

Chair's DC Governance Statement

Introduction

On behalf of the Trustee Board, I am pleased to present the third Annual Governance Statement for the year ended 31 March 2018. This has been prepared to demonstrate how the Trustee Board has complied with the statutory governance regulations which are central to the running of our Defined Contribution sections. The governance standards were designed to help members achieve a good outcome from their pension savings.

The Trustee Board is committed to having high governance standards and we have a number of dedicated sub-committees which, together with the overall Trustee Board, meet regularly to monitor the controls and processes in place in connection with the Scheme's investments and administration. More information about the structure of the Board and its sub-committees is on pages 4 and 5 of the Annual Report.

Whilst the information set out below is focused on four specific areas of scheme governance which we are required to disclose by law, the Trustee Board recognises the importance of good scheme governance and adopts good practice governance standards across all areas of scheme management to meet the expectations as set out in the Pension Regulator's Defined Contribution Code.

If you have any questions about anything that is set out in this statement, or any suggestions about what can be improved, please do contact our Pensions Manager at the Trustee address set out on page 23.

Default investment arrangement

The Scheme's default investment arrangement, which is set up by the Trustee Directors, is provided for members who join the Scheme and who do not choose an investment option for their contributions. We believe that the default investment fund will be suitable for the majority of the membership. This year 87% of members had their contributions invested in the default arrangement.

However, some members prefer to make their own investment choices to suit their individual circumstances. We therefore also offer a range of alternative investment options for such members.

Setting up an appropriate investment strategy – Cash at Retirement Lifestyle Option

The Trustee Directors are responsible for investment governance. This includes setting and monitoring the investment strategy for the Scheme's default arrangement. We have chosen the Cash at Retirement Lifestyle Option as our default arrangement. A summary of the investment strategy and investment objectives of the default arrangement are set out below. However, full details are recorded in a document called the Statement of Investment Principles which is appended to this Governance Statement.

The Scheme's default arrangement has been designed to provide a cash lump sum at retirement. It is structured on the assumption that a member's normal retirement date will be at age 65, although members can set their own target retirement date if they wish. The default arrangement is structured so that more risk, and thus the potential for greater returns, is taken whilst members are younger but that the level of risk and volatility is reduced as members get nearer to their retirement date so that they have more certainty about the likely level of their potential pension savings at retirement. The default arrangement is further structured so that changes in the underlying investments to meet the objectives described above happen automatically so that members do not need to make investment switches themselves.

Chair's DC Governance Statement (continued)

Setting up an appropriate investment strategy – Cash at Retirement Lifestyle Option (continued)

During the early period of each member's working life, all contributions are invested in an equity fund, the Aquila Life 30:70 Currency Hedged Global Equity Fund managed by BlackRock. Over time, starting 26 years before retirement, money is moved gradually from this equity fund into a diversified growth fund, also managed by Blackrock, the Aquila Life Market Advantage Fund. This slow, gradual transfer of funds continues until 10 years before retirement at which point there is a 50% allocation to both the Aquila Life 30:70 Currency Hedged Global Equity Fund and the Aquila Life Market Advantage Fund. This 50:50 investment split is then maintained until 6 years prior to retirement at which point members' pension savings are moved gradually into the Cash Fund, which is the target end objective for the default arrangement.

By investing in this way, the Trustee expects to deliver real growth in members' pensions savings over their lifetime within the Scheme whilst helping to manage risk and reduce volatility as members move towards retirement. The Trustee considers this strategic approach to be in the best interests of the membership.

Reviewing the default investment arrangement

The Trustee Directors are expected to:

- Review the investment strategy and objectives of the default investment arrangement at regular intervals, and at least once every 3 years;
- Take into account the needs of the Scheme membership when designing the default arrangement

The Scheme's Investment Sub Committee reviews the investment objectives and the performance of the default arrangement at least once a year and takes advice from Mercer, the Scheme's investment advisor, in this regard.

In June 2018, the Trustee carried out its most recent triennial review of the investment strategy and objectives of the default arrangement. This exercise included a review of a number of factors including:

- the underlying strategic principles that underpin the design of the default arrangement;
- the individual funds that are utilised to deliver that strategy;
- the costs of those funds;
- the historic performance of the default investment arrangement;
- member outcomes since the last strategy review;
- the Scheme's membership profile;
- the likely size of members' pension funds at retirement; and
- the flexibilities available to members when they come to take their pension benefits at retirement.

As a result of the review the Trustee board concluded that the current default arrangement meets the needs of the vast majority of members, is cost effective and has delivered good long term performance. Our analysis suggests that it will be some time before the average member will have a sufficiently large pension fund to utilise drawdown. Indeed, since the introduction of pension freedoms in 2015, 89% of members have taken their pension as a cash lump sum upon reaching retirement. However, members can still access drawdown by transferring their pension fund to a suitable alternative arrangement if they wish.

Chair's DC Governance Statement (continued)

Reviewing the default investment arrangement (continued)

Based on the results of the review the Trustee board decided to maintain the current objective of the default investment (i.e. designed to provide a cash lump sum on retirement), the funds within it and the de-risking strategy around which it is designed. The Trustee continues to monitor the use of the default investment arrangement, investment choices made by members and also the choices members make when benefits come into payment. This will help to inform us about changes which are appropriate in future.

Charges and transaction costs

The employer currently pays many of the costs of running the Scheme. These include the administration costs and the other costs incurred by the Trustee in running the Scheme such as the costs of the advice the Trustee Directors take from their advisors in order to ensure the Scheme best meets members' interests. The only costs currently borne by members are the charges levied by the investment managers of the funds in which their pension monies are invested. These charges are automatically accounted for in the daily unit price of each fund the Scheme makes available to its DC members, which means that any valuation or statement a member receives will be shown after charges have been deducted.

We are required to explain both the investment charges (i.e. the underlying costs incurred by the investment managers in running the funds in which your money is invested) and the transaction costs (i.e. the costs of buying and selling investments in the Scheme). Where information about the investment costs and transaction charges incurred by members is not available, we have to make this clear to you with an explanation of what steps we are taking to obtain the missing information.

In addition, we are required to assess whether or not we believe, given the transaction costs and investment charges incurred by members, the Scheme offers good value for members.

Investment charges

The Trustee Directors monitor the investment charges incurred by the different funds we make available to members by focusing on the Total Expense Ratio of each fund.

The individual funds within the default investment arrangement have total expense ratios between 0.13% p.a. to 0.28% p.a. of assets under management. Given that each member within the default arrangement is invested in more than one fund for much of their membership of the Scheme and the allocations to each of these funds will change as the member nears their target retirement date, the total expense ratio varies over time. However, the total expense ratio for those in the default arrangement is not expected to exceed 0.24% per annum at any stage.

We offer another lifestyle option in addition to the default arrangement, which is available to all members – this time targeting an income for life at retirement rather than a cash sum. This year 12% of members had their contributions invested in this lifestyle option, called the Income at Retirement Lifestyle Option. In addition, the Trustee Directors have made available a range of eight self-select funds which can be chosen by members of the Pension Builder Plan as an alternative to the lifestyle options. These funds allow members of the Pension Builder Plan to take a more tailored approach to managing their own pension investments based on their personal circumstances. These funds, including the additional lifestyle option, have total expense ratios of between 0.11% p.a. and 0.28% p.a.

The table below sets out the total expense ratios of each individual fund. All funds with the exception of the LGIM Pre-Retirement Fund which is provided by Legal & General Investment Management, are provided via an Investment Manager called BlackRock.

Chair's DC Governance Statement (continued)

Investment charges (continued)

Fund	Total Expense Ratio p.a. (as at May 2018)
DC Aquila Life Market Advantage Fund	0.28%
DC Aquila (30:70) Currency Hedged Global Equity Index	0.17%
DC Cash Fund	0.13%
LGIM Pre-Retirement Fund	0.22%
DC Aquila Over 15 Year Corporate Bond Index Fund	0.17%
DC Aquila Over 15 Year Fixed Interest Gilt Index Fund	0.12%
DC Aquila Over 5 Year Index Linked Gilt Index	0.11%
DC Aquila UK Equity Index Fund	0.11%

The Cash at Retirement Lifestyle option utilises the 30/70 Global Equity Fund, Market Advantage Fund and Cash Fund. The Income at Retirement Lifestyle option utilises the 30/70 Global Equity Fund, Market Advantage Fund, Pre-Retirement Fund and Cash Fund.

Further information on all of the different funds available within your Scheme is set out in an Investment Guide together with individual fund fact sheets. This information is available on request from Capita or by accessing your pension account online via the Scheme website.

Transaction costs

The Trustee is currently unable to identify separately the underlying transaction costs associated with, for example;

- the trading of individual investments that goes on within the separate funds
- ongoing switches to the underlying funds as part of the lifestyle investment options (i.e. made during a member's working life), and
- members choosing to switch their investment choices or change their target retirement date.

On 20 September 2017, the FCA published a Policy Statement, which set out a series of measures requiring greater transparency of costs and charges in workplace defined contribution pension schemes. The new FCA rules which came into effect on 3 January 2018, require firms managing money on behalf of workplace pension schemes to disclose transaction costs using a standard approach. There are some fundamental differences in the new FCA rules which require Investment Managers to revisit their transaction cost models to ensure compliance and consistency in industry practice. The Department for Work and Pensions has also recently published its response on the disclosure of costs and charges.

The new rules require Investment Managers to provide transaction cost information within a reasonable time. BlackRock is committed to producing their first meaningful data set by September 2018. The Trustee will assess the information when disclosed. The Trustee Directors regard the provision of this information as critical to members and will take all possible steps to ensure this is made available in next year's Statement.

Chair's DC Governance Statement (continued)

Good value for members

When assessing the charges and transaction costs which are payable by members the Trustee is required to consider the extent to which the investment options and the benefits offered by the Scheme represent good value for members compared to other options in the market.

There is no legal definition of "good value" and the process of determining good value for members is a subjective one. We have received advice on how to assess good value from our advisors and considered regulatory guidance.

As a starting point to assessing good value, we have compared the level of charges in each fund with the levels of return they have delivered to members. I am pleased to say that all of the funds provided positive returns for the one-year and three-year periods to 31 March 2018. All passively managed funds we make available to our members have again met their performance targets net of investment fees, for both the last one and three year periods. Our only actively managed fund, the Market Advantage Fund, beat its performance target net of investment fees for the last year but fell short of its target by 0.4% per annum over a three-year period.

We have also compared our fund's total expense ratios with the Government charge cap of 0.75%. All our funds have total expense ratios that are significantly below this level. The Trustee has been advised that the Scheme's charges are competitive with those applied to similar products in other pension funds of similar size and that they are also below charges levied for similar products which members might be able to purchase as individual savers.

The Trustee appreciates that low cost does not necessarily mean better value so we have also considered how the investment charges borne by members compare to the services and benefits provided by the Scheme. Ideally, we would also include the transaction costs incurred by members in this analysis but, as discussed above, this is not possible at present. In the Trustee Directors' view, the benefits of membership are considerable. These benefits include:

- the design of the default arrangement and how this reflects the interests of our members
- the range of investment options and strategies provided
- the flexible arrangements available to members on retirement including the extended benefit options the Scheme provides that enable members to take their entire pension fund as cash or as a series of cash payments
- the efficiency of the administration processes and the extent to which Capita met and exceeded their contractual service level standards for the scheme year
- the quality of communications delivered to members, including our Scheme web site providing 24-hour online access to your individual pension account and our Trustee newsletter
- the dedicated telephone helpline available to members
- the quality of the Scheme's support services and robust governance.
- the fact that many of the costs of running the Scheme are met by the Company and not by members.

Based on our assessment we have concluded that the Scheme represents good value for members.

Chair's DC Governance Statement (continued)

Core financial transactions

The Trustee is required to report to you about the processes and controls in place in relation to the "core financial transactions". The law specifies that these include the following:

- Investing contributions paid into the Scheme
- Transferring assets related to members into or out of the Scheme
- Transferring assets between different investments within the Scheme
- Making payment from the Scheme to or on behalf of members.

Your Trustee Board must ensure that these important transactions are processed promptly and accurately. In practice, we delegate responsibility for this to the Scheme Administrator, Capita and carry out regular reviews of Capita's performance. The processes adopted by the Scheme Administrator to help meet service level standards include the daily monitoring of bank accounts, a dedicated contribution processing team and at least two individuals checking all investment and banking transactions.

The Scheme Administrator provides quarterly reports to the Trustee Board, which enable us to assess how quickly and effectively the core scheme financial transactions are completed and whether they have met contractual service level standards. The reports include reconciliations of investment transactions and member units in each fund. Any mistakes or delays are investigated thoroughly and action is taken to put things right as quickly as possible.

I am pleased to report that this Scheme year there have again been no material administration service issues which need to be reported here by the Trustee. We are confident that the processes and controls in place with the administrator are robust and will ensure that the financial transactions which are important to members are dealt with promptly.

In addition, noting that we need accurate member data to process contributions and payments correctly, we are continuously taking steps to review and correct any problems with the member data which is held by the Scheme administrator. The Trustee takes its data seriously and this year, the Trustee implemented a Continuous Data Improvement Plan that sets out: clear objectives aimed at improving member data; detailed outputs driven by our obligations to our members; and an operational plan setting out the activities required in order to achieve our objectives.

The latest audit of our data was carried out by Capita in February 2018. We achieved a 90.23% accuracy score for legacy data (i.e. data which was created prior to June 2010) and a 98.37% accuracy score for new data created since June 2010. The Pensions Regulator's targets are 95% accuracy for legacy data and 100% for new data. Our Scheme has a high turnover of members and one of the challenges we face is keeping accurate address records for the many members that have left Wincanton's employment. Of the data failures in our recent audit, 86% relate to not having an up to date address for an individual member. We use an electronic tracing service and other methods to try to find up to date address records in such cases. However, this is not always possible, especially if people move abroad. You can help us by making sure you always let our Scheme administrators know if you move house or change your address.

We will continue to carry out scheme data audits regularly to ensure our data meets the very high standards to which we aspire.

Chair's DC Governance Statement (continued)

Trustee knowledge and understanding

The law requires the Trustee Board to possess, or have access to, sufficient knowledge and understanding to run the Scheme effectively. Your Trustee Board recognises the importance of having the right mix of skills and competencies amongst the Trustee Directors to ensure that the Scheme is well governed and properly managed and we seek to ensure that new appointees to the Board bring the skills we need. We also recognise that we are responsible for a large, complex and challenging scheme. For all these reasons the Board requires that each Trustee Director demonstrably attain a high standard of relevant knowledge and understanding within no more than a year of joining the board. Specifically:

- All the Trustee Directors are required to complete the Trustee Toolkit made available by the Pensions Regulator within six months of joining the Board. I confirm that all the Trustee Directors as at 31 March 2018 were completely up to date having completed all the modules of the Toolkit relevant to our Scheme; and
- All Trustee Directors appointed or reappointed to the board after 1 April 2016 are required to complete the Pensions Management Institute's Award in Pension Trusteeship within a year of joining the Board or hold such other relevant professional qualifications as the Board considers appropriate to the role. I confirm that five of the six Trustee Directors are in compliance with this policy (with three have passed the Award, one holding alternative, relevant professional qualifications and one, who was appointed as a Trustee Director prior to 1 April 2016, not being required to complete the Award unless and until he is reappointed to the Board at the end of his current term in office). The sixth board member will be taking the PMI exam in September 2018.

All Board members are also required to undertake at least 15 hours of additional relevant training each year some of which we provide during Board meetings and some via dedicated Board training away days, often led by one or more of our advisors. We also encourage Trustee Directors to participate in other training events that they believe are relevant to them personally.

We take our training and development responsibilities seriously and keep a record of the training completed by each member of the Board. This training record is reviewed annually to identify gaps in knowledge and understanding across the Board as a whole. This allows us to work with our professional advisors to fill any gaps.

At least every three years the Board also carries out an evaluation of its performance and effectiveness measured, in part, against the objectives of the Scheme's business plan. The next evaluation is scheduled to take place in November 2018.

Finally, the Board reviewed a number of its policies during the year including Complaints and Disputes, Conflicts, Corporate Hospitality, Gifts and Anti-Bribery and Data Protection. These reviews not only help ensure that our policies are up to date and fully compliant with the most recent regulations and legislation, they also provide an opportunity to enhance the Board's knowledge and understanding of the specific topic covered by that policy. All the Board's different policies are reviewed at least once every three years and more frequently if necessary (for example following a change in the law).

Chair's DC Governance Statement (continued)

Trustee knowledge and understanding (continued)

As a result of all the training and other developmental activities which have been completed by the Trustee Directors individually and collectively as a Board, and taking in to account the professional advice available to the Trustee, I am confident that the combined knowledge and understanding of the Board enables us to exercise properly our functions as the Trustee of the Scheme.



Quentin Woodley

Woodley Pension Trustees Limited, Chair, Wincanton plc Pension Scheme.

Dated: 16 OCTOBER 2018

DC Statement of Investment Principles

1. Introduction

- 1.1. The Trustee of the Wincanton plc Pension Scheme ("the Scheme") has produced this Statement of Investment Principles ("the Statement") to comply with the requirements of the 1995 Pensions Act ("the Act") and subsequent regulations.
- 1.2. In preparing this Statement, the Trustee has consulted with the principal employer to the Scheme (Wincanton plc / "the principal employer" and nominated representative of the sponsoring employers) and, under the requirements of the Act, has taken and considered appropriate advice from its professional investment adviser, Mercer.
- 1.3. The Statement covers the Defined Contribution ("DC") section of the Scheme and the AVCs in relation to DB membership.
- 1.4. The Statement sets out the general principles underlying the investment policy. Details of how the policy is implemented are set out in a separate "Investment Policy Implementation Document" ("IPID").

2. Overall Policy

- 2.1. There are two DC sections in the Scheme, namely the Retirement Savings Section ("RSS") and the Pension Builder Plan ("PBP"). For the avoidance of doubt, the RSS includes members who have been automatically enrolled.
- 2.2. When deciding on the arrangements for the two DC sections, the Trustee recognises that members have differing investment needs and that these may change during the course of members' working lives. The Trustee also recognises that members have different attitudes to risk, and believes that members should have the opportunity to make their own investment decisions based on their individual circumstances.

3. Investment Objectives

- 3.1. The Trustee's investment objectives for the DC section of the Scheme are as follows:
 - i. To make available a range of investment funds to PBP members that should enable members to tailor their investment choices to meet their own individual needs;
 - ii. To offer funds which facilitate diversification and long term capital growth;
 - iii. To offer funds which have competitive total expense ratios relative to similar funds which members might access directly;
 - iv. To offer funds that enable members to reduce volatility in the value of their investments as they approach retirement;
 - v. To restrict the number of funds to avoid unnecessarily complicating members' investment decisions;

- vi. To provide a suitable default Lifestyle investment option for those members who do not wish to make their own investment decisions, particularly taking into account each member's remaining period of service until normal retirement age and the form in which the benefits are anticipated to be taken;
- vii. To provide alternative Lifestyle option(s) should the Trustee determine that there is sufficient demand from members for such alternative(s) or based on demographic / attitudes of the members.

4. Risk

4.1. The Trustee has considered risk from a number of perspectives. These risks, along with policies to mitigate these where possible, are:

- i. *Risk of capital loss in nominal terms.* The protection of capital is fundamental in supporting the long-term growth of the members' individual accounts. However, members who have considerable time until retirement may be more prepared to accept a capital fall in order to obtain a potentially higher long-term return.
- ii. *Risk of erosion by inflation.* If investment returns lag inflation over the period of membership, the real (i.e. post inflation) value of members' individual accounts will decrease. The Trustee has provided a default option, which has an explicit allocation to assets that are expected to outperform inflation over the long term.
- iii. *Market risk.* The value of securities, including equities and interest bearing assets, can go down as well as up. Members may not get back the amount invested. However, the Trustee realises that this risk is implicit in trying to generate returns above that earned by cash and accept this when investing in assets other than cash. In the lifestyle investment options, the Trustee mitigates short term market risk in the years immediately prior to each member's retirement by incorporation of a "lifestyling" element.
- iv. *Risk of returns from day-to-day management not meeting expectations whether due to poor underlying investment returns or high charges.* This will lead to lower than expected returns to members. The Trustee recognises that the use of active investment management increases such a risk. The Trustee monitors the performance of the investment vehicles on a regular basis to ensure funds are meeting expectations.
- v. *Liquidity risk.* The Scheme invests its assets on behalf of its members in a range of relatively liquid pooled investment vehicles that facilitate the availability of assets to meet redemption requests.
- vi. *Uncertainty of future annuity rates.* Even with satisfactory investment performance, the value of any member's fund at retirement may be insufficient to secure the level of retirement income which the member expects. The Trustee cannot directly control this risk but attempts to mitigate it by informing members of their current situation and by undertaking communications and training for members in cooperation with the employer.

5. Range of funds

- 5.1. The Trustee makes available a range of equity, bond, diversified growth, cash and lifestyle fund options. Within these funds the Trustee delegates investment decisions to the investment managers of the Scheme. The Trustee regularly obtains

professional advice, monitors and reviews the suitability of the funds provided and from time to time may change the funds available and/or investment managers.

- 5.2 Members within the PBP may select to invest in either one of the two lifestyle options or a range of self-select options.
- 5.3 Members within the RSS may only select from one of the two lifestyle options.

6. Default Investment Option

6.1. Investment Strategy

- 6.1.1. In the PBP and RSS, the default investment option for all new members is the Cash at Retirement Lifestyle Option.
- 6.1.2. The Trustee currently makes available two lifestyle investment options for members in the PBP and the RSS:
 - i. The Cash at Retirement Lifestyle Option
 - ii. The Income at Retirement Lifestyle Option
- 6.1.3. For both lifestyle options, all contributions are initially invested in the Global Equity Fund. Then a phased allocation to a diversified growth fund ("DGF") is introduced from 26 years to retirement. As members approach retirement, their pension fund is gradually switched into assets that aim to reduce risk relative to the type of retirement benefit targeted by each lifestyle option (i.e. annuity or cash). This switching process automatically starts after members' reach six years before retirement for the Cash at Retirement Lifestyle Option and nine years before retirement for the Income at Retirement Lifestyle Option.
- 6.1.4. Further information about the mechanics of the lifestyle options is available in the IPID.

6.2. The objectives of the lifestyle investment options

- i. The lifestyle strategies manage investment and other risks through a diversified strategic asset allocation consisting of traditional and alternative assets. Risk is not considered in isolation, but in conjunction with expected investment returns and outcomes for members. In designing the lifestyle strategies, the Trustee has explicitly considered the trade-off between risk and expected returns.
- ii. Assets in the lifestyle strategies are invested in the best interests of members and beneficiaries, taking into account the demographic profile and attitudes of the membership.
- iii. Assets in the lifestyle strategies are invested in a manner which aims to ensure the security, quality and liquidity of a member's portfolio as a whole.
- iv. Assets are invested mainly on regulated markets.
- v. The growth phase structures of the lifestyle strategies, which invests in equities and other growth-seeking assets (i.e. a diversified growth fund), will provide growth with some protection from falls in equity markets and some protection against inflation erosion. Put another way the aim of the growth phase is to

deliver members an efficient and cost effective way of growing their DC fund in real terms.

- vi. As a member's fund grows, investment risk will have a greater impact on member outcomes. Having considered the switching period and the risks faced by members as they approach retirement, the Trustee believes that a strategy that seeks to reduce investment risk as the member approaches retirement is appropriate.
- vii. Having considered the likely projected size of members' funds at retirement and the choices made by those members who have recently retired, the Trustee believes that the majority of members will wish to take their DC benefits as a cash lump sum at retirement. Accordingly, the Trustee believes that the current default option has an appropriate investment strategy that targets cash at retirement. This does not mean that members have to take their benefits in this form at retirement – it merely determines the default investment strategy that will be in place pre-retirement. The Trustee will continue to monitor members' decisions at retirement to confirm that this assumption is supported by actual behaviour.

7. Additional Voluntary Contributions in relation to DB membership

The Trustee gives members the opportunity to invest in a range of vehicles at the individual member's discretion.

8. Responsible Investment and Corporate Governance

- 8.1. The Trustee believes that good stewardship and environmental, social and governance ("ESG") issues may have a material impact on investment returns. The Trustee has given the investment managers full discretion when evaluating ESG issues and in exercising rights and stewardship obligations attached to the Scheme's investments.
- 8.2. Similarly, the Scheme's voting rights are exercised by its investment managers in accordance with their own corporate governance policies, and taking account of current best practice including the UK Corporate Governance Code and the UK Stewardship Code.
- 8.3. Equity managers who are FCA registered are expected to report on their adherence to the UK Stewardship Code on an annual basis.

9. Exercise of voting rights

- 9.1. The Trustee has delegated the exercise of voting rights to the investment managers on the basis that voting power will be exercised by them with the objective of preserving and enhancing long term shareholder value. Accordingly, the investment managers have produced written guidelines of their process and practice in this regard. The investment managers are encouraged to vote in line with their guidelines in respect of all resolutions at annual and extraordinary general meetings of companies and are required to provide periodic written reports to the Trustee regarding their exercise of voting rights on the Trustee's behalf.

10. Review of this Statement

10.1. The Trustee will review this Statement in response to any material changes to any aspects of the Scheme which they judge to have a bearing on the stated investment policy.

10.2. This review will occur no less frequently than every three years.

July 2018



Signed

6/8/18

Date

For and on behalf of Wincanton Pension Scheme Trustees Limited

