The Amari PLC Pension and Life Assurance Plan (the "Plan")
Statement of Investment Principles (the "Statement")

1. Scope of Statement

This Statement has been prepared in accordance with section 35 of the Pensions Act 1995 (as amended by the Pensions Act 2004, the Occupational Pension Schemes (Investment) Regulations 2005, the Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018, and the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019).

The effective date of this Statement is 30 September 2020. The Trustees will review this Statement and the Plan's investment strategy no later than three years after the effective date of this Statement and without delay after any significant change in investment policy.

The Plan has been closed to new entrants and new accrual since 31 August 1995.

2. Consultations Made

The Trustees have consulted with the Principal Employer prior to writing this Statement and will take the Principal Employer's comments into account when they believe it is appropriate to do so.

The Trustees are responsible for the investment strategy of the Plan. They have obtained written advice from their investment consultants on the investment strategy appropriate for the Plan and on the preparation of this Statement. This advice was provided by Aon Solutions UK Limited who are authorised and regulated by the Financial Conduct Authority.

The day to day management of the Plan's assets has been delegated to investment managers who are appropriately authorised and regulated as required under the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012). Their regulatory status can be verified on the Financial Services Register at www.fca.org.uk/register/. A copy of this Statement is available to the investment managers appointed and to the members of the Plan.

3. Objectives and Policy for Securing Objectives

The Trustees' primary objectives are*:*

- "funding objective" - to ensure that the Plan is fully funded using assumptions that contain a margin for prudence. Where an actuarial valuation reveals a deficit, a recovery plan will be put in place which will take into account the financial covenant of the Principal Employer; and

- "stability objective" – to have due regard to the likely level and volatility of required contributions when setting the Plan's investment strategy.

4. Choosing Investments

The types of investments held and the balance between them is deemed appropriate given the liability profile of the Plan, its cashflow requirements, the funding level of the Plan and the Trustees' objectives.

The assets of the Plan are invested in the best interests of the members and beneficiaries.

The Trustees exercise their powers of investment in a manner calculated to ensure the security, quality, liquidity and profitability of the portfolio as a whole. In order to avoid an undue concentration of risk a spread of assets is held. The diversification is both within and across the major asset classes.

Assets held to cover the Plan's technical provisions (the liabilities of the Plan) are invested in a manner appropriate to the nature and duration of the expected future retirement benefits payable under the Plan.

The assets of the Plan are invested predominantly on regulated markets (with investments not on regulated markets being kept to a prudent level) and properly diversified to avoid excessive reliance on any particular asset, issuer or group of undertakings so as to avoid accumulations of risk in the portfolio as a whole.

Investment in derivatives is only made in so far as they contribute to the reduction of investment risks or facilitate efficient portfolio management and are managed such as to avoid excessive risk exposure to a single counterparty or other derivative operations.

5. The Balance Between Different Kinds of Investments

The Trustees recognise that the key source of financial risk (in relation to meeting their objectives) arises from asset allocation.

They therefore retain responsibility for setting asset allocation, and take expert advice as required from their investment consultants.

The Trustees review their investment strategy following each formal actuarial valuation of the Plan (or more frequently should the circumstances of the Plan change in a material way or in other appropriate circumstances). The Trustees take written advice from their investment consultants regarding an appropriate investment strategy for the Plan.

The current Asset Allocation Strategy set out in Appendix 1 to this Statement was established taking account that the Plan is closed to new entrants and new accrual. The Trustees have decided to maintain a marginally mismatched position in favour of gilts when compared to the Plan's ongoing liabilities due to the ageing nature of the Plan and the consequential steady increase in the proportion of these liabilities that relate to pensioner liabilities as the membership ages.

A broad range of available asset classes has been considered.

6. Investment Risk Measurement and Management

The key investment risks are recognised as arising from asset allocation. These are assessed triennially in conjunction with the actuarial valuation of the Plan, following which the Trustees take advice on the continued appropriateness of the existing investment strategy.

Risks associated with changes in the employer covenant are assessed by monitoring the Failure Score (as defined for the purposes of calculating the risk-based element of the Pension Protection Fund levy). The Trustees also have an agreement with the Principal Employer to receive notification of any events which have the potential to alter the creditworthiness of the Principal Employer. In particular, the Trustees will be informed of material financial and corporate developments affecting the Group's position, which will include Type A events, as defined in appropriate guidance issued by The Pensions Regulator, and employer-related Notifiable Events. On receipt of such notification, the Trustees will re-consider the continued appropriateness of the Plan's existing investment strategy.

The Trustees monitor the risks arising through the selection or appointment of investment managers on an ad hoc basis via investment reports prepared by their investment managers. The benchmark returns for the Plan's investment management mandates are detailed in Appendix 1 to this Statement. The Trustees have requested their investment consultants to alert them on any matters of material significance that might affect the ability of investment managers to achieve their benchmark return or their performance target.

The Trustees acknowledge that investment returns achieved outside the expected deviation (positive or negative) from a benchmark return may be an indication that the investment managers are taking a higher level of risk than indicated.

7. Custody

Plan assets are currently invested in the pooled funds of the Plan's appointed investment managers. Investment in pooled funds gives the Trustees a right to the cash value of the units rather than to the underlying assets. The managers of the pooled funds are responsible for the appointment and monitoring of the custodians of the fund's assets.

The custodians are independent of the Principal Employer.

8. Expected Returns on Assets

Over the long-term the Trustees' expectations are:

- for the "growth" assets (UK and overseas equities, property), to achieve a return which is in excess of price inflation over the same period. The Trustees are willing to incur short-term volatility in asset price behaviour with the expectation that over the long term these assets will outperform asset classes which may be regarded as matching the liabilities;

- for the "matching" assets;

  for index-linked bonds, to achieve a rate of return at least in line with price inflation, and short-term price behaviour in line with the cost of providing index-linked annuities;

  for monetary assets (UK and overseas bonds, cash etc), to achieve a rate of return which is at least in line with changes in the cost of providing fixed income annuities;

- the projected investment returns for the asset classes as at 30 June 2017 are: 6.6% (best estimate return) equities, 1.3% fixed interest gilts and 3.2% RPI inflation.

Returns achieved by the investment managers are assessed against performance benchmarks set by the Trustees in consultation with their investment consultants and investment managers.

9. Realisation of Investments/Liquidity

The Trustees recognise that there is a risk in holding assets that cannot be easily realised should the need arise.

The majority of the assets held are realisable at short notice (either through the sale of direct holdings of stocks, bonds etc. or the sale of units in pooled funds).

10. Environmental, Social and Governance Considerations

In setting and implementing the Plan's investment strategy, the Trustees' primary concern is to act in the best financial interests of the Plan and its beneficiaries, seeking the best return that is consistent with a prudent and appropriate level of risk. This includes the risk that environmental, social and governance factors, including but not limited to climate change, negatively impact the value of investments if not understood and evaluated properly.

The Trustees' policy is that decisions as to the extent to which environmental, social and governance factors are taken into account should be delegated to the Plan's appointed investment managers. The Trustees regularly review the continuing suitability of the appointed managers with regard to these matters, and the Trustees take advice from their investment consultants with regard to any changes. These reviews and this advice include (but are not limited to) consideration of whether financially material risks are understood and evaluated properly by the appointed managers.

11. Stewardship – Engagement and Voting

As part of their delegated responsibilities in respect of their management of the Plan's assets, the Trustees expect the Plan's appointed investment managers to:

- monitor and engage appropriately with issuers of debt and equity and other relevant persons about relevant matters such as (but not limited to) the capital structure, strategy, performance, risks, social and environmental impact and corporate governance, and management of actual or potential conflicts of interest; and

- exercise the Trustees' rights attaching to the Plan's assets, including voting rights.

The Trustees do not monitor or engage directly with issuers of debt and equity and other relevant persons on these matters. They expect the Plan's appointed investment managers to undertake such monitoring and engagement, and exercise ownership rights, in accordance with the managers' general policies on stewardship, as provided to and discussed with the Trustees from time to time, with the aim to protect and enhance the value of the Plan's assets in the long-term financial interests of its beneficiaries.

The Trustees regularly review the continuing suitability of the appointed managers with regard to these matters, and the Trustees take advice from their investment consultants with regard to any changes. These reviews and this advice include (but are not limited to) consideration of broader stewardship matters and the exercise of voting rights by the appointed managers.

12. Arrangements with the Managers of the Plan's Assets

Plan assets are currently invested in two pooled funds of the Plan's appointed investment managers; the majority of the Plan assets are invested in a Long Duration Gilt Index Fund, with the remainder invested in a Managed Fund. The Trustees, in light of the Plan's size and maturity, and having considered advice from time to time from their investment consultants, have concluded that investing the Plan's assets in pooled funds that are appropriate for the investment of long-term pension fund assets is currently the most efficient approach for implementing their investment strategy.

In appointing, and continuing with the appointment of, the investment managers for the Plan's assets, the Trustees, having considered advice from their investment consultants, assess whether the investment strategy and decisions taken by the managers of the pooled funds in which the Plan's assets will be, or are being invested, are aligned as far as possible with the Trustees' investment policies and expectations on financial and non-financial matters. This includes (but is not limited to) assessing and monitoring the extent to which the investment managers:

- make decisions based on assessments about medium-term to long-term financial and non-financial performance of an issuer of debt or equity;

- engage with issuers of debt or equity in order to improve the issuer's performance in the medium-term to long-term.

The Trustees receive regular reports from, and meet annually with, the Plan's appointed investment managers, who report on various matters including (but not limited to) the pooled funds' investment strategy, performance and longer-term positioning of the investment portfolio, and the stewardship activities undertaken and actions taken, to enable the Trustees to assess the ongoing suitability of the investment managers and pooled funds for achieving their investment objectives. When undertaking assessments of the investment managers' performance, the Trustees take most account of the investment managers' performance over periods of three and five years.

There is no set duration for the Plan's investment managers' appointment. If the investment managers were considered not to be taking decisions that are aligned as far as possible with the Trustees' investment policies and expectations on financial and non-financial matters, the Trustees would engage with the investment managers, and could terminate their appointment with immediate effect where deemed appropriate.

The Trustees believe that having appropriate governing documentation for the Plan's appointed investment managers, setting clear expectations for them by other means where necessary, and regular monitoring of such matters as their investment strategy and performance, the investment management fees paid and the possibility of their appointment being terminated, are normally sufficient to incentivise the investment managers to make decisions that align as far as possible with the Trustees' investment policies and expectations and are based on assessments of medium-term and long-term financial and non-financial performance.

13. Investment Management Cost Monitoring and Performance

The Trustees have engaged a third-party specialist to assist in collating and updating data on the costs and charges incurred by the pooled funds in which the Plan's assets are invested, and in the annual monitoring of these costs and charges against expectations and industry standards.

These costs and charges may include (but may not be limited to):

- explicit charges, such as the annual management charge, and additional charges disclosed by the pooled fund manager as part of a 'Total Expense Ratio' ('TER'); and

- implicit charges, such as portfolio turnover (or transaction) costs borne within the pooled fund.

The Trustees define portfolio turnover costs as the costs incurred in buying and selling underlying securities held within the pooled fund. These are incurred on an ongoing basis and implicit within the performance of each fund. The Trustees acknowledge that portfolio turnover costs are necessary costs to generate investment returns and the level of these costs will vary across asset classes and according to the fund manager's style; a high level of these costs may be acceptable where consistent with the asset class's characteristics, the fund manager's style and historic trends. The monitoring of portfolio turnover costs against target (or expectation) is considered annually by the Trustees with the assistance of their investment consultants, where "targeted portfolio turnover" is defined as the frequency within which assets are expected to be bought or sold.

The Trustees consider that long-term investment performance, net of investment management fees, costs and charges, is the most important metric on which to evaluate the Plan's appointed investment managers. The Trustees consider that, currently, active investment managers may add value, net of investment management fees, costs and charges, and thus remain comfortable with the continued investment in actively managed pooled funds.

14. Members' Views and Non-Financial Matters

In normal circumstances, in setting and implementing the Plan's investment strategy the Trustees do not take into account the views of Plan members and beneficiaries including (but not limited to) their views in relation to ethical considerations, environmental and social impact, or present and future quality of life matters (defined as "non-financial matters").

15. Additional Voluntary Contributions ("AVCs") Arrangements

Historically some members obtained further benefits by paying AVCs to the Plan. The liabilities in respect of these AVCs were equal to the value of the investments bought by the contributions. There are currently no members with AVC arrangements.

Signed by the Trustees of the Amari PLC Pension and Life Assurance Plan:

A D Lloyd Name (Print)	A D Lloyd Signature	30 September 2020 Date
A D Rogers Name (Print)	A D Rogers Signature	30 September 2020 Date

The Amari PLC Pension and Life Assurance Plan (the "Plan")
Appendix 1 to Statement of Investment Principles

This Appendix sets out the Trustees' current investment strategy, and is supplementary to the Trustees' Statement of Investment Principles (the "attached Statement").

The Trustees' investment strategy has been established in order to maximise the likelihood of achieving the primary objectives set out in the attached Statement. The details of the investment strategy are set out below:-

1. Asset Allocation Strategy

Asset Class	Weight (%)	Range (%)
UK Equities	10	+/- 5
Overseas Equities	20	+/- 10
Fixed Interest Gilts / Overseas Government Bonds	65	+/- 10
Corporate bonds	5	+ 10 to -5
Property	0	+ 10
Index-Linked Gilts	0	+ 10
Cash	0	+ 10

2. Investment management arrangements

2.1 Investment managers' mandates

The following describes the mandates given by the Trustees to the investment managers:-

Pooled Fund	Benchmark	Weight	Target
Standard Life Managed Pension Fund*	ABI (Pension) Mixed Investment 40-85% Shares Sector Average	circa 36%	N/A
Standard Life Vanguard UK Long Duration Gilt Index Pension Fund	Barclays UK Government 15+ Years Float Adjusted Index	circa 64%	To closely match the benchmark

* The benchmark on this fund was CAPS Pooled Fund Balanced Median and its target was to outperform the median in rolling 1 year periods and to be top quartile over rolling 3 year periods. This benchmark was discontinued on 30 June 2016. The fund has not formally adopted the new benchmark and it is subject to change.

2.2 Cash balances and disinvestments to pay Plan benefits, expenses etc.

A working balance of cash is held for imminent payment of Plan benefits, expenses, etc. Under normal circumstances it is not the Trustees' intention to hold a significant cash balance. Disinvestments to pay Plan benefits, expenses, etc. will normally be made from the Long Duration Gilt Index Pension Fund.

2.3 Re-balancing arrangements

In order to ensure that where appropriate the assets are re-balanced in line with the Asset Allocation Strategy, the Trustees in conjunction with their investment consultants review the balance of the assets regularly, following which appropriate corrective action is taken if thought fit.

3. Fee structure for advisers and managers

3.1 Advisers

The Trustees' investment consultants are paid for advice received on the basis of the time spent by the adviser. For significant areas of advice (e.g. one off special jobs, or large jobs, such as asset and liability modelling), the Trustees will endeavour to agree a project budget.

These arrangements recognise the bespoke nature of the advice given and that no investment decisions have been delegated to the investment consultants.

3.2 Investment managers

For passive mandates, or mandates where the investment managers are seeking to add incremental value in excess of the performance benchmark, the investment managers are remunerated as a set percentage of the assets under management. This is in keeping with market practice.

3.3 Summary of investment management fee arrangements

Pooled Fund	Annual Management Charge	Performance Fee
Standard Life Managed Pension Fund	0.50% p.a. on the first £20m	N/A
Standard Life Vanguard UK Long Duration Gilt Index Pension Fund	0.10% p.a.	N/A

In July 2016, Standard Life Investments indicated that the pooled funds' additional expenses (above the Annual Management Charge) were 0.02% p.a. for the Standard Life Managed Pension Fund and 0.01% p.a. for the Standard Life Vanguard UK Long Duration Gilt Index Pension Fund.