ACTAVIS DEFINED BENEFIT PENSION PLAN

STATEMENT OF INVESTMENT PRINCIPLES

MARCH 2021

1. INTRODUCTION

The Trustees of the Actavis Defined Benefit Pension Plan (the "Plan") have adopted this Statement of Investment Principles ("the Statement") to comply with the Pensions Act 1995, the Pensions Act 2004 and the Occupational Pension Schemes (Investment) Regulations 2005. This Statement replaces all previous Statements.

When making their investment decisions and reviewing this Statement, the Trustees obtained and considered the written advice of Cartwright Benefit Solutions Limited, whom the Trustees reasonably believe to be qualified by its ability in and practical experience of financial matters and to have the appropriate knowledge and experience of the management of the investments of such schemes. Cartwright Benefit Solutions Limited is also authorised under the Financial Services and Markets Act 2000 to provide investment advice to the Trustees.

Whilst the Trustees are solely responsible for the Plan's investment strategy, the Trustees consulted Actavis UK Limited (the "Employer") on both the investment decisions taken by the Trustees and this Statement's content.

2. INVESTMENT OBJECTIVES

The primary investment objective of the Trustees is to ensure that the Plan will be able to pay all beneficiaries in full as and when their benefits fall due, taking into account the existing assets, the investment returns expected to be achieved, and the contributions from the Employer.

To increase the certainty of achieving the primary investment objective, the Trustees will aim to reduce the Plan's investment risk where possible and practical to do so, subject to still targeting sufficient investment returns. The level of investment risk will also be considered in the context of the ability and willingness of the Employer to support the investment risk being taken and the impact changes in financial market conditions may have on the Employer's future contribution requirements.

In December 2017, to achieve the objectives outlined above, the Trustees purchased a bulk annuity policy with Rothesay Life PLC to secure full benefits for all Plan beneficiaries. The policy is currently in the Trustees' name. The intention is for the bulk annuity policy to be split into individual member policies and re-assigned to each member. The Plan will then be wound up.

3. INVESTMENT STRATEGY

The Trustees' investment strategy for the Plan is to invest 100% of the Plan's assets in the bulk annuity policy with Rothesay Life PLC. The Trustees also operate a bank account. Rothesay Life PLC is authorised by the Prudential Regulation Authority and regulated by both the Financial Conduct Authority and the Prudential Regulation Authority.

A bulk annuity policy is a contract with an insurance company, the payments from which exactly match the agreed benefits to be paid to those members for as long they (and their dependants) live. Purchasing a bulk annuity policy is the only practical way to secure all members' benefits and wind up the Plan without waiting 80+ years for the last pension to be paid to the last pensioner.

As the Plan no longer has any assets over and above the bulk annuity policy and the bank account, the Trustees' cash flow policy is to accept payments from Rothesay Life that match members' full benefits and pay those benefits to the relevant members. As the bulk annuity policy covers all members' benefits in full, there should be an exact match between the benefits insured and the benefit outgo.

4. RISK MEASUREMENT AND MANAGEMENT

The Trustees regularly review a wide range of risks to which the Plan is exposed and mitigate these risks where possible and practical to so. The Trustees believe that the investment strategy adopted is consistent with the agreed risk management policy which is to ultimately remove all investment-related risks through the bulk annuity policy, which will be converted into individual annuity policies once the data update/cleanse has been completed.

However, until the data update/cleanse has been completed, and the final true-up payment (if any) has been made by the Employer, the Trustees will continue to be exposed to the Employer's covenant to the extent that a further Employer contribution is needed to secure all members' benefits in full.

The realisation of the investments underlying the bulk annuity policy is managed by Rothesay Life PLC in accordance with their obligations to their policyholders.

5. FEE STRUCTURES

Rothesay Life PLC's charges and profits are embedded within the premium paid for the bulk annuity policy.

The investment adviser is paid on a time-cost or fixed fee basis, as agreed from time-to-time between the Trustees and the investment adviser, and paid directly by the Employer.

6. ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE ('ESG')

The Trustees believe that their primary responsibility is to invest the Plan's assets in the longer-term financial best interests of the Plan's beneficiaries, as reflected by the Trustees' investment objectives. The Trustees believe that ESG factors (including climate change risks) could potentially have a material positive or negative financial impact on the Plan. However, the Plan's assets comprise a bulk annuity policy with Rothesay Life Plc and the Trustees have no influence over the investment policies and practices of Rothesay Life Plc.

The Trustees do not explicitly take into account the views of the Plan's beneficiaries, including (but not limited to) ethical views and views in relation to social and environmental impact and present and future quality of life of the Plan's beneficiaries when making investment decisions.

Due to the Trustees' only asset being a bulk annuity policy, in practice the environmental, social and corporate governance policies are delegated to Rothesay Life PLC.

The exercising of rights attaching to investments (including voting rights) is delegated to Rothesay Life PLC. The Trustees expect Rothesay Life PLC to adopt a voting policy that is in line with best industry practice.

7. ADDITIONAL VOLUNTARY CONTRIBUTIONS

Some members have obtained further benefits by paying Additional Voluntary Contributions ("AVCs") to the Plan's Equitable Life, Santander and Phoenix Life AVC policies. The AVCs are money purchase in nature, i.e. the liabilities in respect of these AVCs are equal to the value of the investments bought with the contributions. The AVC facility no longer accepts new contributions. In due course, the AVC assets and liabilities will be transferred to Rothesay Life PLC.

8. FUTURE REVIEW

The Trustees will review this Statement:-

(a) At least every three years, and

(b) Without delay after any significant change in investment policy.

Any such review will be based on written investment advice from someone whom the Trustees reasonably believe to be qualified by his or her ability in and practical experience of financial matters and to have the appropriate knowledge and experience of the management of the investments of such schemes. The Employer will also be consulted.

Signed [redacted] Date [redacted]
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