

Statement of Investment Principles for the Tate & Lyle Group Pension Scheme

August 2020

1. Introduction

This Statement of Investment Principles ("SIP") sets out the policy of the Trustee of the Tate & Lyle Group Pension Scheme ("the Trustee") on various matters governing decisions about the investments of the Tate & Lyle Group Pension Scheme ("the Scheme"), a Defined Benefit ("DB") Scheme. This SIP replaces the previous SIP dated September 2019.

The SIP is designed to meet the requirements of Section 35 (as amended) of the Pensions Act 1995 ("the Act"), the Occupational Pension Schemes (Investment) Regulations 2005 and the Pension Regulator's guidance for defined benefit pension schemes (March 2017).

This SIP has been prepared after obtaining and considering written professional advice from LCP, the Scheme's investment adviser, whom the Trustee believes to be suitably qualified and experienced to provide such advice. The advice takes into account the suitability of investments including the need for diversification, given the circumstances of the Scheme, and the principles contained in this SIP. The Trustee has consulted with the relevant employer in producing this SIP.

The Trustee will review this SIP from time to time and, with the help of its advisers, will amend it as appropriate. These reviews will take place as soon as practicable after any significant change in investment policy, and at least once every three years.

Appendix 1 sets out details of the Scheme's investment governance structure, including the key responsibilities of the Trustee, investment advisers and investment managers. It also contains a description of the basis of remuneration of the investment adviser.

2. Investment objectives

The primary objective is to ensure that the Scheme should be able to meet benefit payments as they fall due. The Trustee has taken into account the funding requirements detailed in the Occupational Pension Schemes (Scheme Funding) Regulations 2005.

3. Investment strategy

In December 2012 the Trustee entered into a bulk annuity policy with Legal & General Assurance Society Limited in respect of a portion of the Scheme's pensioner liabilities. In July 2019 the Trustee entered into an additional bulk annuity policy with Legal & General Assurance Society Limited in respect of the remainder of the Scheme's pensioner and deferred liabilities. These bulk annuity policies will meet all cash flows due from the Scheme to members.

As the bulk annuity policies are the Scheme's only investment, aside from AVCs, the Scheme is a wholly-insured scheme as defined within the Occupational Pension Schemes (Investment) Regulations 2005.

4. Implementation of the investment arrangements

Before investing in any manner, the Trustee obtains and considers proper written advice from its investment adviser on the question of whether the investment is satisfactory, having regard to the need for suitable and appropriately diversified investments, taking account of the principles within this statement.

The Trustee does not believe that the matters set out in Regulation 2(3)(d) of the Occupational Pension Schemes (Investment) Regulations 2005 relating to incentivising investment managers and monitoring turnover costs are relevant to the bulk annuity policies.

5. Additional Voluntary Contributions ("AVCs")

The Trustee will provide suitable arrangements for the investment of Additional Voluntary Contributions for those Scheme members who elected to pay them whilst in active service to enhance their benefits. A range of investment options is made available.

SIP signed for and on behalf of the Trustee of the Scheme:

Signed: _____

Dated: _____

Investment governance, responsibilities, decision-making and fees

The Trustee has decided on the following division of responsibilities and decision-making for the Scheme. This division is based upon the Trustee's understanding of the various legal requirements placed upon it, and its view that the division of responsibility allows for efficient operation and governance of the Scheme overall. The Trustee's investment powers are set out within the Scheme's governing documentation.

1. Trustee

In broad terms, where relevant, the Trustee is responsible in respect of investment matters for:

- setting the investment strategy, in consultation with the employer;
- developing a mutual understanding of investment and risk issues with the employer;
- reviewing the investment policy as part of any review of the investment strategy;
- setting the policy, if required, for rebalancing between asset classes;
- appointing (and, when necessary, dismissing) investment managers, investment advisers, actuary and other service providers;
- monitoring the exercise of the investment powers that they have delegated to the investment managers and monitoring compliance with Section 36 of the Act;
- formulating a policy on socially responsible investment issues and voting rights;
- communicating with members as appropriate on investment matters;
- putting effective governance principles in place and documenting these principles in a suitable form;
- reviewing the content of this SIP from time to time and modifying it if deemed appropriate; and
- consulting with the employer when reviewing the SIP.

2. Annuity provider

The annuity provider's responsibility is to pay the pensions secured under the bulk annuity contracts accurately and on a timely basis.

3. Investment adviser

In broad terms, the investment adviser will be responsible, in respect of investment matters, as requested by the Trustee, for:

- advising on how material changes within the Scheme's benefits, membership, and funding position may affect the manner in which the assets should be invested and the asset allocation policy;
- advising on the selection, and review, of the investment managers or other providers; and
- participating with the Trustee in reviews of this SIP.

4. Mandates given to advisers, investment managers and annuity provider

The Trustee has in place signed agreements with each of the Scheme's advisers, and annuity provider. These provide details of the specific arrangements agreed by the Trustee with each party.

5. Fee structures

The Trustee recognises that the provision of advisory services to the Scheme results in a range of charges to be met, directly or indirectly, by deduction from the Scheme's assets.

The Trustee has agreed Terms of Business with the Scheme's investment advisers, under which work undertaken is charged for by an agreed fixed fee or on a "time-cost" basis.

The fee structure used in each case has been selected with regard to existing custom and practice, and the Trustee's view as to the most appropriate arrangements for the Scheme. The Trustee will review the fee structures from time to time to ensure they continue to be appropriate.

6. Working with the Scheme's employer

When reviewing matters regarding the Scheme's investment strategy, the Trustee seeks to give due consideration to the employer's perspective. While the requirement to consult does not mean that the Trustee needs to reach agreement with the employer, the Trustee believes that better outcomes will generally be achieved if the Trustee and employer work together collaboratively.