THE CHAIRMAN'S STATEMENT REGARDING DC GOVERNANCE: 30 NOVEMBER 2018 – 30 NOVEMBER 2019

This statement is produced pursuant to Regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996, as amended by subsequent legislation. It explains how the Defined Contribution Section of the Asahi Glass Fluoropolymers Pension Scheme (the "DC Section" or "Scheme") is meeting the governance standards that apply to occupational pension schemes that provide money purchase benefits (i.e. Defined Contribution schemes ("DC")).

Default arrangement

Members of the DC Section who do not make an explicit choice regarding the investment of their funds will be invested in the default strategy arrangement chosen by the Trustees with the advice of their Investment Consultant. The default arrangement in place is the Aviva My Future Focus Lifestyle Investment Strategy (formerly the Aviva My Future Plus Lifestyle Investment Strategy).

During the period covered by this statement, Aviva has reviewed its 'My Future Plus' default investment strategy and has made changes to the composition of the component funds, it is Aviva's belief that these changes will deliver improved investment outcomes for members. A detailed summary of the changes can be found in Aviva's 'Upcoming changes to My Future Plus and Future Focus', dated June 2019. Changes to the default strategy were effective as of 1 November 2019.

A summary of the key changes are as follows:

- Aviva's 'My Future Plus' and 'Future Focus' default investment strategies have been merged to form 'My Future Focus'
- Benchmarks for the new funds have been revised
- Asset allocation, objectives and risk profiles have been revised
- Glidepaths for Aviva's My Future Focus lifestyle strategies now begin to switch 10 years before planned retirement date
  - However, the Scheme has a bespoke default strategy in place for both sections of the Scheme.
  - DC Only members have moved to the new 10 year Glidepath
  - DB Section members remain on the bespoke default strategy, starting to switch 15 years before the planned retirement date; this is under review by the Trustees
- Reduction in fund charges, see below

Fund	Previous AMC	New AMC
My Future Focus Growth	0.60%	0.50%
My Future Focus Drawdown	0.60%	0.50%
My Future Focus Annuity	0.55%	0.50%
My Future Focus Cash Lump Sum	0.55%	0.50%

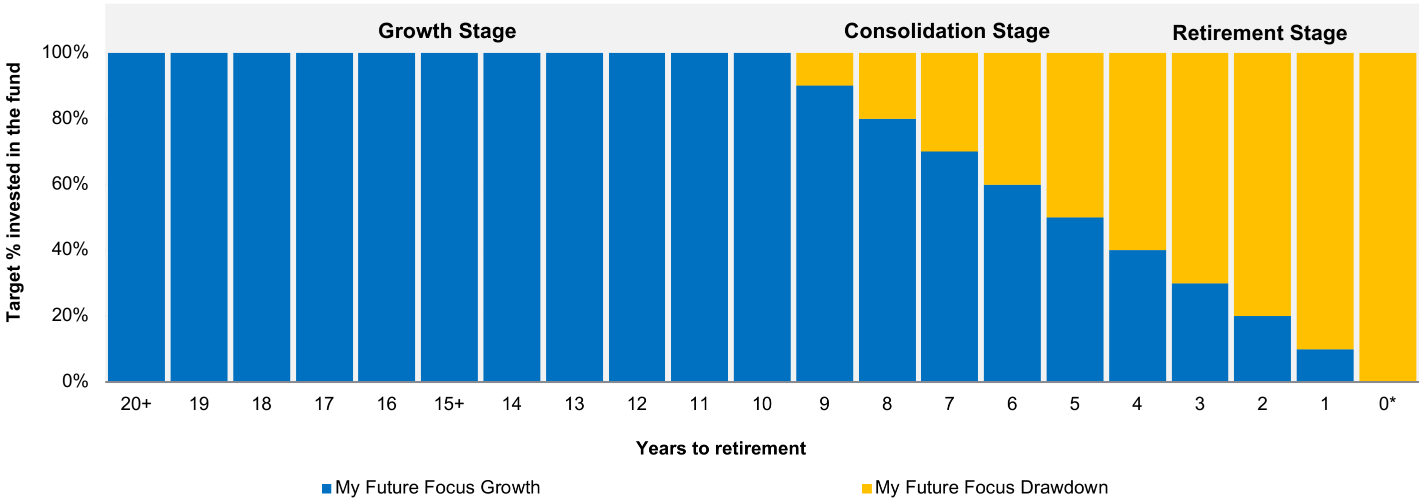
Under the Default Lifestyle Strategy, contributions are fully invested in the My Future Focus Growth Fund for the majority of a member's working life, with an aim to maximising investment growth while diversifying risks. The fund invests in a broad range of asset classes including developed and emerging market equities and bonds, property, money market instruments and cash.

As DC Only members, reach 10 years from their Normal Retirement Age ("NRA"), and as DB Section members, reach 15 years from their NRA, the Strategy is designed to gradually switch accumulated assets from the My Future Focus Growth Fund to the My Future Focus Drawdown Fund, to steadily reduce the risk taken by members.

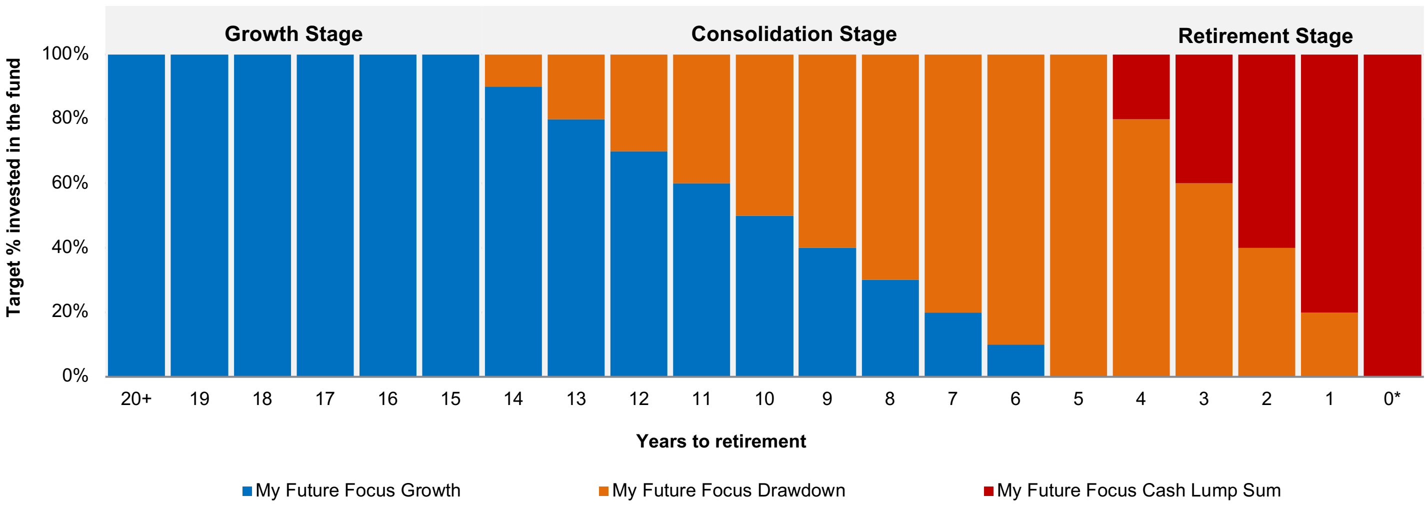
At this point, members have the opportunity to determine how they would like to take their savings at retirement. These options include targeting an Annuity, taking a Cash Lump Sum or targeting Drawdown, which involves members drawing income from their pension gradually throughout their retirement.

For members that do not make a specific choice at this stage, the Trustees have designed the Strategy to default into the My Future Focus Drawdown Fund for DC only members of the Scheme, and to default into the My Future Focus Cash Lump Sum Fund for deferred members of the Defined Benefit Section ("DB Section") who are active members of DC Section. This stage of the strategy transitions members' accumulated pension investments from growth assets towards protection assets to preserve assets built up in pension pots. This is undertaken gradually on a quarterly basis so that less reliance is placed on the market conditions on any one transition date.

The lifestyle investment strategy for the **DC Section** only members is illustrated by the following chart:



The lifestyle investment strategy for the **Deferred DB Section** only members is illustrated by the following chart:



During the period covered by this statement, Aviva merged the default arrangement “My Future Plus” with its Future Focus strategy, thereby creating the My Future Focus Lifestyle Investment Strategy. The basis of these changes was to improve the overall solution, by revising the asset allocation and risk profiles of the underlying investment funds.

As a result of these improvements, there has been a reduction in fund charges. Other than these changes, there have been no significant changes to the Scheme’s default investment strategy as the Trustees are confident that the funds are capable of achieving their objectives and are fit for purpose. The strategy was last formally reviewed by the Trustees in January 2017, and the Trustees are aware that a triennial review of the default arrangements should be carried out. Preparations for the triennial review are in hand.

The default arrangements are described in further detail in the Scheme’s Statement of Investment Principles (“SIP”) which was last reviewed by the Trustees on 18 September 2019 and a copy of which is submitted alongside this governance statement. The SIP will be reviewed a minimum of every three years (i.e. by date of previous SIP plus 3 years) or as soon as any significant developments in investment policy or member demographics take place.

The Trustees continually monitor the performance of the Scheme’s investments throughout the year and receive semi-annual performance reports from their advisors. We are happy with the performance over the period covered by this statement and we believe the Scheme’s investment strategy remains on track to meet our aims and objectives.

The Trustees have set up processes to publish relevant information on the default arrangement online at the following URL: www.agcce.com/pension and will notify members about this in their annual benefit statements.

Processing Scheme transactions

The Trustees have a specific duty to ensure that core financial transactions relating to the DC Section are processed promptly and accurately. These include the investment of contributions, transfer of member assets into and out of the Scheme, transfers between different investments within the Scheme and payments to and in respect of members.

These transactions are undertaken on the Trustees' behalf by the DC Section administrator (Aviva) and its investment managers. Mercer, the DB Section administrator (Mercer) makes benefit payments in respect of the Deferred DB Section members. The Trustees periodically review the processes and controls implemented by Aviva and consider them to be suitably designed to achieve these objectives.

The Trustees have Service Levels Agreements ("SLAs") in place with the DC Section administrator and receive reporting of performance against those service levels. The SLAs cover the accuracy and timeliness of all core transactions and the Trustees receive regular reports to monitor the performance of the administrator against those service levels.

The processes adopted by the administrator to help it meet the SLAs include: a central financial control team separate to the admin team, peer checking and authorisation of payments, daily monitoring of bank accounts and four eyes checking of investment and banking transactions.

During the period covered by this statement, 82% of work was completed within the agreed service levels. There were various issues relating to the processing of Scheme transactions and the Trustees have worked with Aviva to resolve most of those issues. The Trustees' Secretary maintains a log of all issues raised with Aviva and records the date when actions have been completed. Any outstanding actions are followed-up on a monthly basis. We continue to monitor performance against the SLA on a regular basis and receive an annual Assurance Report on Internal Controls (AAF 01/06) from Aviva.

Using information provided by Aviva the Trustees are satisfied over the period covered by this Statement:

- The administrator was operating appropriate procedures, check and controls and operating within the agreed SLA;
- Upon investigation of the underlying contributions and unit holdings, there have been no material errors in relation to processing core financial transactions;
- Whilst transfers in were delayed for two members during the Scheme year due to the administrator, the matter was subsequently rectified without the members incurring financial disadvantage;
- All core financial transactions have been processed promptly and accurately during the Scheme year;

We also perform periodic assessments of methods and efficiency of the Scheme's administrators and challenge them in terms of their efficiency when necessary.

In light of the above, the Trustees consider that the requirements for processing core financial transactions specified in the Administration Regulations (The Occupational Pension Schemes (Scheme Administration) Regulations 1996) have been met.

Charges and transaction costs – default arrangement and additional funds

The law requires the Trustees to disclose the charges and transactions costs borne by DC Section members and to assess the extent to which those charges and costs represent good value for money for members. These transaction costs are not limited to the ongoing charges on member funds, but should also include trading costs incurred within such funds. We have taken account of statutory guidance when preparing this section of the report.

Details of the Total Expense Ratios ("TERs") and the transaction costs for each fund are as follows:

Default Arrangements	TER (%)	Transaction Cost (%)
My Future Focus Growth	0.50	0.10
My Future Focus Drawdown	0.50	0.08
My Future Focus Annuity	0.50	0.01
My Future Focus Cash Lump Sum	0.50	-0.04

Source: Aviva

Fees for the default arrangement are lower than the maximum TER charge cap of 0.75%. Additionally, the Trustees make a range of funds available that may be chosen by members as an alternative to the default arrangement. These funds allow members to take a tailored approach to managing their own pension investments and attract annual charges and transaction costs as follows:

Self-Select Range	TER (%)	Transaction Cost (%)
BlackRock UK Equity Index	0.40	0.16
Legal & General (PMC) Ethical UK Equity Index	0.55	0.02
BlackRock World ex UK Equity Index	0.40	0.02
BlackRock (30:70) GBP Hedged Global Equity Index	0.46	0.13
HSBC Islamic Global Equity Index	0.70	0.05
BlackRock US Equity Index	0.40	-0.01
BlackRock European Equity Index	0.40	-0.08
BlackRock Japanese Equity Index	0.40	0.12
BlackRock Pacific Rim Equity Index	0.40	0.02
BlackRock Emerging Markets Equity Index	0.64	-0.10
BlackRock Over 15 Year Corporate Bond Index	0.41	-0.18
BlackRock Over 15 Year Gilt Index	0.40	-0.01
BlackRock Over 5 Year Index-Linked Gilt Index	0.40	0.06
BlackRock Overseas Bond Index	0.41	-0.13
BlackRock Institutional Sterling Liquidity	0.40	0.01
JPM Emerging Markets Equity	1.40	0.34
Schroder Intermediated Diversified Growth Fund	1.09	0.35
M&G Feeder of Property Portfolio	1.32	0.01

Source: Aviva

Note on negative transaction costs: Implicit costs are not directly identifiable and can include the difference between the buy and sell price of an investment and the movement in markets as a result of the execution of a large order. There is no standard method of calculating these implicit costs. The FCA has stipulated that a calculation methodology called 'slippage cost' should be used. This calculates the difference between the expected price of trading a fund's underlying investment (e.g. company shares or bonds) at the time the order is raised by the fund manager and the price at which the trade is actually executed on the relevant market.

One consequence of this calculation method is that, rather than generating a cost, it can result in a profit (also known as a Negative Cost). This can happen, for example, when the actual price paid in buying an investment is lower than the expected price.

The 0.75% fee cap only applies to the default arrangement; hence some of the funds may above exceed this amount.

We are comfortable that the costs for the default arrangement and self-select funds are reasonable both in terms of the outcomes the funds are targeting and the fees in the wider market applicable to similar investment strategies.

Cumulative effect of charges – Deferred DB Section only members

The compounding effect of charges on an active member's fund can be illustrated as follows:

Illustrations for an "Average" member

	Default Strategy		My Future Focus Growth (Most Popular Fund)		JPM Emerging Markets (Most Expensive Fund)	
Years from now	**Before Charges**	**After Charges and Costs Deducted**	**Before Charges**	**After Charges and Costs Deducted**	**Before Charges**	**After Charges and Costs Deducted**
1	£31,776	£31,636	£31,776	£31,636	£32,381	£31,982
3	£45,416	£44,885	£45,416	£44,885	£47,750	£46,201
5	£58,603	£57,545	£59,757	£58,679	£64,591	£61,364
7 (Retirement)	£70,301	£68,617	£74,835	£73,041	£83,048	£77,534
Total Fees	**£1,654**		**£1,685**		**£4,919**	

	BlackRock Sterling Liquidity (Least Expensive Fund)		JPM Emerging Markets (Highest Expected Return Fund)		BlackRock Sterling Liquidity (Lowest Expected Return Fund)	
Years from now	**Before Charges**	**After Charges and Costs Deducted**	**Before Charges**	**After Charges and Costs Deducted**	**Before Charges**	**After Charges and Costs Deducted**
1	£30,760	£30,649	£32,381	£31,982	£30,760	£30,649
3	£41,684	£41,291	£47,750	£46,201	£41,684	£41,291
5	£52,374	£51,624	£64,591	£61,364	£52,374	£51,624
7 (Retirement)	£62,837	£61,656	£83,048	£77,534	£62,837	£61,656
Total Fees	**£1,213**		**£4,919**		**£1,213**	

Illustrations for a "Young" member

	Default Strategy		My Future Focus Growth (Most Popular Fund)		JPM Emerging Markets (Most Expensive Fund)	
Years from now	**Before Charges**	**After Charges and Costs Deducted**	**Before Charges**	**After Charges and Costs Deducted**	**Before Charges**	**After Charges and Costs Deducted**
1	£29,598	£29,467	£29,598	£29,467	£30,157	£29,788
3	£43,146	£42,648	£43,146	£42,648	£45,333	£43,881
5	£57,390	£56,370	£57,390	£56,370	£61,964	£58,911
10	£96,286	£93,198	£96,286	£93,198	£110,853	£100,998
15	£140,371	£133,932	£140,371	£133,932	£172,314	£150,424
20	£186,440	£175,316	£190,339	£178,985	£249,577	£208,470
22 (Retirement)	£198,181	£185,268	£212,146	£198,317	£285,785	£234,430
Total Fees	**£11,267**		**£11,362**		**£35,689**	

	BlackRock Sterling Liquidity (Least Expensive Fund)		JPM Emerging Markets (Highest Expected Return Fund)		BlackRock Sterling Liquidity (Lowest Expected Return Fund)	
Years from now	**Before Charges**	**After Charges and Costs Deducted**	**Before Charges**	**After Charges and Costs Deducted**	**Before Charges**	**After Charges and Costs Deducted**
1	£28,658	£28,555	£30,157	£29,788	£28,658	£28,555
3	£39,646	£39,278	£45,333	£43,881	£39,646	£39,278
5	£50,400	£49,689	£61,964	£58,911	£50,400	£49,689
10	£76,291	£74,410	£110,853	£100,998	£76,291	£74,410
15	£100,823	£97,371	£172,314	£150,424	£100,823	£97,371
20	£124,066	£118,697	£249,577	£208,470	£124,066	£118,697
22 (Retirement)	£133,018	£126,797	£285,785	£234,430	£133,018	£126,797
Total Fees	**£6,773**		**£35,689**		**£6,773**	

*To provide context for the investment returns and charges above. If savings were not invested (ie no investment returns or fees) then, according to our modelling, the value of the **Average** and **Younger** members' pots at retirement would be **£58,831** and **£112,917** respectively in today's money.*

Cumulative effect of charges – DC Section only members

The compounding effect of charges on an active member's fund can be illustrated as follows:

Illustrations for an "Average" member

	Default Strategy		My Future Focus Growth (Most Popular Fund)		JPM Emerging Markets (Most Expensive Fund)	
Years from now	**Before Charges**	**After Charges and Costs Deducted**	**Before Charges**	**After Charges and Costs Deducted**	**Before Charges**	**After Charges and Costs Deducted**
1	£14,567	£14,506	£14,567	£14,506	£14,832	£14,657
3	£23,388	£23,135	£23,388	£23,135	£24,499	£23,762
5	£32,662	£32,119	£32,662	£32,119	£35,093	£33,471
10	£57,986	£56,230	£57,986	£56,230	£66,235	£60,660
15	£86,689	£82,899	£86,689	£82,899	£105,385	£92,590
20	£119,221	£112,395	£119,221	£112,395	£154,602	£130,089
21 (Retirement)	£126,231	£118,659	£126,231	£118,659	£165,870	£138,339
Total Fees	**£6,314**		**£6,314**		**£19,664**	

	BlackRock Sterling Liquidity (Least Expensive Fund)		JPM Emerging Markets (Highest Expected Return Fund)		BlackRock Sterling Liquidity (Lowest Expected Return Fund)	
Years from now	**Before Charges**	**After Charges and Costs Deducted**	**Before Charges**	**After Charges and Costs Deducted**	**Before Charges**	**After Charges and Costs Deducted**
1	£14,123	£14,075	£14,832	£14,657	£14,123	£14,075
3	£21,607	£21,420	£24,499	£23,762	£21,607	£21,420
5	£28,931	£28,551	£35,093	£33,471	£28,931	£28,551
10	£46,565	£45,484	£66,235	£60,660	£46,565	£45,484
15	£63,273	£61,211	£105,385	£92,590	£63,273	£61,211
20	£79,104	£75,819	£154,602	£130,089	£79,104	£75,819
21 (Retirement)	£82,169	£78,614	£165,870	£138,339	£82,169	£78,614
Total Fees	**£3,845**		**£19,664**		**£3,845**	

Illustrations for a "Young" member

	Default Strategy		My Future Focus Growth (Most Popular Fund)		JPM Emerging Markets (Most Expensive Fund)	
Years from now	**Before Charges**	**After Charges and Costs Deducted**	**Before Charges**	**After Charges and Costs Deducted**	**Before Charges**	**After Charges and Costs Deducted**
1	£9,186	£9,146	£9,186	£9,146	£9,354	£9,243
3	£14,484	£14,325	£14,484	£14,325	£15,180	£14,718
5	£20,055	£19,717	£20,055	£19,717	£21,565	£20,557
10	£35,266	£34,188	£35,266	£34,188	£40,335	£36,908
15	£52,506	£50,193	£52,506	£50,193	£63,931	£56,111
20	£72,048	£67,895	£72,048	£67,895	£93,595	£78,662
25	£94,196	£87,475	£94,196	£87,475	£130,886	£105,146
30	£119,300	£109,131	£119,300	£109,131	£177,765	£136,249
35	£147,753	£133,083	£147,753	£133,083	£236,699	£172,776
41 (Retirement)	£186,952	£165,203	£186,952	£165,203	£327,748	£225,110
Total Fees	**£15,256**		**£15,256**		**£52,868**	

	BlackRock Sterling Liquidity (Least Expensive Fund)		JPM Emerging Markets (Highest Expected Return Fund)		BlackRock Sterling Liquidity (Lowest Expected Return Fund)	
Years from now	**Before Charges**	**After Charges and Costs Deducted**	**Before Charges**	**After Charges and Costs Deducted**	**Before Charges**	**After Charges and Costs Deducted**
1	£8,903	£8,872	£9,354	£9,243	£8,903	£8,872
3	£13,368	£13,251	£15,180	£14,718	£13,368	£13,251
5	£17,738	£17,501	£21,565	£20,557	£17,738	£17,501
10	£28,258	£27,595	£40,335	£36,908	£28,258	£27,595
15	£38,226	£36,970	£63,931	£56,111	£38,226	£36,970
20	£47,670	£45,678	£93,595	£78,662	£47,670	£45,678
25	£56,618	£53,765	£130,886	£105,146	£56,618	£53,765
30	£65,096	£61,277	£177,765	£136,249	£65,096	£61,277
35	£73,129	£68,254	£236,699	£172,776	£73,129	£68,254
41 (Retirement)	£82,214	£75,974	£327,748	£225,110	£82,214	£75,974
Total Fees	**£7,271**		**£52,868**		**£7,271**	

*To provide context for the investment returns and charges above. If savings were not invested (ie no investment returns or fees) then, according to our modelling, the value of the **Average** and **Younger** members' pots at retirement would be **£70,620** and **£63,068** respectively in today's money.*

Assumptions – ex DB Section only members

Illustrations above have been produced for an "Average" and a "Young" member based on the Scheme's membership data. "Default Strategy" illustration assumes the member's asset allocation remains fully invested in the current default strategy. Individual fund illustrations assume 100% of the member's assets are invested in the fund up to the Scheme retirement age. The results are presented in real terms, i.e. in today's money, to help members have a better understanding of what their pension pot could buy in today's terms, should they invest in the funds above as shown. Note that total fees are lower than the difference between the pot size before and after fees. Total fees reflect what has actually been taken to pay for the management of assets and other expenses, whereas the difference between post before and after fees reflects the effect of compounding.	
• Age - "Average" Member • Age - "Young" Member Age	55 *(average age of the Scheme's membership)* 40 *(average age of the youngest 10% of members)*
Scheme Retirement Age	62
• Starting Pot Size - "Average" Member • Starting Pot Size - "Young" Member	£25,208 *(median pot size of the Scheme's membership)* £23,074 *(median pot size for the youngest 10% of members)*
• Starting Salary - "Average" member • Starting Salary - "Young" member	£36,705 *(median salary of the Scheme's membership)* £37,849 *(median salary for the youngest 10% of members)*
Inflation	2.5% p.a.
Rate of Salary Growth	2.5% p.a.
Employer annual contributions	9.21% p.a.
Employee annual contributions	6.54% p.a.
Expected future nominal returns on investment: • Default Strategy o Aviva My Future Focus Growth Fund o Aviva My Future Focus Drawdown Fund • My Future Focus Growth Fund • JPM Emerging Markets Fund • BlackRock Sterling Liquidity Fund	 2.6% above inflation 2.6% above inflation 2.6% above inflation 4.8% above inflation 1.1% below inflation

Assumptions – DC Section only members

Illustrations above have been produced for an "Average" and a "Young" member based on the Scheme's membership data. "Default Strategy" illustration assumes the member's asset allocation remains fully invested in the current default strategy. Individual fund illustrations assume 100% of the member's assets are invested in the fund up to the Scheme retirement age. The results are presented in real terms, i.e. in today's money, to help members have a better understanding of what their pension pot could buy in today's terms, should they invest in the funds above as shown. Note that total fees are lower than the difference between the pot size before and after fees. Total fees reflect what has actually been taken to pay for the management of assets and other expenses, whereas the difference between post before and after fees reflects the effect of compounding.	
• Age - "Average" Member • Age - "Young" Member Age	44 *(average age of the Scheme's membership)* 24 *(average age of the youngest 10% of members)*
Scheme Retirement Age	65
• Starting Pot Size - "Average" Member • Starting Pot Size - "Young" Member	£10,320 *(median pot size of the Scheme's membership)* £6,634 *(median pot size for the youngest 10% of members)*
• Starting Salary - "Average" member • Starting Salary - "Young" member	£34,999 *(median salary of the Scheme's membership)* £32,291 *(median salary for the youngest 10% of members)*
Inflation	2.5% p.a.
Rate of Salary Growth	2.5% p.a.
Employer annual contributions	6.09% p.a.
Employee annual contributions	5.02% p.a.
Expected future nominal returns on investment: • Default Strategy o Aviva My Future Focus Growth Fund o Aviva My Future Focus Drawdown Fund • My Future Focus Growth Fund • JPM Emerging Markets Fund • BlackRock Sterling Liquidity Fund	 2.6% above inflation 2.6% above inflation 2.6% above inflation 4.8% above inflation 1.1% below inflation

Value for Members

The Trustees monitor value for members on an ongoing basis and have a good understanding of the membership demographics of the Scheme and what good member outcomes should look like for the Scheme's members in aggregate.

Whether something represents "good value" is not capable of being precisely defined, but for these purposes, the Trustees consider that charges and transaction costs may be viewed as representing "good value" for members where the combination of costs and the quality of what is provided in return for those costs is appropriate for the Scheme membership as a whole, when compared to other options available in the market.

We understand that value for money does not necessarily mean selecting the cheapest offer and in our ongoing reviews of value for money we consider many factors including quality of customer service, member communications and support, the efficiency of administration services, the robustness of scheme governance, fund management and performance of the funds.

All of the funds used by the Scheme are approved by our investment advisors as having good prospects of achieving their objectives, and the performance of these funds is reviewed and discussed every 6 months. The Trustees also take into account forward looking considerations such as market outlook and the investment advisor's expectations of manager performance. The same applies with the efficiency of administration services, which are also discussed every 6 months. With this in mind, the Trustees have assessed the fees disclosed above and are satisfied that they have negotiated a good deal for members, and that the stated explicit charges for the Scheme's funds represent good value for money in the context of the outcomes targeted by such funds and the current market rates for similar investments levied on members of schemes with a similar membership profile.

Bearing all this in mind, the Trustees carried out a formal Value for Members Assessment for the 12-month period covered by this statement. The assessment considered Governance, Design, Investment, Administration, Communications and Costs. Trustees scored each section on a scale of 1-3, 3 being the highest. The assessment concluded that overall the Scheme was offering good value to members as a whole. The assessment also highlighted areas where the Scheme could improve, such as administration, particularly highlighting benefit statements which were not produced in a timely manner.

The Trustees have set up processes to publish relevant information on the costs and charges of the default arrangement and self-select funds online at the following URL: www.agcce.com/pension and will notify members about this in their annual benefit statements.

Trustees' knowledge and understanding

Sections 247 and 248 of the Pensions Act 2004 set out the requirement for trustees to have appropriate knowledge and understanding of the law relating to pensions and trusts, the funding of occupational pension schemes, investment of Scheme assets and other matters to enable them to exercise their functions as Trustees properly. This requirement is underpinned by guidance in the Pension Regulator's Codes of Practice 7 and 13.

The Trustees have put in place arrangements for ensuring that they take personal responsibility for keeping themselves up-to-date with relevant developments including the completion of and review of an annual Self-Assessment Questionnaire process that is used to guide training requirements. In addition, the Trustees receive advice and training from their professional advisors, and the relevant skills and experience of those advisors is a key criterion when evaluating fund performance or selecting new funds. The Trustees review the Self-Assessment Questionnaire and then arrange for training to be made available to individual Trustees or to the Trustee body as appropriate.

All of the existing Trustees have completed The Pension Regulators Trustee Toolkit and new Trustees are required to complete this in its entirety within six months of taking up office.

All the Trustees are also required to familiarise themselves with the Scheme's Trust Deed and Rules and the Statement of Investment Principles. The Statement of Investment Principles has been reviewed by the Trustees as part of the annual audit process and in the process of completing the annual report and accounts. It has been referred to at meetings in reference to the default investment strategy and self-select funds. A majority of the Trustees were heavily involved in the writing of the new version of the Trust Deed and Rules. Throughout the year, the Trustees have demonstrated a working knowledge of the Trust Deed and Rules dealing with specific issues as they arose.

Over the last year, the Trustees have received training on Cash Driven Investment, Governance, Liability Driven Investments, Responsible Investment, GMP Equalisation and Longevity Risk Transfers. In addition, the Trustees receive advice from their professional advisors, and the relevant skills and experience of those advisors is a key criterion when evaluating advisor performance or selecting new advisors. The Trustees also include legislative updates and Trustee Knowledge and Understanding on the agenda for each of their meetings. The Trustees maintain their general awareness of current pension issues by attending conferences and through membership of the Pension and Lifetime Savings Association. Trustee attendance at training and conference events is recorded in a shared training log. In addition, while most schemes simply focus on trustee training and use of advisors, we believe that knowledge and understanding should also be extended to awareness of member demographics and member behaviour otherwise trustees cannot be certain that a scheme remains fit for purpose.

Taking account of all these points, the Trustees consider that they 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 schemes.

Considering all the points raised above and taking account of actions taken individually and as a Trustee body, the Trustees consider that they are enabled properly to exercise their functions as Trustees of the Scheme.

Given the extent of the training above, the Trustees are comfortable that we have demonstrated sufficient knowledge of the law relating to pension schemes and trusts and the principles relating to the funding and investment of pension schemes. I am also satisfied that the Trustees have demonstrated a working knowledge of the Scheme's Trust Deed and Rules, Statement of Investment Principles and all other documents setting out the Trustees' current policies.

The Scheme encourages feedback from members by holding drop-in where members can meet with a Trustee, ask questions and share concerns. The sponsoring employer holds monthly communications briefings with employees at which any key pensions issues can be highlighted. Trustees are also available for questions from general communications briefings.

The Chairman's statement regarding DC governance was approved by the Trustees and signed on their behalf by:

Mr Graham P Andrews
Chair of the Trustees

Date: 23 June 2020

Contact

Graham Andrews
Chairman of the Trustees
+44 (0)1253 209 600
Andrews.Graham@AGCCE.com

Michelle Etherington
Human Resources Manager
+44 (0)1253 209 612
Michelle.Etherington@AGCCE.com