

DC Governance statement from 1 April 2020 to 31 March 2021

Spirent Communications plc Staff Pension and Life Assurance Plan (“the Plan”) Chair’s statement regarding the governance of defined contribution arrangements Plan year - 1 April 2020 to 31 March 2021

1. Introduction

- 1.1. This statement has been prepared by the Trustees of the Spirent Communications plc Staff Pension and Life Assurance Plan (“the Trustees”) and reports on compliance with defined contribution (“DC”) governance standards, which are designed to help members achieve good outcomes from their pension savings.
- 1.2. The reporting period covered by this statement is 1 April 2020 to 31 March 2021 (the “Plan year”).
- 1.3. As required by regulation, the Trustees will publish this statement on a publicly accessible website, and draw it to the attention of members in their annual benefit statement. The web address will be:
https://corporate.spirent.com/about-us/pension_plans_chairs_statements

2. The Plan’s DC arrangements

- 2.1. The Plan predominantly provides benefits on a defined benefit (“DB”) basis, however it contains the following DC arrangements that provide additional benefits for DB members:
 - 2.1.1. Benefit entitlements for members who transferred into the Plan on a DC basis (“Notional transfers in”). The transfer values were added to the Plan’s main assets (i.e. those which are managed on a DB basis) and members were granted a notional unit allocation. These units are valued using a calculation that reflects the composite performance of the Plan’s assets.
 - 2.1.2. Other DC transfers-in invested into either an investment-only account with Clerical Medical or a ‘bundled’ services arrangement (administration, investment and communication services) with Aviva.
 - 2.1.3. Additional Voluntary Contributions (“AVCs”) provided through ‘bundled’ services arrangements with Aviva, Clerical Medical, ReAssure, Royal London and Utmost Life & Pensions.
- 2.2. The Plan has never been used for automatically enrolling new members.

3. Default investment arrangement

- 3.1. The Plan has no default investment arrangement, as it has never been used as a qualifying scheme for automatic enrolment purposes.
- 3.2. Details of the investment strategies provided through the Plan, their aims and objectives and the Trustees’ investment policies are set out in the ‘Statement of Investment Principles’ (SIP). This SIP covers the investment policy in relation to the whole Plan, and was last updated in September 2020 to incorporate new legislative requirements and changes to the Plan’s DB investment strategy.
- 3.3. The Trustees monitor all of the Plan’s investments on a quarterly basis with assistance from their investment advisers, considering both fund performance and any developments at the investment managers.

4. Core financial transactions

- 4.1. The Trustees have a duty to ensure that 'core financial transactions' are processed promptly and accurately, and must describe to members how this obligation is met.
- 4.2. Core financial transactions comprise the following, in relation to the Plan's DC arrangements:
 - 4.2.1. Transfers and other payments out of the Plan
 - 4.2.2. Investment switches (for the arrangements within the Plan where members have a choice of investment options).

Transfers in (Notional & Clerical Medical) Administration

- 4.3. Over the reporting period, the administration functions in relation to the Plan were outsourced to, and completed by, Barnett Waddingham LLP ("Barnett Waddingham"), who undertake core financial transactions on behalf of the Trustees.
- 4.4. To ensure the accuracy and timeliness of processing of core financial transactions, the Trustees have established robust reporting and monitoring processes and controls.
- 4.5. The processes and controls in place to ensure the promptness of core financial transactions for these benefits are:
 - 4.5.1. The Trustees have a Service Level Agreement (SLA) in place with Barnett Waddingham covering the promptness of transactions, under which the administrators aim to process 95% of transactions within service levels for each type of transaction.

Core Financial Transactions	Service Level Agreement
Transfer out payments	3 working days
Other payments out of the Plan	5 working days
Investment switches	5 working days

- 4.5.2. The Trustees receive regular administration reports from Barnett Waddingham which are reviewed at each trustee meeting. The reports assess performance against the SLA for each type of transaction. Over the Plan year, 90% of tasks in respect of core financial transactions for the Plan as whole were processed within SLA, although very few of these were in respect of the Plan's DC arrangements. Where tasks miss their target, the administrators undertake to complete the outstanding actions promptly and to ensure no financial detriment to members, and report the outcome to the Trustees at the next meeting.
- 4.6. The processes and controls in place in relation to ensuring the accuracy of core financial transactions for these benefits are:
 - 4.6.1. The Trustees monitor the quality of the data held by Barnett Waddingham on an ongoing basis. Both common data and scheme-specific data scores are produced quarterly, and the Trustee will take action to improve data quality wherever possible. As at 31 March 2020, the common data score for the Plan was 91.48%, and the scheme-specific data score for the Plan was 87.01%. Under the methodology used, both of these scores indicate "very good data with minimal cleansing requirements".

- 4.6.2. Barnett Waddingham operate a pooled banking facility. The Barnett Waddingham pension administration system is updated daily to show reconciled balances to the pooled banking system. Financial Conduct Authority regulations for holding client monies mean that Barnett Waddingham must carry out an internal and external reconciliation every day. Barnett Waddingham's internal controls are audited annually and this is evidenced to the independent auditor.
- 4.6.3. Barnett Waddingham's processes are subject to internal controls procedures and adhere to AAF standards. Information about Barnett Waddingham's administration procedures and controls can be found in its AAF report which is published online: www.barnett-waddingham.co.uk/aaf-0106-report.
- 4.6.4. Barnett Waddingham has also achieved accreditation in respect of ISO 27001 and ISO 9001 standards, which detail Quality Management and Information Security Management procedures.
- 4.6.5. Administration risks are captured as part of the Plan's risk register, which also includes details of the controls established by the Trustees to mitigate such risks.
- 4.6.6. Kreston Reeves LLP have been appointed by the Trustees to undertake an annual external audit of the report and accounts.
- 4.6.7. Any issues uncovered regarding inaccuracies with core financial transactions are included within the quarterly reporting and considered at each trustee meeting with any remedies required then being implemented.

AVC Administration

- 4.7. Core financial transactions for the AVC arrangements are undertaken by the external providers listed in paragraph 2.1.3. These are however co-ordinated by Barnett Waddingham, to whom the Trustees have delegated day-to-day administrative oversight. For example, in respect of payments out of the AVC arrangements, the role of the external providers is to disinvest the appropriate funds and transfer the funds to the trustee bank account. Barnett Waddingham will then distribute the funds as required.
- 4.8. Barnett Waddingham report back to the Trustees as part of quarterly trustee meetings with any specific issues relating to the administration of the AVC policies. There were no issues reported to, or identified by, the Trustees in connection with the promptness or accuracy of the processing of core financial transactions for the AVC policies during the Plan year.

Assessment

- 4.9. There were no issues reported to the Trustees in connection with either the promptness or accuracy of core financial transactions processed during the Plan year for any of the Plan's DC arrangements, and there were no such issues outstanding at the end of the Plan year.
- 4.10. In view of the controls and monitoring arrangements, and the absence of issues experienced during the scheme year, the Trustees believe that core financial transactions have been processed promptly and accurately.

5. Member-borne charges and transaction costs

- 5.1. Members bear charges and transaction costs, which will differ depending on the investment options in which their pension savings are invested:

5.1.1. Charges: these are expressed as a percentage of the value of each member's holdings within an investment fund, and can be made up of a combination of charges, e.g. annual management charge and additional expenses. We refer to the total annual charge as the Total Expense Ratio (TER).

5.1.2. Transaction costs: these relate to the variable costs incurred within an investment fund arising from the trading activities of the fund, e.g. incurred in the buying and selling of securities, which are not accounted for in the TER charge.

Charges in relation to the Notional Transfers In

5.2. Although members only have notional unit entitlements, the valuations of these entitlements depends upon the performance of the main Plan assets. The following table provides details of the charges and transaction costs for each of the investment options over the Plan year that comprise the main Plan assets (data sourced from each relevant investment manager):

Investment option	TER (p.a.)	Transaction Costs (p.a.)
LGIM World Equity Index Fund	0.166%	-0.010%
LGIM World Equity Index Fund (Currency Hedged)	0.188%	0.039%
LGIM Sterling Liquidity Fund	0.135%	-0.150%
LGIM Diversified Fund	0.290%	0.001%
LGIM Buy and Maintain Credit	0.110%	-0.049%
Aberdeen Standard GARS *	0.720%	0.867%
Insight Enhanced Selection LDI Funds	0.100%	0.116%
Insight Maturing Buy and Maintain Bond Funds	0.120%	-0.031%
Insight High Grade ABS	0.250%	-0.073%
Insight Liquidity	0.080%	0.003%
Insight Liquidity Plus	0.080%	0.038%

* The charges applicable to this fund are the only ones borne by investors; for all other funds, the charges are invoiced to the Trustees.

5.3. In certain circumstances the methodology used for calculating transaction costs (known as slippage) can lead to negative costs being reported. This can be, for example, where other market activity pushes the price of the asset being traded down, whilst the transaction was in progress. This can result in the asset being purchased for a lower price than when the trade was initiated.

Charges in relation to other Transfer In benefits

5.4. The following table provides details of the charges and transaction costs applied to each of the other investment options used over the Plan year to hold transfer in benefits (data sourced from each relevant investment manager):

Investment option	TER (p.a.)	Transaction costs (p.a.)
Aviva Mixed Investment (40-85% Shares) (NU)	0.875% and £4.88 monthly fee	0.087%
Clerical Medical Balanced Fund	1.00%	0.440%

Charges in relation to AVC arrangements

5.5. The following table provides details of the charges and transaction costs applied to each of the investment options used over the Plan year to hold AVC benefits (data sourced from each relevant investment manager):

Investment option	TER (p.a.)	Transaction costs (p.a.) [3]
Aviva Mixed Investment (40-85% Shares) (NU)	0.875% and £4.88 monthly fee	0.087%
Clerical Medical Balanced Fund	0.500%	0.440%
Clerical Medical Ethical Fund	0.500%	0.050%
Clerical Medical Gilt & Fixed Interest Fund	0.500%	0.040%
Clerical Medical UK Growth Pension	0.500%	0.390%
Clerical Medical With-Profits Fund	0.500%	0.410%
Utmost Secure Cash Fund [1]	0.500%	0.000%
Utmost Global Equity Fund	0.750%	0.283%
Utmost Managed Fund	0.750%	0.150%
Utmost Money Market Fund	0.500%	0.000%
Utmost Multi Asset Moderate Fund	0.750%	0.405%
Utmost UK Equity Fund	0.750%	0.552%
Utmost UK FTSE All Share Tracker Fund	0.500%	0.126%
Utmost US Equity Fund	0.750%	0.180%
L&G Cash Fund [4]	0.800%	Not Available
L&G Distribution Fund [4]	0.800%	Not Available
L&G Far Eastern Fund [4]	0.800%	Not Available
L&G Fixed Interest Fund [4]	0.800%	Not Available
L&G Managed Fund [4]	0.800%	Not Available

Investment option	TER (p.a.)	Transaction costs (p.a.) [3]
L&G UK Equity Index Fund [4]	0.800%	Not Available
L&G Pension Cash Fund [4]	0.510%	Not Available
L&G Pension Equity Fund [4]	0.520%	Not Available
Royal London Crest Secure Fund	N/A [2]	0.000%

[1] The costs for this fund cover the period from 1 January 2020 to 31 December 2020, at which point the fund closed.

[2] This is an implicit charge that is taken into account before annual bonuses are declared. Royal London have not been able to provide a numerical estimate for this charge.

[3] In certain circumstances the methodology used for calculating transaction costs (known as slippage) can lead to negative costs being reported. This can be, for example, where other market activity pushes the price of the asset being traded down, whilst the transaction was in progress. This can result in the asset being purchased for a lower price than when the trade was initiated.

[4] These funds transferred from L&G to ReAssure over the reporting period. The TERs stated are those that applied to the funds prior to the transfer taking place. As at the date of completing this statement, ReAssure have not been able to confirm the TERs or transaction costs that applied to these funds over the reporting period. The Trustees will push ReAssure to provide this information as soon as possible and ensure that it is reported in this statement in future years.

5.6. Plan members that held AVC benefits with Utmost were invested wholly in the Utmost Secure Cash Fund as at the start of the Plan year. Over the year, most of these funds were automatically switched into the Utmost Investing By Age Strategy (as planned following the transfer of business from Equitable Life to Utmost), which comprises a number of underlying funds. However the Trustees decided to switch the funds for members within 5 years of their retirement age to the Utmost Money Market Fund instead as this provided a risk profile that was more suitable for their circumstances.

Impact of costs and charges

5.7. To demonstrate the impact of member-borne costs and charges on the value of members' pension savings, the Trustees have produced illustrations in accordance with statutory guidance. These show the impact of charges and transaction costs for representative cross-sections of the membership and investment options.

Parameters used for the illustrations

5.8. The membership of all DC arrangements in the Plan were analysed in determining the parameters to be used.

5.9. **Pot size:** starting pot sizes of £6,000, £13,000 and £23,000 have been selected as they reflect the 25th percentile, median and 75th percentile of pot values respectively, (rounded to the nearest £1,000) as at 31 March 2021.

5.10. **Contributions:** future contributions have not been included in these illustrations as there are no active members paying regular DC contributions into the Plan.

5.11. Timeframe: the illustrations are shown over a 15 year timeframe as this covers the time it will take the youngest Plan member with DC benefits in the Plan to reach retirement age.

5.12. Investment options: the investment options selected for the illustrations include the most popular by number of members, the highest charged fund, the lowest charged fund, the fund with the highest expected investment return and the fund with the lowest expected investment return.

Investment option	Rationale for inclusion	Assumed return above inflation*	TER	Transaction cost**
Utmost Money Market Fund	Most popular choice (by number of members) and lowest assumed investment return and lowest charge	-2.00%	0.50%	0.00%
Clerical Medical Balanced Fund	(Joint) highest assumed investment return and highest charge	2.00%	1.00%	0.277%
Utmost UK FTSE All Share Tracker Fund	(Joint) highest assumed investment return	2.00%	0.50%	0.126%

* Projected growth rates, gross of costs and charges, for each investment option are in line with the 2021 Statutory Money Purchase Illustrations (SMPs).

** The statutory guidance requires trustees to use an average of the last five years' transaction costs (insofar as they are able) when producing the illustrations. While we do not have five years' worth of transaction costs for any of the funds, we have calculated averages using the data available.

Guidance to the illustrations

5.13. For each individual illustration, each savings pot has been projected twice: firstly for the assumed investment return gross of costs and charges; and secondly for the assumed investment return net of costs and charges.

5.14. Projected pot sizes are shown in today's terms and do not need to be reduced further for the effects of future inflation. Inflation is assumed to remain constant throughout the term of the illustrations, at 2.5% per annum.

5.15. Values shown are estimates and not guaranteed.

5.16. The starting date for the illustrations is 31 March 2021.

Utmost Money Market Fund

5.17. This has been included as it is the DC investment option used in the Plan that is the most popular by number of members, has the lowest assumed investment return (gross of charges) and is the lowest charged fund.

Years of investment	Starting pot size £6,000		Starting pot size £13,000		Starting pot size £23,000	
	Before charges	After charges	Before charges	After charges	Before charges	After charges
0	£6,000	£6,000	£13,000	£13,000	£23,000	£23,000
2	£5,768	£5,711	£12,498	£12,374	£22,111	£21,892
5	£5,437	£5,303	£11,780	£11,490	£20,842	£20,329

10	£4,927	£4,687	£10,675	£10,156	£18,886	£17,968
15	£4,465	£4,143	£9,673	£8,976	£17,114	£15,881

Note on how to read this table: If a member had £6,000 invested in this fund on 31 March 2021, when they came to retire in 15 years, the fund could be worth £4,465 if no charges are applied but £4,143 with charges applied.

Clerical Medical Balanced Fund

5.18. This has been included as it is the DC investment option used in the Plan that the highest charged fund. In addition this fund also has the joint-highest assumed investment return (gross of charges).

Years of investment	Starting pot size £6,000		Starting pot size £13,000		Starting pot size £23,000	
	Before charges	After charges	Before charges	After charges	Before charges	After charges
0	£6,000	£6,000	£13,000	£13,000	£23,000	£23,000
2	£6,236	£6,085	£13,512	£13,184	£23,906	£23,326
5	£6,609	£6,215	£14,319	£13,465	£25,333	£23,823
10	£7,279	£6,437	£15,771	£13,947	£27,903	£24,675
15	£8,017	£6,667	£17,371	£14,445	£30,734	£25,557

Note on how to read this table: If a member had £6,000 invested in this fund on 31 March 2021, when they came to retire in 15 years, the fund could be worth £8,017 if no charges are applied but £6,667 with charges applied.

Utmost UK FTSE All Share Tracker Fund

5.19. This has been included as it is the DC investment option used in the Plan that has joint-highest assumed investment return (gross of charges).

Years of investment	Starting pot size £4,000		Starting pot size £12,000		Starting pot size £21,000	
	Before charges	After charges	Before charges	After charges	Before charges	After charges
0	£6,000	£6,000	£13,000	£13,000	£23,000	£23,000
2	£6,236	£6,162	£13,512	£13,351	£23,906	£23,621
5	£6,609	£6,413	£14,319	£13,895	£25,333	£24,583
10	£7,279	£6,855	£15,771	£14,852	£27,903	£26,276
15	£8,017	£7,326	£17,371	£15,874	£30,734	£28,085

Note on how to read this table: If a member had £6,000 invested in this fund on 31 March 2021, when they came to retire in 15 years, the fund could be worth £8,017 if no charges are applied but 7,326 with charges applied.

Value for members

5.20. The Trustees are required to assess annually the extent to which the charges and transaction costs borne by members represent good value.

5.21. Analysis was undertaken by the Trustees' professional advisers, Barnett Waddingham, and the findings were set out in a report dated August 2021. The Trustees considered the report and confirmed its value for members' assessment as outlined in this statement.

- 5.22. Recognising that low cost does not necessarily mean good value, the assessment considered whether the services for which members pay or share the costs are suitable for, relevant to and (likely to be) valued by members and whether performance of the services had been effective. Consideration was also made of the costs relative to other options available in the market.
- 5.23. Various investment-related services for which members do not directly meet the costs are nevertheless inextricably linked to creating the environment under which investment returns are delivered, e.g. strategy, monitoring and the investment governance structure, so these were included in the assessment.
- 5.24. Other services paid for by Spirent Communications plc ("the Company") were excluded but nevertheless deliver value to members, e.g. the services of professional advisers and the operation of the trustee board, with a duty to act in the best interest of members.

Transfers In (Notional & Clerical Medical)

- 5.25. In relation to the transfer in benefits held on a 'notional units' basis and those invested on an investment-only basis with Clerical Medical, the member-borne charges and transaction costs relate to investment services. All other charges, including the costs of administration and communication services are met by the Company.
- 5.26. The assessment of these benefits considered in relation to the investment services:
 - 5.26.1. the investment strategy, e.g. the design of any default and range of alternative options
 - 5.26.2. the arrangements for monitoring the performance of the investment options and reviewing the investment strategy
 - 5.26.3. the investment governance arrangements
- 5.27. The Trustees have concluded that the notional transfers in and Clerical Medical transfers in offer reasonable value in relation to the charges and transaction costs borne by members.
- 5.28. In reaching this conclusion, the Trustees recognised:
 - 5.28.1. The Plan has an appropriate investment governance structure, where investment matters are considered by the Trustees at regular meetings with assistance from professional advisers, and the governing documentation is reviewed and updated when necessary.
 - 5.28.2. The investment strategy offered to members in respect of the 'notional' transfers in is such that members do not have access to alternative options, or any de-risking strategies that increase the capital protection applicable to members' benefits in the approach to retirement. Clerical Medical members have access to a wider variety of investment funds and strategies however members do not receive any regular information about these options or how to switch their investments.
 - 5.28.3. Investment performance of the Plan assets (which directly affects the performance of the notional transfers) is monitored on a quarterly basis, taking into account both short and long-term performance, and long-term market conditions. However monitoring and review of the investment strategies focuses on the strategies' suitability primarily from the perspective of meeting the objectives of the Plan's DB assets, and not necessarily from meeting the needs of DC members.
 - 5.28.4. Given the nature of the investment strategy applicable to the notional transfers, it is not possible to fully compare the costs and charges to other options on a like-for-like basis, as the applicable

underlying funds are not widely used in the DC marketplace. It is likely however that the scale of DB assets allows the Trustees to acquire a more favourable charging agreement than would be available elsewhere from these DC assets alone.

5.28.5. The transfer in funds held with Clerical Medical bear charges that are likely to be higher than those available in other investment-only policies, even taking into account the relatively small value of these benefits.

5.29. The Trustees intend to keep the continued suitability of the investment arrangements relating to the transfers in under review in light of these conclusions, however take a pragmatic view over the feasibility of making significant changes to these arrangements in the context of the small value of these DC benefits relative to member's overall benefits in the Plan.

AVCs

5.30. In relation to AVCs (and the single member who holds a transfer in within the Aviva policy), the member-borne charges and transaction costs relate to:

5.30.1. investment services

5.30.2. administration services

5.30.3. communication services

5.31. The assessment considered the broad value for members of these services, taking a proportionate approach that reflects the relatively low value of the AVC pension savings concerned in relation to member's overall benefit entitlements in the Plan.

5.32. The Trustees concluded that the AVC arrangements offer reasonable value in relation to the charges and transaction costs borne by members.

5.33. In reaching this conclusion, the Trustees recognised:

5.33.1. Utmost AVC members have access to a reasonable range of investment options following the transfer from Equitable Life, albeit the lifestyle strategy available targets drawdown which is not likely to be wholly suitable for members with AVCs attached to a DB scheme. Members in the Royal London policy are not able to switch investments, however they are invested in funds which provide capital and/or future investment guarantees which members may value. The Aviva, Clerical Medical and ReAssure arrangements have wider and more suitable ranges of funds and lifestyle strategies for members to choose from.

5.33.2. All providers offer basic administration and communication services via legacy platforms, albeit these are supplemented by services from Barnett Waddingham, the lead administrator, for which the member does not pay the cost.

5.33.3. The costs applicable to members in all policies are broadly in line with AVC arrangements of similar sizes and age and there is likely to be limited opportunity for the Trustees to change the service providers or obtain more competitive charges.

5.34. The Trustees regularly monitored the transfers of business from both Equitable Life to Utmost and Legal & General to ReAssure that occurred in and around the Plan year, and affected the Plan's benefits.

6. Trustee knowledge and understanding

The Trustee Board

- 6.1. As at 31 March 2021, the Trustees comprised four individual trustees, one of whom is nominated by the members and three of whom are appointed by the Company. During the Plan year, one employer-nominated trustee retired and another was appointed. There remains an outstanding vacancy for a second member-nominated Trustee.
- 6.2. One of the Company-appointed trustees, Apex ATL Pension Trustees Limited, represented by Jane Fryer, is the Chair and is a professional trustee.

Trustee knowledge and understanding requirements

- 6.3. Trustees are required to be conversant with a scheme's main documents, and have appropriate knowledge and understanding of the law relating to pensions and trusts, the funding of occupational schemes and investment of scheme assets to enable them to properly exercise their functions.

Approach

- 6.4. The Trustees have a working knowledge of the Plan's trust deed and rules as well as all other Plan documents such as the Statement of Investment Principles (SIP), the risk register and current policies, e.g. conflicts of interest. They do so through their experience in governing the Plan, as well as specific activities over the Plan year and access to professional advice – see sections 6.13 to 6.16 for more details.
- 6.5. The Trustees aim to achieve and maintain knowledge and understanding of the law relating to pensions and trusts, the funding of occupational schemes and investment of Plan assets through a combination of training and taking professional advice.
- 6.6. In addition, the inclusion of a professional trustee as chair enhances the knowledge of the trustee board by way of the significant experience gained through appointments on other trustee boards, associated access to a wide range of professional advisers, and the ongoing Continuous Professional Development (CPD) requirements that must be adhered to in order that professional status is maintained.
- 6.7. The majority of trustee training is undertaken at regular trustee meetings by the Trustees' professional advisers, and this is supplemented with training activities such as attending seminars and conferences, and reading pensions-related articles. A training log is maintained in relation to training undertaken and is reviewed and updated at each trustee meeting.
- 6.8. An induction process is in place for newly appointed trustees, which includes receiving access to the Plan's governing documentation, meetings with the Trustees' advisers and completion of the Pensions Regulator's Trustee Toolkit modules. The new trustee followed this process following appointment during the Plan year.
- 6.9. The Trustees consult with professional advisers as and when required, for example on consultancy, investment and legal matters. The professional advisers are engaged to pro-actively alert the Trustees on relevant changes to pension and trust law. Professional advisers also provide support in relation to understanding and reviewing the Plan's documents, attending trustee meetings and often in the delivery of training at these meetings.
- 6.10. The Trustees recognise the importance of carrying out a self-assessment exercise to identify knowledge gaps and training needs in relation to emerging legislation, Plan changes and upcoming matters in the

Plan's business plan. The Trustees undertook such an assessment during the previous Plan year and this was used to help design the training sessions which the Trustees received during this period.

- 6.11. A Governance Working Party ("GWP") sub-committee considers all matters relating to the good governance of the Plan, e.g. to review and maintain the Trustees' business plan and risk register, and to monitor the DC benefits within the Plan in line with the Pensions Regulator's DC Code of Practice. A formal Terms of Reference outlines the authorities that had been delegated, and the GWP reports back to the full trustee board at the following meeting.

Activities over the Plan year

- 6.12. The Trustees reviewed and updated the Plan's Statement of Investment Principles (SIP) over the Plan year, with assistance from their investment advisers, to comply with new legislative requirements to document the Trustees' stewardship policy and their arrangements with their fund managers, and to document changes in the investment strategy over the year.
- 6.13. The Trustees, either through the full board or the GWP, reviewed the following Plan documents during the year:
 - 6.13.1. Draft Terms of Business for the GWP
 - 6.13.2. Risk register
 - 6.13.3. Business Calendar
 - 6.13.4. Deeds of Appointment and Removal concerning the changes in the trustee board
 - 6.13.5. Annual report and accounts
 - 6.13.6. Annual Chair's Statement
 - 6.13.7. Objectives for their investment advisers in line with the CMA Order, and a statement confirming compliance with the Order
- 6.14. The Trustees received training during the Plan year on the following topics, both at regular trustee meetings and a specific trustee training day in July 2020:
 - 6.14.1. Responsible investment, with particular focus on the strategies of the Plan's investment managers and upcoming legislative requirements
 - 6.14.2. Cyber Security and risks for pension schemes
 - 6.14.3. The impact of the Covid-19 pandemic on pension schemes
 - 6.14.4. Transfers of AVC business from Legal & General to ReAssure, and from Equitable Life to Utmost Life & Pensions
 - 6.14.5. Legislative updates and market developments in respect of DC pension provision
- 6.15. During the Plan year, the Trustees took professional advice on the following DC matters:
 - 6.15.1. The underlying assumptions for the Statutory Money Purchase Illustrations
 - 6.15.2. Undertaking the annual value for members' assessment

6.15.3. Completion of the annual governance statement

6.15.4. Quarterly investment performance monitoring

6.15.5. Confirming compliance with the CMA Order

Assessment

6.16. The Trustees consider that their combined knowledge and understanding, together with their access to professional advice, enables them to properly exercise their trustee functions.

Jane Fryer

15 October 2021

Jane Fryer, of Apex ATL Pension Trustees Limited

Date

Chair of the Trustees