

PPG INDUSTRIES (UK) LIMITED PENSION PLAN

CHAIR'S STATEMENT YEAR ENDED 5 APRIL 2020

Annual Chair's Statement for the PPG Industries (UK) Pension Plan ("the Plan"), including AVCs

The Occupational Pension Schemes (Scheme Administration) Regulations 1996 ("the Administration Regulations") require the Trustee to prepare an annual statement regarding governance, which should be included in the annual trustee report and accounts. The governance requirements apply to all defined contribution ("DC") pension arrangements and aim to help members achieve a good outcome from their pension savings.

This statement has been prepared by the Trustee and covers the period from 6 April 2019 to 5 April 2020 and is signed on behalf of the Trustee by the Chair.

This statement covers governance and charge disclosures in relation to the following:

1. The Plan's Default arrangement
2. Processing of core financial transactions
3. Member borne charges and transaction costs
 - i. Default arrangement
 - ii. Self-select funds
 - iii. Additional Voluntary Contributions
 - iv. Illustrations of the cumulative effect of these costs and charges
4. Value for Members assessment
5. Trustees knowledge and understanding

The Trustee has also taken actions required to manage the Plan in light of the COVID-19 pandemic and have incorporated additional commentary into this statement.

1. The Plan's Default Arrangement

The Trustee is required to design the default arrangement in members' interests and keep it under review. The Trustee needs to set out the aims and objectives of the default arrangement and take account of the level of costs and the risk profile that are appropriate for the Plan's membership.

The Plan is used as a Qualifying Scheme for auto-enrolment purposes.

The Trustee is responsible for the Plan's investment governance, which includes setting and monitoring the investment strategy for the Plan's default, the Aon Managed Retirement Pathway Fund targeting income drawdown (the "Flexible Glidepath"). The Flexible Glidepath reflects the Trustee expectation that members will take their retirement benefits in a flexible form through income drawdown.

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Details of the aims, objectives and the Trustee policies regarding the default arrangement can be found in a document called the 'Statement of Investment Principles' (SIP). The Plan's SIP is included in the report and accounts on page 70, however the aims are summarised here for ease of reference:

- The aim of the Flexible Glidepath is to try to ensure that members' savings are invested in funds that are appropriate for them, based on their selected retirement date.
- In designing the default for the DC Plan members, the Trustee has explicitly considered the risk and expected return characteristics of the funds used at different stages before retirement.
- Assets in the default strategy are invested in the best interests of members and beneficiaries, taking into account the profile of membership.
- Assets in the default strategy are invested in a manner which aims to ensure the security, liquidity and profitability of the member's portfolio as whole.
- Assets are invested in regulated products and mainly on regulated markets (any that are not will be kept to prudent levels).

The Flexible Glidepath is a target date fund (TDF), which provides an asset allocation based on the retirement date of the member. The TDF aims to provide members with the potential for good levels of growth during the accumulation of their retirement savings through exposure to equities, and then to gradually diversify their investments 15 years before their selected retirement date. This is achieved by automatically moving members' funds from return-seeking assets, which aim for long-term growth in excess of inflation, to a more broad-based and lower risk asset mix as a member approaches their target retirement date.

Two further TDFs are made available to members, the Aon Managed Retirement Pathway Fund targeting Annuity (the "Annuity Glidepath") and the Aon Managed Retirement Pathway Fund targeting Cash (the "Cash Glidepath").

All three of these TDFs invest 100% of members' Plan funds, during the period up to 15 years before selected retirement age, in the Initial Growth Phase Fund. From that point until retirement, members' funds in any of the Aon Managed Retirement Pathway Funds are gradually switched into the Diversified Multi-Asset Fund, the Pre-Retirement Fund, the Bond Phase Fund, the Long Term Inflation Linked Fund, the Short Term Inflation Linked Fund, and the Liquidity Fund depending on the strategy target.

Switching is conducted automatically within the TDF based on the individual member's term to selected retirement age and at no explicit cost to members or the Trustee.

Investment strategy review

The default arrangement was not formally reviewed during the period covered by this statement.

The Trustee reviewed the investment strategy with their investment advisor on 23 July 2018, ahead of the change in investment platform provider from Standard Life to Aon in November 2018. The advice received by the Trustee considered the suitability of the Aon Managed Retirement Pathway Funds as the default and the range of self-select fund options with reference to the membership demographics and how members access their benefits. This assessment was made by comparing against the default arrangement and range of funds in place with the previous provider and considering whether there had been any major change in the demographics of the Plan. At the time, the Trustee were comfortable that targeting flexibility at retirement remained appropriate for the Plan's membership and an analysis of the DC Section population undertaken in November 2019 continues to support this view.

The Trustee undertakes a formal review of the default arrangement every three years. The next formal review is due to take place in 2021.

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Performance Monitoring

The Trustee also reviews the performance of the default against its aims and objectives on a quarterly basis. This review includes analysis of fund performance to check that the risk and return levels meet expectations. Performance is reviewed against target benchmarks that have been agreed with the investment managers.

Since March 2020, the uncertainty surrounding the COVID-19 pandemic has meant that financial markets have been more volatile. However, the default is designed with long-term investment in mind. The Trustee and their advisers continue to monitor performance regularly and are comfortable that the default continues to perform broadly as expected relative to the benchmarks.

2. Processing of Core Financial Transactions

The Trustee has a specific duty to ensure that core financial transactions are processed promptly and accurately. Core financial transactions include the investment of contributions, transfer of member funds into and out of the Plan, transfers between different investments within the Plan and payments to and in respect of members/beneficiaries.

The bulk of the core financial transactions are undertaken on behalf of the Trustee by Aon, who undertake certain administrative duties in partnership with Aegon as the platform provider for the DC Section of the Plan. The Company is responsible for ensuring that contributions are paid to the Plan promptly. The timing of such payments is monitored by the Trustee from quarterly administration reports submitted by Aon.

In order to determine how well the administrator is performing the Trustee has service level agreements ("SLA") in place with Aon. These SLAs detail a number of key administration processes to be performed and the target timescale within which each of these processes needs to be completed. There are SLAs in place for all core financial transactions. Under the current SLA, Aon aims to accurately complete 95% of financial transactions within 5 working days, with the exception of retirement cases which have an SLA of 90% within 5 working days and the investment of contributions, which is within 1 working day from the reconciliation of the money received with the payment schedule.

The Trustee has also reviewed the key processes adopted by the administrator, in order to minimise the risks of inaccurate or late payment of core financial transactions. Key processes include:

- Provision of quarterly administration reports – enabling the Trustee to check core financial transactions and review processes relative to any member complaints made.
- Monthly contribution checks and daily reconciliation of the Trustee's bank account.
- Checks for all investment and banking transactions prior to processing.
- Straight-through processing for many tasks, avoiding the need for manual intervention and, in turn, significantly reducing the risk of error.
- Documentation and operation in line with quality assurance policies and procedures.
- Operation in line with the business continuity plan and confirmation that the administrator has prioritised core financial transactions during this period.

In addition, Aon attend the quarterly Governance Sub-Committee (GSC) meetings to present the administration reports. Attendance at these meetings provide an opportunity for members of the GSC to discuss any issues that might arise, and report back to the Trustee board as required.

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The Trustee is satisfied that over the period:

- the administrator was operating appropriate procedures, checks and controls and operating within the agreed SLA;
- there have been no material administration errors in relation to processing core financial transactions; and
- core financial transactions have been processed promptly and accurately during the Plan year.

In light of the recent COVID-19 pandemic the Trustee has been working closely with the Plan's administrator to ensure any impact on services is kept to a minimum. The closure of service centre offices caused a brief interruption to the DC member helpline, however this is now operating, although with slightly reduced hours. The Trustee is comfortable that the business continuity plans in place ensured contingency options were put in place quickly. Appropriate member messages were added to helplines and the member website, encouraging members to raise any queries by email while the helpline was unavailable. There is also now a member webchat facility in operation.

3. Member Borne Charges and Transaction costs

The Trustee should regularly monitor the level of charges borne by members through the investment funds. These charges comprise:

- Charges: these are explicit, and represent the costs associated with operating and managing an investment fund. They can be identified as a Total Expense Ratio (TER), or as an Annual Management Charge (AMC), which is a component of the TER;
- Transaction costs: these are not explicit and are incurred when the Plan's fund manager buys and sells assets within investment funds but are exclusive of any costs incurred when members invest in or sell out of funds.

The Trustee is also required to confirm that the charges on the default arrangement have not exceeded 0.75% p.a. (the charge cap) and produce an illustration of the cumulative effect of the costs and charges on members' retirement fund values as required by the Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018.

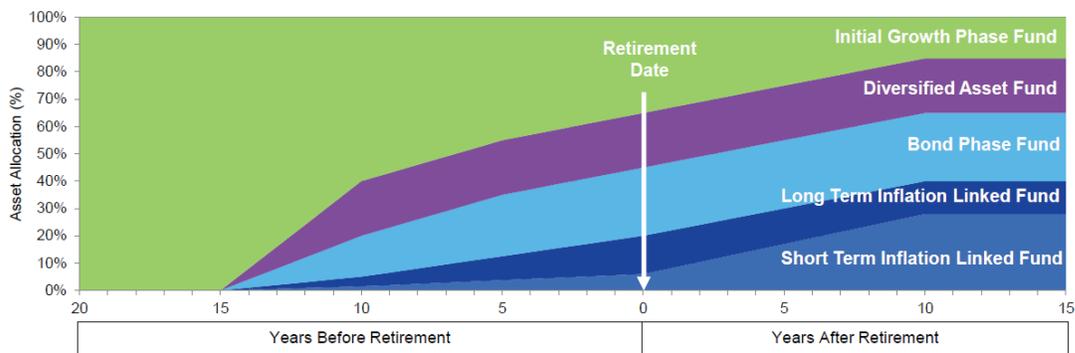
Details of the charges and transaction costs for the funds available to member of the Plan are shown below and in the appendix. For a few of the funds, the charges or transaction cost information is not available, either because the type of fund means it does not have explicit costs, e.g. a with-profits fund, or the information was not available at the time of publishing this statement. Where the information was not available, the Trustee will continue to liaise with the provider to obtain the required data.

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(i) Default – Flexible Glidepath (the Aon Managed Retirement Pathway Fund targeting Income Drawdown)

The Aon Managed Retirement Pathway Fund is a target date fund. Member's assets are invested in the target date fund relative to their retirement date, e.g. a member due to retire in 2020 will be invested in the Retirement Pathway 2019-2021 Fund. The funds relating to different retirement years are known as "vintages". The following chart shows the structure of the Flexible Glidepath.



The table below shows the TER and transaction costs for the funds available to members. The TERs have been supplied by Aon who are the investment manager and the transaction cost information has been supplied by Aegon, the platform provider for the Plan.

There can, on occasion, be a negative transaction costs (profit) as a result of the underlying trades in a fund. However, a floor of 0% p.a. has been applied in these instances to avoid potentially understating the total level of costs and charges.

Default Option	TER (% p.a.)	Transaction Costs (% p.a.)	Total Costs (% p.a.)
Aon Managed Retirement Pathway Funds to Drawdown			
▪ 2016 – 2021	0.42	0.0849 to 0.0890	0.5049 to 0.509
▪ 2022+	0.43	0.0146 to 0.0881	0.4446 to 0.5181

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(ii) Self-select funds

In addition to the Flexible Glidepath, two further TDFs are made available to members, the Aon Managed Retirement Pathway Fund targeting Annuity and the Aon Managed Retirement Pathway Fund targeting Cash.

Strategies	TER (% p.a.)	Transaction Costs (% p.a.)	Total Costs (% p.a.)
Aon Managed Retirement Pathway Funds to Annuity			
▪ 2019 – 2021	0.39	0.00	0.39
▪ 2022 - 2024	0.42	0.0538	0.4738
▪ 2025 - 2027	0.43	Not available	0.43
Aon Managed Retirement Pathway Funds to Cash			
▪ 2019 - 2021	0.41	0.0163	0.4263
▪ 2022 - 2024	0.42	0.0617	0.4817
▪ 2025 - 2027	0.43	Not available	0.43

A full listing of the underlying funds in each of the Retirement Pathway Funds, and the respective transaction costs is shown in the Appendix.

The following self-select funds are also available to members of the Plan.

Fund name	TER (% p.a.)	Transaction costs (%)	Total (% p.a.)	Maximum TER (% p.a.) *
Objective based funds				
Aon Managed Bond Phase Fund	0.54	0.2351	0.78	0.69
Aon Managed Long Term Inflation Linked Fund	0.27	0.00	0.27	N/A
Aon Managed Pre-Retirement Bond Fund	0.39	0.00	0.39	0.42
Aon Managed Liquidity Fund	0.40	0.0114	0.41	N/A
Asset class funds				
Aon Managed Global Equity Fund	0.37	0.0021	0.37	0.44
Aon Managed Active Global Equity Fund	0.94	0.0688	1.01	1.24
Aon Managed Property and Infrastructure Fund	0.58	0.1244	0.70	0.64
Aon Managed Diversified Multi-Asset Fund	0.53	0.1577	0.69	0.59
Aon Managed Passive Corporate Bond Fund	0.28	0.00	0.28	0.32
Non-Aon managed funds				
Aegon BlackRock UK Equity Index Fund	0.24	0.0454	0.29	N/A
Aegon BlackRock World (ex UK) Equity Index Fund	0.25	0.0299	0.28	N/A
Aegon BlackRock Emerging Markets Equity Index Fund	0.45	0.00	0.45	N/A
Aegon LGIM Ethical Global Equity Index Fund	0.54	0.0042	0.54	N/A
Aegon HSBC Islamic Global Equity Index Fund	0.54	0.0409	0.58	N/A

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TERs are as at 31 March 2020. Additional Fund Expenses (AFEs) included in the TER are as at 31 March 2019, except the Aon Managed Diversified Multi Asset Fund where the AFEs are as at 30 November 2019. Transaction costs are as at 31 March 2020.

* Some funds have a maximum fund charge in respect of the TERs. Members will not be notified if a change to the annual management charge results in a change in the fund charge, provided that the TER is less than or equal to this maximum charge. The transaction costs are implicit within fund returns and do not form part of the explicit costs (TERs) paid by members.

(iii) Additional Voluntary Contributions (AVCs)

AVCs are held with six legacy providers. Details of these providers, the funds where assets are held, and the charges and transaction costs are shown in the Appendix.

In January 2020, Equitable Life transferred its business to Utmost Life and Pensions (Utmost). Details of the funds and charges for both these providers are shown in the Appendix. Members in the With-Profits Fund were transferred to the Secure Cash Fund with Utmost. Members in the Managed Fund and the Money Market Fund remain invested in these funds on transfer to Utmost.

(iv) Illustrations of the cumulative effect of costs and charges

From 6 April 2018 the Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018 introduced new requirements relating to the disclosure and publication of the level of costs by the trustees and managers of a relevant scheme. These changes are intended to improve transparency on costs.

In order to help members understand the impact that costs and charges can have on their retirement savings, the Trustee has provided three illustrations of their cumulative effect on the value of typical scheme members savings over the period to their retirement.

The illustrations have been prepared having regard to statutory guidance and selecting suitable representative members. They are based on a number of assumptions about the future which are set out below the illustration tables.

Members should be aware that such assumptions may or may not hold true, so the illustrations do not promise what could happen in the future and fund values are not guaranteed. Furthermore, because the illustrations are based on typical members of the Plan they are not a substitute for the individual and personalised illustrations which are provided to members in their annual benefit statements.

Each illustration, A, B and C is shown for a different type of member invested in the Flexible Glidepath, as this is the arrangement that most of our members have their retirement savings in. Each illustration is shown as a chart and a table as follows:

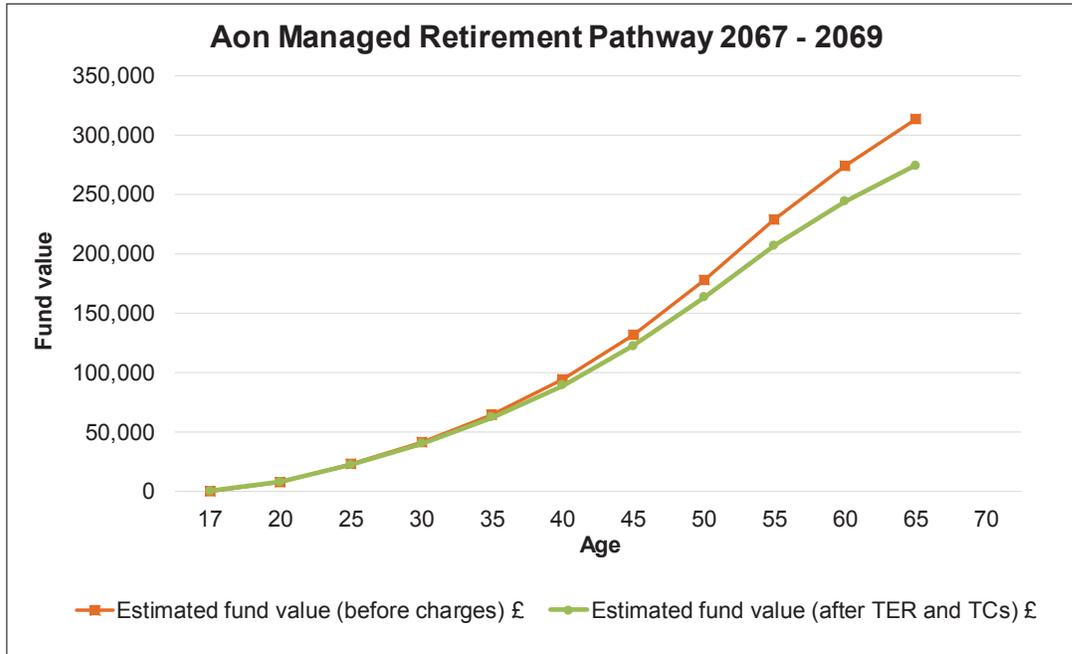
- Chart: This shows a projection of the member's retirement savings at retirement age, with and without costs and charges applied.
- Table: As the projected retirement savings are dependent on investment returns as well as the level of costs and charges, we have also included some comparison figures with other investments. For comparison purposes, we also show the projected retirement savings if the typical member were invested in a higher risk profile fund – the Aon Managed Active Global Equity Fund - which has a higher expected return and higher charges, and a lower risk profile fund – the Aon Managed Liquidity Fund - which has a lower expected return and lower charges.

All projected fund values are shown in today's terms, and do not need to be reduced further for the effect of future expected inflation.

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Illustration A: is based on a Plan member who has 48 years to go until their retirement at age 65. The member has a current salary of £16,600 has future contributions of 14% p.a. of salary. The member has a fund value of £220 and is invested in the Flexible Glidepath (Aon Managed Retirement Pathway 2067-2069).



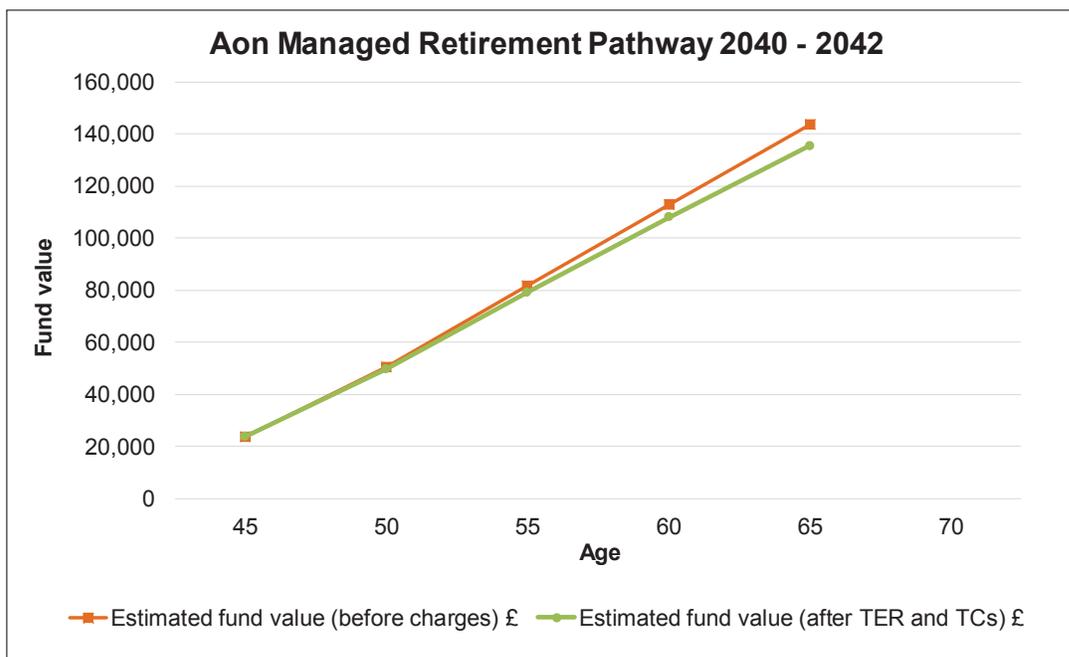
Projected retirement savings in today's money

Age	Flexible Glidepath			Aon Managed Active Global Equity Fund			Aon Managed Liquidity Fund		
	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges
	£	£	£	£	£	£	£	£	£
17	220	220	0	220	220	0	220	220	0
20	7,632	7,582	50	7,728	7,613	115	6,961	6,917	44
25	22,483	22,082	401	23,261	22,330	931	17,610	17,326	284
30	41,143	39,923	1,220	43,564	40,677	2,887	27,568	26,862	706
35	64,589	61,875	2,714	70,103	63,549	6,554	36,879	35,598	1,281
40	94,051	88,884	5,167	104,792	92,060	12,732	45,587	43,602	1,985
45	131,071	122,117	8,954	150,134	127,604	22,530	53,729	50,934	2,795
50	177,588	163,007	14,581	209,401	171,913	37,488	61,342	57,651	3,691
55	228,939	206,888	22,051	286,870	227,150	59,720	68,462	63,805	4,657
60	273,919	243,571	30,348	388,129	296,009	92,120	75,120	69,443	5,677
65	313,489	274,236	39,253	520,487	381,850	138,637	81,345	74,608	6,737

Illustration B: is based on a Plan member who has 20 years to go until their retirement at age 65. The member has a current salary of £28,600 and has future contributions of 13% p.a. of salary. The member has a current fund value of £23,800 and is invested in the Flexible Glidepath (Aon Managed Retirement Pathway 2040-2042).

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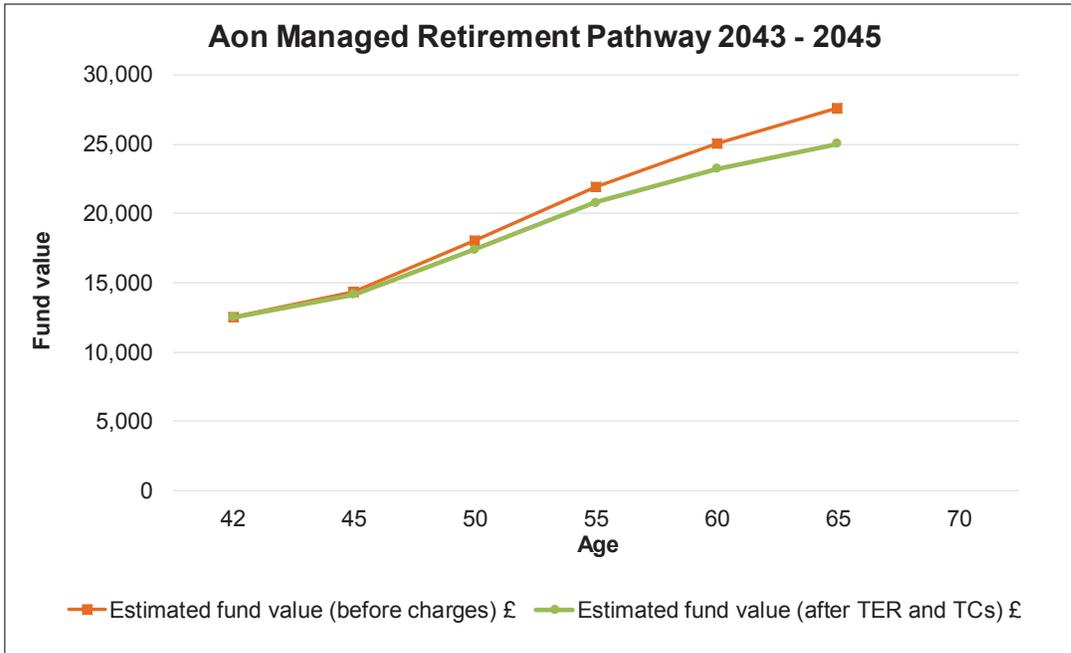
Projected retirement savings in today's money

Age	Flexible Glidepath			Aon Managed Active Global Equity Fund			Aon Managed Liquidity Fund		
	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges
	£	£	£	£	£	£	£	£	£
45	23,800	23,800	0	23,800	23,800	0	23,800	23,800	0
50	50,531	49,687	844	52,162	50,211	1,951	40,015	39,384	631
55	81,727	79,213	2,514	89,235	83,135	6,100	55,177	53,662	1,515
60	112,994	107,990	5,004	137,693	124,179	13,514	69,355	66,742	2,613
65	143,583	135,330	8,253	201,033	175,345	25,688	82,613	78,725	3,888

Illustration C: is based on a deferred member (a member who is no longer making contributions to the Plan) who has 23 years to go until their retirement at age 65. The member has a current fund value of £12,500 and is invested in the Flexible Glidepath (Aon Managed Retirement Pathway 2043-2045).

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Projected Pension Account in today's money

Age	Flexible Glidepath			Aon Managed Active Global Equity Fund			Aon Managed Liquidity Fund		
	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges
	£	£	£	£	£	£	£	£	£
42	12,500	12,500	0	12,500	12,500	0	12,500	12,500	0
45	14,336	14,156	180	14,679	14,268	411	12,007	11,860	147
50	18,013	17,418	595	19,187	17,786	1,401	11,227	10,865	362
55	21,943	20,774	1,169	25,080	22,173	2,907	10,499	9,954	545
60	25,081	23,242	1,839	32,782	27,641	5,141	9,817	9,119	698
65	27,604	25,034	2,570	42,849	34,458	8,391	9,180	8,355	825

Members are advised to consider both the level of costs and charges and the expected return on investments (i.e. the risk profile of the funds) in making investment decisions.

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Assumptions and data for illustrations:

The following assumptions have been made for the purposes of the above illustrations:

- Annual salary growth and inflation is assumed to be 2.5% per annum
- The starting fund values and future contributions used in the projections are representative of each illustrative member based on the Plan membership demographics.
- The assumed growth rates (net of costs and charges) are as follows:

Fund name	Return assumption (% p.a.)
Aon Managed Bond Phase Fund*	1.96
Aon Managed Initial Growth Phase Fund*	6.84
Aon Managed Diversified Multi-Asset Fund*	3.97
Aon Managed Long Term Inflation Linked Fund*	-0.28
Aon Managed Short Term Inflation Linked Fund*	0.12
Aon Managed Active Global Equity Fund	7.12
Aon Managed Liquidity Fund	0.72

*Funds underlying the Flexible Glidepath

- The TERs and transaction costs for the funds used for the illustrations are as follows:

Fund name	TER (%)	Transaction costs (%)	Total (%)
Aon Managed Retirement Pathway 2067-2069	0.43	0.0199	0.4499
Aon Managed Retirement Pathway 2040-2042			
Aon Managed Retirement Pathway 2043-2045			
Aon Managed Active Global Equity Fund	0.94	0.0688	1.0511
Aon Managed Liquidity Fund	0.40	0.0136	0.4136

- The transaction costs have been averaged over a two year period in line with statutory guidance to reduce the level of volatility, and a floor of 0% p.a. has been used for the transaction costs if these were negative in any year so as not to potentially understate the effect of charges on fund values over time.
- Total Expense Ratios are provided as at 31 March 2020.
- Transaction costs are provided as at 31 March 2020.

4. Value for Members assessment

The Administration Regulations require the Trustee to make an assessment of charges and transactions costs borne by members and the extent to which those charges and costs represent good value for money for members.

There is no legal definition of "good value" or the process of determining this for scheme members. Therefore, working in conjunction with our advisers, Aon, the Trustee has developed a cost-benefit analysis framework in order to make an assessment as to whether our members receive good value from the Plan relative to the costs and charges they pay.

The costs have been identified as the TERs and Transaction Costs and are set out in section 3 and the Appendix of this statement. The Trustee has considered the benefits of membership under the following five categories: Scheme governance, investments, administration and member experience, member communications and engagement and retirement support. Benchmarking relative to other pension arrangements or industry best practice guidelines is also undertaken.

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The Trustee beliefs have formed the basis of the analyses of the benefits of membership. These are set out below along with the main highlights of their assessment.

There are two sub-committees that provide support to the Trustee with the effective running of the Plan. The purpose of the Governance Sub-Committee (GSC) and the Funding and Investment Sub-Committee (FISC) is to do the following in relation to governance, administration and communication matters, and funding and investment related matters respectively:

- a) Assist the Trustee in carrying out its responsibilities
- b) Maximise efficiency
- c) Provide specialist expertise amongst a subset of members of the Trustee
- d) Promote effective collaboration between the Trustee and the Company

Governance: The Trustee believes in having robust processes and structures in place to support effective management of risks and ensure members interests are protected, increasing the likelihood of good outcomes for members.

The Trustee has built a robust governance approach for the Plan, including quarterly administration reporting, regular review of the Plan's risk register and assessment of the effectiveness of the Trustee board in their oversight of the Plan.

Investments: The Trustee believes that a well-designed investment portfolio that is subject to regular performance monitoring and assessment of its suitability for the membership will make a large contribution to the delivery of good member outcomes.

The Plan offers target date funds aimed at taking benefits flexibly at retirement or as an annuity or as cash. There are also self-select funds available covering a range of member risk profiles and asset classes. The investment funds available are those offered by Aon. Prior to the transition to Aon in November 2018, the Trustee (working with their investment advisor) reviewed the funds available and considered them suitable for the needs of the Plan membership.

Performance of the funds is reported to the Trustee on a quarterly basis, and performance is reviewed against agreed market benchmarks.

Administration: The Trustee believes that good administration and record keeping play a crucial role in ensuring that members receive the retirement income due to them. In addition, the type and quality of service experienced by members has a bearing on the level of member engagement.

The Trustee obtains information to assess the member experience through quarterly administration reports and discussions with the administrator. The Trustee has also sought member feedback through member focus groups.

Member communications and engagement: The Trustee believes that effective member communications and delivery of the right support and tools helps members understand and improve their retirement outcomes.

A number of the Trustees form a Communications Working Party (CWP), which is a sub-group of the full Trustee board which takes responsibility for the majority of the communications issued to members. The CWP reviews all communications to ensure they are appropriate, and clear and understandable for the members.

All communications include signposting to where members can find further information, support and guidance.

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Retirement support: The Trustee believes it is important to have retirement processes that enable members to make informed decisions and select appropriate option(s) at retirement.

Members are able to access support for their retirement decisions in a variety of ways. A helpline and guidance material is available through the Aon Retirement Service, and members can receive one free session with the Plan's appointed independent financial advisers, WPS Advisory Limited. Additional support and information is available on the member website, TargetPlan.

The Trustee assessment concluded that the charges and transaction costs borne by Plan members are competitive in comparison to current market rates and represent good value for members relative to the benefits of Plan membership.

The assessment also covered the six legacy AVC providers. The Trustee has concluded that for some of the legacy providers the costs and charges are higher than expected for similar sized schemes. There is also some concern that future investment in the member experience by some of the AVC providers is likely to be limited because the assets are held on legacy platforms. The Trustee plans to transfer the AVCs from the legacy providers to Aon so the members with AVCs will benefit from the competitive charges secured for the DC Section Plan assets. This project was placed on hold due to the volatility of markets from the COVID-19 pandemic. The Trustee plans to recommence this transfer later in 2020.

5. Trustee Knowledge and Understanding

Sections 247 and 248 of the Pensions Act 2004 set out the requirement for Trustees to have appropriate knowledge and understanding of the law relating to pensions and trusts, the funding of occupational pension schemes, investment of scheme assets and other matters to enable them to exercise their functions as Trustees properly. This requirement is underpinned by guidance in the Pension Regulator's Code of Practice 7.

The comments in this section relate to the Plan as a whole and not solely the DC Section.

The Trustee has processes and procedures in place to meet the Pension Regulator's Trustee Knowledge and Understanding requirements (as set out in their Code of Practice No 7); some of which are identified below:

- A structured training programme for newly appointed Trustees including completion, within their first six months of formal appointment, of the Pension Regulator's Trustees toolkit, which is an online learning programme. New Trustees are also required to complete a Trustee knowledge and understanding self-assessment within their first year in the role.
- Current Trustees have completed the Pension Regulators Trustee toolkit.
- Assessing training needs and identifying gaps in knowledge through annual assessments.
- Undergoing regular training for the year which included training on managing conflicts of interest, legal training on the role of the Ombudsman and related case studies, CMA requirements and setting objectives for investment consultants, Environmental, Social and Governance investing.
- Maintaining training logs for each Trustee, recording collective training undertaken as a Trustee board and any training the Trustees undertake individually.
- Trustee policy and practices are detailed in the Trustee Manual which is designed to be used as a key reference document for all new and existing Trustees.
- Trustee effectiveness review meetings held in early 2020 for each individual Trustee. Actions identified from the review meetings to be taken forward during the next Plan year. These reviews will be carried out annually.

The Trustee has engaged with their professional advisers regularly throughout the year to ensure that they exercise their functions properly and take professional advice where needed. Exercising their functions has

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The Trustee has engaged with their professional advisers regularly throughout the year to ensure that they exercise their functions properly and take professional advice where needed. Exercising their functions has required that the Trustee has knowledge of the key scheme documents such as the Trust Deed & Rules, Trustee Report & Accounts and SIP. All Plan documents are accessible to the Trustee via a secure online web sharing facility.

The Trustee is familiar with trust and pension law and the Trustee legal adviser regularly attends meetings to answer any questions that may arise.

A few of the activities undertaken during the period of review are set out below:

- Review of quarterly administration reports to monitor service delivery against agreed service levels standards and assessing the member experience
- Review of quarterly investment reports to assess fund performance against benchmarks, and funds against overall Plan aims and objectives, as set out in the SIP.
- Review and updates to the SIP to account for the Trustee's policy regarding responsible investment and consideration of environmental, social and governance factors.
- Maintaining a regime for proper governance – quarterly review and assessment of progress against the annual business plan for each sub-committee.

The Trustee also considered the impact of the COVID-19 pandemic on the Trustee board and put in place appropriate plans to ensure that the board could continue to perform effectively during this time. Specifically, the Trustee has reviewed the regularity of their meetings and the format (virtual, shorter Trustee meetings will be held regularly during this time), identified key man risks, reviewed Trustee decision making protocols and approvals processes and taken steps to mitigate these risks through appropriate identification of designated alternates on the Trustee board and all advisers and providers to ensure business continuity and appropriate Plan governance during the pandemic.

The Trustee board is made up of nine Trustee Directors, including one independent Trustee. There was one change to the Trustee board during the year, with the resignation of one Trustee Director in December 2019. A new Trustee Director has been appointed and is currently working through the Trustee Induction Process. The Trustee Directors bring a diverse range of skills and experience to the board. The composition of the two sub-committees (focusing on governance and investment respectively) utilise the different strengths and backgrounds of the Trustee Directors in the right areas.

As a minimum, the full Trustee board meets four times per year with the sub-committees meeting more regularly as required, to progress actions and monitor and review the administration and investment performance, audit and approve the Trustee Report and Accounts amongst other tasks.

The Trustee considers that they meet the Pension Regulator's Trustee Knowledge and Understanding requirements and are confident that their combined knowledge and understanding, together with the support of their advisers, enables them to properly exercise their functions as the Trustee of the Plan.

Signed on behalf of the PPG Industries (UK) Pension Trustee Limited (the Trustee)

Name: Claire Sherwood, Chair of Trustee

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Appendix

The table sets out the transaction costs for the underlying funds in each Retirement Pathway Fund. The TER for each Retirement Pathway Fund and the blended transaction cost, reflecting the mix of the underlying funds at each age, is set out in the tables shown in section 3 of this statement.

Fund name	Transaction costs (% p.a.)
Aon Managed Retirement Pathway Fund to Drawdown	
<i>Aon Managed Initial Growth Phase Fund</i>	0.015
<i>Aon Managed Diversified Multi-Assets Fund</i>	0.158
<i>Aon Managed Bond Phase Fund</i>	0.235
<i>Aon Short Term Inflation Linked Fund</i>	0.000
<i>Aon Long Term Inflation Linked Fund</i>	0.000
Aon Managed Retirement Pathway to Annuity	
<i>Aon Managed Initial Growth Phase Fund</i>	0.015
<i>Aon Managed Diversified Multi-Assets Fund</i>	0.158
<i>Aon Managed Bond Phase Fund</i>	0.235
<i>Aon Short Term Inflation Linked Fund</i>	0.000
<i>Aon Managed Pre-Retirement Bond Fund</i>	0.000
<i>Aon Managed Liquidity Fund</i>	0.011
<i>Aon Long Term Inflation Linked Fund</i>	0.000
Aon Managed Retirement Pathway to Cash	
<i>Aon Managed Initial Growth Phase Fund</i>	0.015
<i>Aon Managed Diversified Multi-Assets Fund</i>	0.158
<i>Aon Managed Bond Phase Fund</i>	0.235
<i>Aon Short Term Inflation Linked Fund</i>	0.000
<i>Aon Long Term Inflation Linked Fund</i>	0.000
<i>Aon Managed Liquidity Fund</i>	0.011

A floor of 0% p.a. has been applied to any negative transaction to avoid potentially understating the total level of costs and charges.

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AVC arrangements

The annual management charges (AMC) on the AVC arrangements are shown in the table below. A floor of 0% p.a. has been applied to any negative transaction to avoid potentially understating the total level of costs and charges.

Fund / Provider	AMC (% p.a.)	TC (%)	Total (% p.a.)
Aviva as at 2020			
Aviva Deposit NU	0.88	Not available ¹	0.88
Aviva European Equity NU	0.88	0.1545	1.04
Aviva Global Equity NU	0.88	0.0572	0.94
Aviva Mixed Investment (40-85% Shares) NU	0.88	0.0719	0.95
Aviva Pacific Equity NU	0.88	0.1141	0.99
Aviva UK Equity NU	0.88	0.1085	0.99
Aviva US Equity NU	0.88	0.0071	0.89
Aviva With-Profit Guaranteed NU	0.88	0.0370	0.92
Aviva With-Profit NU	0.88	0.0370	0.92
Legal & General as at 5 April 2020			
L&G Cash	0.30	Not available ¹	0.30
LGIM UK Equity Index	0.30	0.00	0.30
LGIM Global Equity 60:40 Index	0.30	0.00	0.30
Prudential as at 5 April 2020 ⁵			
Discretionary	0.78	0.12	0.90
Deposit ³	See note 3	Not available ¹	See note 3
Global Equity	0.76	0.08	0.84
With-Profits Cash Accumulation ⁴	See note 4	Not available ¹	See note 4
Equitable Life (to January 2020)			
Managed Fund	0.75	0.0084	0.76
Money Market Fund	0.50	0.00	0.50
With-Profits Fund	1.5 ²	1.0356	2.54
Utmost Life and Pensions (from January 2020)			
Secure Cash Investment	0.5	0.070	0.57
Managed Fund	0.75	Not available ¹	0.75
Money Market Fund	0.5	Not available ¹	0.5
Clerical Medical as at April 2020			
BGI World (ex.UK) Equity Index	0.5	0.00	0.5
BGI World (ex UK) Equity Index Lifestyle	0.5	0.00	0.5
BGI Over 15-year UK Gilt Index	0.5	0.00	0.5
BGI Over 15-year UK Gilt Index Lifestyle	0.5	0.00	0.5
BGI UK Equity Index	0.5	0.00	0.5
BGI UK Equity Index Lifestyle	0.5	0.00	0.5

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Fund / Provider	AMC (% p.a.)	TC (%)	Total (% p.a.)
BGI Over 5-year UK Index-Linked Gilt Index	0.5	0.02	0.52
Halifax	0.5	0.00	0.5
Cash	0.5	0.01	0.51
UK Tracker	0.5	0.01	0.51
UK Tracker (Lifestyle)	0.5	0.01	0.51
Retirement Protection (Lifestyle)	0.5	0.08	0.58
UK Property	0.5	0.04	0.54
International Growth	0.5	0.72	1.22
Phoenix Life ⁶			
London Life Mixed Fund	0.97	Not available ¹	0.97

Notes:

1. Where the transaction cost information is not available, the Trustee will continue to liaise with the provider to obtain the missing information. For some funds, e.g. with-profits funds transaction costs may not be applicable due to the type of fund.
2. In its Principles and Practices of Financial Management, Equitable Life states the charges on the With Profits Fund are 1.5% per annum (1.0% for the expenses of the Fund and 0.5% in respect of the cost of guarantees).
3. The Prudential Deposit Fund does not have an explicit charge, it aims to provide a net return in line with the Bank of England base rate.
4. Charges on the Prudential With Profits Fund are inherent within the annual bonus declarations. This charge is deducted through the bonus mechanism.
5. Transaction costs for the Prudential funds are as at 31 December 2019.
6. Only one remaining member with this legacy provider.