

Executive Pension Plan for Employees of S & H Limited (the "Scheme")

Annual governance statement for the Scheme year ending 30 June 2018

1. Introduction

As Trustee of the Scheme, we have reviewed and assessed that our systems, processes and controls across key governance functions are consistent with those set out in the Pensions Regulator's:

- code of practice 13: governance and administration of occupational trust-based schemes providing money purchase benefits (the "**DC code**"); and
- regulatory guidance for defined contribution schemes ("**DC regulatory guidance**").

Based on our assessment, the Trustee continues to work towards adopting the standards of practice set out in the DC code and DC regulatory guidance.

As at the date of this statement there are three deferred members of the Scheme.

2. Governance of the Default Arrangement

The Pensions Regulator appointed Open Trustees Limited as Trustee of the Scheme on 7 June 2018. Open Trustees wrote to Aviva on 12 June 2018 to obtain information relating to the Scheme's default arrangement. However, despite chasing for this information, for reasons outside of the Trustee's control, we have no information which would allow us to confirm the Scheme's investment strategy. We will continue to chase Aviva for this information and will provide an updated Chair's statement as soon as this information is available.

The Trustee will consider preparing a statement of investment principles ("**SIP**") in respect of the Scheme once information relating to the Scheme's investments are made available from Aviva.

3. Objectives of the Scheme's default approach

Following our appointment as Trustee of the Scheme on 7 June 2018, we wrote to Aviva on 12 June 2018 to request information relating to the Scheme's default approach. However, despite chasing for this information, for reasons outside of the Trustee's control, we have no information which would allow us to confirm the Scheme's default approach. We will continue to chase Aviva for this information and will provide an updated Chair's statement as soon as this information is available.

4. Core Financial Transactions

Following our appointment as Trustee of the Scheme on 7 June 2018, we wrote to Aviva on 12 June 2018 to request information confirming the details and processes relating to the Scheme's core financial transactions. However, despite chasing for this information, for reasons outside of the Trustee's control, we have no information which would allow us to confirm the Scheme's core financial transactions. We will continue to chase Aviva for this information and will provide an updated Chair's statement as soon as this information is available.

5. Charges and Transaction Costs

The Occupational Pension Schemes (Scheme Administration) Regulations 1996 (the "**Administration Regulations**") requires the Trustee to make an assessment of charges and transactions costs borne

by the Scheme members and the extent to which those charges and costs represent good value for money for members.

Following our appointment as Trustee of the Scheme on 7 June 2018, we wrote to Aviva on 12 June 2018 to request details of the charges and transaction costs borne by the Scheme members in order to make this assessment. However, despite chasing for this information, for reasons outside of the Trustee's control, we do not have all of the information which would allow us to make this assessment. We will continue to chase Aviva for this information and will provide an updated Chair's statement as soon as this information is available.

6. Trustee Knowledge and Understanding (TKU)

Section 248 of the Pensions Act 2004 requires the Trustee to possess, or have access to, sufficient knowledge and understanding to run the Scheme effectively.

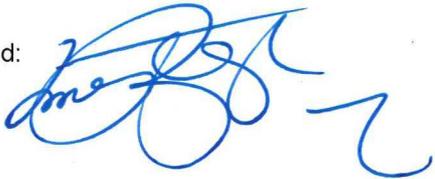
The Trustee takes training and development responsibilities seriously and each member of the board of directors of the Trustee maintains a record of all training completed during the Scheme year. This record is reviewed annually in order to identify any gaps in knowledge and understanding and a training plan is then put in place over the course of the following Scheme year.

Each of the members of the board of directors is a UK qualified lawyer, either specialising in UK pensions law or insolvency and restructuring law. The Trustee combines the knowledge and understanding of the members of the board, together with the advice which is available to them through their consultants and advisers, to enable them to properly exercise their function as Trustee of the Scheme.

The Pensions Regulator appointed Open Trustees as trustee of the Scheme on 7 June 2018. As we were appointed to act as Trustee just before the year end being reported on in this statement we cannot comment on whether the former trustees possessed or had access to sufficient knowledge and understanding to run the Scheme effectively. However, since our appointment as a Trustee of the Scheme, members of the board of directors have attended a number of training sessions relating to pensions law and practice relevant to the Scheme, including training on the transfers of DC Benefits and the impact of Brexit.

The Trustee has asked Aviva to provide it with copies of the Scheme's governing documents. Once Aviva have provided the Trustees with these documents, each of the members of the board of directors will have access to the Scheme's governing documents and will take the time necessary in order to ensure they are conversant with those documents.

Signed:



Date:

30/01/2019

Director of Open Trustees Limited (Chair of Trustees)