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 2020 to 30 September 2021.

Regulations effective from 6th April 2015 ('the Administration Regulations') 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 investment arrangements;
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.

Chair of William Hill Trustee Limited
April 2022

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MARSH & McLENNAN COMPANIES

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 members' working lives. 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. As such the Trustee makes available two Default Investment Strategies – one for PSP members and one for EPP members. The default investment arrangements place the emphasis on aiming to deliver a good level of real return over members' working lifetimes (whilst mitigating risk through diversification) and also encompasses 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 their benefits in retirement.

In accordance with the Administration Regulations, the Trustee has appended the latest copy of the Statement of Investment Principles (the 'SIP'), including the default investment arrangement SIP, dated 16 September 2021. 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 arrangements to be designed in members' best interests.

These objectives translate to the following principles:

a. Offering members a 'Lifestyle' approach to the default investment arrangements 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, bonds 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;

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 on 16 September 2021 such that it reflects the latest position of the DB section of the Scheme. There is no change to the DC section of the SIP as a result of this review. The latest SIP dated 16 September 2021 can be found in the appendix of this Statement.

The SIP is also available at https://www.williamhillpensions.co.uk/library. Furthermore, this Chair's Statement will be published on the William Hill Pension 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 default investment option for PSP members that did not make their own investment decision and are less than 8 years from their target retirement age as at 1 January 2022.

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. This is the **default** investment option for **PSP** members that are more than 8 years from their target retirement age as at 1 January 2022.

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 reviews 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 13 September 2021. 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. As a result of this review, the Trustee decided to make the following changes for members invested in the Annuity Lifestyle Strategy:

- Members more than 8 years from their target retirement age on 1 July 2022 will not experience any immediate change to their investments but the investments will differ as they approach retirement as their investments will gradually de-risk in line with the Drawdown Lifestyle Strategy.

- Members less than 8 years from their target retirement age on 1 July 2022 will not experience any change to their investments and will continue to target annuity purchase at retirement.

The relevant communications are due to be issued to the members in the second quarter of 2022. Members may refer to the letter for more details of this change.

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 Trustee 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 2021, the average Service Level Agreement (SLA) achievement rate was 96.8%.

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

Task	Service Level Agreement	Comment
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). For the Scheme year, the report received was for the period 1 January to 31 December 2020 and included the Independent Service Auditor's qualified opinion that, in all material aspects, its controls were suitably designed and those tested operated effectively, subject to some exclusions and highlighted matters that the Trustee has reviewed separately.

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	0.12	0.035
Diversified	0.20	-0.023
Pre-Retirement	0.15	0.012
Sterling Liquidity	0.13	-0.025
Self-select funds (PSP, EPP, AVCs and Transfers In)		
UK Equity (5% capped) Passive	0.17	0.045
Global Equity Market Weights 30:70 Index Fund - 75% GBP Currency Hedged	0.12	0.035
Overseas Equity Consensus Index	0.15	-0.006
World Emerging Markets Equity Index	0.47	0.014
AAA-AA-A Corporate Bond All Stocks Index	0.15	-0.035
Diversified	0.20	-0.023
Pre-Retirement	0.15	0.012
Pre-Retirement Inflation Linked	0.13	0.005
Property	0.88	-0.264
Sterling Liquidity	0.13	-0.025

Source: Legal & General, as at 30 September 2021
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 LGIM 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	0.67*	0.138

**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	0.182
With Profits Fund	N/A	0.101

Source: Standard Life, as at 30 September 2021

Utmost AVC Fund

Utmost Funds	Scheme TER (% p.a.)	Transaction Cost (% p.a.)
Money Market Fund	0.50	0.000

Source: Utmost Life & Pensions, as at 30 September 2021

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 at age 19, using a starting pot size of £17,500 and £1,000. These figures are based

on the median pension size of the youngest 10% of memberships in PSP and EPP respectively. It is also assumed that members contribute £4,500 and £1,000 annually for PSP and EPP respectively. These values are based on the median pension contribution of the youngest 10% of the memberships in the respective sections. These contribution amounts translate to an equivalent salary of £30,000 per year for PSP member at 15% pension contribution rate, and £13,306 per year for EPP member at 8% pension contribution rate.

The second set is based on a "typical member" in both the PSP and EPP arrangements, starting from age 40 based on the average age of the PSP and EPP members collectively, with a starting pot size of £56,000 and £8,000 respectively. These figures are based on the average pension size of the respective membership group. It is also assumed that members contribute £8,000 and £1,500 annually for PSP and EPP respectively. These values are based on the average pension contribution of the youngest 10% of the memberships in the respective sections. These contribution amounts translate to an equivalent salary of c.£52,900 per year for PSP member at 15% pension contribution rate, and c.£16,800 per year for EPP member at 8% pension contribution rate.

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	Age	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	19	17,500	17,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
1	20	22,542	22,501	2,554	2,550	2,534	2,512	2,466	2,462	2,560	2,555
6	25	49,928	49,515	8,280	8,219	7,983	7,703	7,047	7,011	8,361	8,305
11	30	81,326	80,206	14,845	14,660	13,926	13,119	11,240	11,147	15,101	14,931
16	35	117,323	115,075	22,372	21,978	20,408	18,771	15,080	14,910	22,932	22,567

21	40	158,595	154,692	31,001	30,293	27,477	24,669	18,595	18,333	32,029	31,365
26	45	205,913	199,702	40,895	39,739	35,186	30,823	21,813	21,446	42,597	41,504
36	55	322,362	308,941	65,243	62,665	52,764	43,945	27,456	26,853	69,140	66,650
46	65	398,836	377,945	80,634	76,631	73,671	58,233	32,187	31,326	104,964	100,042

Typical Member:

Year End	Age	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	40	56,000	56,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
1	41	65,654	65,534	9,741	9,723	9,652	9,567	9,348	9,336	9,764	9,748
5	45	107,019	106,202	17,200	17,073	16,554	15,970	14,508	14,433	17,375	17,260
10	50	165,512	163,239	27,747	27,380	25,883	24,287	20,466	20,284	28,268	27,930
15	55	232,575	228,040	39,840	39,091	36,058	32,965	25,920	25,606	40,921	40,226
20	60	300,493	292,946	52,152	50,886	47,155	42,021	30,914	30,446	55,622	54,395
25	65	335,626	325,662	58,103	56,459	59,257	51,470	35,486	34,849	72,701	70,723

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 -1.26% p.a. and -1.75% p.a. respectively at the end of de-risking phase, gross expected real return above inflation
   ii. Most Expensive – LGIM Property Fund: 1.75% p.a. gross expected real return above inflation
   iii. Highest Return – LGIM Global Equity Market 30:70 Weighted Index Fund (75% GBP Hedged): 3.00% p.a. gross expected real return above inflation
   iv. Cheapest & Lowest Return – LGIM Sterling liquidity: -1.75% 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 25 March 2022 meeting, covering the period 1 October 2020 to 30 September 2021.

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 fees charged on DC investment platforms, 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 for the majority of funds have been assessed as comparing favourably with those of peer funds.
- The funds used by the Scheme are generally 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 to 30 September 2021 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 2021. 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 2021 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 three Trustee Directors, with two being member-nominated, and one being an Independent Trustee. There are three vacancies available for the Employer to appoint additional Trustee Directors if so desired at any stage.

The Independent Trustee, Hugh Nolan (representing Dalriada Trustees Limited) has over 30 years of experience in the pensions industry. In addition to his Scheme conversance (as detailed below), he 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.

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 required 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.

Requirement	How met
	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. 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 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.
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. The Trustee's lawyers have just produced a consolidated working copy of the governing documentation to allow easier reference to the current position. During the Scheme Year the Trustee Directors: - Reviewed the DB Section of the Scheme's Statement of Investment Principles (SIP) in

Requirement	How met
	September 2021 and updated it in light of the annuity policy purchased with Rothesay Life. - The Trustee has prepared an Implementation Statement in light of the regulatory requirements to include in the latest Annual Trustee Report and Accounts. - As per the Business Plan the Trustee reviewed the Scheme documents incrementally on a quarterly basis. - 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 of the Trustee Directors in office during the period have completed the Pension Regulator's Trustee Toolkit. New Trustee Directors are required 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.

Chair of William Hill Trustee Limited

April 2022