1 Introduction

This statement has been prepared by the trustee of the Chevron UK Pension Plan (the “Plan”), Chevron UK Pension Trustee Limited (the “Trustee”) in accordance with regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations (the “Administration Regulations”) 1996 (as amended). It describes how the Trustee has met the statutory governance standards applicable to defined contribution (“DC”) benefits in relation to:

- the default arrangement(s)
- requirements for processing financial transactions
- assessment of member-borne charges and transaction costs
- the requirement for trustee knowledge and understanding

between 1 January 2018 and 31 December 2018 (the “2018 Governance Year”).

2 Default arrangements

The following arrangements are “default arrangements” in regard to the Plan for the purposes of the Administration Regulations:

- **Fidelity Chevron Equity/Bond Split 50/50 Lifestyle Strategy (“Default Arrangement 1”).**

- **Fidelity BlackRock World (ex-UK) Equity Index Fund (“Default Arrangement 2”).**

Together referred to as the “Default Arrangements”.

Default Arrangement 1 is the arrangement that contributions in respect of New Section members of the Plan are paid in to if a member does not make an alternative choice. Default Arrangement 2 is the arrangement that certain members’ funds are invested in, either if they have chosen to do so, or if they previously chose to invest in the four regional equity funds that were mapped to this arrangement as part of the Fund consolidation exercise in 2016.
**Aims and Objectives of the Default Arrangements**

The aims and objectives of Default Arrangement 1 are to provide good outcomes for members by targeting growth with an appropriate degree of risk during a member’s early years of investment, and gradually moving to investment in a lower risk cash fund as the member approaches their selected retirement date. Default Arrangement 1 moves towards being 100% invested in Fidelity BlackRock Cash Fund at retirement to mitigate potentially mismatching risk by investing in the way in which members commonly take their accrued funds in the Default Arrangement 1 at retirement.

The aims and objectives for the Fidelity BlackRock Cash Fund as part of the lifestyle strategy is to provide a secure investment option for members who wish to take a low level of investment risk as they approach retirement, and for those likely to take some or all of the funds in cash form on retirement.

Default Arrangement 2 invests in shares of overseas companies (Europe ex UK, Japan, Pacific Rim, US and Canadian markets) according to market capitalisation weightings and aims to produce a return in line with its benchmark, which is the FTSE All-World Developed ex UK Index.

The aims and objectives of Default Arrangement 2 are to provide members with an equity based investment option that meets their risk and return requirements and to give members the freedom to structure their own investment portfolio from the range of different asset classes that are made available.

2.1 **Review of the Default Arrangements**

The Trustee carried out a review of the strategy and performance of the Default Arrangements on 12 December 2017, on which the process was completed. This was part of its general review of the range of investment choices available to Plan members. The investment review in 2017 concluded that the investment returns relating to the Default Arrangements (after the deduction of charges) were consistent with the aims and objectives of the Default Arrangements and that its strategy remained appropriate.

The Trustee did not carry out a formal review of the strategy and performance of the Default Arrangements in the 2018 Governance Year (however the Trustee does regularly consider the performance of the Default Arrangements at Trustee Committee meetings). The next review of the Default Arrangements will be undertaken in 2020.

2.2 **Statement of investment principles**

Appended to this statement is a copy of the Plan’s latest statement of the investment principles (dated 4 April 2019) governing decisions about investments for the purposes of the Default Arrangements, prepared in accordance with regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005 (the “Statement of Investment Principles”). The Statement of Investment Principles was updated on 4 April 2019 to reflect a change in the asset allocation of the DB Section to move the holdings in global equities from 40% to 35%, and in UK corporate bonds from 20% to 25%. The changes were made as a result of a desire to reduce exposure in light of
improved funding level over recent years, and corporate activity. Associated benchmarks and ranges around the central allocation were also updated accordingly.

3 Requirements for processing financial transactions

“Core financial transactions” include (but are not limited to):

- investment of contributions in the Plan
- transfers of assets relating to members into and out of the Plan
- transfers of assets relating to members between different investments within the Plan
- payments from the Plan to, or in respect of, members.

During the 2018 Governance Year, the Trustee secured that “core financial transactions” were processed promptly and accurately by ensuring that its providers were required to process transactions in this way and monitoring its providers’ compliance with these obligations and taking steps to address any issues arising.

Plan administrators

During the 2018 Governance Year, the Trustee appointed Barnett Waddingham as the new main Plan administrator. From 1 January 2018 to 30 September 2018, Aon were the main Plan administrators and on 1 October 2018, Barnett Waddingham were appointed as the new main Plan administrators.

Barnett Waddingham provide (and Aon provided) overarching administration services in relation to the Plan and work closely with Fidelity (as DC administrator) as appropriate (relating to the New Section, ensuring the monthly contributions are reconciled and invested timely, settling DC benefits as required in tandem with DB rights and paying combined transfer values).

Monitoring of providers’ processes

The Trustee has implemented ways of ensuring that its providers process core financial transactions promptly and accurately. The first way is the “Monthly Contribution Process” designed and implemented on behalf of the Trustee and the second way is via service legal agreements (SLAs).

Monthly Contribution Process

The Trustee monitors compliance with the agreed Monthly Contribution Process. This is a step-by-step process which intends to ensure prompt and accurate end-to-end interactions regarding receipt and investment of contributions between the Employer, the main Plan administrator and Fidelity (DC administrator and investment managers).

The Trustee has agreed the Monthly Contribution Process with its providers in order to ensure and monitor timely and accurate investment of the contributions on a
monthly basis. Barnett Waddingham (for the relevant period) and Fidelity have confirmed that they have complied with all applicable steps of the (for the relevant period) Monthly Contribution Process in the 2018 Governance Year. The Trustee is satisfied via Aon’s regular reporting to the Trustee that Aon also complied with all applicable steps of the Monthly Contribution Process when they were the appointed main Plan administrators in the 2018 Governance Year.

**Quarterly administration reports and SLAs**

The Trustee also monitors (via quarterly administration reports) the reporting by the main Plan administrator and Fidelity, including task performance against SLAs to check whether core financial transactions were accurate, up to date, completed within applicable statutory timescales and within the agreed SLAs. The administration reports cover performance against the SLAs and the extent to which any deadlines have been breached. The Trustee is satisfied that the SLAs in place with the main Plan administrator and Fidelity (as appropriate to the tasks each performs), taken together cover the accuracy and timeliness all core financial transactions.

The contractually agreed SLA with Barnett Waddingham covers a range of pension scheme administration tasks including general administration (such as ensuring Employer contributions are paid to the Plan on a timely basis and reconciling these contributions), member transactions (such as maintaining records for members paying contributions and arranging transfers-out of the Plan on request), regular updates (such as validating data from a payroll file and processing contribution allocations and arranging payment to the investment managers), producing benefit statements and disinvesting DC assets in certain circumstances.

The contractually agreed SLA with Aon covered the timeliness of all core financial transactions conducted by Aon and internal controls were applied by Aon to ensure appropriate levels of accuracy underlying the processing of work in measurement against the SLA. The SLA covered a range of similar pension scheme administration tasks including, maintaining members’ AVC/DC records, liaising with AVC/DC providers when a member leaves Plan membership and ensuring that options are decided, and any payments are made according to members wishes, transferring monthly funds to and from investment managers and monitoring receipt of contributions to ensure that legislative requirements are met.

The SLAs agreed with Aon and Barnett Waddingham were generally achieved during the Governance Year with a dip with respect to the period when Barnett Waddingham took over the administration. However, the Trustee does not have material concerns about this and expects the SLA performance to improve once the administration transition has settled. There was one DC related issue in the 2018 Governance Year which related to a delay in the creation of a new entrant to the DC arrangements; although notably this did not cause a delay to the contribution transaction. This issue was resolved by amending the incorrect information in a timely manner and Barnett Waddingham’s administration process has subsequently been updated to ensure that this issue does not occur again.
The Trustee does not have a contractually agreed SLA in place with Fidelity, however Fidelity utilises and adheres to internally agreed SLAs. These internally agreed SLAs are reflected in Fidelity’s quarterly administration reports which cover the accuracy and timeliness of all core financial transactions performed by Fidelity. The quarterly administration reports cover a range of tasks including contributions, retirement and benefits, transfers in and transfers out. Throughout the 2018 Governance Year, Fidelity’s overall SLA average for the 2018 Governance Year was 97% and there were no reportable issues.

The performance of the main Plan administrator and Fidelity is reviewed annually. Additionally, SLA performance in relation to the processing of transfers is monitored as part of the monthly statistics / billing process and this did not reveal any issues.

**Processes to ensure core financial transactions are processed promptly and accurately**

Barnett Waddingham and Fidelity have a number of processes in place to ensure that core financial transactions are processed promptly and accurately and in accordance with the relevant SLAs and Monthly Contribution Process. These include:

- Fidelity monitoring the relevant bank account four times daily and having a dedicated contribution processing team.
- For all operational unautomated processes Fidelity having a “four-eyes” process in place, including dealing with investments.
- Barnett Waddingham’s administration team monitoring the relevant bank account and investments/disinvestments.
- All of Barnett Waddingham’s processes being peer reviewed. If the process involves a benefit payment, other payment investment/disinvestment then the payment is authorised by a senior member of the team (this is not the same person who reviews the process).
- Barnett Waddingham’s internal controls Cashstream transactions being reconciled against the accounting system by the accounts team at least monthly, following receipt of the bank statement. The team investigates any differences and the reconciliation process continues until the team is able to establish a cleared balance on the accounting system equal to that on the bank statement. In addition to this a monthly forecast is also completed by the administration team to ensure sufficient funds remain in the account to meet the Plan’s future obligations.

During its appointment, Aon also had a number of processes in place to ensure that core financial transactions were processed promptly and accurately. This included having a dedicated Treasury Team which checked the Plan bank account for any receipts every working day. Independently Aon’s administration team would check the Plan bank account for receipt of contributions on the first or second working day of the month. Additionally, Aon ensured that all payments were checked and authorised by at least two personnel.
As mentioned above, although there was one issue (which has subsequently been resolved), the Trustee is satisfied that overall the above processes ensured that core financial transactions were processed promptly and accurately during the 2018 Governance Year.

4 Assessment of member-borne charges and transaction costs

4.1 Level of member-borne charges and transaction costs

In accordance with regulation 25(1)(a) of the Administration Regulations, the Trustee calculated the “charges” and, so far as they were able to do so, the “transaction costs”, borne by members of the Plan for the 2018 Governance Year.

For these purposes:

- “charges” means, broadly, administration charges other than:
  - “transaction costs”;
  - costs the court determines trustees can recover;
  - certain pension sharing on divorce costs;
  - “winding-up costs”; and
  - costs solely associated with the provision of death benefits.

- “transaction costs” means the costs incurred as a result of the buying, selling, lending or borrowing of investments. Transactions can have a positive or negative effect on each fund and hence transaction costs can be positive or negative. For example, if the transaction involves a net inflow of assets into a particular fund, this can sometimes have a positive effect on the price of each unit in the fund. The reverse can also be true.

- “winding up costs” means the costs of winding up a pension scheme including (but not limited to) the cost of:
  - Legal advice
  - Tracing, consulting and communicating with members
  - Advice on exiting investments
  - Selection of an alternative scheme or investments.

During the 2018 Governance Year the level of charges and transaction costs applicable to the Default Arrangements were as follows.

The “annual management charge” is the charge for managing pension scheme investments, expressed as a percentage of the assets. It is usually deducted prior to the calculation of the unit price and may incorporate both administration and
investment charges. The Trustee has also set out the “annual management charge” for each fund available under the Plan for information.

**Default Arrangement 1 - Fidelity Chevron Equity/Bond Split 50/50 Lifestyle Strategy**

Charges of 0.200% to 0.297% of the monies held in Default Arrangement 1 (and Annual Management Charges (AMCs) of 0.200% to 0.279%), depending on the asset allocation at the time of assessment of charges. For this (and the other lifestyle strategies offered by the Trustee) the allocation of the assets between the components within the lifestyle strategies will change as the member approaches their selected retirement date, and hence the range of charges which apply to members is shown. The charges are comprised of:

- 0.297% in respect of the Fidelity Chevron Equity/Bond Split 50/50 Fund (Annual Management Charge of 0.279%); and
- 0.200% in respect of the Fidelity BlackRock Cash Fund (Annual Management Charge of 0.200%).

**Default Arrangement 2 - Fidelity BlackRock World (ex-UK) Equity Index Fund**

Charges of 0.350% (and Annual Management Charge of 0.350%) in respect of Default Arrangement 2.

**Default Arrangements – ongoing transaction costs**

Ongoing transaction costs are taken into account via the unit price for each of the funds that make up the Default Arrangements.

At the time of preparing this statement, details of the transaction costs applying for the Default Arrangements were not available to the Trustee. This is because Fidelity is still working with the underlying fund manager, BlackRock, to obtain this information for the 2018 Governance Year. The requirement for fund managers to provide this information commenced on 3 January 2018 and some fund managers are still developing their processes for providing this information. BlackRock, as the largest fund manager in the world has experienced particular challenges in meeting this requirement for all of its clients. The Trustee has, through its investment adviser, worked continuously with Fidelity to obtain this information and expects BlackRock’s processes to develop so that relevant transaction cost information is available in time for the publication of future statements.

**Other DC funds - charges**

**Fidelity funds**

The range of the levels of charges (and annual management charges) applicable to all funds which are available on a self-select basis through Fidelity and in which assets relating to members were invested over the 2018 Governance Year was as follows:
<table>
<thead>
<tr>
<th>Asset class</th>
<th>Fund</th>
<th>AMC (%)</th>
<th>Overall charges (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global equities</td>
<td>Fidelity BlackRock 30:70 Currency Hedged Global Equity Fund</td>
<td>0.320</td>
<td>0.340</td>
</tr>
<tr>
<td>Overseas equities</td>
<td>Fidelity BlackRock World (ex-UK) Equity Index Fund</td>
<td>0.350</td>
<td>0.350</td>
</tr>
<tr>
<td>UK Equities</td>
<td>Fidelity BlackRock UK Equity Index Fund</td>
<td>0.300</td>
<td>0.300</td>
</tr>
<tr>
<td>Bonds</td>
<td>Fidelity BlackRock Over 5 Years Index Linked Gilt Fund</td>
<td>0.200</td>
<td>0.200</td>
</tr>
<tr>
<td></td>
<td>Fidelity BlackRock Over 15 Years UK Gilt Index Fund</td>
<td>0.200</td>
<td>0.200</td>
</tr>
<tr>
<td></td>
<td>Fidelity BlackRock Corporate Bond Index Fund All Stocks</td>
<td>0.250</td>
<td>0.250</td>
</tr>
<tr>
<td>Emerging markets</td>
<td>Fidelity BlackRock Emerging Markets Fund</td>
<td>0.500</td>
<td>0.500</td>
</tr>
<tr>
<td>Cash</td>
<td>Fidelity BlackRock Cash Fund</td>
<td>0.200</td>
<td>0.200</td>
</tr>
<tr>
<td>Multi-asset</td>
<td>Fidelity Chevron BlackRock Consensus Fund</td>
<td>0.310</td>
<td>0.330</td>
</tr>
<tr>
<td>Shariah Law</td>
<td>Fidelity HSBC Islamic Pension Fund (previously named HSBC Amanah Global Equity Index Fund)</td>
<td>0.750</td>
<td>0.750</td>
</tr>
<tr>
<td>Blended funds</td>
<td>Fidelity Chevron Equity/Bond Split 50/50 Fund</td>
<td>0.279</td>
<td>0.297</td>
</tr>
<tr>
<td></td>
<td>Fidelity Chevron Equity/Bond Split 75/25 Fund</td>
<td>0.299</td>
<td>0.318</td>
</tr>
<tr>
<td></td>
<td>Fidelity Chevron Equity 100 Fund</td>
<td>0.320</td>
<td>0.340</td>
</tr>
<tr>
<td>Lifestyle strategies (other than the Default Arrangement)</td>
<td>Fidelity Chevron Equity/Bond Split 75/25 Lifestyle Strategy</td>
<td>0.200 to 0.299 (depending on the member’s)</td>
<td>0.200 to 0.318 (depending on the member’s)</td>
</tr>
<tr>
<td>Asset class</td>
<td>Fund</td>
<td>AMC (%)</td>
<td>Overall charges (%)</td>
</tr>
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<td>-------------------------------------------</td>
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<tr>
<td></td>
<td>Fidelity Chevron Equity 100 Lifestyle</td>
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<td></td>
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<td>0.200% to</td>
<td>0.200% to 0.340%</td>
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<td>0.320% (depending</td>
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<td>asset allocation</td>
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<td>strategy)</td>
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**Equitable Life unit-linked funds**

The Plan also offers a range of Equitable Life investment funds (unit-linked and with-profits) that are no longer available for new contributions. These are not available through the DC Element of the New Section and are only available for historic additional voluntary contributions (AVCs). The levels of charges (and annual management charges) applicable to the funds through Equitable Life in which members were invested over the 2018 Governance Year were as follows:

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Fund</th>
<th>AMC (%)</th>
<th>Overall charges (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global equities</td>
<td>Equitable International Fund</td>
<td>0.750</td>
<td>0.750</td>
</tr>
<tr>
<td>UK Equities</td>
<td>Equitable Pelican Fund</td>
<td>0.750</td>
<td>0.750</td>
</tr>
<tr>
<td></td>
<td>Equitable FTSE All-Share Index-Tracking Fund</td>
<td>0.500</td>
<td>0.500</td>
</tr>
<tr>
<td>Bonds</td>
<td>Equitable Gilt and Fixed interest Fund</td>
<td>0.500</td>
<td>0.500</td>
</tr>
<tr>
<td>Cash</td>
<td>Equitable Money Fund</td>
<td>0.500</td>
<td>0.500</td>
</tr>
</tbody>
</table>

**Equitable Life With-profits Fund**

The With-profits Fund does not have explicit charges. Equitable Life deducts the cost of operating the Fund from the underlying asset value before declaring the value available to members on withdrawal. During the 2018 Governance Year it allowed for
charges covering administration expenses, investment management and deductions for the cost of guarantees of 1%.

Other DC funds – transaction costs

Fidelity

As explained above in relation to the Default arrangements, Fidelity has been unable to provide information on the transaction costs incurred during the 2018 Governance year in time for the preparation of the Chair’s statement. The Trustee will continue to work with Fidelity to ensure that this information is available in time for the publication of future statements.

Equitable Life unit-linked funds

The transaction costs applied during the 2018 Governance Year for the Equitable Life unit-linked funds were as follows:

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Fund</th>
<th>Transaction costs (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global equities</td>
<td>Equitable International Fund</td>
<td>0.122</td>
</tr>
<tr>
<td>UK Equities</td>
<td>Equitable Pelican Fund</td>
<td>0.331</td>
</tr>
<tr>
<td></td>
<td>Equitable FTSE All-Share Index-Tracking Fund</td>
<td>0.031</td>
</tr>
<tr>
<td>Bonds</td>
<td>Equitable Gilt and Fixed interest Fund</td>
<td>0.287</td>
</tr>
<tr>
<td>Cash</td>
<td>Equitable Money Fund</td>
<td>0.006</td>
</tr>
</tbody>
</table>

Equitable Life With-profits Fund

For the Equitable Life With-profits Fund the transaction costs applying for the 2018 Governance year were 0.045%.

Illustrative examples of the cumulative effect of costs and charges

Appended to this statement are illustrative examples of the cumulative effect of costs and charges on member’s accrued rights (in accordance with Reg 23(1)(ca) of the Administration Regulations 1996).

4.2 Value assessment

In accordance with regulation 25(1)(b) of the Administration Regulations, the Trustee assessed the extent to which the charges and transaction costs set out in section 4.1 above represent good value for members and obtained an independent value for members assessment for the 2018 Governance Year.
The Trustee reviewed the independent value for members assessment and agreed with its conclusions that the combined value provided to members by the investment, administration and communication services is good value compared with the overall charges members pay. The Plan provides high quality and appropriate services to meet the needs of the Plan membership.

As mentioned above, it is worth noting that there are two main parties that provide administration services for the Plan. Firstly, members pay for the administration of their DC accounts with Fidelity through the bundled annual management charge. Secondly, additional overarching main Plan administration is carried out by Barnett Waddingham (previously Aon) for which members do not bear the cost.

The value for members assessment included:

- a review of the charges levied and an assessment of the extent to which the services members pay for meet members’ needs.
- the extent of Fidelity’s compliance with the Service Level Agreement.
- a review of the results of a member survey carried out in 2017.
- a comparison of the Plan with other similar schemes in the market.
- an assessment of the ‘broader value’ offered to members by benefits and services for which the members do not pay.
- a consideration of how the change in the main Plan administrator has impacted member value since the last value for members assessment.
- a consideration of the following areas which encompass the total services members receive: governance and management, investment, administration and communications.

The Trustee considers the charges and costs represent good value for members for the following reasons:

- The charges are very competitive against the market for ‘bundled’ schemes and the charges are significantly lower than the charge cap.
- The combined value provided to members by the investment, administration and communication services is good value compared with the overall charges members pay.
- The overall performance of Fidelity as a bundled provider. Fidelity is meeting the needs of the members in its administration of the Plan, with an overall SLA average for the 2018 Governance Year of 97%. This is an improvement from 2017 and demonstrates that the issues referred to in the 2017 Chair’s statement have been resolved. This overall SLA average also compares positively relative to the general market.
- The Trustee provides ongoing monitoring and oversight of the investment strategies, funds, managers and the security position of the assets, which minimises investment risk to members.

- To meet the member need for access to accurate and up to date information, Fidelity provides the online ‘Plan Viewer’ service to members. This portal provides daily fund values and fund prices as well as giving members the option to make fund changes. The Plan member survey carried out in 2017 revealed that ‘Plan Viewer’ is well utilised among members.

- Barnett Waddingham has performed well and effectively with Fidelity on the core activities. The services of Barnett Waddingham (previously Aon) add an additional layer of broader value meeting the specific needs of Plan members.

- The communications issued to members by Fidelity are rated highly, relative to those offered by other pension providers in general, both in the context of written materials and their online offering. This provides Plan members with clear and accurate information, guidance and education on their benefits.

- Members do not meet or contribute towards the cost of the governance or management of the Plan, however this is a service which provides a significant additional layer of broader value.

The value for members assessment for the 2018 Governance Year did not identify any specific areas of poor value. However, the Trustee will continue to regularly monitor Fidelity as the bundled Plan provider and its interaction with Barnett Waddingham.

The Trustee considers that the Plan’s legacy AVC arrangements with Equitable Life also offer reasonable value for members, taking into account the fact that this is a legacy investment arrangement for which alternatives have been made available by the Trustee. The Equitable Life With-profits fund contains underlying investment guarantees which are particularly valuable to members approaching retirement.

During 2019 the Trustee intends on preparing a retirement survey for retired members to be completed in 2020. It is expected that this survey will focus on any change to the member experience and view of the value provided by the support offered.

5 Trustee knowledge and understanding (TKU)

The Trustee obtains advice on investment, legal and other issues from its professional advisers and is also able to call on the technical and investment expertise of the Company, in areas including legal compliance, data protection, pensions and benefits, and investment.

The Trustee Directors themselves collectively have a wealth of experience and knowledge across different areas, including the Trustee’s legal obligations and trust law duties, information security and data protection obligations, and business strategy experience, enabling the Trustee to challenge its advisers and other third
parties, where necessary and set and monitor appropriate business plans for the Plan.

The Trustee Directors’ approach to meeting the TKU requirements during the 2018 Governance Year included:

- receiving regular training and updates in relation to legal issues affecting the Plan, which enabled the Trustee Directors to learn about and discuss current legislative and regulatory requirements relating to the law on pensions and trusts. For example, at the June 2019 training day, the Trustee Directors received training on new regulatory developments affecting DB and DC pension schemes including the new developments relating to the Pensions Regulator’s powers and chair’s statement developments.

- receiving regular updates on the latest pensions news and insights from their professional advisors, which enabled the Trustee Directors to keep up to date with relevant legal developments.

- receiving regular updates regarding funding and investment, which enabled the Trustee Directors to learn about and discuss the principles relating to funding of occupational pension schemes and the investment of the assets of such schemes. For example, at the June Trustee training day the Trustee Directors received training on MIFID II and environmental, social and governance (ESG) considerations.

- considering and applying the Plan’s trust deed and rules, statement of investment principles, statement of funding principles and other relevant policies where applicable to Trustee decisions. For example, in the 2018 Governance Year, the Trustee Directors reviewed and adopted a new statement of investment principles, which was discussed and considered by the Trustee Directors at the Trustee Board meetings in March and June 2018 and in various training sessions such that the Trustee Directors have a working knowledge of this document. In adopting the new statement of investment principles, the Trustee received appropriate training on the topic from its professional advisers, considered and applied the relevant Plan rules and applicable legislation, and consulted the Company.

- attending the annual Trustee training day on 19 June 2018, where the Trustee Directors received training from the Trustee’s professional advisers and considered the results of the Trustee’s annual survey on trustee knowledge and understanding.

- receiving legal advice on the Plan’s trust deed and rules, and any amendments to it, such that the Trustee Directors have a working knowledge of this document. As part of the business plan for 2019, the Trustee intends to adopt amended consolidated rules and will receive appropriate training and legal advice accordingly.

The Trustee has systems in place to ensure the Trustee Directors are conversant with the Plan’s trust deed and rules, statement of investment principles, statement of funding principles and other Trustee policies relating to the administration of the Plan.
and have knowledge and understanding of the laws relating to pensions and trusts and the principles regarding funding and investment in relation to occupational pension schemes. These systems include identifying knowledge gaps and what appropriate training is needed for existing Trustee Directors. For example, the systems in place during the 2018 Governance Year included:

- the Trustee Directors undertaking the annual survey referred to above to assess trustee knowledge and understanding and identify any aspects for development that may be needed or where further training is appropriate. As part of this survey, the Trustee Directors were asked whether there was any training which they would like to receive in the future. Suggested topics from the Trustee Directors included the implementation of IORP II, GDPR, the recent change in the main Plan administrator and the basics of investment strategy. Following these suggestions, a number of topics were covered during the annual Trustee training day on 19 June 2018, as explained above, which included an investment focussed session looking at the recent changes to the Statement of Investment Principles, ESG and MiFID II. The Trustee Directors also received training on DC member investment and retirement choices at the 19 June 2018 training day, as well as training on data protection and the GDPR at the training day and throughout the 2018 Governance Year. The Trustee Directors will further develop their knowledge and understanding of these topics and others in the future, by receiving ad hoc training sessions at the quarterly Trustee Board meetings and at the 2019 Trustee training day due to be held in Summer 2019.

- the Trustee Directors maintaining their individual Trustee training logs and considering any particular personal training needs. As part of completing their training log, the Trustee Directors are asked to confirm they have read the Plan’s Trust Deed and Rules. In the 2018 Governance Year, all Trustee Directors confirmed that they had read the Plan’s Trust Deed and Rules.

- the Trustee Directors, having previously completed all of the modules (both DB and DC) in the Pensions Regulator’s Trustee Toolkit, hold the Pension Regulator’s Trustee Toolkit certificates. The Trustee Toolkit is an online learning programme from the Pensions Regulator aimed at trustees of occupational pension schemes. The Trustee Toolkit includes a series of online learning modules and downloadable resources developed to help trustees meet the minimum level of knowledge and understanding required by law. The Trustee Directors are required to complete the Trustee Toolkit every four years. The dates on which each of the Trustee Directors last completed the Trustee Toolkit are as follows:

  - Stewart Wright – 8 June 2015
  - Michael Curry – 19 June 2017
  - W Alan Dennison – 9 July 2018
  - J Trevor Jones – 29 November 2017
  - Irene Melitas – 28 November 2016
  - Simon Owens – 28 August 2018
  - David Poulter – 12 April 2017
  - Taryn Shawstad – 7 December 2015
the Trustee Directors being encouraged to undertake additional study.

During the 2018 Governance Year, a new Trustee Director was appointed to the Trustee Board. The Trustee has a structured induction process in place for any new Trustee Directors, and the newly appointed Trustee Director:

- undertook one-to-one training with the Plan’s Actuary, covering their duties and responsibilities and the operation of the DC benefits;
- received a New Trustee Orientation Pack on appointment including the key documentation of the Plan (Plan’s Trust Deed and Rules, statement of investment principles, statement of funding principles, schedule of contributions and other Trustee policies relating to the administration of the Plan). The provision of this information as part of the induction pack ensures that all Trustee Directors have read and are familiar with these documents from the start of their appointment;
- completed the Pension Regulator’s Trustee Toolkit within two months of being appointed; and
- attended the annual Trustee training day on 19 June 2018.

The standard induction process also includes new Trustee Directors attending a Trustee meeting in an observational capacity prior to appointment and initially being mentored by another Trustee Director. The new Trustee Director appointed in the 2018 Governance Year has a number of years of experience of being a Trustee and so it was decided that this part of the induction process was not necessary for this particular Trustee Director.

Overall, the Trustee’s Directors consider that as a result of the induction programme, training and study undertaken as referred to above, both collectively and personally their own knowledge and understanding, together with the advice which is available to the Trustee, enables the Trustee to properly exercise its function as trustee of the Plan.

Signed on behalf of the Trustee

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Stewart Wright        Date
Chair of Chevron UK Pension Trustee Limited
APPENDIX 1 – Statement of Investment Principles
APPENDIX 2 – Illustrative examples of the cumulative effect of costs and charges