INVESTMENT CONSULTANCY AND FIDUCIARY MANAGEMENT SERVICES MARKET INVESTIGATION

RESPONSE TO THE CMA'S MARKET OUTCOMES "UPDATED RESULTS" WORKING PAPER

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5 November 2018

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1. Introduction

1.1 This paper sets out WTW's response to the updated analysis of market outcomes that the CMA published in its working paper of 25 October. This response provides a summary of our views and should be read alongside the supporting submission that our external economic advisers have made to the CMA by means of the confidentiality ring.

1.2 Our review of these materials points to the following conclusions:

(a) First the Working Paper has not acknowledged or responded to the large majority of the concerns that we raised in response to the Provisional Decision Report (PDR) about the "gains from engagement" analysis and the analysis of the relationship between quality and market success in investment consulting (IC). The analysis that our external economic advisers have conducted using the materials from the confidentiality ring confirms that these concerns continue to apply to the CMA's updated analysis. The CMA has not explained why it has chosen to respond to some of the concerns raised by industry stakeholders in a separate working paper, but not others.

(b) Second, even setting aside these concerns, no weight can be placed on these results for the purposes of quantifying the level of detriment in the industry or informing any conclusions about the proportionality of the CMA's remedies package. This is because:

(i) even if the results presented in the working paper are taken at face value, it is clear that they are not robust. Small changes in model specification or the set of firms considered in the analysis, can have a significant bearing on the results of interest; and

(ii) analysis undertaken by our external economic advisers using the materials made available in the confidentiality ring further demonstrates the lack of robustness of the results underpinning the CMA's findings.

(c) Third, the working paper does not engage with the evidence we have presented on the detriment in the market that stems from the slow uptake of FM services. The CMA should consider whether there are measures that could help remove the barriers to the take-up of FM services or – at the very least – ensure that the remedies package does not unintentionally create additional such barriers.

1.3 We explain each of the concerns in more detail below.

2. The Working Paper has not acknowledged or responded to the majority of the concerns about the CMA's "gains for engagement" analysis that WTW raised in its response to the PDR

2.1 In the PDR, the CMA presented the results of three analytical exercises it had undertaken to assess the gains from engagement available to IC and FM customers – namely:

(a) an "FM static" analysis comparing the level of prices across different pension schemes depending on whether they were "engaged";

(b) an “FM transition” analysis, which compared the change in prices when schemes moved into FM with their existing provider of IC, depending on whether they were “engaged”; and

(c) an IC analysis comparing the prices paid by “engaged” and “disengaged” pension schemes to IC firms in 2016.

2.2 In addition to this, the CMA presented evidence that, it argued, suggested that less engaged schemes receive lower asset manager discounts negotiated by their investment consultant than more engaged schemes, as well as a lower quality of service more generally

2.3 We set out a number of concerns about these analytical exercises in our main PDR response document. For ease of reference we have listed these issues in table below, along with details of the paragraphs in our PDR response where we have provided further explanation and evidence. For each of these issues, the table also identifies:

(a) whether the CMA has acknowledged or responded to the issue either in its October working paper or in the additional analysis included in the data disclosed in the accompanying confidentiality ring; and

(b) whether our original concern still stands on the basis of our external economic advisers’ analysis of the updated data set that the CMA has made available in the confidentiality ring.

2.4 As can be seen from the table, the CMA has not acknowledged or responded to the large majority of these concerns and all of these concerns still stand.

Issue raised by WTW in response to PDR	Where can further explanation and evidence be found in WTW's PDR response document?	Has the CMA considered or responded to this issue in its October working paper?	Does the concern still stand on the basis of our External Advisers' analysis of the CMA's updated data set?
Concerns about the CMA's "static" FM analysis			
Figure 13 of Appendix A5 of the PDR was incorrect.	Para 4.13(b)(i)	No	Unable to test this, since supporting code not made available in the confidentiality ring.
The CMA's finding that engaged schemes pay less than non-engaged schemes is dependent on assessing the gains from engagement separately for internally acquired and externally acquired schemes.	Para 4.13(b)(ii)	No	Yes
Concerns about the CMA's "transition" FM analysis			
The CMA's findings are dependent on the inclusion of a small number of schemes that are reported to have experienced particularly large (more than tenfold) increases in expenditure when transitioning from IC to FM.	Para 4.13(c)(i)	No	Yes
The CMA's regression analysis is not robust to small changes in approach.	Para 4.13(c)(ii)	Partially – the working paper reports the results for more than one sensitivity (though it does not take account of all the material sensitivities flagged in our PDR response paper).	Yes – the results reported in the working paper themselves confirm that the CMA's findings are not robust to small changes in model specification.
Concerns about the CMA's finding that more engaged schemes pay less for IC services			

CMA's finding does not control for the differences in services across providers.	Para 4.13(a)	Yes – the CMA recognised that after controlling for different provider characteristics, via firm fixed effects, the results are no longer statistically significant.	Yes – we agree with the CMA's conclusion that little weight can be placed on these results.
Once these differences in provider characteristics are appropriately controlled for the CMA's own analysis finds no meaningful difference.	Para 4.13(a)(iii)		
Concerns about the CMA's claim that less engaged schemes receive lower asset manager fee discounts negotiated by their investment consultant			
The CMA did not control for "disengaged" schemes being typically smaller in scale and therefore less well placed to secure significant fee discounts.	Para 4.16(d)(i)	No	Yes
The CMA did not control for the fact that schemes that the CMA has classified as "disengaged" are more likely to face constraint in terms of limited bandwidth and capabilities.	Para 4.16(d)(ii)	No	Yes
Concerns about the CMA's claim that more engaged schemes receive higher quality of service than less engaged schemes			
The fact that providers monitor and respond to customer engagement and feedback is in keeping with the practices one would expect to observe in a well-functioning market.	Paras 4.17-4.19	No	Yes

3. The Working Paper has not acknowledged or responded to the majority of the concerns about the CMA's analysis of the relationship between quality and market success in IC that WTW raised in its response to the PDRs

3.1 In the PDR, the CMA presented evidence that, it argued, pointed to the conclusion that "providers with above average quality had persistently lower market shares in investment consultancy".[1] In our PDR response paper, we raised a number of concerns about the robustness of the CMA's analysis of the relationship between overall quality of service and market share – namely that:

(a) the CMA's analysis ignores the varied needs of customers;

(b) the CMA's analysis fails to control for differences in service cost;

[1] CMA PDR, paragraphs 49 and 10.106.

(c) the graphical evidence presented in the PDR is misleading;

(d) the statistical tests performed do not account for a number of material issues and are unspecified, leading to likely bias in the results; and

(e) the metric used to proxy quality is unsuitable for the analysis the CMA has undertaken.

3.2 For ease of reference we have briefly summarised these issues in table below, along with details of the paragraphs in our PDR response where we explained these issues in full detail. For each of these issues, the table also identifies:

(a) whether the CMA has acknowledged or responded to the issue either in its October working paper or in the additional analysis included in the data disclosed in the accompanying confidentiality ring;

(b) whether this concern still stands on the basis of our external economic advisers' analysis of the updated data set that the CMA has made available in the confidentiality ring.

3.3 As can be seen from the table the CMA has not acknowledged or responded to the majority of the issues and all of these concerns still stand.

Issue raised by WTW in response to PDRs	Where did WTW set out this issue in its PDR response document?	Has the CMA considered or responded to this issue in its October working paper?	Does the concern still stand on the basis of our External Advisers' analysis of the CMA's updated data set?
There is no simple, consistent way to aggregate individual customer preferences to arrive at overall quality metric that can be readily compared across firms.	Paras 4.22-4.26	No	Yes
The CMA's analysis fails to control for differences in service cost.	Para 4.27	The CMA argues that one does not need to control for differences in service cost.	Yes – see section 4 below.
The graphical evidence presented in the PDR is misleading.	Paras 4.28-4.32	No	Yes
The statistical tests performed do not adequately account for a number of issues (namely limited data, a lack of material variation in year-on-year market shares, significantly larger year-on-year changes in quality scores for firms with lower market shares and differing numbers of responses across firms), and are unspecified.	Para 4.33	No	Yes
The metric used to proxy quality is unsuitable for the analysis the CMA has undertaken.	Para 4.34	No	Yes

3.4 As the table above reports, the only issue that the CMA has acknowledged in its October working paper is that its original analysis did not control for differences in service cost. The CMA has argued that it is not necessary to control for differences in cost in this way because although it has uncovered a negative relationship between cost of service and quality on the basis of an analysis of 2016 data, this relationship is not statistically significant. The CMA claims that this means that there is "no evidence" that the negative relationship between quality of service and market share is driven by price. We disagree with this inference on both simple logical and econometric grounds:

(a) Intuitively, one would expect customers to consider both price and quality of service when making a decision about their choice of supplier. At the same time, one would expect there to be at least some trade-off between quality of service and price since many of the elements associated with a higher quality of service (e.g. a more experienced and expert advisory team, a larger and better-resourced research function, etc.) involve greater costs for the service providers. Any robust and unbiased analysis of the determinants of market share would therefore need to consider both price and quality factors at the same time.

(b) Econometrically, the fact that the CMA has not uncovered a statistically significant relationship between quality of service and price does not provide sound grounds for ignoring price considerations when assessing the relationship between quality of service and market share.

(i) First, even taking the CMA's analysis at face value it is of limited probative value as it based only nine data points from a single year (2016).

(ii) Second, as a matter of mathematics, whether omitting a variable will lead to a biased result depends on *magnitude* of the correlation of that variable with *both* the dependent variable used in the regression and the remaining variables included within the analysis. The CMA's analysis only looks at one of these correlations and is therefore not definitive about whether excluding price would or would not lead to a bias in their estimates of the relationship between quality and market share.

(iii) Further, as it is the magnitude of these correlations that is of relevance, rather than the precision with which these magnitudes are estimated, whether the correlation is statistically significant (which is a measure of precision not magnitude) or not is of limited relevance in assessing whether omitting a variable would lead to a bias in the regression analysis' estimate of the relationship between service quality and market success.

3.5 Our concern about the fact that the CMA has not controlled for price (or indeed any other factors) when assessing the relationship between quality of service and market share therefore still stands.

4. Even if the results presented in the working paper are taken at face value, it is clear that the CMA's updated findings are not robust

4.1 Even setting aside the concerns listed above, no weight can be placed on the results that the CMA has presented in its working paper for the purposes of assessing the level of detriment in the industry or informing the CMA's conclusions about the proportionality of its remedies package. This is because the results of interest are either not statistically significant for any of the specifications the CMA has considered (as the CMA itself acknowledges is the case of its IC analysis) or highly sensitive to the inclusion or exclusion of individual control variables or subsets of observations. Analysis undertaken by our external economic advisers in the confidentiality ring has further demonstrated the lack of robustness in the CMA's results, as well as uncovering coding errors that the CMA has made in its assessment that – when corrected – further weaken its findings.

The CMA's "FM static analysis" findings are not robust and suffer from errors of assessment

4.2 The CMA's FM static analysis compares the level of prices paid by pension schemes for FM services in 2016. The CMA argues that this analysis provides evidence that engaged schemes that ran a formal tender paid significantly lower prices than internally-acquired schemes that did not run a tender. However, this finding is undermined by a number of errors of fact and assessment.

4.3 First, **the CMA's results rely on an artificially narrow and counterintuitive measure of scheme "engagement"**. The CMA's original FM static analysis focused on a range of indicators of engagement, including:

(a) whether the trustee had run a formal tender;

(b) whether the trustee had used a TPE; and

(c) whether the pension scheme had a professional trustee sitting on its board of trustees.

4.4 The working paper reports that, on the basis of the updated/corrected data that the CMA has used to re-run its analysis, internally acquired schemes that are "engaged" (on the basis of one or more of the indicators listed above) do not have significantly lower fees than internally acquired "disengaged" schemes. The CMA only re-establishes a statistically significant finding by restricting its definition of an "engaged" scheme to include only those schemes that chose to run a formal tender, but who nonetheless chose to remain with their existing IC provider (rather than switching to another provider off the back of this formal tender).

4.5 However, the results of the CMA's updated analysis are highly counterintuitive because the coefficient on the "externally acquired" variable is close to zero and not statistically significant for any of the specifications that the CMA has considered. If the CMA were to take the results of this analysis at face value in the same way that it has interpreted and presented the other results in the working paper, it would therefore have to conclude that it is not sufficient for schemes to run a formal tender in order to achieve lower fees; rather they must run a formal tender *and* choose not to switch their provider as a result of this tender. This inference is not only counterintuitive, but is also of no practical use for the purposes of the CMA's thinking about the design of its remedies package, since it would clearly be self-defeating for the CMA to mandate the outcome of any competitive tendering process.

4.6 Second, **the CMA's results are highly sensitive to the inclusion or exclusion of individual control variables.** Table 3 of the CMA's working paper shows that if the variable specifying the "percent of assets in FM" is omitted from the model, the coefficient on the CMA's engagement variable becomes statistically insignificant. The CMA observes that if the model is further restricted to remove schemes that use performance fees, the coefficient on the engagement variable becomes statistically significant again. The CMA argues that this is a reasonable restriction because "performance fees add an additional layer of complication to the model, which it is difficult to properly control for."[2] However, this has the effect of removing more than 20% of observations from the data set, resulting in an even more restricted data set than the CMA used for the basis of its "baseline" model. At the very least, this shows the CMA's findings to be highly sensitive to small changes in model specification. This lack of robustness further undermines the weight that can be placed on its results.

4.7 Furthermore, the working paper does not provide a systematic assessment of how the results of the CMA's analysis vary for all combinations of the sensitivities that the CMA has considered. This is shown in the table below: the few combinations of sensitivities for which the CMA has reported results in its working paper are shaded in green, whereas the many combinations of sensitivities for which the CMA has not reported results are shaded in red.

2 CMA October working paper, paragraph 9.

Table 1: Schematic overview of combinations of sensitivities that the CMA does report (green cells) and does not report (red cells) for the purposes of its "FM static" analysis

		Exclude the observations for the four "FM only" firms			
		Neither A nor B	A only	B only	Both A and B
Engagement indicator	Engagement indicators used by CMA in its PDR analysis				
	Formal tender only				
	Either formal tender or structured bidding process (one variable)				
	Formal tender or structured bidding process (separate variables for each)				

		Include the observations for the four "FM only" firms			
		Neither A nor B	A only	B only	Both A and B
Engagement indicator	Engagement indicators used by CMA in its PDR analysis				
	Formal tender only				
	Either formal tender or structured bidding process (one variable)				
	Formal tender or structured bidding process (separate variables for each)				

A = Exclude variable specifying % of assets in FM
B = Exclude schemes that use performance fees

4.8 Unless the CMA systematically explores the different possible combinations of sensitivities, it runs the risk of running into the multiple hypothesis testing problem. This arises where one engages in so-called "forking path" reasoning and makes multiple combinations of choices about model specification in one go rather than exploring all the possible combinations of these choices. This can increase the choice of finding a statistically significant result even if in reality there is no effect (i.e. a false positive finding).[3]

4.9 Our external economic advisers have conducted a systematic assessment of how the CMA's results change for each of the combinations of sensitivities reported in the table above. The results of this analysis, which can be found in the separate submission that our external advisers have made to the CMA from the confidentiality ring, provide further evidence as to the lack of robustness of the CMA's "FM static" analysis findings. We understand from our advisers that being an "internally acquired engaged" scheme does not have a statistically significant effect on fees for the large majority of the combinations of sensitivities, including the combinations of sensitivities that the CMA has not reported in its working paper (i.e. the red cells in the tables above).

[3] For example if the true effect is zero, and one uses a 5% significance threshold to perform a single analysis, there is a 5% chance that one will erroneously conclude that the effect is statistically significant. If instead one performs three analyses, there is around a 14% chance that one finds that at least one of them produces a statistically significant result using a 5% significance threshold, even though the true effect is zero.

For further information on this issue, please see Gelman A. and Loken E. (2013), "*The garden of forking paths: Why multiple comparisons can be a problem, even when there is no "fishing expedition" or "p-hacking" and the research hypothesis was posited ahead of time.*" Link here.

4.10 Furthermore, **analysis of the confidentiality ring materials undertaken by our external economic advisers has uncovered an error in the CMA's coding**, which could have a material bearing on the inferences that the CMA may draw from the analysis. This coding error has resulted in the CMA classifying "informal processes", alongside "formal tenders" and "structured bidding processes" as a "structured bidding process" (SBP). Our external economic advisers have corrected this error in their separate submission to the CMA from the confidentiality ring. Once this error is corrected, the updated results show there is no statistically significant difference between the coefficients on the "engaged internal (tender only)" and "engaged internal (SBP only)" variables. In other words, even if the corrected results of the CMA's analysis are interpreted at face value, the CMA cannot conclude that schemes must run a formal tender (rather than engage in another form of SBP) in order to achieve lower prices. For further information and supporting evidence, please refer to the separate supplementary paper that our advisers have submitted from the confidentiality ring.

The CMA's "FM transition analysis" findings are not robust

4.11 The CMA's FM transition analysis tests whether schemes that were more "engaged" had a smaller increase in their fees when moving to FM than schemes that were less engaged. Table 5 of the CMA's working paper shows that, using the CMA's updated data set, the coefficient on the engagement variable becomes statistically insignificant if engagement is defined as having run a formal tender. In other words, on the basis of the CMA's own proposed "baseline" analysis, there is no statistically significant evidence that running a formal tender leads to lower fees when transitioning to FM. The CMA then observes that if further "reasonable adjustments" are made to the analysis (namely to exclude schemes that use performance fees or schemes that used fewer than two IC services), the coefficient on the engagement variable becomes statistically significant.[4] The justification for these adjustments is questionable, since they further reduce the number of firms in the CMA's already limited data set from 5 to 4. At the very least, this again shows the CMA's findings to be highly sensitive to small changes in model specification, with individual restrictions substantially affecting the estimated impact of engagement on fees, and changing the statistical significance of the findings. Just as for the CMA's FM static analysis, this lack of robustness undermines the weight that can be placed on the results.

4.12 Furthermore, just as for the "FM static" analysis, the working paper does not provide a systematic assessment of how the results of the CMA's "FM transition" analysis vary for all combinations of the sensitivities that the CMA has considered. This can be seen in the table below: the few combinations of sensitivities for which the CMA has reported results for its "FM transition" analysis in its working paper are shaded in green, whereas the many combinations of sensitivities for which the CMA has not reported results are shaded in red.

[4] CMA October working paper, paragraph 15.

Table 2: Schematic overview of combinations of sensitivities that the CMA does report (green cells) and does not report (red cells) for the purposes of its "FM transition" analysis

		Not A, B or C	A only	B only	C only	All of A, B and C
Engagement indicator	Any engagement indicator					
	Formal tender only					
	Either formal tender or structured bidding process (one variable)					
	Formal tender or structured bidding process (separate variables for each)					

A = Exclude variable specifying % of assets in FM
B = Exclude schemes that use performance fees
C = Exclude schemes that used fewer than two IC services before transitioning to FM

4.13 Our external economic advisers have again conducted a systematic assessment of how the CMA's results change in response to each of the combinations of sensitivities reported in the table above. The results of this analysis, which can be found in the separate submission that our external advisers have made to the CMA from the confidentiality ring, again provide further evidence as to the lack of robustness of the CMA's findings. We understand from our advisers that being an "engaged" scheme does not have a statistically significant effect on fees for the majority of the combinations of sensitivities, including those sensitivities that the CMA has not reported in its working paper (i.e. the red cells in the tables above).

The CMA's analysis of the relationship between quality and market success in IC is not robust

4.14 The CMA reports that it has continued to find negative relationship between quality of service and market share on the basis of its analysis of the expanded data set that it has compiled since the PDR. As noted above, we have a number of significant concerns about the methodology underpinning this analysis, which the CMA has not acknowledged or addressed in the working paper. However, even taking the CMA's results at face value, it is clear that the CMA's findings do not provide a robust basis on which to draw any reliable conclusions about market outcomes or AECs. In particular, the CMA has not presented any analysis in its working paper to evaluate whether the negative correlation between market share and "quality" is statistically significant. Instead, it has simply reported the correlation coefficients, without attempting to control for other factors that could potentially be correlated with both firms' average "quality" scores and their market shares, thereby biasing the results. In particular, as noted above, the reasons that the CMA has provided for not attempting to control for price are not justified.

4.15 In addition to this, the CMA has not explored how the variance in quality scores varies across smaller and larger IC firms, or considered what this might imply for its findings. One would expect fewer respondents to the Greenwich Associates survey to have provided feedback on the quality of IC firms with smaller market shares, simply by virtue of the fact that fewer respondents will have had experience of working with these firms. This would imply that there is greater uncertainty in the measurement of quality for smaller firms (by the law of large numbers). There may also be greater risk associated with using a smaller IC provider than there is with using a larger IC provider, whether because of this measurement uncertainty or because of genuinely higher volatility in smaller IC providers' performance track records.

4.16 The CMA's analysis has not taken account of or controlled for this additional uncertainty. Our external economic advisers have undertaken a detailed analysis of these issues using the data that the

CMA has made available in the confidentiality ring. For further evidence on the materiality of these issues, please refer to our external advisers' supplementary report.

5. The working paper does not engage with the evidence we have presented on the detrimental market outcomes stemming from the slow uptake of FM services

5.1 In our response to the PDR and other submissions, we pointed to a significant body of evidence demonstrating the value that FM services can create for many pension schemes. This evidence demonstrated that:

(a) the funding levels of full FM clients of WTW experienced materially better risk-adjusted outcomes since the inception of the service (although we expect similar results to apply across the industry); and

(b) these results are statistically significant and robust, and they go to the heart of the value added by the FM industry, namely helping their clients achieve better risk-adjusted returns for their assets.[5]

5.2 It is entirely logical that FM services should deliver significantly better outcomes for pension schemes in this respect since – as the CMA has itself acknowledged[6] – FM was developed by the market as a direct solution to the constraints on bandwidth and expertise faced by pension scheme trustees.

5.3 We also drew the CMA's attention to the surprisingly slow pace of uptake of FM services in light of these potential benefits, and highlighted features of the market that we believed may be impeding this rate of uptake. In particular, many trustees working for smaller, resource-constrained schemes have limited bandwidth with which to explore the different service models available to them, and in many cases the "incumbent" providers from whom they are purchasing IC services do not themselves offer an FM service, and so have no incentive to inform their customers about the potential benefits that FM services could deliver.

5.4 Along with multiple other industry stakeholders, we have repeatedly urged the CMA to consider this evidence. We are therefore concerned that the CMA's updated assessment of market outcomes continues to make no reference to these issues. Furthermore, as we explained in our response to PDR and at the hearing of 2 October, we are concerned that the CMA's remedies package, as currently proposed, will exacerbate this issue by unintentionally creating additional barriers to the uptake of FM services. In particular, a remedy that mandated pension scheme trustees to undertake a costly and time-consuming formal tendering process whenever they migrated to FM could materially increase the cost and difficulty of taking up this service, particularly for smaller, more resource-constrained schemes.[7] Furthermore, a requirement to issue a "WARNING" to alert trustees about the nature of the information they provide on their FM services could further discourage the uptake of such services if the disclosure is framed in an unnecessarily negative way.[8]

5.5 As we have explained in our response to the PDR and earlier submissions, the customer detriment associated with inadvertently deterring the uptake of FM services could offset – and indeed dwarf –

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5 For further information and evidence, please refer to section 2 of WTW's Submission on Performance Measurement Issues, 16 January 2018.

6 See, for example, CMA PDR paragraphs 7.9 and 10.56-10.76.

7 For further information please refer to WTW's response to the PDR, paragraphs 5.12-5.26.

8 For further information please refer to WTW's response to the PDR, paragraph 5.40.

the benefits the CMA's remedies package would otherwise deliver for pension schemes.[9] We also shared proposals with the CMA about some simple remedial measures that could be taken to reduce some of the barriers to the uptake of FM services – or at the very least neutralise the impact of the remedies package on the uptake of these services.

5.6 At the hearing, it was put to us that "normal market mechanisms" should ensure that pension scheme trustees will learn about the benefits of FM services and make informed decisions to take up these services where it is in their interest to do so.[10] However, this is inconsistent with the concerns that the CMA has itself identified about limited bandwidth and capabilities of some pension scheme trustees, which has underpinned the CMA's AEC findings and proposed remedies. The CMA therefore cannot dismiss the concerns we have raised on these grounds without simultaneously dismissing the logic supporting the interventions in the market that it is proposing to make.

5.7 We therefore urge the CMA to consider the evidence we have presented on the benefits that FM services can create for many customers, the barriers that may be impeding the take up of these services, the materiality of the detriment that this is creating for pension scheme trustees and the simple remedial measures that we have suggested be built into the remedies package to help address this.

WILLIS TOWERS WATSON

5 November 2018

9 For further information and evidence, please refer to *WTW Response to the evidence presented to date*, 8 June 2018 (in particular paragraphs 4.12-4.13 and Annex 2).

10 WTW oral hearing, 2 October 2018 (see in particular pages 57-58 of the hearing transcript).