

F B Corporate Image Limited Pension Scheme (the "Scheme")

Annual governance statement for the Scheme year ending 13 December 2018

1. Introduction

Open Trustees were appointed as trustee of the Scheme by the Pensions Regulator on 11 July 2019. However, it has only recently come to light that the Scheme's year end date was 13 December and not 13 March as we were previously told as part of the tender process.

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.

As at the date of our appointment there were five deferred members of the Scheme, although one of those members is now deceased.

2. Governance of the Default Arrangement

The Pensions Regulator appointed Open Trustees Limited as Trustee of the Scheme on 11 July 2019.

The Scheme's assets are invested wholly in an insurance policy provided by Sun Life Financial of Canada ("**Sun Life**"). Sun Life is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

The Trustee has not prepared a statement of investment principles ("**SIP**") in relation to the Scheme because:

- as the Scheme has fewer than 100 members, it is exempt from providing a SIP under regulation 2 of the Occupational Pension Schemes (Investment) Regulations 2005; and
- the Scheme ceased to receive contributions before 6 April 2015 and Equitable Life does not operate a default arrangement in relation to members of the Scheme. As such, the Trustee is not required to prepare a default fund SIP under regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005.

3. Objectives of the Scheme's default approach

Sun Life does not operate a default arrangement for members of the Scheme.

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 Sun Life 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