

The Holland Home Improvements Limited Pension Plan (the "Scheme")

Annual governance statement for the Scheme year ending 31 May 2018

1. Introduction

As Trustee of the Scheme, we have reviewed and assessed that our systems, processes and controls across key governance functions are consistent with those set out in the Pensions Regulator's:

- code of practice 13: governance and administration of occupational trust-based schemes providing money purchase benefits (the "**DC code**"); and
- regulatory guidance for defined contribution schemes ("**DC regulatory guidance**").

Based on our assessment, the Trustee continues to work towards adopting the standards of practice set out in the DC code and DC regulatory guidance.

At the date of this statement the Trustee confirms that there are only two deferred members remaining in the Scheme, both of whom are under the Scheme's normal pension age.

2. Governance of the Default Arrangement

The Pensions Regulator appointed Open Trustees Limited as Trustee of the Scheme on 7 September 2018. Open Trustees wrote to Zurich on 12 September 2018 to obtain information relating to the Scheme's default arrangement. Despite chasing for this information, for reasons outside of the Trustee's control, we have not yet been able to confirm the Scheme's default arrangement. We will continue to chase Zurich for this information and will provide an updated Chair's statement as soon as this information is available.

However, Zurich have confirmed that the two remaining deferred members of the Scheme are invested in the following funds:

- Zurich Far East AP 3/4 – Capital;
- Zurich European AP 3/4 – Capital;
- Zurich Managed AP 3/4 – Capital; and
- Zurich US Equity AP 3/4 – Capital.

None of these funds include a lifestyle strategy.

We are waiting for Zurich to provide the Trustee with further information on these funds, including details of the charges which apply to them and illustrations for those funds. We will continue to chase Zurich for this information and will provide an updated Chair's statement as soon as this information is available.

The Trustee will consider preparing a statement of investment principles ("**SIP**") in respect of the Scheme once information relating to the Scheme's default arrangement is made available from Zurich.

3. Objectives of the Scheme's default approach

Following our appointment as Trustee of the Scheme on 7 September 2018, we wrote to Zurich on 12 September 2018 to request information relating to the Scheme's default approach. However, despite chasing for this information, for reasons outside of the Trustee's control, we have no information which would allow us to confirm the Scheme's default approach. We will continue to