

Arthur J. Gallagher

Financial and Professional Risks

PROPOSAL FORM FOR

PENSION TRUSTEE LIABILITY INSURANCE

Important considerations when completing this form:

1. All questions must be answered fully, preferably typed. If answers are incomplete the quotations may be delayed. The completion and signature of this form does not bind the Proposer or Underwriter to complete a contract of insurance.
2. Insurance cover is not effective until the Insurers have accepted this proposal form.
3. The form must be signed by a Partner, Director or Officer or Authorised Person of the Company.
4. If you have insufficient space to complete any of your answers, please continue on your headed paper and attach it to this form.
5. In the event that there is any material changes in the answers given to the questions contained in this proposal form prior to the inception of the policy, the Proposers must notify Underwriters and, at the sole discretion of Underwriters, any outstanding quotations may be modified or withdrawn
6. This type of business is underwritten on a "claims made" basis. "Claims made" is the date when the claim is received by Arthur J. Gallagher, not the date of the alleged wrongful act, which determines the applicable policy. A gap in cover therefore leaves you unprotected.

Signing this Proposal does not bind the Proposer to complete this insurance.

1. THE TRUST

A. Name of the Trust(s) TTL Chiltern Group Pension Scheme

B. Date established 2 March 1978

C. What type of pension scheme is provided? (tick as appropriate)

Tax approved Final Salary ☒

Unapproved Money purchase

Contracted out

Self Administered

Invested in insurance policies. Yes (small amount)

D. Please give approximate figures for the (as at 31 October 2019)

(i) Number of employee members (Number of employed deferred members - 20)

(ii) Number of deferred members 102

(ex employees not yet retired)

(iii) Number of retired members and contingent beneficiaries - 183

(receiving payment).

Comment on any significant changes in these figures in the last 3 years giving reasons.

Number of participants 305

Closed to new members 01 November 2002

Closed to future accruals 1 October 2015

E. (i) When was the last actuarial valuation of the fund? December 2016 - Since then there have been Summary Funding Statements. An actuarial

(ii) What was the valuation? See below Valuation as at 31/12/19 is in process.

(iii) Who provided the valuation? Punter Southall (now XPS Pensions Limited)

	31/12/16	31/12/18 (SFS)
Assets	£35.8m	£42.3m
Liabilities	£58.5m	£54.9m
Funding Ratio	61%	77%

There is no SFS for Dec 2019 as this will be submitted into the valuation currently taking place. The figures given are on a technical provisions basis.

- F. (i) What is the current estimated value of the fund? Fair value of the scheme assets as at 1/10/20 approx. £52,700,000
- (ii) Is the above value believed to be adequate to meet future obligations? No

If no, please comment on what actuary suggests should be done to rectify the situation

Employer continuing to make contributions of £1.76m per annum. Contributions will be reviewed as part of the valuation currently in process.

- G. Are the rules governing the operation of the Trust written in a definitive trust deed? Yes
- H. Approximately what percentage of Trust assets are invested in the Employer Company, its Subsidiaries or associates? Give details if greater than 5%. None

2. THE EMPLOYER COMPANY

- A. Give the name and address of the Employer Company (or parent Company if a Group of Companies is involved).
Warringtonfire Testing and Certification Limited
10 Lower Grosvenor Place, London, SW1W 0EN
- B. Date established 18 December 2008

Attach a list of any other Employer Companies (subsidiaries or associates) that are contributing to the Trust.

- C. What are the main business activities of the Employer Company and/or its subsidiaries and associates?
Global network of laboratories providing testing, inspection, certification and consulting services to ensure manufacturers meet local and global standards. Services are provided within industry sectors; Energy, Aerospace & Defence, Connected Technology, Transportation & Industries, Fire & Building, Infrastructure & Environmental.
- D. Approximately how many shareholders does the Employer Company have?

List any shareholder known to hold 20% or more of the equity.

Element Materials Technology Limited is part owned by certain managers employed by the group (approx. 22%) with the balance being held in funds comprising the Bridgepoint Europe V fund (BEV Fund) managed by Bridgepoint Advisers Limited (approx. 78%). A nominee entity, BEV Nominees Limited hold investments on behalf of the BEV Fund and is 100% owned by a chain of English limited liability companies: Bridgepoint Advisers Holdings, Bridgepoint Advisers Group Limited and its ultimate parent company; Bridgepoint Group Limited is an employee owned company of which no individual or company owns more than 10%.

- E. Is the Trust a subsidiary of any Employer Company? No

Give details.

3. THE TRUSTEES

- A. Where the Trustees are people, name them and give details of the position each holds in the Employer Company(ies) if any. Indicate if the person should be described as an "outside" Trustee.
George Taylor (Chair of Trustees & Independent), David Webb (Deputy Chair of Trustees & past CEO of sponsor company prior to transfer of sponsorship to EXOVA Plc and then Warringtonfire (now second independent trustee), Andrew Abbott (Member Nominated Trustee), Karen Prendergast (Member nominated trustee and holds executive position within Warringtonfire), Neil MacLennan (Employer nominated trustee and Element Group General Counsel), Derek Montgomery (Employer nominated trustee and senior HR Executive within Element)
- B. (i) How often do the Trustees convene? 3 or 4 times per annum with variation dependent as to need.
- (ii) When was their last meeting held? 30 September 2020
- (iii) Are detailed minutes maintained for each meeting? Yes
- C. Are any of the Trustees remunerated? Yes - two independent trustees are remunerated and modest honorarium is paid to one retired member nominated trustee.
- D. In the case of a Corporate Body Trustee N/A
- (i) Does it act generally as a Corporate Body Trustee or only for the pension schemes of the Employer Company or Group?
- (ii) Name the Corporate Body Trustee directors.
- E. Who performs the day-to-day administrative functions on behalf of the Trust? XPS Administration Limited
- Is this party a full time employee, director or partner of the Employer Company? No

4. THIRD PARTY SERVICE PROVIDERS

A. Give the names (and if private individuals the addressees) of the Third Party Service Providers to the Trustees.

- (i) Pension Consultant XPS Pensions Limited
- (ii) Actuary Douglas Primrose FIA, Partner, XPS Pensions Limited
- (iii) Accountant XPS Administration Limited
- (iv) Solicitor Herbert Smith Freehills LLP
- (v) Administrator XPS Administration Limited
- (vi) Investment Manager: LGIM (Legal & General Investment Management Limited)
- (vii) Other (specify) Crowe UK - Auditor

B. Are any of the above parties connected with the Employer company(ies) or Trustees other than by a normal professional/client relationship? No

C. Do the Trustees require Third Party Service Providers to maintain Professional Indemnity and Fidelity insurance? Yes

D. Have there been any changes to the Trust's Third Party Service Providers during the last three years? Yes - Herbert Smith Freehills LLP were appointed additional legal adviser on 25/04/17 and sole legal adviser on 21/02/18

E. Who typically has day-to-day custody and control over the assets of the fund? LGIM

5. PROCEDURES AND CONTROLS

- A. (i) Does the Trust's accountants conduct a full audit of the Trust at least once a year?

Scheme is audited by Crowe UK annually

If not, please state the frequency and scope of the audit.

- (ii) Does the Trust's accountant or other party regularly review the procedures and controls for ensuring the safekeeping of the Trust's property?

Yes, but not really relevant as investments are in form of life policy.

- (iii) Has the Trust's accountant or other party recommended any changes in these procedures or control which have not been implemented? No

Give details.

Does the Trust engage in stock lending? No

If yes, please state how the Trustees protect the Trust assets whilst lent out.

- C. For any Trust property remaining in the day-to-day custody and control of the Trustees N/A

- (i) Please describe such property

- (ii) For what purposes is the property retained by the Trustees?

- (iii) How is such property kept secure both whilst on premises and in transit?

- (iv) What is the maximum value held at any one location and maximum value in transit at any one time?

- (v) What mode of transport is used to effect the transit of such property? If property is sent through the mail or by courier, please provide full details.

- (vi) Is any property retained by the Trustees at risk of Theft by electronic means?

If so, please state the controls in place to prevent fraudulent manipulation of the computer system (e.g. passwords, limited physical access, etc.)

6. GENERAL

- A. (i) Has any previous insurance of this type been cancelled by the Underwriters or has renewal been refused by the Underwriters? No
- (ii) Have any liability claims (whether covered by Insurance or not) been made against the Trustees during the past five years? No
- (iii) Has any Theft occurred which could have been the subject to claims under this insurance had it been in force? No
- (iv) Is the Administrator, or are any of the Trustees, aware of any circumstances which may result in a claim being made hereunder? No

If the answer to any of the above questions is Yes, please give full details (continuing on a separate sheet of paper if necessary).

B. What limit of indemnity is required? \$10m

C. Is Theft cover required? Yes

It is agreed by the Proposer that the statements set forth herein:

- (i) gives the Insurer sufficient information to put it on notice that it needs to make further enquiries for the purpose of revealing material circumstances;
- (ii) are reasonably clear and accessible to the Insurer;
- (iii) reflects every material circumstance known by individuals who are either part of the Proposer's senior management (i.e. those individuals who play significant roles in making decisions about how the Proposer's activities are managed or organised) or are responsible for its insurance;
- (iv) reflects every material circumstance known by any individual who participates on behalf of the Proposer in the process of procuring the insurance to which this Proposal applies; and
- (v) have been provided after a reasonable search of information available to the Proposer.

It is further agreed that in the event that the Insurer does not make further enquiries as described in (i) above, then the statements set forth herein shall be deemed to constitute disclosure of every material circumstance which the Proposer knows or ought to know.

For the purposes of (i), (iii) and (iv) and the paragraph above, a 'material circumstance' is deemed to mean a circumstance or representation which would influence the judgment of a prudent insurer in whether to take the risk the Insurer is underwriting.

We enclose the following

- (i) **A copy of the most recent Scheme Report & Accounts**
- (ii) **A copy of the most recent Actuarial Valuation (if applicable)**
- (iii) **A copy of the main Employer Company's most recent audited Report and Accounts**

We have set out below the applicable duty of disclosure that you have as regards insurers, where your policy is governed by the laws of England, Wales, Scotland, and Northern Ireland.

You are required to make a fair presentation of the risk to Insurers which discloses every material circumstance which you know or ought to know relating to the risk to be insured. A circumstance is material if it would influence the judgment of a prudent insurer in determining whether to provide insurance for the risk and, if so, on what terms.

What you know: You will be expected to know any information which is known by individuals who are: (a) part of your senior management (i.e. individuals who play a significant role in the making of decisions about how your activities are to be managed or organised); (b) responsible for arranging your insurance (i.e. individuals who participate on your behalf in the process of procuring your insurance in any capacity).

What you ought to know: In addition, you are expected to know any information that should reasonably have been revealed by a reasonable search of information available to you (whether the search is conducted by making enquiries or by other means). This could include any information held within your organisation or by any other person.

Clear and Accessible disclosure: The disclosure you give must be made in a manner which would be reasonably clear and accessible to a prudent insurer.

Every material representation of a matter of fact which you make must be substantially correct and every material representation as to a matter of expectation or belief must be made in good faith.

Failure to comply with the duty of fair presentation could mean that the policy is void or that Insurers are not liable to pay all or part of your claim(s).

If you are in any doubt as to what may constitute a fair presentation, please feel free to contact us and we will endeavour to assist you.

If your policy is not subject to English law you are expected to disclose risk information in accordance with the requirements of the applicable law. In such circumstances we expect you will disclose risk information at least equal to the standard required under English law and where the applicable law requires you to disclose information over and above the level required under English law you will provide such information in accordance with that law.

Arthur J. Gallagher (UK) Limited, which is the data controller of any personal information you provide to us or personal information that has been provided to us by a third party. We collect and process information about you in order to arrange insurance policies and to process claims. Your information is also used for business purposes such as fraud prevention and detection and financial management. This may involve sharing your information with third parties such as insurers, reinsurers, other brokers, claims handlers, loss adjusters, credit reference agencies, service providers, professional advisors, our regulators, police and government agencies or fraud prevention agencies. We may record telephone calls to help us monitor and improve the service we provide. For further information on how your information is used and your rights in relation to your information please see our privacy notice at <https://www.ajginternational.com/privacy-policy/>. If you are providing personal data of another individual to us, you must tell them you are providing their information to us and show them a copy of this notice.

DECLARATION

I/We declare that the statements and particulars in the Proposal are true to the best of my/our knowledge and belief.

NAME:

Trustees.

SIGNED:

for and on behalf of the Trust and the

POSITION:

DATE: