

Microwave Heating Limited Company Sponsored Personal Pension Plan (the "Scheme")

Annual governance statement for the Scheme year ending 30 May 2019

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.

So far as the Trustee is aware, as at the date of this statement there are two deferred members of the Scheme.

2. Governance of the Default Arrangement

The Pensions Regulator appointed Open Trustees Limited as Trustee of the Scheme on 22 May 2019. Open Trustees wrote to Aviva Life & Pensions UK Limited ("**Aviva**") to obtain information relating to the Scheme's default arrangement. We have not yet received the requested information, therefore for reasons outside of the Trustee's control, we have no information which would allow us to confirm the Scheme's investment strategy. We will continue to chase Aviva 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 investments are made available from Aviva.

3. Objectives of the Scheme's default approach

Following our appointment as Trustee of the Scheme on 22 May 2019, we wrote to Aviva to request information relating to the Scheme's default approach. We have not yet received the requested information. Therefore, 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 chase Aviva for this information and will provide an updated Chair's statement as soon as this information is available.

4. Core Financial Transactions

The Trustee has a duty to ensure that core financial transactions (including the investment of contributions, transfer of member assets into and out of the Scheme, transfers between different investments within the Scheme and payments to and in respect of members) relating to the Scheme are processed promptly and accurately. The Trustee delegates the processing of some of these transactions to Aviva and then retains responsibility for processing the remaining transactions itself.

So far as the Trustee acts as administrator in respect of those transaction, an independent auditor undertakes an external audit of the Trustee's administrative processes and controls (AAF 02/07) on an annual basis. In addition, the Trustee has internal controls policies and a Scheme specific risk register in place to mitigate potential risks relating to core financial transactions. This is reviewed by the Trustee at least annually.

The Pensions Regulator appointed Open Trustees as trustee of the Scheme on 22 May 2019. As we were appointed to act as Trustee a few days before the year end being reported on in this statement we cannot comment on whether the former trustees identified any issues in terms of the processing of