WILLIAM HILL PENSION SCHEME ('THE SCHEME')
THE CHAIR'S ANNUAL GOVERNANCE STATEMENT

Introduction

I am pleased to present the Trustee's annual statement of governance for the Defined Contribution ('DC') Section of the Scheme, covering the period 1 October 2019 to 30 September 2020.

Regulations effective from 6 April 2015 require the Trustee of the William Hill Pension Scheme (the 'Trustee' of the 'Scheme') to prepare a statement showing how it has met certain minimum governance standards in relation to defined contribution benefits. The Scheme is a hybrid arrangement and as such there are members of the Defined Benefit ('DB') Section who have Additional Voluntary Contributions ('AVCs') with Standard Life and Equitable Life, now Utmost Life and Pensions ('Utmost'), as well as there being members in the Defined Contribution ('DC') Section of the Scheme.

The Scheme's mission is to help members attain a good financial outcome for life after work. This statement describes the work that the Trustee has done to achieve that, and how it seeks to ensure that the Scheme is well-managed and delivers excellent services to members.

This statement covers five key areas:

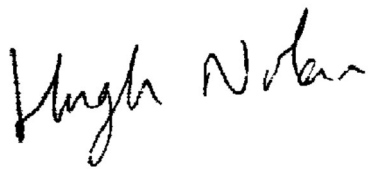
1. The investment strategy relating to the Scheme's default arrangement;

2. The processing of core financial transactions;

3. Charges and transaction costs within the Scheme;

4. Value for Members considerations; and

5. The Trustee's compliance with the statutory knowledge and understanding ('TKU') requirements.



Hugh Nolan
for Dalriada Trustees Limited
Chair of William Hill Trustee Limited
Trustee of the William Hill Pension Scheme

13 April 2021

1. The Scheme's default investment arrangements

The assets of the DC Section are invested with Legal & General Investment Management ('LGIM'). Some members also have DB AVC assets in funds managed by Standard Life and Utmost. The DC Section of the Scheme consists of four pools: The Pension Savings Plan 2001 ('PSP'), the Employee Pension Plan ('EPP'), the Transfers In and the AVCs.

The Trustee recognises that members have differing investment needs and that these may change during the course of a member's working life. The Trustee also recognises that members have different attitudes to risk. The Trustee believes that members should make their own investment decisions based on their individual circumstances. The Trustee regards their duty as making available a range of investment options and lifestyle strategies sufficient to enable members to tailor their investment strategy to their own needs.

The Trustee also recognises that members may not believe themselves qualified to take investment decisions, so the Trustee makes available two Default Investment Strategies – one for PSP members and one for EPP members. The Default Investment Strategies place the emphasis on aiming to deliver a good level of real return over members' working lifetimes (whilst mitigating risk through diversification) and also encompass de-risking in the years approaching a member's selected target retirement age into asset classes designed to be appropriate for how a member expects to withdraw benefits in retirement.

In accordance with the Occupational Pension Scheme (Administration) Regulations 1996, as amended, the Trustee has appended the latest copy of the Statement of Investment Principles (the 'SIP'), including the default SIP, dated 23 September 2020. The SIP has been prepared for the Scheme in compliance with Section 35 of the Pensions Act 1995 and regulation 2 / regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005.

The SIP covers the aims and objectives of the default investment arrangements as well as its policies in relation to matters such as risk and diversification. It also states why the Trustee believes the default investment arrangement to be designed in members' best interests. These objectives translate to the following principles:

a. Offering members a 'Lifestyle' approach to the Default Investment Strategy and ensuring that the other investment strategy options including additional lifestyle strategies allow members to plan for retirement;

b. Making available a range of pooled investment funds (asset classes to include equities, bond and alternatives) and lifestyle strategies which serve to meet the varying investment needs and risk tolerances of Scheme members;

c. Actively managed funds will only be included to the extent that the Trustee has a high level of confidence in the respective investment managers achieving their performance objectives, net of active investment management fees;

d. The range of pooled investment funds will have strategies including additional lifestyle strategies that are highly rated by the Trustee's investment adviser unless the Trustee decides there is good reason not to;

e. Providing general guidance as to the purpose of each investment option;

f. Encouraging members to seek financial advice from an appropriate party in determining the most suitable option for their individual circumstances;

g. In determining an appropriate balance between providing flexibility and choice, as well as simplicity and cost control, the Trustee aims to make available a range of options which satisfy the needs of the majority of members; and

h. The Trustee regularly reviews the suitability of the options including additional lifestyle strategies provided and from time to time will change or introduce additional fund choices as appropriate.

The Trustee reviewed the SIP requirements at the Trustee meeting on 30 June 2020 and further considered the Trustee's stewardship policy regarding the appointment of investment managers and the various risk exposure of the Scheme. The Trustee will review aligning manager appointments with investment strategy and relevant engagement activities on an annual basis. When considering appointments of investment manager, the Trustee will consider how the manager's responsible investment philosophy aligns with the Trustee's views. The Trustee has incorporated these beliefs in the latest version of the SIP dated 23 September 2020 which can be found in the appendix to this Statement.

The SIP is also available at https://www.williamhillpensions.co.uk/library. Furthermore, this Chair's Statement on DC Governance will be published on the Scheme website. Both documents will be discoverable by search engines and signposted in the annual benefit statements. The Trustee currently offers three lifestyle strategies:

- **Annuity Lifestyle Strategy** – for those planning to buy a level annuity (a fixed pension income for life) at their target retirement date. This is the current default investment option for PSP members that do not make their own investment decision.

Years to Retirement	LGIM Diversified Fund (%)	LGIM Global Equity Market Weights (30:70) Index Fund – 75% GBP Currency Hedged (%)	LGIM Pre-Retirement Fund (%)	LGIM Sterling Liquidity Fund (%)
10	50.00	50.00	0.00	0.00
9	50.00	50.00	0.00	0.00
8	50.00	50.00	0.00	0.00
7	50.00	37.50	12.50	0.00
6	50.00	25.00	25.00	0.00
5	50.00	12.50	37.50	0.00
4	50.00	0.00	50.00	0.00
3	37.50	0.00	56.25	6.25
2	25.00	0.00	62.50	12.50
1	12.50	0.00	68.75	18.75
0	0.00	0.00	75.00	25.00

- **Cash Lifestyle Strategy** - for those planning to take their DC savings as a cash lump sum. This is the default investment option for EPP members that do not make their own investment decision.

Years to Retirement	LGIM Diversified Fund (%)	LGIM Global Equity Market Weights (30:70) Index Fund – 75% GBP Currency Hedged (%)	LGIM Pre-Retirement Fund (%)	LGIM Sterling Liquidity Fund (%)
10	50.0	50.0	0.0	0.0
9	50.0	50.0	0.0	0.0
8	50.0	50.0	0.0	0.0
7	50.0	37.5	12.5	0.0
6	50.0	25.0	25.0	0.0
5	50.0	12.5	37.5	0.0
4	50.0	0.0	50.0	0.0
3	37.5	0.0	37.5	25.0
2	25.0	0.0	25.0	50.0
1	12.5	0.0	12.5	75.0
0	0.0	0.0	0.0	100.0

- **Drawdown Lifestyle Strategy** - for members planning to leave their DC savings invested and withdraw income flexibly over time. Members who wish to drawdown their savings in retirement would have to transfer their DC savings out of the Scheme at retirement to a drawdown provider.

Years to Retirement	LGIM Diversified Fund (%)	LGIM Global Equity Market Weights (30:70) Index Fund – 75% GBP Currency Hedged (%)	LGIM Pre-Retirement Fund (%)	LGIM Sterling Liquidity Fund (%)
10	50.00	50.00	0.00	0.00
9	50.00	50.00	0.00	0.00
8	50.00	50.00	0.00	0.00
7	50.00	43.75	6.25	0.00
6	50.00	37.50	12.50	0.00
5	50.00	31.25	18.75	0.00
4	50.00	25.00	25.00	0.00
3	50.00	18.75	25.00	6.25
2	50.00	12.50	25.00	12.50
1	50.00	6.25	25.00	18.75
0	50.00	0.00	25.00	25.00

The Trustee monitors how the funds within the Scheme's default investment arrangements (and the wider self-select fund options) have performed against their targets at each quarterly meeting, taking input from its professional investment advisors. The Trustee also maintains a programme of ongoing review of the suitability of the default arrangements, considering member demographics, including contribution rates, how members withdraw benefits at retirement, the ages at which they do so and the size of their funds.

The Trustee discussed the Scheme's investment strategy on 14 June 2019. The discussion also took into account performance in line with the aims and objectives of the Trustee outlined in the default SIP, recent industry retirement trends and member demographics (including age and pot size). The Trustee reviewed the implementation of the new investment arrangement at the Trustee meeting on 25 March 2020 and 30 June 2020, and has decided to put the process on hold due to the limitations brought by Brexit and COVID. The investment arrangements will remain the same and the Trustee will communicate with the members when an investment decision has been made on the default investment arrangement for the Scheme.

Some DB members have chosen to contribute into AVCs which are also managed under the DC Section of the Scheme. Members made their own investment decisions on these AVCs assets. Whilst the Trustee monitors the suitability and the performance of these assets regularly, the discretions are largely governed by the members.

Environmental, Social and Governance Factors in Investments

The Trustee acknowledges the DWP's requirements that came into force on 1 October 2020 that stated the SIP should further set out the Trustee's policy on undertaking stewardship and engagement activities regarding monitoring relevant persons. The Trustee has received training on this topic and has updated the SIP to reflect their ESG beliefs.

In terms of monitoring ESG issues within the current fund range, the Trustee's investment advisor provides ESG fund ratings on a quarterly basis. These ratings represent the extent to which managers integrate ESG factors and active ownership into their core processes.

2. The processing of Scheme financial transactions

As required by the Administration Regulations, the Trustees must ensure that "core financial transactions" are processed promptly and accurately. Core financial transactions are (broadly):

- Investment of contributions made to the Scheme by members and their employer(s);
- Transfers into and out of the Scheme of assets relating to members;
- Switches of members' investments between different funds within the Scheme; and
- Payments from the Scheme to or in respect of members (e.g. payment of death benefits).

The Trustee recognises that delay and error in processing transactions can cause significant losses for members. Delays in processing can also cause members to lose faith in schemes which may in turn reduce their propensity to save and impair future outcomes. The Trustee therefore operates measures and controls aimed at ensuring that all financial transactions (such as benefit payments and switches between funds) are processed promptly and accurately.

The Scheme's administration is outsourced to Capita Employee Benefits Limited ('Capita'). As part of that model, the Trustee has agreed timescales with Capita for the processing of all

member-related services, including core financial functions such as benefit quotations, investment switches and benefit payments. These timescales are well within any applicable statutory timescale and are summarised in table 1 below. This records the main measures and controls that the Trustee operates to satisfy themselves that the Scheme's financial transactions are both prompt and accurate, including regular evaluation of Scheme data and reporting of all member complaints to the Trustee. Over the year to 30 September 2020, the average SLA achievement rate was 92.9%.

Table 1 Timescales for benefit processing

Task	Service Level Agreement	Comment
Transfer out	18 working days	Subject to receipt of monies and the Fund Manager's own dealing dates
Transfer in	24 working days	Subject to receipt of monies and the Fund Manager's own dealing dates
Retirement	20 working days	Subject to receipt of monies and the Fund Manager's own dealing dates
Death claim	5 working days	
Investment switch – post or email	8 working days	Subject to receipt of monies and the Fund Manager's own dealing dates

Table 2 Internal Controls

Core financial transaction	Key internal control
Investment switches requested by members	**Promptness** • Administrator's SLA for member initiated switching investments is 1 working day from date of request. • Lifestyle switching is subject to an agreed matrix and is carried out on the 1st day of each quarter (1st January, 1st April, 1st July, 1st October).
	Accuracy • All switches are reconciled by administrator with manager transaction statements. • All members are notified when a member-initiated investment switch is completed. Members are notified when their switch has been completed and provided with a revised unit holding.
Payment of benefits to members, including retirements, transfers and death benefits	**Promptness** • Cash flow preparation includes identification of forthcoming benefit payments. • SLAs for core benefit transactions (retirements, deaths and transfers) help ensure that member wishes are known well in advance of benefit payment date.

	• Annual appraisal of common data helps ensure that member data is accurate, reducing the likelihood of delay from data gaps. • All member complaints must be reported to the Trustee, even where no breach of agreed timescales has occurred. All member complaints are reported to the Trustee via the quarterly administration report regardless of their origin or outcome.
	Accuracy • Administrator operates peer review system for all benefit calculations. • Data accuracy is subject to regular evaluation and updating.

Other controls that address the promptness and accuracy of core financial controls include:

- The administrators record all member transactions and benefit processing activities in a work management system which assigns the relevant timescale to the task. They must report quarterly to the Trustee their performance against these agreed timescales. These disclosures are considered by the Trustee at its quarterly meetings.

- The Trustee requires additional disclosures in respect of any transactions and benefit processing activity that have not been completed within the agreed timescales including the cause of the delay, the extent to which agreed timescales were breached and the proposed remedial measures. None of the breaches of agreed timescale during the period covered by this statement are regarded as a matter for significant concern.

Furthermore, in producing the Scheme's Annual Report and Accounts, the Trustee and the Auditor (Grant Thornton LLP) also review a sample of core financial transactions. The Auditor also carries out holistic reviews for reasonableness and consistency, and undertakes checks to ensure that the Schedule of Contributions has been adhered to. No issues have been raised by the Auditor.

As part of a wider review of the Scheme's general administration, the Trustee receives the Scheme administrator's assurance report on internal controls, reviewed by Capita's auditor (Grant Thornton UK LLP, having replaced KPMG LLP). For the Scheme year, the report received was for the period 1 January to 31 December 2019. The Trustee was disappointed to note a number of exceptions were identified in this report, with Capita's internal controls requiring some improvement as well as needing more evidence of compliance. The Trustee was, however, partially reassured that several of the exceptions had already been dealt with, that new evidentiary procedures are now in place and that some of the difficulty in demonstrating compliance had been due to the Covid pandemic restricting physical access to Capita's sites. The Trustee will continue to monitor the situation.

Following their monitoring activities, the Trustee was satisfied that there were no significant issues with the core administration functions delivered by Capita for the DC Section over the reporting period of this Statement and that core financial transactions were processed promptly and accurately in the Scheme year.

3. Charges and transaction costs within the scheme

As required by the Administration Regulations, the Trustee is required to report on the charges and transaction costs for the investments used in the default investment option as well as the wider fund choice available and assess the extent to which the charges and costs represent good value for members.

The table below shows the Total Expense Ratio ('TER') and the transaction costs for each of the funds underlying the Scheme's default investment arrangements as well as the wider self-select fund range and AVC arrangements.

The TER comprises the investment manager's annual charge for managing and operating a fund, but also includes the costs of other services paid for by the fund, such as the legal costs, registration fees and custodian fees. However, it excludes 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.

Transaction costs are the expenses associated with a member trading in and out of a fund as well as the investment manager trading a fund's underlying securities, including commissions taxes and other fees.

DC Section

LGIM Funds	Scheme TER (% p.a.)	Transaction Cost (% p.a.)
Funds used in the lifestyle strategies (and default investment options)		
Global Equity Market Weights 30:70 Index Fund - 75% GBP Currency Hedged	0.11	0.061
Diversified	0.20	-0.010
Pre-Retirement	0.15	0.003
Sterling Liquidity	0.14	-0.015
Self-select funds (PSP, EPP, AVCs and Transfers In)		
UK Equity (5% capped) Passive	0.14	0.026
Global Equity Market Weights 30:70 Index Fund - 75% GBP Currency Hedged	0.11	0.061
Overseas Equity Consensus Index	0.15	0.004
World Emerging Markets Equity Index	0.46	0.014
AAA-AA-A Corporate Bond All Stocks Index	0.15	-0.034
Diversified	0.20	-0.010
Pre-Retirement	0.15	0.003
Pre-Retirement Inflation Linked	0.13	0.031
Property	0.93	-0.134
Sterling Liquidity	0.13	-0.015

Source: Legal & General, as at 30 September 2020
Due to the way in which transaction costs are calculated, they can be negative or positive in nature; a negative figure is effectively a gain from trading activity, whilst a positive figure is effectively a cost from trading activity.

The Trustee benchmarks LGIM's charges against comparable alternatives and has negotiated with fund managers accordingly. It regards this process as fundamental to its

mission of helping members achieve good outcomes, given the potential for investment-related charges to erode members' fund sizes. At the same time, the Trustee does 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 Trustee seeks to achieve.

Standard Life AVC funds

Standard Life Funds	Scheme TER (% p.a.)	Transaction Cost (% p.a.)
Managed	0.68*	0.128

**Includes a 0.35% p.a. discount*

Members also received further discounts from Standard Life based on the following fund value structure for the managed fund:

Fund Value Threshold (£)	Rate (% p.a.)
0	0.00
10,000	0.10
20,000	0.20

Members also have investments in With Profits funds with Standard Life via the AVC section. The actual performance received by members, net of charges, is only ever known upon maturity/surrender, after any augmentation for guaranteed terms and after the effect of 'smoothing'. Payouts on surrender and maturity will reflect all charges incurred, though they are not separately identified.

With-Profits Funds

Standard Life Funds	Scheme TER (% p.a.)	Transaction Cost (% p.a.)
Millennium (With Profits) Fund	N/A	0.081
With Profits Fund	N/A	0.097

Source: Standard Life, as at 30 September 2020

Utmost AVC Fund

Utmost Funds	Scheme TER (% p.a.)	Transaction Cost (% p.a.)
Money Market Fund	0.50	0.002

Source: Utmost Life & Pensions, as at 30 September 2020

Reporting of Costs and Charges

Using the charges and transaction cost data provided by LGIM and Standard Life Investments, and in accordance with regulation 23(1)(ca) of the Administration Regulations, as inserted by the 2018 Regulations, the Trustee has prepared an illustration detailing the impact of the costs and charges typically paid by a member of the Scheme on their retirement savings pot. The statutory guidance provided has been considered when providing these examples.

The below illustration has taken into account the following elements:

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

Due to the diverse Scheme demographics, the Trustee has presented two sets of illustrations to represent the members in the PSP and EPP. For the first set, the Trustee has based this on the youngest member age of 21 and 20, using a starting pot size of £4,500 and £1,500 and salary of £26,500 and £14,000, for PSP and EPP respectively. These values are based on the mean of the fund values and salaries for members up to age 25. A contribution scale of 10% is used for the PSP scheme and 8% for the EPP scheme.

The second set is based on a "typical member" in both the PSP and EPP arrangements, starting from age 47 and 32 based on the median age of the PSP and EPP members respectively, with a starting pot size of £52,500 and £3,000 and the corresponding average salary of £40,000 and £16,000 within the respective age groups. A contribution scale of 10% is used for the PSP scheme and 8% for the EPP scheme.

Other than the illustration of the most popular fund/arrangement (in this case the default arrangements), the illustration also should show a representative range of assumed investment returns and charges (in respect of both DC and AVC investments), including:

i) lowest charge,
ii) highest charge,
iii) lowest assumed level of growth, and
iv) highest assumed level of growth.

With exception of the default strategies, we have used the member assumptions of the EPP section for the "youngest" and "typical" member to prepare the illustrations, as the EPP population represents the majority of the DC Scheme membership.

Youngest Member:

Year End	PSP 2001 Default Arrangement		EPP Default Arrangement		Most Expensive - LGIM Property Fund		Cheapest & Lowest Return - LGIM Sterling Liquidity Fund		Highest Return - LGIM Global Equity Market 30:70 Weighted Index Fund (75% GBP Hedged)	
	No Charges	Charges deducted	No Charges	Charges deducted	No Charges	Charges deducted	No Charges	Charges deducted	No Charges	Charges deducted
0	4,500	4,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
1	7,308	7,295	2,676	2,671	2,670	2,645	2,592	2,588	2,681	2,677
5	19,342	19,220	7,714	7,666	7,651	7,407	6,808	6,776	7,777	7,735
10	36,360	35,948	14,839	14,674	14,611	13,785	11,755	11,659	15,071	14,924
15	55,873	54,958	23,008	22,638	22,485	20,673	16,365	16,177	23,546	23,212
20	78,246	76,562	32,375	31,688	31,394	28,109	20,662	20,359	33,393	32,767
30	133,310	129,01	55,429	53,661	52,878	44,809	28,397	27,809	58,128	56,484
40	197,853	189,26	83,753	80,144	80,380	64,279	35,115	34,190	91,521	88,009
44	209,876	199,97	89,386	85,184	93,428	72,944	37,548	36,478	107,950	103,355
45			89,607	85,327	96,896	75,194	38,135	37,029	112,375	107,472

Typical Member:

Year End	PSP 2001 Default Arrangement		EPP Default Arrangement		Most Expensive - LGIM Property Fund		Cheapest & Lowest Return - LGIM Sterling Liquidity Fund		Highest Return - LGIM Global Equity Market 30:70 Weighted Index Fund (75% GBP Hedged)	
	No Charges	Charges deducted	No Charges	Charges deducted	No Charges	Charges deducted	No Charges	Charges deducted	No Charges	Charges deducted
0	52,500	52,500	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
1	58,007	57,904	4,379	4,372	4,370	4,330	4,244	4,238	4,389	4,382
5	81,603	80,955	10,290	10,223	10,199	9,861	9,097	9,052	10,382	10,323
10	114,973	113,291	18,649	18,431	18,344	17,277	14,896	14,766	18,960	18,765
15	144,831	141,840	28,233	27,759	27,560	25,292	20,410	20,163	28,926	28,498
18	156,745	153,059	34,646	33,956	33,660	30,409	23,589	23,256	35,665	35,038
25			51,822	50,406	49,783	43,319	30,642	30,072	53,962	52,657
30			62,493	60,458	63,129	53,440	35,384	34,617	69,595	67,573
33			65,429	63,145	71,965	59,901	38,118	37,222	80,166	77,595

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 transaction costs are an average of the years for which data is available (up to three years).
3. Values are estimates and are not guaranteed.
4. The projected growth rates use the same underlying SMPI assumptions plus any transaction costs.
5. The projected growth rate (SMPI only) for each fund are as follows:
   i. PSP and EPP Default Fund: 2.77% p.a. before de-risking to -0.40% p.a. and -1.00% p.a. respectively at the end of de-risking phase, gross expected real return above inflation
   ii. Most Expensive – LGIM Property Fund: 2.50% p.a. gross expected real return above inflation
   iii. Highest Return – LGIM Global Equity Market 30:70 Weighted Index Fund (75% GBP Hedged): 3.05% p.a. gross expected real return above inflation
   iv. Cheapest & Lowest Return – LGIM Sterling liquidity: -1.00% p.a. gross expected real return above inflation.
6. The Transaction Costs relate to the actual transaction costs incurred in the Scheme year. Negative transaction costs are assumed 0% as a prudent measure.

4. Value for Members considerations

The Trustee is committed to ensuring that members receive good value in respect of the DC and AVC arrangements in place within the Scheme. In conjunction with their professional advisors, they undertook a value for members assessment, in accordance with regulation

25(1)(b). The assessment was presented to the Trustee at the 10 December 2020 meeting, covered the period 1 October 2019 to 30 September 2020.

There is no legal definition of "good value", so the process of determining good value is a subjective one. Therefore, the Trustee assessment examines the current investment management charges relative to standard institutional fees, as well as looking at the fees for equivalent size mandates, Mercer Manager Research Ratings and historical performance. The review concluded that the Scheme's overall DC benefits and options represent **good value for money** in comparison to the costs payable by members. The reasons underpinning this conclusion include:

- Charges for the Scheme's funds used by the default investment arrangements are significantly below the charge cap of 0.75% per annum.
- Charges on for the majority of funds have been assessed by its advisors as comparing favourably with those of peer funds.
- The funds used by the Scheme are highly rated by its investment advisors as having good prospects of achieving their risk and return objectives.
- The performance of the majority of the Scheme's funds over the 3 years (or 1 year where more recent inception) to 30 September 2020 compare favourably relative to the performance benchmarks set by the Trustee.
- The LGIM Property Fund has a charge higher than its peers and has underperformed over the 3-year period to 30 September 2020. The Trustee will continue to monitor the performance of the fund going forwards.

Additionally, the Company pays for all administration, member communication and advisory costs associated with operating the Scheme. The Trustee has appointed a specialist pensions communication agency to help it develop a communications strategy.

As mentioned previously some members also have AVC assets in funds managed by Standard Life. The 2019 assessment concluded that the Standard Life Managed Fund provided reasonable value for money when taking into account the Scheme discount, with the charges paid by members being below the charge cap.

Assessing the value for money of a with-profits fund is directly related to an individual's attitude towards, and capacity for, investment risk. An individual may find comfort in the fact that a with-profits fund provides guarantees; whether that is a guaranteed pension, investment return or "just" capital security. Therefore, we consider it inappropriate to reach a general conclusion on value for money from the With-Profits Funds, as this will vary by member.

The Pensions Regulator expects trustees to have an understanding of the types and levels of transaction costs that are incurred by different investments and include them in a value for members' assessment. However, no assessment of value in relation to transaction costs has been undertaken at this time, due to the absence of wider market data that would enable appropriate comparative assessment. The Trustee intends to build transaction costs into future Value for Member assessments when this data is available.

5. Trustee's Knowledge and Understanding (TKU)

In accordance with sections 247 and 248 of the Pensions Act 2004, the Trustee Directors are required to maintain an appropriate level of knowledge and understanding which, together with professional advice that is available to them, enables them to properly exercise their functions and duties in relation to the Scheme.

The Trustee board is currently comprised of six Trustee Directors, with two being member-nominated, three company appointed and one Independent Trustee.

The Independent Trustee, Dalriada Trustees Limited, is represented primarily by Hugh Nolan who has over 30 years of experience in the pensions industry and is an accredited professional trustee. In addition to his Scheme conversance (as detailed below), Hugh is also a qualified actuary and has held senior roles at several pension consultancies. The board benefits from the range of his depth and experience in the pensions arena which enables him to challenge the Trustee's advisors if and when appropriate.

The Trustee Directors must also be conversant with the Scheme's own documentation. These are described in legislation as the Trustee Memorandum and Articles of Association, Trust Deed and Rules, Statement of Investment Principles. The Trustee Directors must also be conversant with any other document recording current policy relating to the Scheme generally. The Pensions Regulator interprets 'conversant' as having a working knowledge of those documents such that the Trustee is able to use them effectively when they are required to do so in the course of carrying out their duties on behalf of the Trustee.

This requirement has been met during the course of the Scheme year as the Trustee Directors have undertaken ongoing training, both as a group and individually to keep abreast of relevant developments. During the year, the Trustee completed the following:

Requirement	How met
Trustees must have sufficient knowledge and understanding of the law relating to pensions and trusts and the relevant principles relating to the funding and investment of occupational pension schemes	The Trustee Directors consider their annual training plan on a quarterly basis at each meeting, which includes specific consideration of whether any further training is required in respect of these statutory areas. In addition, the Trustee Directors receive updates from their advisors at regular Trustee meetings and throughout the year to keep abreast of recent developments in these areas. They are also encouraged to complete the Pension Regulator's Trustee Tool Kit and any new/revised relevant modules released. At each of their meetings, the Trustee Directors consider a report that summarises forthcoming changes to regulations, their potential impact on the Scheme and the actions that are required to ensure compliance. The Trustee view these regular and ongoing training opportunities as an essential part of expanding their combined knowledge to exercise their functions as Trustee of the Scheme.

Requirement	How met
	During the Scheme Year the Trustee Directors undertook ongoing training both as a group within the regular meetings and individually including: - Considered the Scheme's investment strategy including the investment process and potential members' outcomes. - Briefings on forthcoming changes to Pensions law and their possible impact on the Scheme, for example Competitions Market Authority Review, ESG requirements and financial considerations for Statement of Investment Principles. - General AVC governance requirement and scheme specific focus on the Standard Life Managed Fund. - Publication of Scheme documents on a publically accessible website and illustration of costs and charges. - Regular training of the investment principles and philosophy from investment managers, for example an COVID-impact training with CQS at the 23 September 2020 Trustee meeting.
Trustees must have a working knowledge of the Scheme's own documentation including the Trust Deed and Rules, the current Statement of Investment Principles and of all documents setting out the trustees' current policies	The Trustee Directors undertake an annual evaluation of training requirements, which includes specific consideration of whether any further training is required in respect of these documents, further details are outlined in the last section of the table. The Trustee Directors have access to all key Scheme documentation and as part of their gap analysis a number of the Trustee Directors will be reviewing the Scheme documentation. During the Scheme Year the Trustee Directors: - Reviewed the Scheme's Statement of Investment Principles (SIP) on 23 September 2020 and updated it in light of the new requirements around investment manager stewardship and engagement. - The Trustee has prepared an Implementation Statement in light of the regulatory requirements to include in the latest Annual Trustee Report and Account. - As per the Business Plan the Trustee reviewed the Scheme documents incrementally on a quarterly basis. - Reviewed the member's annual benefit statements.

Requirement	How met
	- Reviewed the Chair's Statement layout and considered publication of corresponding Scheme documents. - Exercised their discretion regarding member cases, liaising with their lawyers and referring to Scheme Trust Deed and Rules as appropriate.
Knowledge and resources generally	The Trustee Board comprises individuals with diverse professional skills and experiences, reflecting the varied nature of the challenges that its governance must address. The Trustee's pension advisors attend each of their quarterly meetings and input into the agenda. They also help the Trustee prepare its annual business plan. The Trustee's investment advisor reports quarterly on the performance of the Scheme's investments and on their views regarding the Scheme's funds and their managers. The Trustee regularly receive email bulletins and quarterly updates from its advisors including the latest developments affecting money purchase benefits and industry trends, as a mean to upkeep the Trustee's regulatory knowledge and understanding. The Trustee believes that their combined knowledge and understanding, together with the available advice, enables them to properly exercise their function.

The table above shows how these duties have been fulfilled and how the combined knowledge and understanding, together with the advice which is available to the Trustee Directors, enables them to properly exercise their duties and responsibilities.

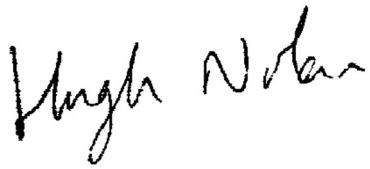
As part of the evaluation of the performance and effectiveness of the board as a whole, all but one of the Trustee Directors in office during the period have fully completed the Pension Regulator's Trustee Toolkit, with the exception of a new module on Pension Scams that not all the Trustee Directors have yet had an opportunity to work through. New Trustee Directors are asked to complete the toolkit within six months of their appointment.

Taking into account the various reviews and actions carried out by the trustee body, and the professional advice available to them, the Trustee Board consider they are properly enabled to exercise their function as Trustee of the Scheme.

The Trustee will also, on an ongoing basis, review and assess whether the systems, processes and controls across key governance functions are consistent with those set out in the Pensions Regulator's Code of Practice 13.

Chair's declaration

I confirm that the above statement has been produced by William Hill Trustee Limited.



Hugh Nolan
for Dalriada Trustees Limited
Chair of William Hill Trustee Limited
Trustee of the William Hill Pension Scheme

13 April 2021

Appendix
I. Statement of Investment Principles

Appendix I - Statement of Investment Principles