

Chair's Statement for the Innovia British Pension Scheme

It is with pleasure that I present this statement to the members of the Innovia British Pension Scheme (the "Scheme"). This statement will be updated annually and will appear in the Trustee's report.

In previous years, the Trustee has agreed to accept transfers into the Scheme from all types of pension arrangements (including personal pensions but excluding Free Standing AVC's), subject to a minimum level of £3,000. The basis used for transfers into the Scheme was a money purchase basis and the funds were placed in a Trustee Investment Plan (TIP) provided by Standard Life. In October 2008, following advice from the Actuary, the Trustee decided to no longer accept transfers into the Scheme.

This statement only relates to the TIP. No other money purchase arrangements (eg AVCs) are covered by the statement.

Governance

A key responsibility of the Chair is to complete a yearly statement explaining how the Scheme meets its governance requirements and helps members achieve a good outcome from their defined contribution pension savings.

We have reviewed and assessed our systems, processes and controls against key governance functions for consistency with those set out in the:

- Pensions Regulator's Code of Practice 13 (Governance and administration of occupational trust-based schemes providing money purchase benefits)
- Regulatory guidance for defined contribution schemes.

The Trustee is committed to having high governance standards and monitors the controls and processes in place in connection with the Scheme's investments and administration.

Outcome of the annual governance review

We are pleased to confirm that we maintain the standards of practice set out in the relevant code and regulatory guidance.

Processing financial transactions

As the Trustee we are required to ensure that financial transactions are processed promptly and accurately. In practice we delegate responsibility for this to Standard Life, the Pensions Team at Innovia Films Ltd and the Principal Employer.

The Pensions Team provides quarterly reports to the Trustee which allows us to monitor the financial transactions and the annual audit acts as a review of these processes. There have been no transactions within the policy in the last scheme year.

In addition:

- The Trustees consider all areas of risk and specifically risks of significant impact such as, fraud (including pension liberation), investment, management of costs, administration, regulatory requirements, operational procedures, communications and member understanding.
- The Trustees identify, evaluate, manage and monitor risk via regular review of a risk register.
- The Trustees have recently reviewed all their data management procedures and those of their service providers and have a data protection policy in place.

- In line with Anti-Money Laundering regulations the Trustees hold an up to date register of beneficial owners.
- All data is held electronically and backed up on a daily basis

We are pleased to note that in the last Scheme year there have been no service issues that need to be reported here by the Trustee. We are confident that the processes and controls in place are robust and will ensure that the financial transactions which are important to members are processed properly and within a reasonable timeframe.

Default Investment Strategy

The only fund available for members is the Standard Life Managed Fund (a passively managed unit linked fund predominately invested in equities). As the Scheme is closed to new members and no further contributions are invested, there is no requirement for the Trustees to set a default investment fund.

However, the Trustee has a Statement of Investment Principles, prepared in accordance with regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005. This has been updated since the last Statement was provided and a copy is appended to this document.

In the context of the assets under management, a proportionate approach has been taken in setting the investment strategy and this is monitored and reviewed on an ad-hoc basis.

Fees and costs incurred in running the Scheme

For information, the costs associated with the Scheme during the year to 31 December 2018 were as set out below.

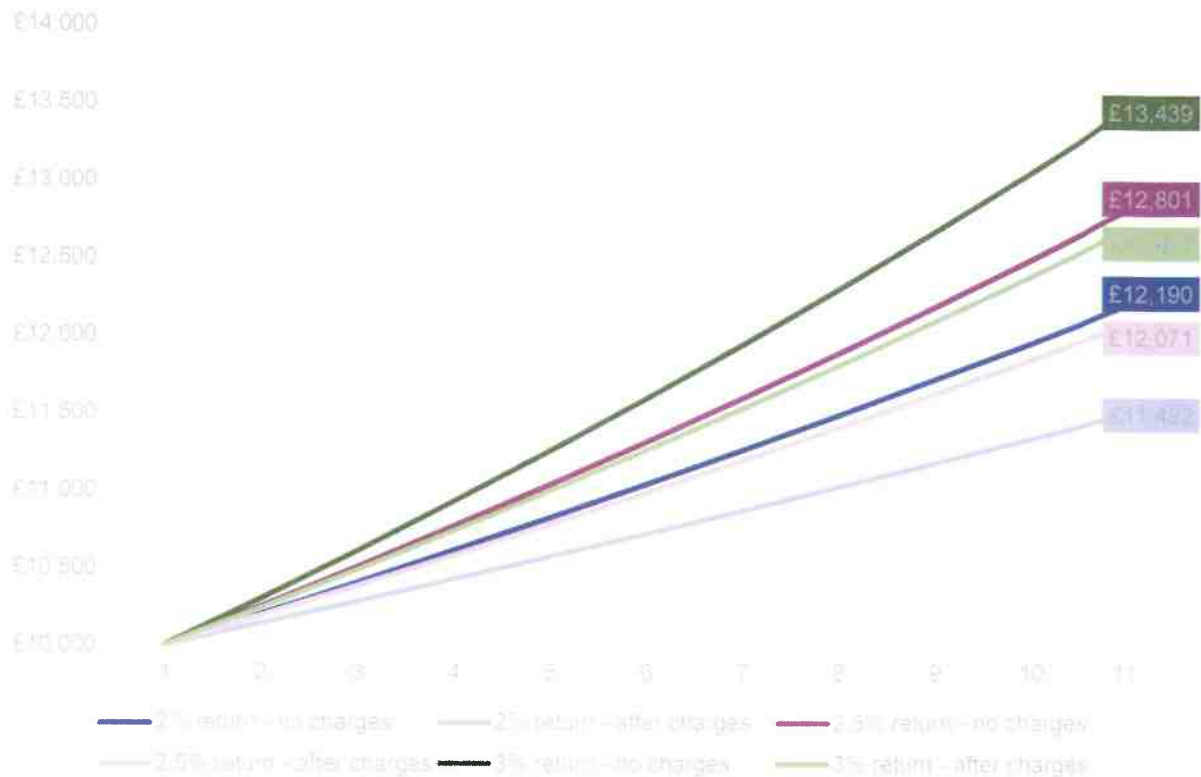
Costs paid by members:

Standard Life currently applies an annual fee of £200 to the funds held in the Standard Life Managed Fund (where all unit-linked funds are currently invested). This is taken from the Scheme assets each year and not borne directly by the members.

The Annual Management Charge (AMC) is currently 0.6% per annum and is deducted from the underlying fund value. This amount is clearly communicated to members in an annual statement issued at the beginning of each year.

The following illustration projects the cumulative value of a £10,000 starting fund value over a 10 year period, based on assumed returns of either 2% p.a., 2.5% p.a. or 3% p.a., offset by the AMC noted above.

It should be noted that these are only illustrations and actual fund values will depend on actual investment returns achieved on investments, the time under investment and the amounts invested.



There may also be transaction costs which are only incurred when members disinvest. This would be applied via a bid / offer spread on the fund prices (but may not be applicable in the event of death or normal retirement). Further information is provided within the attached "Fund & Charges" Guide from Standard Life.

Other costs

It is the Trustee's policy to review all member-borne charges on a regular basis and to aim to ensure that members are obtaining value-for-money given the circumstances of the Scheme. The Trustee notes that value-for-money does not necessarily mean the lowest fee, and the overall quality of the service received has been taken into account in the value-for-money assessment.

The Trustee considers the level of fees paid by members to provide reasonable value, given the relative size of the funds. The administration service provided has been of a good quality and whilst this fund is not the cheapest available the offering is reasonable and it would be disproportionate to conduct a whole of market review given the size of the invested funds.

Trustee knowledge and understanding

The law requires the Trustee to possess, or have access to, sufficient knowledge and understanding to run the Scheme effectively. 20-20 Trustees Limited has been appointed as a Trustee and is a professional independent trustee firm, represented by a team of professionals with a wealth of experience in the pensions industry. The representatives of 20-20 Trustees complete the Regulator's online toolkit and carry out regular training to keep updated on developments in the industry and are subject to

requirements of Continued Professional Development. In addition, there is a Pensions Consultative Committee (PCC), made up of three members of the Scheme.

20-20 Trustees undertake any necessary training to enable them to carry out their role as Trustees of the Scheme and regularly monitor this to ensure the skills and knowledge are appropriate and in particular, the Trustees and the PCC:

- receive regular investment training
- are conversant with the Trust Deed and Rules
- are conversant with the Statement of Investment Principles
- keep up to date with developments in the DC landscape and new guidance issued by the Pensions Regulator

During the Scheme year the Trustees and PCC have met the requirement for knowledge and understanding by holding regular Trustee meetings, with time set aside for monitoring the governance of the Scheme.

The Trustees, together with assistance from their professional advisers, use their combined knowledge and understanding of Pension Law, specific Scheme documentation, legal requirements and the Pensions Regulator's guidance to ensure that the Scheme is run effectively and members' benefits are paid in accordance with the Rules.

Value for members

The Trustee considers that the charges detailed above represent reasonable value for members with regards to the objective of the fund and its performance which is monitored on a regular basis; they are broadly similar to those charged by similar investment providers for similar funds in the market.

In making its value for members judgement the Trustee appreciates that low costs do not necessarily mean better value and have also considered quality of customer service, member communications and support.

Signed:



Bhavna Kumar
Chairman

For and on
behalf of 20-20
Trustees Limited

25 JULY 2019