

DC Governance Statement

Statement of the Chair of the Trustees of the DC Section of the Countrywide plc Pension Scheme for the scheme year ending 5 April 2022

Introduction

Since 2015, trustees of pension schemes such as the Countrywide Plc Pension Scheme ('the Scheme') have been required to produce an annual statement, signed by their Chair, setting out how they have met with the required governance standards as they relate to their management of their Defined Contribution (DC) pension arrangements. The aim of these requirements is to help members achieve a good outcome from their pension savings.

I hereby confirm that I, Kim Nash, am the appointed Chair of the Scheme's Board of Trustees and I am authorised to sign this statement on behalf the Trustees.

This statement has been produced in accordance with Regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (the Regulations) and The Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 ('the 2021 Regulations').

The statement describes how the Trustee Board has met the statutory governance standards, covering:

1. The default investment strategy, including its governance;
2. Requirements for processing financial transactions;
3. Assessment of charges and transaction costs; and
4. The requirement for trustee knowledge and understanding.

As part of these governance standards and to satisfy the regulations outlined, this statement also contains:

Appendix A - A 'Value for Members Assessment' - an assessment of the Scheme's DC arrangements in terms of whether and how they represent Value for Members.

Appendix B - Details of charges and transaction costs borne by members.

Appendix C - Investment performance details, net of member borne charges and costs.

Appendix D - Illustrations showing the cumulative impact of those charges and costs on illustrative member funds.

The statement also sets out where members can view the Trustees Statement of Investment Principles and Implementation Statement.

This statement covers the period from 6 April 2021 to 5 April 2022. A copy has been incorporated into the Trustees' Annual Report and Accounts, which is available on request to members and beneficiaries of the Scheme and members' appointed representatives.

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Statement of the Chair of the Trustees of the DC Section of the Countrywide plc Pension Scheme for the scheme year ending 5 April 2022 (continued)

Scheme Background

1. The default investment strategy

The Trustees recognise their ultimate objective is to help ensure that the members of the Scheme can retire on a reasonable level of pension savings, considering the contributions paid into their individual accounts, the timescale over which those contributions are invested and a level of investment risk which is appropriate to most members who do not make active investment choices.

Although the Scheme has not been used as a Qualifying Scheme for auto-enrolment it operates a 'default investment strategy' – a strategy that will automatically apply to a member's existing fund, in the absence of a member making active investment decisions. The default investment strategy is designed and monitored by the Trustees, after having taken suitable investment advice.

Statement of Investment Principles

Details of the Scheme's default investment strategy can be found within the most recent Statement of Investment Principles dated 25 September 2020, a copy of which is provided in Appendix E. The statement explains the Trustees approach to investment governance, objectives and strategy and provides detailed information on the default investment strategy and alternative 'self-select' investment options available to members.

The statement also takes account of the Trustees views on Environmental, Social and Governance ('ESG') considerations (including climate change) and the stewardship in the selection, retention, and realisation of their investments (including how any voting rights are exercised). This incorporates details of the arrangements in place with the Scheme's investment managers. This includes monitoring and assessing:

- their philosophy for assessing and engaging with the businesses and institutions they invest in.
- the stewardship of those investments, including exercising of rights (including voting rights) attaching to investments.
- the ongoing costs and frequency of trading.
- their approach to Environmental, Social and Governance (ESG) policies.

Implementation Statement

The Trustees are required to produce a yearly statement (an 'Implementation Statement') to set out how, and the extent to which, the Trustees have followed the Scheme's Statement of Investment Principles during the previous Scheme year. The Implementation Statement also includes details of any reviews of the Statement of Investment Principles during the year, any changes that were made and reasons for that change.

A description of the voting behaviour during the year, either by or on behalf of the Trustees, or if a proxy voter was used, is also included within this statement.

A copy of the Implementation Statement, covering the period from 6 April 2021 to 5 April 2022 can be found here: [countrywide-plc-pension-scheme-2021-implementation-statement-only-db-and-dc-22-09-21-final.pdf](#).

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Statement of the Chair of the Trustees of the DC Section of the Countrywide plc Pension Scheme for the scheme year ending 5 April 2022 (continued)

1. The default investment strategy

Investment Options

The primary objective of the default investment strategy is to maximise returns over the long term at an acceptable level of risk, whilst also targeting a particular benefit outcome.

During the growth phase, which spans the time from a member joining the Scheme until five years from their target retirement date (age 65 in the absence of a member selecting an earlier or later age), a member's fund will be evenly invested in the AEGON BlackRock 50/50 Global Growth Fund and the AEGON BlackRock LGIM Global Equity 50:50 Index Fund.

During the Consolidation Phase (the five years leading up to a member's target retirement date), a member's fund will be gradually switched to the AEGON BlackRock Long Gilt Fund and the AEGON BlackRock Cash Fund with the aim of both reducing risk and protecting capital value, whilst also gradually matching the anticipated benefit the members will take at retirement – 25% of a member's fund taken in the form of tax-free cash, with the remaining 75% used to purchase an annuity.

In addition to the default investment strategy, members can also invest in one or more funds which are available on a self-select basis.

Further information on the default investment strategy and individual self-select funds, can be found within the Statement of Investment Principles.

Investment Reviews

The Trustees are required to formally review the default investment strategy at least every three years or immediately following any significant change in investment policy or the Scheme's member profile.

The Trustees last reviewed the strategy in September 2018, the objectives for which were to:

- Assess whether the investment options offered within the Scheme are suitable for the needs and requirements of the membership.
- Monitor the impact of Freedom and Choice in Pensions changes on the investment options.
- Follow regulatory guidance and best practice principles where appropriate, in designing and maintaining the investment options.
- Review the overall performance of the current default investment option and whether the structure and underlying funds remain suitable for members.

Following the review, the Trustees found the structure of the default investment strategy to be broadly appropriate and that no immediate changes were deemed necessary.

The Trustees also reviewed the self-select range of investment funds, and again concluded that no changes were required.

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Statement of the Chair of the Trustees of the DC Section of the Countrywide plc Pension Scheme for the scheme year ending 5 April 2022 (continued)

1. The default investment strategy

Investment Reviews (continued)

The Trustees were due to formally review the default investment strategy and alternative investment options, during 2021. As a result of the Trustees prioritising several initiatives regarding future operation of the Scheme, which in turn may influence how the DC Section continues to be managed, this review has yet to be undertaken. The Trustees will provide an update, within next year's DC Governance Statement, or earlier if any changes are agreed.

Investment Monitoring

In addition to undertaking regular strategy reviews, the Trustees also review the performance of the default investment strategy, based on performance monitoring reports provided by AEGON on a calendar quarter basis. This review includes an analysis of fund performance and member activity to check that the risk and return levels meet expectations.

The Trustee reviews that took place during the Scheme year concluded that the default investment strategy continues to perform broadly as expected and is consistent with the Trustees aims and objectives as set out within in the Statement of Investment Principles.

Net Investment Returns

New requirements introduced in 2021 now require the Trustees to report on the net investment returns for their default investment strategy and for each fund which scheme members are, or have been able to, select, and in which scheme members are invested during the scheme year. Net investment returns are the returns achieved by each fund minus all charges, including transaction costs.

The purpose of net return disclosures is to provide transparency, to help members understand how their investments are performing and to enable comparison. The returns are summarised in Appendix C.

2. Requirements for processing financial transactions

Service levels and service monitoring

The Scheme is closed and as such, there are no ongoing DC contributions. Therefore, core financial transactions are limited to transfers out of the Scheme, benefit settlements and transfers / switches of assets between different investments within the Scheme.

Based on the limited number of members with DC benefits, financial transaction by volume have been very limited. Where these have taken place, have generally been processed promptly and accurately as evidenced by regular administration reporting, provided by AEGON, the Scheme administrator.

Agreed service levels (SLAs) are in place between the Trustee and AEGON, with each administration report providing a full reconciliation of work undertaken and timescales achieved against agreed service levels for each 'job type'. These typically cover, but are not limited to, ensuring that the following activities are processed promptly and accurately:

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Statement of the Chair of the Trustees of the DC Section of the Countrywide plc Pension Scheme for the scheme year ending 5 April 2022 (continued)

2. Requirements for processing financial transactions

Service levels and service monitoring (continued)

- Benefit/retirement quotations and settlements.
- Fund value requests.
- Investment switches.
- Change of payment details.
- Change of target retirement ages.
- General enquiries and data changes.

Average performance against agreed SLAs for the period covered by this year's statement stood at 100%.

Cases are allocated based on case type and age profile. This means, any case where information has returned from a third party will be prioritised and progressed in a timely manner. Further, the prioritisation process ensures key dates are met, sensitive and urgent cases are treated as such, and member experience is protected, particularly where the processing of financial transactions are involved.

Where service levels have not been met, the Trustees have also sought to understand actual timescales achieved, any mitigating circumstances and whether these have negatively impacted member experience.

We are also pleased to report there were no issues identified by the Trustees during the Scheme year ended 5 April 2022 that had a negative impact on the processing of financial transactions and no member complaints were received in the period, either by AEGON or by the Trustees.

The Trustees continue to closely monitor AEGON's administration service levels and general performance.

At this stage the Trustees have not sought to benchmark the Scheme's SLAs against other AEGON clients or against other pension schemes which are not administered by AEGON. The Trustees will continue to review this position based on the value of doing so considering best practice and regulatory guidance.

Internal Controls

In accordance with the ongoing administration reporting arrangements, controls are in place at AEGON to monitor and ensure that core financial transactions are and continue to be processed promptly and accurately.

All processes including core financial transactions are conducted in accordance, within a strict governance framework that complies with International Standard on Assurance Engagements 3402, "Assurance Reports on Controls at a Service Organisation".

The documentation received in support of all financial transactions requested on a member's account is fully reviewed for completeness before processing may commence. Checklists are in place to help ensure that all necessary information for financial transactions has been received and that all regulatory and service level requirements have been met. Checklists are reviewed by a senior administrator.

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Statement of the Chair of the Trustees of the DC Section of the Countrywide plc Pension Scheme for the scheme year ending 5 April 2022 (continued)

2. Requirements for processing financial transactions

Internal Controls (continued)

A senior administrator will also review the financial transactions that have been keyed into the record keeping system for completeness and accuracy. Financial transactions include contributions, switches, refunds, transfer out payments, deaths, and retirements.

All requests for financial transactions are scanned into AEGON's work management system and tracked to ensure that they are actioned on a timely basis and completed in accordance with agreed service standards.

A daily report is run by AEGON to verify that dealing deadlines are met and a daily checklist is run by AEGON's dealing team to verify that all dealing activities are completed accurately and on a timely basis. Daily holdings reconciliations are carried out between AEGON's recordkeeping system and their Dealing system to highlight any differences. Any exceptions are investigated and resolved and reviewed by a senior administrator.

On behalf of the Trustees, AEGON regularly review the quality of the common and conditional data records that they hold for scheme members and issue a report to the Trustees summarising the quality of member records. Where data gaps are identified, the Trustees have taken appropriate remedial action.

The Trustees are confident that the processes and controls in place with the administrator are robust and will ensure that the financial transactions which are important to members are dealt with properly. The Trustees continue to focus on the monitoring of this area.

3. Assessment of charges and transaction costs

The Trustees are required to set out the on-going charges borne by members in this statement, which are annual fund management charges plus any additional fund expenses, such as custody costs, but excluding transaction costs; this is also known as the 'total expense ratio' (TER) or 'Ongoing Charges Figure' ('OCF'). The OCF is paid by the members and is reflected in the unit price of the funds that members invest in.

The Trustees are also required to separately disclose transaction cost figures that are borne by members. In the context of this statement, the transaction costs shown are those incurred when the Scheme's fund managers buy and sell assets within investment funds.

Aside from investment management charges and investment transaction costs, all other costs associated with running the Scheme, are borne by the sponsoring employer and therefore have no bearing on member charging. An assessment of charges and transaction costs forms part of our assessment of Value for Members, which can be found in Appendix A.

The charges and transaction costs for each fund that comprises the default investment strategy are recorded in Appendix B. In addition to the default investment strategy, members can also invest in one or more funds which are available on a self-select basis, noting that during the period covered by this statement there were no members invested within the range of self-select funds available.

DC Governance Statement

Statement of the Chair of the Trustees of the DC Section of the Countrywide plc Pension Scheme for the scheme year ending 5 April 2022 (continued)

3. Assessment of charges and transaction costs

Details of the investment returns (net of charges and transaction costs) for each fund that comprise the default investment strategy (and in which assets relating to members are invested during the Scheme year) are recorded in Appendix C.

Examples of the cumulative effect of costs and charges on member funds are set out in Appendix D.

As there are no members currently in the range of self-select funds, details of these funds are not covered within Appendices A to D. Further, the Appendices do not currently include details of charges and transaction costs that relate to AVC funds invested with AEGON and Standard Life as relevant details were not available.

In preparing Appendices B to E of this Statement, the Trustees have had regard to statutory guidance published by the Department for Work and Pensions and have not deviated from that guidance.

We are pleased to be able to say, the Annual Management Charges applicable to the funds that comprise the default investment strategy, range from 0.35% for the BlackRock 50/50 Global Growth Fund to 0.15% for the BlackRock Long Gilt Fund. This is significantly below the Charge Control cap of 0.75% required by pension scheme regulations. The Annual Management Charges for the self-select funds range from 0.15% to 1.03% with most funds below the Charge Control cap. Transaction costs are generally minimal or negative.

All charges and transaction cost details have been provided by AEGON and cover the period 6 April 2021 to 5 April 2022. In preparing this statement, we were able to obtain all relevant charge and transaction cost information, other than where noted.

The Trustees are comfortable that the member borne charges are competitive, offer value for money and are kept under a continuous review.

4. The requirement for Trustee knowledge and understanding

The Trustee Board spend an appropriate amount of time running the Scheme in relation to the size and complexity of the arrangements and in doing so are also required to maintain an appropriate level of knowledge and understanding, which together with professional advice enables them to properly exercise and discharge their functions and duties in relation to the management of the Scheme. During the period covered by the statement, the Trustee held two regular formal meetings, along with several informal meetings to review work in progress and any matters that require attention between their formal meetings.

To maintain an appropriate level of knowledge and understanding each Trustee must:

- Be conversant with the Trust Deed and Rules of the Scheme, the Scheme's Statement of Investment Principles and any other document recording policy for the time being adopted by the Trustees relating to the administration and management of the Scheme. The Trustees will refer to the Trust Deed and Rules as part of considering and deciding to make any changes to the Scheme and where relevant, deciding individual member cases.
- Have, to the degree that is appropriate for the purposes of enabling the individual to properly exercise their functions as a Trustee, knowledge and understanding of the law relating to pensions and trusts and the principles relating to investment the assets of occupational pension schemes.

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Statement of the Chair of the Trustees of the DC Section of the Countrywide plc Pension Scheme for the scheme year ending 5 April 2022 (continued)

4. The requirement for Trustee knowledge and understanding

To help achieve the above, each Trustee is also expected to ensure that they meet the Pension Regulator's (TPR) Trustee Knowledge and Understanding requirements. This includes completing TPR's 'Trustee Toolkit'. The Trustee Toolkit is an online learning program aimed at trustees of occupational pension schemes. It contains modules and resources on the law relating to pensions and trusts, and the principles relating to the funding and investment of occupational pension schemes. It is designed to help trustees meet the minimum level of knowledge and understanding required under the Pensions Act 2004.

At the time of publication of this statement, each Trustee has completed all relevant Toolkit modules, including the Pension Scams module.

To further bolster knowledge and understanding, Countrywide Plc has appointed Zedra Governance Limited (previously called PTL Governance), a firm of independent professional trustees (represented Kim Nash) to sit on and chair the board of Trustees. Kim brings a wealth of investment, corporate and relevant pensions experience to the board of Trustees.

All Zedra's Client Directors (of which Kim is one) are accredited members of the Association of Professional Pension Trustees and hold the AMAPPT designation. Accredited members are required to hold the PMI Award in Pension Trusteeship for Defined Benefit and Defined Contribution schemes, demonstrate long-standing pensions experience, to complete and keep up to date with the Pension Regulator's Trustee Toolkit and at least 25 hours of continuing professional development (CPD) per annum.

Additional training is provided based on the individual and collective needs of the Trustee Board with the intention of ensuring the Trustee board always has enough understanding overall to operate the Scheme in an effective manner. Overall, the Trustees are satisfied there is sufficient knowledge and understanding of all subject areas within the Board.

The Trustees operate a training log which is and reviewed by the Trustees at each Trustee meeting.

Finally, the Trustees employ professional advisers including, but not limited to Capita Pension Solutions, Aegon and Blake Morgan, to provide advice and to ensure that Scheme governance, controls, skills, and knowledge are current and meeting the expectations of the Pension Regulator and Scheme members. Capita (and where required other advisers) also attend each Trustees meeting and where appropriate, training is provided within Trustee meetings. Current and potential upcoming changes in pension legislation, regulation and industry best practice that affect the Scheme are also covered in detail with support from the Trustees advisers.

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Statement of the Chair of the Trustees of the DC Section of the Countrywide plc Pension Scheme for the scheme year ending 5 April 2022 (continued)

Summary

We hope that you find the content of this statement and the following Appendices, informative and helpful and provides you with comfort the Scheme is being well governed for the benefit of you, its members.

It is our view the Scheme, including member borne charges, provides 'Good' Value for Members and our Value for Members Assessment is set out in Appendix A.

Signed for and on behalf of the Trustees of the Scheme by Kim Nash in my capacity as Chair of the Trustee Board.

Kim Nash

Kim Nash (Oct 31, 2022 09:28 GMT)

Oct 31, 2022

Date:

Chair of the Trustee Board for the Countrywide Plc Pension Scheme

DC Governance Statement

Statement of the Chair of the Trustees of the DC Section of the Countrywide plc Pension Scheme for the scheme year ending 5 April 2022 (continued)

Appendix A: Value for Members Assessment

Value for Members Statement:

As explained within the Introduction to this Statement, it is designed to comply with The Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 ('the 2021 Regulations').

These new regulations apply to pension schemes which provide benefits on a Defined Contribution (DC) basis, where the total value of the scheme's assets under management are valued at less than £100 million. The regulations therefore apply to the Scheme and first apply to the period covered by this Statement – 6 April 2021 to 5 April 2022.

Requirements

The regulations require the Trustees to assess key elements of the value achieved by their scheme on behalf of members.

The assessment must consider 3 factors:

1. Costs and Charges
2. Net investment returns
3. Administration and Governance

Costs and charges and net investment returns must be assessed relatively, based on comparison with at least three other larger schemes with assets under management of more than £100m.

The Trustees are required to 'have had discussions' with at least one of these schemes, regarding its ability and willingness to accept a transfer of the Scheme's DC members and DC funds. This is in the event the Trustees determine the Scheme does not provide Value for Members and further determines, that the interests of members would be better served, by the Trustees transferring Scheme's DC members and DC funds to a new arrangement.

Administration and governance criteria are assessed internally (there is no requirement to undertake a comparison against other schemes), against seven key metrics. These include:

1. Promptness and accuracy of core financial transactions
2. Accuracy and scope of records (scheme and member level)
3. Appropriateness of the default investment strategy
4. Quality of investment governance
5. Trustees' knowledge, understanding and skills
6. Quality of communication with scheme members
7. Management of conflicts of interest

DC Governance Statement

Statement of the Chair of the Trustees of the DC Section of the Countrywide plc Pension Scheme for the scheme year ending 5 April 2022 (continued)

Appendix A: Value for Members Assessment

Assessment Process

The Trustees, with support from their advisers, have assessed key elements of the 'value' achieved by the Scheme on behalf of its members.

To do so, the Trustees have applied a weighting to the three factors outlined above:

1. Costs and Charges (30%)
2. Net investment returns (40%)
3. Administration and Governance (30%)

A higher weighting towards net investment returns, reflects regulatory guidance.

The Trustees have then applied a scoring system where a requirement has not been met (a score of 0), partially met (a score of 1) or fully met (a score of 2).

The scores applied by the Trustees following their assessment, combined with the allocated weightings, provides the Trustees with a Value for Members 'score'. The assessment outcomes are then categorised as:

- the Scheme is deemed as providing 'Poor' value
- the Scheme is deemed as providing 'Fair' value
- the Scheme is deemed as providing 'Good' value

Assessment Results

The following summarises the assessment results looking at each factor individually.

Costs and Charges

Following assessment, Trustees agreed a Scheme score of 3, meaning the Trustees consider that from a cost and charge perspective, the Scheme provides 'Good' Value for Members.

Based on comparison with three larger schemes, the Scheme's Total Expense Ratio, after the Transaction costs, stood at 0.450% for the period covered by this statement. This compared with an average comparator charge of 0.454%.

Further information on the Scheme's Member Charges and Transaction Costs, can be found in Appendix B.

DC Governance Statement

Statement of the Chair of the Trustees of the DC Section of the Countrywide plc Pension Scheme for the scheme year ending 5 April 2022 (continued)

Appendix A: Value for Members Assessment

Assessment Results (continued)

Net investment returns

Following assessment, Trustees agreed a Scheme score of 3, meaning the Trustees consider that from an investment performance perspective, the Scheme provides 'Good' Value for Members.

Based on comparison with three larger schemes, the net investment return achieved by the Scheme's default investment strategy Scheme's stood at 9.69% for the period covered by this statement. This compared with an average comparator return of 7.29%. Reflecting the potential differences between the Scheme's investment strategy and that of the comparators (the Scheme's default is 100% invested in equities for the majority of the time, while the comparators offer a more diversified investment range), the Trustees still consider the Scheme provides good value for members.

Further information on the Scheme's net investment returns, can be found in Appendix C.

Administration and Governance

Following assessment, the Trustees agreed a Scheme score of 1, meaning the Trustees consider that from an Administration and Governance perspective, the Scheme provides 'Fair' Value for Members.

This score largely arises due to a review of the Scheme's default investment strategy, the appropriateness of that strategy and the wider investment options, not having been reviewed since 2018. The Trustees will be considering what actions and activities are appropriate to undertake over the next 12 months, to address this matter.

Overall Results

Once allowance has been made for the relative weightings applied to each factor, the Trustees consider that overall, the Scheme provides, Good Value for Members.

If you would like further information on the assessment undertaken by the Trustees, please contact Capita, using the details provided within this Statement.

Value for Members Statement

There is no legal definition of "good value" and so the process of determining good value for members is a subjective one. The Trustees believe, in line with the Pension Regulator's guidance, a value for money scheme is one in which the cost of membership provides good value in relation to the benefit of membership, when compared with other options available in the market and that members should achieve a good outcome from their pension savings.

The Trustees consider this does not necessarily mean low cost providing the cheapest scheme but where costs might be higher than others in the market, the additional cost can be justified by improved benefits and outcomes. Whilst overall fees are of importance to members and will ultimately have an impact on member outcomes, the Trustees believe that the services which underlie those fees will also be important in determining whether the Scheme is providing value for money from a member's perspective.

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Statement of the Chair of the Trustees of the DC Section of the Countrywide plc Pension Scheme for the scheme year ending 5 April 2022 (continued)

Appendix A: Value for Members Assessment

Value for Members Statement (continued)

The Trustees believe the Scheme's DC Section represents Good value for Members. This conclusion is based on the assessment undertaken by the Trustees as set out above, and which includes (but is not limited to) the following:

- The oversight and governance of the Trustees, including ensuring the Scheme is compliant with relevant legislation, such as the charge cap, and holding regular meetings to monitor the Scheme and address any material issues that may impact members.
- The Trustees are comfortable with the quality and efficiency of the administration processes, including processing of financial transactions.
- Members of the Scheme pay only investment charges which are annual fund management charges plus any additional fund expenses, such as custody costs, and any transaction costs; with the employer bearing all other costs of running the Scheme.
- We believe the costs borne by members compare favourably with similar schemes.
- The fund charges are competitive for the types of funds available to members.
- The investment options offered to members (including the default investment strategy) are subject to regular review and where necessary amended to ensure the choices available are appropriate to the membership of the Scheme and that they account for the range of benefit options available to members at retirement. We do, however, acknowledge that the Scheme's default investment strategy, the appropriateness of that strategy and the wider investment options, not having been reviewed since 2018, which has had a negative impact on the Trustees overall Value for Members assessment.
- Both the investment manager and the funds under management are assessed by the Trustees in liaison with their investment advisers on a six-monthly basis and at each Trustee meeting.
- The returns on the investment funds that comprise the default investment strategy during the period covered by this statement have been consistent with the Trustees stated investment objectives.
- The Trustees meet regularly to ensure the service standards being provided in terms of scheme administration (including processing core financial transaction, scheme records and scheme governance), member communication and investment strategy and investment performance are effectively monitored and managed.

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Statement of the Chair of the Trustees of the DC Section of the Countrywide plc Pension Scheme for the scheme year ending 5 April 2022 (continued)

Appendix B: Charges and transaction costs for the Countrywide plc Pension Scheme default investment strategy

The default investment strategy is set up as a lifestyle strategy, which means that members' assets are automatically moved between different investment funds as a member approaches their target retirement date, as explained within Section 1. of this Statement. This means that the level of charges and transaction costs will vary depending on how close members are to their target retirement date and in which fund they are invested. For the period covered by this statement, annualised charges and transaction costs are set out in the table below.

Fund	Total Expense Ratio (TER)* (%)	Transaction Costs ** (%)
Aegon BlackRock 50/50 Global Growth Fund	0.45%	0.14%
Aegon LGIM Global Equity 50:50 Index Fund	0.30%	0.01%
Aegon BlackRock Long Gilt Fund	0.30%	-0.04%
Aegon BlackRock Cash Fund	0.28%	0.02%

Charges and Transaction Cost details for the range of self-select funds are available on request.

Notes

* Includes the annual management charge (AMC), plus various other expenses including index licensing fees, legal fees, administration, marketing, regulation, auditing. Due to the size and purchasing power of Aegon's index funds, the AMC and TERs for many funds are effectively the same.

** Transaction costs that applied (or may have potentially applied) to the investment funds as set out below. Note that a negative transaction cost can refer to things like anti-dilution measures put in place by the manager to protect existing investors. It is effectively a 'saving' to existing members and reduces the impact of other charges. As it is an implicit, calculated cost, it would ordinarily be reflected within the unit price.

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Statement of the Chair of the Trustees of the DC Section of the Countrywide plc Pension Scheme for the scheme year ending 5 April 2022 (continued)

Appendix B: Charges and transaction costs for the Countrywide plc Pension Scheme default investment strategy

Costs borne by Scheme members

The Trustees have obtained details from AEGON of ongoing charges and transaction costs that applied (or may have potentially applied) to the investment funds available to members. Actual and potential transaction costs disclosed by AEGON include:

- Transaction taxes
- Broker commission
- Implicit costs
- Entry/exit charges
- Other transaction costs
- Indirect transaction taxes
- Indirect broker commission
- Indirect implicit costs
- Indirect entry/exit charges
- Indirect other transaction costs
- Indirect transaction costs - external funds
- Anti-dilution offset
- Indirect anti-dilution offset

Appendix D shows the cumulative effect of costs and charges on member funds.

Actual and potential transaction costs have been calculated using the DC Workplace Pension Template (DCPT) jointly developed by the Association of British Insurers and the Investment Association, for the explicit purpose of providing transactions cost disclosure in accordance with the Financial Conduct Authority's Conduct of Business Sourcebook (COBS) rules. For any funds which hold an investment managed by a third party, the transaction costs provided by the third-party manager are represented as an indirect external fund transaction cost.

Costs borne by the employer

In carrying out the Trustees Value for Members assessment, the Trustees have taken the view that costs borne by the employer on behalf of members has a positive effect on Value for Members. The employer-borne costs which have been taken into consideration are as follows:

- Administration costs
- Cost of running the Trustee Board
- Cost of advice (e.g., consultancy costs, legal costs, auditor costs)

DC Governance Statement

Statement of the Chair of the Trustees of the DC Section of the Countrywide plc Pension Scheme for the scheme year ending 5 April 2022 (continued)

Appendix C: Investment returns (net of charges and transaction costs)

We have shown the net returns over the last year for the Scheme's default investment strategy and the self-select options. The returns are provided by Aegon and adjusted to reflect the Scheme's charges and transaction costs.

Age of member in 2021 (Years)	1 Year (2021)
25	9.69%
45	9.69%
55	9.69%
63	2.85%

For the default lifestyle strategy, all the investments remain equally invested in the Aegon BlackRock 50/50 Global Growth Fund and the Aegon LGIM Global Equity 50:50 Index Fund until 5 years from retirement where investment in the Aegon BlackRock Long Gilt Fund begins. The Aegon BlackRock Cash Fund is introduced 2 years from retirement age.

The table below sets out the net fund return for the funds that make up the default strategy over the scheme year.

Funds	Fund Net Return*	Benchmark Return**
Aegon BlackRock 50/50 Global Growth Fund	8.43%	11.02%
Aegon LGIM Global Equity 50:50 Index Fund	10.95%	11.12%
Aegon BlackRock Long Gilt Fund	-7.42%	-7.17%
Aegon BlackRock Cash Fund	-0.15%	0.04%

* Return shown is net of charges (TER) and transaction costs

**Benchmark return shown is net of all charges (TER) which may not be the same as the Scheme Fund returns and benchmark returns for the range of self-select funds are available on request.

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Statement of the Chair of the Trustees of the DC Section of the Countrywide plc Pension Scheme for the scheme year ending 5 April 2022 (continued)

Appendix D: Projected Pension pot showing effect of charges and transaction costs produced in accordance with DWP guidance

As noted within Section 3. of this statement, during the period covered there were no members invested within the range of self-select funds available. Projected fund values are therefore restricted to those funds which comprise the default investment strategy.

Projected pension fund value in today's terms		
We have assumed a starting pot size of £75,000, and a 40yr old member but other ages can be assessed using the following table		
Default Investment Strategy		
Years	Before costs and charges deducted	After costs and charges deducted
1	£77,062.50	£76,725.15
3	£81,359.22	£80,295.41
5	£85,895.50	£84,031.80
10	£98,373.83	£94,151.25
15	£112,664.92	£105,489.32
20	£129,032.13	£118,192.77
25	£135,595.42	£121,911.69

Notes (for the above and the following tables)

1. Projections are based on a 40-year-old member, but other ages can be assessed using the table.
2. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
3. The starting pot size is assumed to be £75,000 - approximately the average value within the scheme.
4. The salary assumption is £0, as this is a closed scheme.
5. A contribution rate of 0% has been used, given that this is a closed scheme.
6. Inflation is assumed to be 2.5% each year.

Values shown are estimates and are not guaranteed.

DC Governance Statement

Statement of the Chair of the Trustees of the DC Section of the Countrywide plc Pension Scheme for the scheme year ending 5 April 2022 (continued)

Appendix D: Projected Pension pot showing effect of charges and transaction costs produced in accordance with DWP guidance

The following tables show the projected fund values for the individual funds that make up the default investment strategy

Projected pension fund value in today's terms		
Aegon BlackRock 50/50 Global Growth Fund (Gross Accumulation Rate = 5.25%)		
Years	Before costs and charges deducted	After costs and charges deducted
1	£77,062.50	£76,623.23
3	£81,359.22	£79,975.83
5	£85,895.50	£83,475.13
10	£98,373.83	£92,907.95
15	£112,664.92	£103,406.71
20	£129,032.13	£115,091.84
25	£147,777.06	£128,097.41

Projected pension fund value in today's terms		
Aegon LGIM Global Equity 50:50 Index Fund (Gross Accumulation Rate = 5.25%)		
Years	Before costs and charges deducted	After costs and charges deducted
1	£77,062.50	£76,827.08
3	£81,359.22	£80,615.84
5	£85,895.50	£84,591.44
10	£98,373.83	£95,409.50
15	£112,664.92	£107,611.03
20	£129,032.13	£121,372.97
25	£147,777.06	£136,894.86

Projected pension fund value in today's terms		
Aegon BlackRock Long Gilt Fund (Gross Accumulation Rate = 1.00%)		
Years	Before costs and charges deducted	After costs and charges deducted
1	£73,875.00	£73,678.65
3	£71,675.37	£71,105.38
5	£69,541.24	£68,621.98
10	£64,479.78	£62,786.35
15	£59,786.72	£57,446.98
20	£55,435.23	£52,561.67
25	£51,400.46	£48,091.82

DC Governance Statement

Statement of the Chair of the Trustees of the DC Section of the Countrywide plc Pension Scheme for the scheme year ending 5 April 2022 (continued)

Appendix D: Projected Pension pot showing effect of charges and transaction costs produced in accordance with DWP guidance

The following tables show the projected fund values for the individual funds that make up the default investment strategy

Projected pension fund value in today's terms		
Aegon BlackRock Cash Fund (Gross Accumulation Rate = 0.10%)		
Years	Before costs and charges deducted	After costs and charges deducted
1	£73,200.00	£72,978.23
3	£69,728.56	£69,096.71
5	£66,421.76	£65,421.64
10	£58,824.66	£57,066.55
15	£52,096.50	£49,778.49
20	£46,137.88	£43,421.21
25	£40,860.78	£37,875.82

DC Governance Statement

Statement of the Chair of the Trustees of the DC Section of the Countrywide plc Pension Scheme for the scheme year ending 5 April 2022 (continued)

Appendix D: Statement of Investment Principles - Defined Contribution Section

The Countrywide plc Pension Scheme

Defined Contribution Section

Statement of Investment Principles – September 2020

Introduction

The Trustees of the Countrywide plc Pension Scheme (the "Scheme") have drawn up this Statement of Investment Principles (the "Statement") for the DC Section, to comply with the requirements of the Pensions Act 1995, the Pensions Act 2004, the Occupational Pension Schemes (Investment) Regulations 2005, and the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2018 and 2019. The Statement is intended to affirm the investment principles that govern decisions about the Scheme's investments.

In preparing this Statement the Trustees have consulted Countrywide plc (the "Employer") on the Trustees' investment principles.

This Statement comes into force on the date of signing and supercedes all previous versions.

Governance

The Trustees of the Scheme make all major strategic decisions including, but not limited to, the Scheme's asset allocation and the appointment and termination of investment managers. The process for making investment decisions is as follows:

- Identify appropriate investment objectives
- Agree the level of risk consistent with meeting the objectives
- Implement an investment strategy and investment manager structure in line with the level of risk and objectives agreed

When making such decisions, and when appropriate, the Trustees take proper written advice. The Trustees' investment consultants, Capita Employee Benefits, are qualified by their ability in and practical experience of financial matters, and have the appropriate knowledge and experience.

The details of the investment arrangements are set out in the Appendix.

Investment Objectives

The Trustees recognise that their ultimate objective is to best ensure that members of the Scheme are able to retire on a reasonable level of benefits taking into account the contributions paid into their individual accounts and the timescale over which those contributions were paid. To this end, the Trustees have in place investment options that they believe will achieve good returns consistent with the level of risk chosen by the member.

DC Governance Statement

Statement of the Chair of the Trustees of the DC Section of the Countrywide plc Pension Scheme for the scheme year ending 5 April 2022 (continued)

Appendix D: Statement of Investment Principles - Defined Contribution Section (Continued)

Investment Strategy

The Trustees will offer a sufficient fund range to satisfy the risk and return combinations reasonable for most members.

To this end, the Trustees have in place a range of investment options that they believe will allow members to strike appropriate balances between long term needs for capital growth and shorter term volatility of returns, especially in the period approaching retirement.

The Trustees have designated a Default Lifestyle Strategy (see also Appendix) for members who do not wish to make their own investment choices. A Lifestyle investment strategy is an automated switch facility allowing members to pre-select an investment strategy, which will move their accrued funds into lower risk investments as retirement approaches.

The Trustees have also made available self-select funds (see Appendix) that members who do not want to follow the default lifestyle arrangement can opt in to.

The Default Lifestyle Strategy will be used as the default option to which a member's and the Employer's contributions will be applied. The default is used in the event that a member fails to positively make an investment decision.

Investment Mandates

The Trustees have appointed AEGON (formally BlackRock and still legally referred to as Blackrock Life Limited) as the "Platform Provider" and "Investment Manager" to manage the assets of the Scheme. As Investment Manager AEGON invests in underlying funds on the members' behalf (potentially managed by other managers) and is regulated under the Financial Services and Markets Act 2000. All decisions about the day-to-day management of the assets have been delegated to the Investment Manager via a written agreement, including the realisation of investments.

The Trustees have a rolling contract with their Investment Manager.

The Trustees monitor the performance of the underlying funds on a regular basis.

The Trustees have set performance objectives, including time periods, consistent with the investment strategy set out in this statement.

Investment Manager Remuneration

The Trustees monitor the remuneration and incentives that are paid to their underlying managers, and how they reward key staff who manage client funds.

As part of the monitoring that the Trustees carry out on a regular basis, they ensure that this policy is in line with their investment strategy.

DC Governance Statement

Statement of the Chair of the Trustees of the DC Section of the Countrywide plc Pension Scheme for the scheme year ending 5 April 2022 (continued)

Appendix D: Statement of Investment Principles - Defined Contribution Section (Continued)

Investment Manager Philosophy and Engagement

The Trustees monitor the underlying investment managers' processes for assessing the businesses they invest in, and whether business performance over the medium to long-term involves appropriate incentives and a holistic look beyond mainly accountancy measures. The Trustees are conscious of whether the underlying investment managers are incentivised by the agreement with the Trustees to engage with the investee business and to what extent any engagement focuses on improving medium to long-term performance.

Investment Manager Portfolio Costs

The Trustees will monitor costs of buying, selling, lending and borrowing investments and they will look to monitor the costs breakdown annually, as long as the Investment Manager provides these costs using the Cost Transparency Initiative template. The Trustees will also ensure that, where appropriate, their Investment Manager monitors the frequency of transactions and portfolio turnover. If there are any targets, then the Trustees will monitor compliance with these targets.

Risk Management and Measurement

The Trustees are aware of and pay close attention to a range of risks inherent in investing the assets of the Scheme. The Trustees believe that the investment strategy provides for adequate diversification both within and across different asset classes.

- The Trustees recognise the risks that may arise from the lack of diversification of investments. Due to the size of the Scheme's assets and recognising the need to diversify, investment exposure is obtained via pooled vehicles.
- The documents governing the Investment Manager's appointment include a number of guidelines which, among other things, are designed to ensure that only suitable investments are held by the Scheme.
- The safe custody of the Scheme's assets is delegated to professional custodians via the use of pooled vehicles.
- The Trustees recognise that the use of active management involves a risk that the assets do not achieve the expected return. For this reason and to reduce management costs, investments are predominantly managed passively. However, where passive management is not possible or where the Trustees believe that this risk may be outweighed by the potential gains from successful active management, actively managed funds may be used.

Should there be a material change in the Scheme's circumstances, the Trustees will review whether the current risk profile remains appropriate.

Financially Material Considerations over the Scheme's Time Horizon

The Trustees believe that their main duty, reflected in the investment objectives, is to protect the financial interests of the Scheme's members. The Trustees believe environmental, social and

DC Governance Statement

Statement of the Chair of the Trustees of the DC Section of the Countrywide plc Pension Scheme for the scheme year ending 5 April 2022 (continued)

Appendix D: Statement of Investment Principles - Defined Contribution Section (Continued)

governance ("ESG") considerations (including but not limited to climate change) and stewardship in the selection, retention and realisation of their investments is an integral part of this duty and can contribute to the generation of good investment returns. Legislation requires that the Trustees form a view of the length of time that they consider is needed for the funding of future benefits by the investments of the Scheme. The Trustees recognise that this is a defined contribution scheme with a wide variety of members across different ages and risk profiles. Consequently the Trustees believe that, so long as the Scheme remains a going concern, an appropriate time horizon for the Scheme could be long enough for ESG considerations to be financially material.

The Trustees have elected to invest in active and passive pooled funds. The nature of these funds makes it difficult to directly influence the manager's ESG policies, including the day-to-day application of voting rights, for the funds in which they invest (especially where assets are managed passively). However, the Trustees will consider manager policies in all future selections and will seek to deepen their understanding of the existing manager policies by reviewing these at least annually, focusing on the default and alternative lifestyles. The Trustees will also seek to understand what other options might be available from the manager and in the wider market. In cases where they are dissatisfied with the manager's approach they will take this into account when reviewing them. They are also keen that their manager is a signatory of the UN Principles of Responsible Investment, which is currently the case.

The Trustees believe that stewardship is important, through the exercising of rights (including voting rights) attaching to investments. The Trustees are keen that their manager can explain when, and by what practical methods, it monitors and engages with relevant persons about relevant matters in this area. They will be liaising with their Investment Manager to obtain details of voting behaviour (including the most significant votes cast on the Scheme's behalf and what proxy voting services have been used) and will then be reporting annually on this. The Trustees are also keen that their manager is a signatory to the UK Stewardship Code, which is currently the case.

The Trustees are aware that ESG and stewardship considerations involve an ongoing process of education for themselves and engagement with their investment manager. To that end they dedicate time to the discussion of this topic and intend to review and renew their approach periodically with the help of their investment consultants, where required. Consequently, the Trustees expect the Scheme's investment manager to have effective ESG policies (including the application of voting rights) in place, and look to discuss the investment manager's ESG policies if the manager attends Trustee meetings.

Non-financial matters, including members' views are not taken into account explicitly.

Compliance with Myners' Principles

The Trustees believe that they comply with the spirit of the Myners' Principles. There may be some instances of deviation from the published 'Best Practice Guidance' on the Principles where the Trustees believe this to be justified.

DC Governance Statement

Statement of the Chair of the Trustees of the DC Section of the Countrywide plc Pension Scheme for the scheme year ending 5 April 2022 (continued)

Appendix D: Statement of Investment Principles - Defined Contribution Section (Continued)

Employer-Related Investments

The Trustees' policy is not to hold any employer-related investments as defined in the Pensions Act 1995, the Pensions Act 2004 and the Occupational Pension Schemes (Investment) Regulations 2005.

Fee Structures

The investment manager is paid a management fee on the basis of assets under management. The investment consultant is paid on a project basis, which may be a fixed fee or based on time cost, as negotiated by the Trustees in the interests of obtaining best value for the Scheme.

Review of this Statement

The Trustees will review this Statement at least once every three years and without delay after any significant change in investment policy. Any change to this Statement will only be made after having obtained and considered the written advice of someone who the Trustees reasonably believe to be qualified by their ability in and practical experience of financial matters and to have the appropriate knowledge and experience of the management of pension scheme investments.

Ramona Tipnis

Trustee

Date

25 September 2020

The Trustees of the Countrywide plc Pension Scheme DC Section

DC Governance Statement

Statement of the Chair of the Trustees of the DC Section of the Countrywide plc Pension Scheme for the scheme year ending 5 April 2022 (continued)

Appendix D: Statement of Investment Principles - Defined Contribution Section (Continued)

Appendix – Investment Arrangements**Default Lifestyle Strategy**

A summary of the Default Lifestyle Strategy is as follows:

	Growth Phase	Consolidation Phase						
Primary Objective	To maximise returns over the long term at an acceptable level of risk.	To manage conversion risk by progressively switching from growth phase into annuity and cash matching assets.						
Purpose	To manage returns at an acceptable level of risk. To reduce the effects of potential severe economic shocks.	To transition the assets from the pre-lifestyle investment programme and secure the value of a fixed retirement income. To reduce the probability of severe losses close to retirement.						
Funds	AEGON BlackRock 50/50 Global Growth Fund AEGON BlackRock LGIM Global Equity 50:50 Index Fund AEGON BlackRock Long Gilt Fund AEGON BlackRock Cash Fund							
Lifestyling	The Default Lifestyle arrangement has been designed to automatically and progressively de-risk members' portfolios as the members approach retirement							
Switching Period	5 Years							
Growth Phase	<table border="1"> <thead> <tr> <th>Fund</th> <th>Allocation</th> </tr> </thead> <tbody> <tr> <td>AEGON BlackRock 50/50 Global Growth Fund</td> <td>50%</td> </tr> <tr> <td>AEGON BlackRock LGIM Global Equity 50:50 Index Fund</td> <td>50%</td> </tr> </tbody> </table>	Fund	Allocation	AEGON BlackRock 50/50 Global Growth Fund	50%	AEGON BlackRock LGIM Global Equity 50:50 Index Fund	50%	
Fund	Allocation							
AEGON BlackRock 50/50 Global Growth Fund	50%							
AEGON BlackRock LGIM Global Equity 50:50 Index Fund	50%							
Consolidation Phase	<table border="1"> <thead> <tr> <th>Switch to:</th> <th>Allocation</th> </tr> </thead> <tbody> <tr> <td>AEGON BlackRock Long Gilt Fund</td> <td>75%</td> </tr> <tr> <td>AEGON BlackRock Cash Fund</td> <td>25%</td> </tr> </tbody> </table>	Switch to:	Allocation	AEGON BlackRock Long Gilt Fund	75%	AEGON BlackRock Cash Fund	25%	
Switch to:	Allocation							
AEGON BlackRock Long Gilt Fund	75%							
AEGON BlackRock Cash Fund	25%							

DC Governance Statement

Statement of the Chair of the Trustees of the DC Section of the Countrywide plc Pension Scheme for the scheme year ending 5 April 2022 (continued)

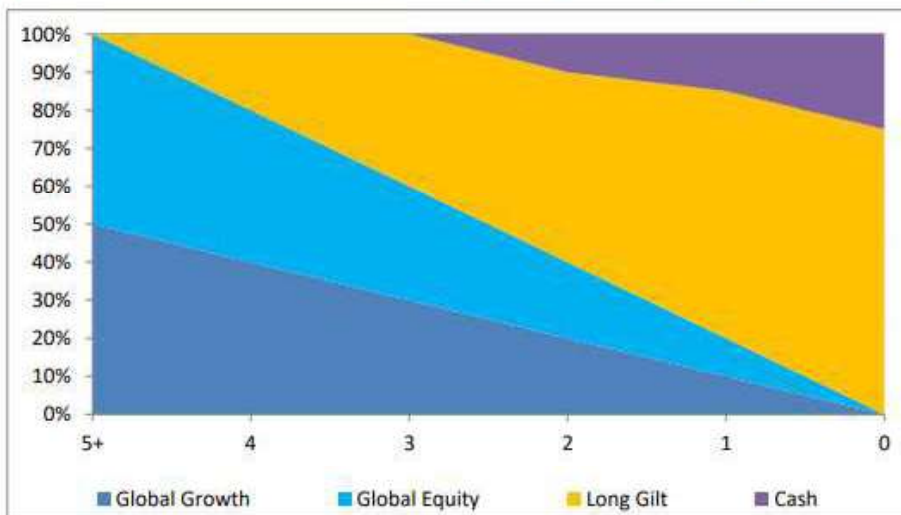
Appendix D: Statement of Investment Principles - Defined Contribution Section (Continued)

Further details on the default funds are as follows (note that these funds are also available as self-select funds) :

Asset class	Fund Name	Benchmark	Charges
Global Equities	BlackRock 50/50 Global Growth Fund	Composite benchmark based on 50% FTSE All-Share Index and 50% Fixed Overseas Weights (17% Continental Europe, 17% North America, 8% Japan, 7% Pacific Basin, 1% Emerging Markets)	
Global Equities	BlackRock LGIM Global Equity 50:50 Index Fund	Composite benchmark (50% UK equities and 50% split equally between shares of companies in the US, Europe ex-UK and the Pacific Rim.	
Long-dated gilts	BlackRock Long Gilt Fund	FTSE A British Government Over 15 Years Gilt Index	
Cash	BlackRock Cash Fund	7 Day LIBID	

Default Lifestyle Arrangement

Fund / Years to Retirement	5+	4	3	2	1	0
Global Growth (%)	50	40	30	20	10	0
Global Equity (%)	50	40	30	20	10	0
Long Gilt (%)	0	20	40	50	65	75
Cash	0	0	0	10	15	25
Total	100	100	100	100	100	100



DC Governance Statement

Statement of the Chair of the Trustees of the DC Section of the Countrywide plc Pension Scheme for the scheme year ending 5 April 2022 (continued)

Appendix D: Statement of Investment Principles - Defined Contribution Section (Continued)

