustee must ensure that core financial transactions are processed promptly and accurately. This section explains how it does that.

This includes the following actions so far as they relate to DC benefits:

- Investment of contributions paid to the Plan;
- Transfer of members' assets into and out of the Plan;
- Transfers of members' assets between different investment options available in the Plan; and
- Payments from the Plan to, or in respect of, members.

Since the AVC and PIP arrangements no longer accept new contributions, the main transactions that occur are paying out of benefits and the switching of investment options (if any).

For 2023 these transactions were undertaken on the Trustee's behalf by Utmost, as the investment and administration provider during 2023 in respect of the Plan's DC benefits.

There were no scheme level service level agreements in place with Utmost. Utmost did not disclose the processes that they have in place to ensure that core financial transactions proceeded promptly and accurately. They provided the Trustee with annual transaction summaries, but these did not set out sufficient detail to enable the Trustee to assess the accuracy and timeliness of core financial transactions. Our advisers, Mercer, on behalf of all of their clients that held investments with Utmost, asked Utmost to provide this information to policyholders, but they declined. This affected all pension schemes with Utmost investments. Mercer continues to monitor this on behalf of the Trustee, in respect of Utmost's ongoing services.

Utmost provided the following generic information on its service levels on heritage Equitable Life schemes:

Service Level Agreements during 2023 were measured as follows:

- 95% of payments out made within 5 days

- 95% of illustrations completed within 10 days
- 90% of general servicing completed within 10 days

Mercer, as the Plan administrator, also has a role in the processing of core financial transactions. Mercer will process the payment of member benefits out of the Plan and would receive any investment switching options (via the in-house Pensions Officer). Mercer then instruct Utmost to make the appropriate disinvestment or investment switch. The Trustee has service level agreements in place with Mercer that cover the accuracy and timeliness of this element of the financial transaction process.

Mercer records all member transactions and benefit processing activities in a work management system, which assigns the relevant timescale to the task.

Mercer's administration reports disclose performance against agreed timescales. These disclosures are considered by the Trustee at their meetings and are reviewed against the targets set. The Trustee requires additional disclosures in respect of any transactions and benefit processing activity that has not been completed within the agreed timescales including the cause of the delay, the extent to which agreed timescales are breached and the proposed remedial measures.

The Trustee also monitor the accuracy of the Plan's data quarterly. A summary report is received from the Plan administrator.

As a wider review of the Plan administrator in general, the Trustee receives the Plan administrator's assurance report on internal controls. For the Plan year, the report received was for the period 1 January 2023 to 31 December 2023 and noted the Independent Service Auditor's opinion that, in all material aspects, its controls were suitably designed and those tested operated effectively.

During 2023, the Trustee did not identify any instances where core financial transactions were not processed promptly and accurately.

The Plan's risk register details the risks to Plan members associated with a failure to process core financial transactions promptly and accurately and it is monitored and reviewed on at least an annual basis.

Matters that arise relating to the administration of DC benefits are discussed at the Trustee meetings.

The Trustee is pleased that in the last Scheme Year there have been no material administration service issues. We are confident that the processes and controls in place with the Plan administrator (Mercer) are robust and will ensure that the financial transactions which are important to members and which they administer are dealt with properly.

3. Charges and transaction costs during 2023

The Trustee is required to report on the charges and transaction costs for the investments used in the default arrangement as well as the wider fund choice available and assess the extent to which the charges and costs represent good value for members. When preparing this statement, the Trustee has taken account of statutory guidance when producing this section.

The default investment option for PIP benefits, the Clerical Medical With Profits Fund, attracts an explicit annual management charge of 0.50% p.a. This was the annual management charge during 2022 and there was no change for 2023. (The level of transaction costs payable in relation to this fund is unknown as explained below.)

However, the total charges underlying a with profits investment are not clear. Pay outs on "surrender" and "maturity" (i.e. disinvestment) will reflect all charges incurred, though they are not separately identified. Moreover, the actual performance received by members, net of charges, is only ever known upon maturity/surrender, after any increase for guaranteed terms and after the effect of 'smoothing'. For example, if the guarantee impacts on the amount paid out, it could mean the underlying charges have been zero. This lack of clarity is relevant to the Clerical Medical With Profits Fund.

For other investments that are not with-profits investments and called 'unit linked' funds, the annual management charge (plus any relevant transaction charges – see below) are the only charges payable by members.

In addition to the PIP default investment option, the Trustee also makes available range of alternative investment options that may be chosen by members.

The annual management charges and transaction costs for the funds that make up the investment strategy for the alternative investment options are:

Fund	AMC during 2023 as % of assets under management	Other costs including transaction costs as % of assets under management	Total charges impact as % of assets under management
UK Government Bond	0.50%	0.19%	0.69%
Global Equity	0.75%	0.08%	0.83%
UK Equity	0.75%	0.25%	1.00%
Managed	0.75%	0.13%	0.88%
Money Market	0.50%	0.01%	0.51%
Clerical Medical With-Profits [#]	0.50%	Unknown*	Unknown*

* Utmost has not confirmed the full costs for the Clerical Medical With-Profits Fund, albeit they have produced illustrations as to the impact of the cost and charges. This means the Trustee has not been able to obtain the level of transaction costs applicable to this fund. The Trustee will continue to liaise with Utmost to obtain confirmation of the full costs and Mercer will do so on its behalf (and on behalf of their other affected clients, as agreed).

By its nature, the charging structure is not transparent – for example, investment returns are earned in the form of discretionary bonuses calculated by the provider. Additionally, amounts paid out are smoothed over a period and won't specifically reflect the value of the underlying assets.

The annual management charge consists principally of the fund manager's annual charge for managing and operating a fund, but also includes the costs for other services paid for by the fund such as legal costs, registration fees and custodian fees. However, they exclude other costs that are also member borne and which can therefore have a negative effect on investment performance such as transaction costs and interest on borrowings. Utmost has confirmed that transaction costs are met out of members' funds in addition to the annual management charge.

Transaction costs borne by members

The charges referred to above include transaction costs. These are costs incurred by fund managers as a result of buying, selling, lending or borrowing investments. These costs are taken into account by the fund managers when calculating the unit price for each of the funds. The transaction costs shown are calculated on a methodology known as 'slippage cost'. This compares the price of the stocks being traded when a transaction was executed with the price at which the transaction was requested. Market movements during any delay in transacting may be positive or negative and may also outweigh other explicit transaction costs. For this reason, overall transaction costs calculated on the slippage method can be negative as well as positive.

To date transaction costs have been difficult to identify which is why the government and regulators have introduced requirements on asset managers to disclose this information. However, not all managers have done this yet.

The information disclosed by Utmost on transaction costs has been included in the table above. Utmost confirmed that no charges are applied to switch investments between funds (though a Market Value Reduction may apply in respect of the Clerical Medical With Profits Fund).

As noted above, the Trustee has been unable to obtain information about the level of transaction costs applicable to the Clerical Medical With Profits Fund (the PIP) default investment option. The Trustee continued to ask Mercer to liaise with Utmost to seek to obtain a complete set of transaction costs information.

Illustration of the impact of costs and charges

Using the charges and transaction cost data provided by Utmost and in accordance with regulation 23(1)(ca) of the Administration Regulations the Trustee, with Utmost's and Mercer's assistance, has prepared an illustration detailing the impact of the costs and charges typically paid by a member of the Plan on their retirement savings.

The below illustration has taken into account the following elements:

- Savings pot size;
- Real terms investment return gross of costs and charges;
- Adjustment for the effect of costs and charges; and
- Time.

To illustrate the impact of charges on a typical member's pension pot, we have provided an example below. This includes all member costs, including the Total Expense Ratio, transaction costs and inflation. The illustration covers all possible time periods. On average, a member has a total fund value of c.£8,000 as at 31 January 2024.

The Trustee has had regard to DWP's statutory guidance when preparing this example. However, to help members compare and contrast how the different cost and charges will impact the money invested in each fund in use, Utmost have assumed each fund to have a starting amount of £1,000. This is not necessarily reflective of the median amount that is invested in each fund. This is the only material way in which the below example deviate from the approaches suggested by the statutory guidance. The charges contained in the illustration are in pounds (£).

Term	Clerical Medical With-Profits*		Term	Managed	
	Before Charges	After Costs and Charges Deducted		Before Charges	After Costs and Charges Deducted
1	1,010	999	1	1,010	1,002
3	1,030	997	3	1,031	1,006
5	1,050	995	5	1,052	1,010
10	1,102	990	10	1,107	1,020
15	1,157	985	15	1,165	1,030
20	1,214	981	20	1,226	1,041

25	1,275	976	25	1,290	1,051
30	1,338	971	30	1,358	1,061
35	1,405	966	35	1,429	1,072
40	1,475	962	40	1,503	1,083
Term	UK Equity		Term	Global Equity	
	Before Charges	After Costs and Charges Deducted		Before Charges	After Costs and Charges Deducted
1	1,020	1,009	1	1,020	1,011
3	1,060	1,028	3	1,060	1,033
5	1,101	1,047	5	1,101	1,056
10	1,213	1,097	10	1,213	1,115
15	1,336	1,149	15	1,336	1,177
20	1,472	1,204	20	1,472	1,242
25	1,621	1,261	25	1,621	1,312
30	1,786	1,321	30	1,786	1,385
35	1,967	1,383	35	1,967	1,462
40	2,166	1,449	40	2,166	1,543
Term	UK Government		Term	Money Market	
	Before Charges	After Costs and Charges Deducted		Before Charges	After Costs and Charges Deducted
1	985	979	1	978	973
3	957	940	3	936	921
5	929	901	5	895	873
10	863	812	10	801	761
15	802	732	15	717	664
20	745	660	20	642	580
25	692	595	25	574	506
30	643	536	30	514	441
35	597	483	35	460	385
40	554	436	40	412	336

*Updated costs and charges illustration were not provided by Utmost ahead of the signing of this statement. As such, the illustrations from the Clerical Medical With-Profits fund are as at 31 December 2022.

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) The starting pot size in each fund is assumed to be £1,000

3) Inflation is assumed to be 2.5% p.a. in line with specified assumptions used in Statutory Money Purchase Illustrations

4) Values shown are estimates and are not guaranteed

5) The projected growth rate for each fund are as follows: Unit-Linked Equity 4.5% p.a. (FTSE Tracker, Managed, UK Equity, Asia Pacific Equity, European Equity, US Equity, Fund of Investment Trusts, Global Equity, Property) Multi-Asset Growth 3.75% p.a. Multi-Asset Moderate 3.2% p.a. Multi-Asset Cautious 2.2% p.a. Sterling Corporate Bond 1.8% p.a. UK Government Bond 1% p.a. Unit-Linked Cash 0.25% p.a. (Money

Source: Utmost

This statement has been produced having regard to the Department of Work and Pension's September 2018 guidance: 'Reporting of costs, charges and other information: guidance for trustees and managers of relevant occupational schemes'.

Value for Money

The Trustees do not regard value as solely about achieving the lowest costs. Rather, it is a measure of the extent to which economic outlays (or 'price') are converted to provide the performance targets (or 'performance') for members that the Trustees seek to achieve.

The Trustee, with support from its advisors and in line with statutory requirements and regulatory guidance, has carried out an assessment of the value for members offered by the Plan, considering the following areas:

- 1) Costs and charges;
- 2) Net investment returns; and
- 3) Administration and governance.

In line with the statutory requirements set out in regulation 25(1A) of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 for “specified schemes” with assets under £100 million:

For 1) and 2), the Trustee’s assessment is based on a comparison against three comparator arrangements. For 3), the Trustee’s assessment is carried out considering the Plan’s arrangements in and of themselves.

An overview of the results of the Trustee’s assessment against the three areas is shown below. The Trustee has taken account of the statutory guidance, “Completing the annual Value for Members assessment and Reporting of Net Investment Returns” when carrying out this assessment and reporting its findings.

Assessment Area	Rating	Conclusion
Costs and charges	POOR	<p>The Plan has been compared against 3 comparators as required by law and these comparators have been picked based on data availability.</p> <p>The Plan’s charges are significantly higher across the board compared to the comparator arrangements:</p> <ul style="list-style-type: none"> - For the default fund, the Clerical Medical With-Profits Fund, the fee is higher than the comparator arrangements for the whole of a member’s lifetime. - For the two most popular self select options, the Utmost Managed Fund and the Utmost Money Market Fund, the fees are higher than the comparator arrangements. It should be noted that due to the nature of the funds available in the three comparator schemes, the comparator funds are not “like for like” in respect of objectives and underlying assets. However, they are the closest match available. - Transaction costs experienced have, on average, been higher than those in the comparator schemes. <p>The Plan’s costs and charges have therefore been assessed as representing poor value for members.</p>
Net investment returns	POOR	<p>Default Investment Solution Performance over the five years has generally been lower than those of the default funds within the comparator arrangements. However, it should be noted that as indicative member-level returns were not provided by Utmost, underlying investment returns of the Clerical Medical With-Profits fund were used and these are not the return that members receive. Members receive regular bonuses which vary from member to member.</p> <p>Two most popular self-select funds: Performance of the self-select funds has generally been lower than those of similar funds within the comparator arrangements. However, as above, due to the nature of the funds available in these comparator schemes, the comparator funds are not “like to like” in respect of objectives and underlying assets.</p> <p>Overall, the majority of the Plan’s net investment returns have underperformed the comparator arrangements (with a high proportion significantly so). There is also a concern around the lack of transparency relating to the returns from the with-profits funds, with the comparators provide clear performance. The Plan’s net performance is therefore assessed as representing poor value for members.</p>
Administration and governance	REASONABLE	<p>The Trustee has assessed the Plan as offering reasonable value from a governance and administration perspective. The Trustee works to improve value for members in the areas over which it has influence. Therefore, some areas of governance and administration provided good value, but other areas provided poor value where there is limited scope for the Trustee to improve in these areas.</p> <ul style="list-style-type: none"> - Promptness and accuracy of core financial transaction: There are a small number of core financial transactions undertaken on the Plan.

		<p>Of those completed, 95% were processed promptly and accurately over the Plan year.</p> <ul style="list-style-type: none"> - Quality of record keeping: An annual review of record keeping shows data quality is of a good level. - Appropriateness of the default strategy: the default strategy is a with-profits fund, where performance varies from individual to individual and is hard to measure. It is considered that more appropriate funds may be available. - Quality of investment governance: the Plan has appropriate investment governance procedures and policies in place. - Level of trustee knowledge and understanding: the Board is Chaired by a professional trustee. The wider board contains a mix of skills and experience, with regular trustee training undertaken. - Quality of communication with Plan members: Whilst Utmost offers limited communications and no online access, the Trustee has worked to provide supplementary communications to aid members with their decision making. - Effectiveness of management of conflicts of interest: the Plan has a conflicts of interest policy which is considered at each meeting and as issues arise. <p>It should be noted that the Company also pays for all advisory costs associated with operating the Plan, which further enhances member value.</p>
Overall	POOR	<p>Overall, considering all three areas as set out above, the Trustee has assessed the Plan as offering poor value for members. The Trustee recognises its limited ability to improve value for money and is currently looking to transfer the DC and AVC benefits out of the Plan.</p>

4. Trustee knowledge and understanding

In accordance with sections 247 and 248 of the Pensions Act 2004 and TPR Code of Practice 07, the Trustee Directors are required to maintain an appropriate level of knowledge and understanding which, together with professional advice which is available to them, enables them to properly exercise their functions and duties in relation to the Plan. This requirement has been met during 2023 as follows:

- The Trustee Directors maintain a trustee training log, which the Plan Secretary and Chair review to identify knowledge gaps in and agree how to address the gaps. They also take suggestions to identify gaps based on upcoming Trustee business.
- The Trustee receives regular advice from its actuarial, investment, legal, audit and consultancy advisers. Advisers regularly attend Trustee meetings and help the Trustee to obtain the necessary working knowledge of pensions law, trust law, funding and investment issues. Trustee advisers provide the Trustee with specific training on relevant items and proactively flag new regulatory, legal or market changes that would materially impact the Plan. The papers for every main Trustee meeting contain a Mercer paper flagging such changes over the last few months.
- The Trustee has (as required) one third representation by member-nominated Trustee Directors, who enable the Trustee to always access a member-perspective (in line with those individual's trustee duties).
- The Chair of the Trustee is a professional independent trustee, with a considerable amount of trustee and pensions consulting experience. He has a great deal of high quality experience as a trustee of both DB and DC schemes and an in depth knowledge of governance and operational issues for pension schemes. In particular, he has a great deal of understanding of the Plan's administration practices and is conversant with the Plan rules, SIP, statement of funding principles and trustee policies. He and his colleagues helped draft some of those policies when he became a Trustee Director of the Plan. The professional trustee came on board prior to the Plan closure to accrual and so quickly became familiar with its benefit structure, funding levels and investment strategies.
- Support is provided by a Plan secretary provided by the Company's in-house pensions function.
- The Trustee regularly takes advice from their investment consultants and legal advisers in respect of matters of funding, investment and pensions law and trusts, and the Chair (and/or the Plan Secretary on his behalf) liaises with those advisers about the agenda for upcoming Trustee meetings.

The Trustee Directors are conversant with the Plan's SIP and review this with assistance from the Plan's investment advisers. This is evidenced by the fact that the SIP is discussed at relevant Trustee meetings and also between the Chair and the investment consultant on a more regular basis. They also have a working knowledge of the Plan rules and Trustee policies. This is demonstrated in Trustee meetings when the Trustee Directors, and the advisers, are discussing member death cases or other issues relating to the Plan's operation. These requirements are also met as a result of the bullet points above.

Collectively they are an independent minded group of Trustee Directors who work collectively and collaboratively with all of their advisers.

Taking account of the Trustee Directors as individuals and collectively, and the professional advice available to them, the Trustee Directors consider that they have appropriate knowledge and understanding. It means that when making trustee decisions, the Trustee Directors ask the right questions of the right adviser and properly challenge all of their advisers, as well as instinctively knowing which documents to refer to and what requirements must be adhered to. Importantly it means they 'know what they don't know' and when to obtain professional advice to plug the gap. These actions demonstrate that the Trustee Directors are enabled to carry out their duties as trustees.

Chair's declaration

This statement has been prepared in accordance with Regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 as amended by the Occupational Pension Schemes (Charges and Governance) 2015 (together 'the Regulations') and I confirm that the above statement has been produced by the Trustee Directors to the best of our knowledge.

9 July 2024

Signed on behalf of the Trustee Company on

M Fletcher

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Trustee Director