

ANNUAL GOVERNANCE STATEMENT BY THE CHAIR OF TRUSTEES

As Chair of the Trustee, I am pleased to present this statement of Governance, as set out in regulation 23 of The Occupational Pension Schemes (Scheme Administration) Regulations 1996 (as amended) (the 'Administration Regulations'). This Statement shows how the Trustee has met certain governance standards in relation to the defined contribution ('DC') benefits within the Scheme, over the period from 1st January 2021 to 31st December 2021. This includes both the DC Section and the additional voluntary contributions ('AVC') benefits in the defined benefit ('DB') Section of the Scheme.

This Statement describes how the Trustee seeks to ensure that the Scheme is well-managed and delivers value to members through the charges that they pay. The statement examines six key areas of the Trustee's governance, namely: The investment strategy relating to the Scheme's default arrangement;

- The investment strategy relating to the Scheme's default arrangement;
- The requirements for processing core financial transactions;
- Charges and transaction costs within the Scheme;
- Investment performance, after all charges and transaction costs;
- Value for Members assessment, and;
- The Trustee's compliance with the statutory knowledge and understanding requirements.

In doing so, we provide the various statutory disclosures required by the Occupational Pension Schemes (Charges and Governance) Regulations 2015.

Monitoring the overall quality of the Scheme arrangements is a complex task that the Trustee takes seriously. To support with the running of the Scheme the Trustee has delegated the day-to-day administration of the Scheme to Mercer Limited ('Mercer'). A separate team within Mercer also advise the Trustee on governance, investment and wider pension matters. The day-to-day management of the Scheme's investments has been delegated to State Street, Aviva, Legal & General and Prudential. The DB Section's AVC funds are held with Utmost, and Standard Life.

Over the year a sole, professional Trustee was appointed to govern the Scheme. Punter Southall Governance Services ('PSGS') were appointed effective from 12 November 2021. PSGS are a professional, experienced financial services company with vast amounts of experience in governing pension arrangements like the Scheme. Both the Company and the previous Trustees were comfortable with the appointment. PSGS had been Chair of Trustees for 6 years before being appointed as the professional sole corporate trustee.

This Statement does not contain advice in respect of actions that members should take and is not intended to be used for that purpose. If members need advice, they should visit the Financial Conduct Authority website (<https://www.fca.org.uk/consumers/finding-adviser>). The adviser will inform you of any charges that apply in return for their advice.

The Default Investment Arrangement

The Trustee is responsible for setting the Scheme's investment strategy and for appointing investment managers to carry out that strategy. The Trustee must also establish a default investment arrangement for members who do not select their own investment options from the fund range that is available.

The Trustee's Statement of Investment Principles (SIP), dated September 2020, which sets out the aims and objectives for the investments is attached to this Statement. This SIP has been prepared in line with regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005. This document also covers our policies in relation to matters such as risk and diversification and states why we believe the default investment arrangement to be designed in members' best interests.

Members who joined the Scheme and who did not choose an investment option were placed into the Lifestyle option, (the "default arrangement"). The default arrangement for the DC Section is designed to be appropriate for members who wish to take 25% of their retirement savings as a cash lump sum (in line with current legislation around tax-free cash entitlement) and purchase an annuity with the residual fund.

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The default arrangement aims to generate growth in excess of inflation whilst members are more than 10 years from retirement (age 65 by default). This is referred to as the 'growth phase' of the strategy. As members approach retirement, assets slowly switch into a combination of cash investments and investments that are designed to move in line with annuity purchase prices. The Trustees' objectives in relation to the DC Section investments are:

- To provide members with a range of investment options to enable them to tailor their investment strategy to their needs, specifically in controlling the risks inherent in the savings. In particular, to make available options which aim:
 - I. to maximise the value of members' assets at retirement;
 - II. to maintain the purchasing power of members' savings;
 - III. to provide protection for members' accumulated assets in the years approaching retirement against sudden (downward) volatility in the capital value and fluctuations in the cost of purchasing annuities;
- To avoid over-complexity in investment in order to keep administration costs and member understanding at a reasonable level.

Members' contributions are invested into the 'SSGA Global Equity Fund' during the growth phase, the funds are then gradually moved to the 'SSGA UK Conventional Gilts Over 15 Years Index Fund' and the 'Legal and General Sterling Liquidity Fund'. At normal/selected retirement age there is a 75%: 25% split between gilts and cash which the Trustee believes is appropriate for an annuity-targeting investment strategy on the basis that a member first takes 25% of their fund as a cash lump sum at retirement.

The Trustee seeks advice from their Investment Consultant regarding the ongoing suitability and performance of the default strategy and wider investment range at least triennially. No formal review of the default investment arrangement was carried out during the year. However, the Trustee consider the performance of its underlying funds at each of their meetings, taking input from their professional investment advisors.

The latest review of the default arrangement took place in December 2019, and focused on whether the default investment strategy remains suitable for the membership. The review analysed the profile of the membership, expected retirement pot size at retirement and current market trends (in the context of the Trustee's objectives). The Trustee acknowledges the requirement to carry out a strategy review at least once every three years.

In last year's Chair's Statement, we mentioned that while discussions continue between the Trustee and the Company regarding the future strategy of the DC arrangements, it would be sensible to wait until those discussions have come to a conclusion before making changes to the default arrangement. Those discussion are on-going. As such, the Trustee will revisit the outcome of the strategy review following those discussions. It should be stressed that in the interim the Trustee has been actively monitoring the performance of the Scheme investments, and the ways in which members are accessing their benefits.

It should be noted that there was a transition of member assets, without individual members' consents, from the Aviva Long Dated Gilt Fund into the SSGA UK Conventional Gilts Over 15 Year Index Fund, when the original fund was closed in June 2015. The Trustee recognises that the latter fund could therefore be considered a default under the Occupational Pension Schemes (Charges and Governance) Regulations 2015, although this fund forms part of the current default investment strategy.

Over the year, the Aviva Balanced Fund closed, and as such the Trustee was required to make a decision as to where the proceeds should be reinvested. After taking appropriate professional advice, the Trustee reinvested members' investments within the SSGA Balanced Index Fund on the basis that the two funds have a broadly similar range of assets, and the cost to members would be significantly lower within the SSGA Balanced Index Fund. The Trustee recognises that the SSGA Balanced Index Fund could therefore be considered a default under the Occupational Pension Schemes (Charges and Governance) Regulations 2015.

The DC Section also includes a range of self-select funds, which the Trustee monitors at each meeting.

The DB Section AVCs do not have a default investment: members have actively selected where their contributions are invested.

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Over the year, the Trustee and its advisors have reviewed the performance of the Scheme's investments at each meeting. Mercer Limited provide the Trustee with quarterly investment reports that include the funds' performance against their benchmarks, changes to the ratings that Mercer assign to funds and manager updates. The reports are reviewed by the Trustee and any concerns are discussed with the investment consultant.

Requirements for processing financial transactions

As required by the Administration Regulations, the Trustees must ensure that core financial transactions are processed promptly and accurately. Core financial transactions include (broadly), but are not limited to:

- Investment of contributions paid to the Scheme by members and their employers;
- Transfer of members' assets into and out of the Scheme;
- Switches of members' assets between different investment options available in the Scheme; and
- Payments from the Scheme to or in respect of members.

The Trustees recognise that delay and error can cause significant losses for members. They can also cause members to lose faith in the Scheme, which may in turn reduce their propensity to save and impair future outcomes. The Trustees therefore operate measures and controls aimed at ensuring that all financial transactions (such as benefit payments and switches between funds) are processed promptly and accurately.

The Trustees have delegated the administration of Scheme member records to Mercer (the "Administrator"). The Trustees agree timescales with the Administrator for all services, including core financial functions.

Administration is a standing item at each meeting by the Trustees, with a member of the Administration team in attendance at Trustee meetings when required. These timescales are well within any applicable statutory timescales and are summarised below

PROCESS	TASK	TARGET	COMMENTS
Contributions	Investment of contributions	5 days	From the later of receipt of contributions or breakdown of contributions
Annual renewal	Issue of benefit statements to active members	8-10 weeks	From the later of final allocation or receipt of 'clean' data or as agreed with Trustees
	Issue of benefit statements to deferred members	8-10 weeks	Issued with active statements
Leaver – Refund of contributions	Acknowledgement letter to member	5 days	From receipt of notification
	Disinvestment request to fund manager	5 days	From receipt of notification
	Payment of refund to member	5 days	From receipt of disinvestment monies
Leaver – Deferred benefits	Issue statement of deferred benefits	5 days	From receipt of notification
Fund switches	Lifestyle	10 days	From instruction
	For future contributions	5 days	From instruction
	Existing funds	20 days	Depending on complexity of investment choices
Retirements	Quotation of Normal Retirement benefits	At least 6 months before NRA	
	Quotation of Early Retirement benefits	5 days	From request
	Disinvestment of funds	5 days	From instruction
	Settlement of benefits	5 days	From receipt of funds or in accordance with Trustees' policy on retirements
Deaths	Disinvestment	5 days	From notification
	Settlement of benefits	5 days	From receipt of funds
Transfers in	Investment of monies	10 days	From receipt
Transfers-out	Transfer Value Quotation	10 days	From request
	Disinvestment of funds	10 days	From instruction
	Settlement of Transfer benefits	10 days	From receipt of funds or in accordance with Trustees' policy on transfers
Investment Manager unit reconciliation		30 days	Performed monthly
Un-invested cash reconciliation		30 days	Performed monthly

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Notes:

1. *The number of working days quoted above assumes that complete 'clean' data has been received*
2. *Processing times will vary depending on where in the monthly investment cycle the event occurs. For example, Mercer may not be able to process a leaver if the final months' contributions need to be paid across, invested or allocated. Holding letters will be issued to members where this occurs*
3. *Individual cases can be given special priority when necessary*
4. *Major exercises would be subject to special timescales*

Adherence to the key administration processes is reviewed annually by the Trustees through the AAF01/06 report provided by Mercer, which is an independent audit of compliance with their internal controls and processes. The latest report seen by the Trustees noted the pension administration activities and controls in place to operate effectively.

The processes adopted by the administrator to help meet the SLA's promptly and accurately include:

- Contribution processing – contributions are paid in accordance with agreed timescales received by the Trustees within statutory timescales; the administration team report to the Company any potentially late receipts and escalate any reportable incidents to senior management.
- Contributions are allocated in line with member choices – contributions are received and reconciled with differences investigated; investment instructions are managed and the transaction statement is received to confirm the investment. Systems are then updated with unit prices and units purchased.
- Transfers in, disinvestments and investment switches are processed by written request with the exception of lifestyle switches activated on the administration systems.
- Investment instructions are reviewed by the administration team and approved by the Financial Control Team. Following confirmation of the transaction from the investment manager the administration systems are updated – this is peer reviewed and evidenced via a checklist.
- When administering the Trustee Bank account, CASHFAC is used to manage receipts and payments and there is segregation of duties between the individuals who input payments and those who authorise the release of funds. Payments to investment managers follow a three-stage process fully evidenced within the CASHFAC transaction. The Financial Control Team monitor the bank account and records transactions on a Payment Control issued daily to the administration team.

The Trustees ensured the core financial transactions of the Scheme were processed promptly and accurately via the following means:

- The Trustees carry out a Scheme audit annually. The Auditor undertakes checks on contributions, which involves obtaining sufficient evidence to give reasonable assurance that contributions reported have been paid in accordance with the Schedule of Contributions. The Auditor to the Scheme for the 31 December 2021 year-end is Edmund Carr LLP. The agreement with Edmund Carr LLP with regard to audit services is reviewed annually.
- The **Schedule of Contributions** sets out timescales for the Company to remit monthly contributions to the Scheme. These timescales and compliance are reviewed monthly and reported to the Trustees at each meeting.
- The Scheme's **Risk Register** identifies risks relating to promptness, accuracy and security of Scheme financial transactions and prescribes suitable controls aimed at mitigating those risks which are monitored and reviewed at Trustee meetings.
- Receiving and reviewing Administration Reports issued by Mercer timed to coincide with Trustee Meetings. These reports provide details about Mercer's performance in the context of the average number of days to complete each type of member event during the period; they also report on details of compliance, together with complaints and compliments received during the period. Appendices to the reports also detail the dates relating to the receipt and investment of monthly contributions, which the Trustees monitor against the statutory requirements.

Throughout 2021, the Trustees monitored the administration service closely, with administration being discussed in detail at each meeting, particularly any complaints made by, or on behalf of members.

The Trustees are confident that the fundamental processes and controls in place with the Administrator are robust and will ensure that the financial transactions are dealt with properly. Service level agreements remained strong throughout the year at 95%. The Trustees noted that during periods where service levels could not be met, the administrator prioritised member cases that had a financial impact.

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Costs and Charges Borne by members

The Trustee is required to report on the charges and transaction costs for the investments used in the default arrangement as well as the wider fund choice available and assess the extent to which the charges and costs represent good value for members. When preparing this statement, the Trustee has taken account of statutory guidance when producing this section.

Charges relating to investment management are deducted from members' funds. Explicit charges known as the Total Expense Ratio (TER) consist principally of the manager's annual charge for managing and operating a fund, but also includes the costs for other services paid for by the fund, such as the legal costs, registration fees and custodian fees. However, they exclude other costs that are also member borne and which can therefore have a negative effect on investment performance such as transaction costs and interest on borrowings.

Transaction costs are the expenses associated with a member trading in and out of a fund as well as the investment manager trading a fund's underlying securities, including commissions and stamp duty.

Transaction costs are not explicitly deducted from a fund but are captured in its investment performance (in other words, the higher the transaction cost, the lower the returns produced by a fund). The Financial Conduct Authority has provided guidance (in Policy Statement 17/20) to investment managers regarding calculations and disclosures of transaction costs. Due to the way in which transaction costs are required to be calculated, they can be negative or positive in nature; a negative figure is effectively a gain from trading activity, whilst a positive figure is effectively a cost from trading activity.

The annual charges are detailed in the table below, funds in bold are those used within the default arrangement.

	TER (% p.a)	Transaction Costs (% p.a)
DC Section		
SSGA Balanced Index Fund*	0.15	0.00
SSGA Global Equity (50/50) Index Fund*	0.13	0.00
SSGA Index-Linked Gilts Over 5 Years Index Fund*	0.12	0.00
SSGA UK Conventional Gilts Over 15 Year Index Fund*	0.07	0.00
Aviva Balanced**	0.63	-
LGIM Sterling Liquidity	0.13	-0.01
DB Section AVC Funds		
Standard Life - Deposit and Treasury Pension Fund***	0.61	0.03
Standard Life – Managed Pension Fund***	0.62	0.12
Standard Life – Long Corporate Bond Fund***	0.61	0.07
Utmost – Money Market Fund	0.50	0.00
Utmost – Managed Pension Fund	0.75	0.01
Utmost - Multi-Asset Moderate Pension Fund	0.75	0.00
Utmost – Multi-Asset Cautious Pension Fund	0.75	0.00

* Investment costs for these funds are subject to a minimum overall monetary amount and these are currently met by the company

** Aviva have not provided transaction costs over the period, as the fund was closed in April 2021

*** Effective fee after allowing for the discount of 0.40% (this is an annual discount applied by creation of units)

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It should also be noted that with-profits investments are used under the Scheme, with the DB Section AVC members having access to Standard Life's with-profits funds and the DC Section members having access to the Prudential with-profits fund. Given the implicit charging structure on with-profits investments we have not included costs and charges information in this Statement.

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Payouts on surrender and maturity will reflect all charges incurred, though they are not separately identified. Moreover, the actual performance received by members, net of charges, is only ever known upon maturity/surrender, after any augmentation for guaranteed terms and after the effect of 'smoothing'.

'Smoothing' is an additional comfort factor within with-profits funds. In years when investment performance is high, some of the return is held back to 'top-up' returns when lower performance occurs. Hence, at the point a specific member disinvests, smoothing may reduce or increase the payout relative to the underlying investment performance of the assets, thereby reducing investment risk for the individual investor. Insurers are required to stipulate that the payout in the event of early disinvestment will fall within a specified percentage of the underlying share of the assets attributable to the specific investor. These ranges are targets, they are not guaranteed.

Assessing value for money on a with-profits fund is directly related to an individual's attitude towards, and capacity for, investment risk. An individual may find comfort in the fact that a with-profits fund provides guarantees, whether that is a guaranteed pension, investment return or "just" capital security. Therefore, we consider it inappropriate to reach a general conclusion on value for money from the with-profits arrangements, as this will vary by member.

Value for Members

In conjunction with their professional advisors, the Trustee has undertaken a Value for Members assessment which covered the fees paid by members, investment performance, transaction costs and the governance of the Scheme.

The Value for Members assessment concluded the following:

- Overall 5 of the 6 unit-linked funds used by the Scheme are assessed as providing of good value, when considering price and performance; 1 of the 6 funds used by the Scheme is assessed as providing reasonable value
- Over the three years to 31 December 2021, the Scheme's passively managed funds have broadly tracked their respective benchmarks. The actively managed funds have met or exceeded their target.
- 5 of the 6 unit-linked funds are highly rated from an investment research perspective by the Scheme's investment advisors (the other fund is not formally researched).
- The transaction costs appear to be reflective of the costs expected of the various asset classes and markets that the Scheme invests in, although there is not yet an 'industry standard' that the Trustee can compare against.
- Furthermore, the administration, governance and some investment costs are met by the Company, further enhancing the value that members receive.

Overall, the Scheme was assessed as being good value for members based on the above factors.

The Trustee will continue to monitor all funds through monitoring reports prepared by their investment advisors.

Illustration of the compounding effect of charges and transaction costs on members' benefits

Using the charges and transaction cost data provided by State Street, Aviva, LGIM and in accordance with regulation 23(1)(ca) of the Administration Regulations, the Trustee has prepared an illustration detailing the impact of the costs and charges typically paid by a member of the Scheme on their retirement savings pot. The statutory guidance has been considered when providing these examples.

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In order to represent the range of funds available to members we are required to show the effect on a member's savings of investment in the following (with the Scheme's relevant funds/strategies listed in brackets):

- The fund or strategy with the most members invested (The default strategy)
- The newly created Technical Default (SSGA Balanced Index)
- The most expensive fund (Aviva Balanced)
- The least expensive fund (SSGA UK Conventional Over 15 Years Index)
- Highest expected return fund (SSGA Global Equity (50/50) Index Fund)
- Lowest expected return fund (LGIM Sterling Liquidity)

The illustrations that follow take into account the following elements:

- Initial savings pot size;
- Real terms investment return gross of costs and charges;
- Adjustment for the effect of costs and charges; and
- Time.

To illustrate the impact of charges on a typical active member's pension pot, we have provided the below illustration, which accounts for all estimated member costs, including the TER, transaction costs and inflation.

Projected Pot sizes in Today's Money												
	Default lifestyle		Technical default fund: SSGA Balanced Index Fund		Most expensive fund: Aviva Balanced		Least expensive fund: SSGA UK Conventional Over 15 Years Index		Highest Return: SSGA Global Equity (50/50) Index Fund		Lowest Return: LGIM Sterling Liquidity	
Year End	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred
1	£60,725	£60,625	£60,202	£60,103	£60,009	£59,616	£58,018	£57,964	£60,725	£60,625	£58,005	£57,930
2	£66,624	£66,411	£65,514	£65,305	£65,107	£64,283	£60,984	£60,875	£66,624	£66,411	£60,958	£60,805
3	£72,702	£72,363	£70,939	£70,608	£70,296	£69,002	£63,898	£63,732	£72,702	£72,363	£63,859	£63,626
4	£78,965	£78,486	£76,478	£76,015	£75,577	£73,773	£66,762	£66,537	£78,965	£78,486	£66,709	£66,394
5	£85,418	£84,784	£82,134	£81,527	£80,952	£78,597	£69,577	£69,292	£85,418	£84,784	£69,510	£69,110
10	£120,742	£119,088	£112,262	£110,738	£109,291	£103,533	£82,937	£82,330	£120,742	£119,088	£82,794	£81,943
15	£161,764	£158,599	£145,715	£142,906	£140,238	£129,882	£95,182	£94,225	£161,764	£158,599	£94,955	£93,617
20	£207,488	£202,267	£182,858	£178,329	£174,033	£157,724	£106,406	£105,077	£207,488	£202,267	£106,089	£104,234
25	£234,470	£227,661	£224,100	£217,338	£210,936	£187,145	£116,692	£114,978	£234,470	£227,661	£116,282	£113,892
28	£237,492	£230,220	£250,998	£242,613	£234,689	£205,593	£122,447	£120,496	£302,118	£291,708	£121,980	£119,262

Notes

1. Values shown are estimates at end of each year and are not guaranteed.
2. Projected pension pot values are shown in today's terms.
3. To make this analysis representative of the membership, the Trustee has based this assumed member on data sourced from the administrator. The assumed member is age 37, with a normal retirement age of 65, using a starting pot size of £55,000. Total contributions are assumed to be £4,000 a year.
4. Inflation is assumed to be 2.5% per annum.
5. Charges, transaction costs and estimated growth rates are assumed as set out in the table below, noting that the Company currently pays the SSGA fund charges:

Fund	TER	Transaction costs	Growth rate assumptions
Annuity Lifestyle Investment Strategy	0.13% p.a. for members 10 or more years from retirement, reducing to 0.09% p.a. for members at retirement	0.04% p.a. for members 10 or more years from retirement; an average of 0.03% for members within 10 years of retirement and beyond	5.50% p.a. before inflation for members 10 or more years from retirement, falling to 0.75% p.a. before inflation for members at retirement
SSGA Balanced Index	0.15% p.a.	0.02% p.a.	4.60% p.a. before inflation
Aviva Balanced	0.63% p.a.	0.03% p.a.	4.25% p.a. before inflation
SSGA UK Conventional Over 15 Years Index	0.07% p.a.	0.02% p.a.	0.75% p.a. before inflation
SSGA Global Equity (50/50) Index Fund	0.13% p.a.	0.04% p.a.	5.50% p.a. before inflation
LGIM Sterling Liquidity	0.13% p.a.	0.00% p.a.	0.75% p.a. before inflation

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Investment Returns after all charges and transaction costs

The tables below show performance, net of all charges and transaction costs, of all funds available to members during the Scheme year. The format of the data shown is consistent with that required to be shown in the Scheme's Chair's Statement, for Scheme year ends following 1 October 2021. For the avoidance of doubt, performance shown earlier in this report is also net of all charges and transaction costs.

Default strategy	Annualized returns to 31 December 2021(%)			
Age of member	1 year	5 years	10 years	Since Inception
25	16.6	8.2	10.4	8.1
45	16.6	8.2	10.4	8.1
55	16.6	8.2	10.4	8.1
Self-select fund				
	1 year	5 years	10 years	Since inception
SSGA Balanced Index Fund	15.8	7.9	9.3	7.5
SSGA Global Equity (50/50) Index Fund	16.6	8.2	10.4	8.1
SSGA UK Conventional Gilts Over 15 Years Index	-7.3	4.2	5.9	7.8
SSGA Index-Linked Gilts Over 5 Years Index	4.1	5.0	7.0	7.3
Aviva Balanced	23.1	9.5	-	-
LGIM Sterling Liquidity	-0.1	0.3	-	-

Notes

- At the ages shown a member invested in the default strategy would have been entirely invested in the SSGA Global Equity (50/50) Fund, which had an inception date of 30 November 2005.
- The inception date for the SSGA Balanced Index Fund and the SSGA UK Conventional Gilts Over 15 Year Index Fund was 30 September 1995.
- The inception date for the SSGA Index-Linked Gilts Over 5 Years Index Fund was 31 July 1998.

Trustee knowledge and understanding

The Trustee is required to maintain an appropriate level of knowledge and understanding which, together with professional advice available to them, enables the Trustee to exercise their functions and duties in relation to the Scheme.

- The Scheme's Risk Register is reviewed regularly and updated quarterly. This demonstrates that the Trustees hold relevant knowledge on DC specific internal controls and the regulatory requirements. The Risk Register is incorporated by the Trustees into decision making processes.
- In April 2021, the Trustee, with their advisors carried out an assessment against the Scheme's current practices against the Regulator's DC Code. Performance of the administration team was an area of focus within the assessment, and it was noted that recent performance was an improvement over 2020.
- In April 2021, the Trustee received and discussed advice regarding the movement of members' assets within the AVCs held with Utmost.
- Throughout 2021, the Trustee monitored and discussed with their professional advisors the closure of the Aviva Balanced Fund, and the best way to proceed with the re-investment of members' investments.

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- The Scheme appointed PSGS as a sole, professional Trustee.
- The Trustee carried out a review of its investment advisors against set objectives.

The conflicts of interest policy is considered at each Trustee meeting.

In addition to the regular review of Scheme documentation and policies, the Trustee has undertaken ongoing training, to keep abreast of relevant developments.

- Over the year, the Trustee received training and discussed the long-term strategy of the DC Section, how the different types of investments the Scheme holds function, and tax implications for members that are both in the DB and DC Sections.
- The Trustee receive topical training on DC topics from Mercer at each meeting.

PSGS is a professional Trustee and has specific internal controls, which require the Trustee to undertake continual professional development so that they keep up to date with all the legislative requirements and pensions industry developments. In addition, I am an accredited professional trustee.

Based on these actions, I have concluded that the knowledge and understanding of the Trustee, supported by advice from our appointed professional advisors, is sufficient to enable the Trustee to exercise our functions in relation to the Scheme.

Trustee Statement of DC Governance

As noted above the Trustee has received specific training on The Pension Regulator's Code of Practice no.13 – Governance and administration of occupational trust-based schemes providing DC benefits (the "DC Code") and associated guidance. The Scheme's DC Code review is monitored on an on-going basis.

The Trustee will also review and assess, on an ongoing basis, whether the systems, processes and controls across key governance functions are consistent with those set out in the Pensions Regulator's Code of Practice 13 and the consolidated Code once this is in effect.

Chair's Declaration

This statement has been prepared in accordance with Regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 as amended by the Occupational Pension Schemes (Charges and Governance) 2015 (together 'the Regulations') and I confirm that the above statement has been produced by the Trustee of the Lansing Linde Pension Scheme and is correct to the best of my knowledge.

Signed for and on behalf of The Trustee of the Lansing Linde Pension Scheme.

Signature: James Double

for and on behalf of Punter Southall Governance Services Limited
Position: Chair of the Trustees

Date: 28th July 2022