

Bromine & Chemicals Ltd Retirement & Death Benefits Scheme (the "Scheme")

Annual governance statement for the scheme year ending 31 December 2021



Introduction

The Scheme is an occupational defined contribution ("**DC**") scheme providing pension benefits for former employees of Bromine and Chemicals Limited (the "**principal employer**") and their dependants. The Scheme's investments are held with Aviva Life & Pensions UK Limited ("**Aviva**").

Open Trustees Limited (the "**Trustee**") was appointed as sole trustee of the Scheme on 24 February 2021 to wind up the Scheme following the dissolution of the principal employer on 10 January 2017. As trustee of the Scheme, we have carried out an assessment of our systems, processes and controls across all key governance functions to ensure that these are compliant with the requirements set out in:

- The Pension 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 is currently working towards adopting the standards of practice set out in the DC code and DC regulatory guidance.

This statement has been prepared based on information provided to the Trustee by Aviva. As at 31 December 2021 there were two deferred members in the Scheme.

Scheme investments

The Scheme's assets are invested wholly in an insurance policy granted by Aviva (ex- Friends Provident), which is authorised and regulated by the Prudential Regulation Authority and the Financial Conduct Authority.

The Scheme is exempt from requiring a statement of investment principles ("**SIP**") under regulation 2 of the Occupational Pension Schemes (Investment) Regulations 2005 on the basis that the Scheme has fewer than 100 members. Therefore the Trustee has not prepared a SIP for the Scheme.

Aviva does not operate a default investment strategy for members. Members were required to make an investment decision on joining 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.

The Scheme is not being used as a qualifying scheme for automatic enrolment purposes.

Core financial transactions

The Trustee has a duty to ensure that core financial transactions (such as 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 most of these transactions to Aviva. However, so far as the Trustee acts as administrator in respect of core transactions, 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 control policies and operates a Scheme specific risk register to identify and mitigate potential risks relating to the processing of core financial transactions. These are reviewed by the Trustee on an annual basis.

Bromine & Chemicals Ltd Retirement & Death Benefits Scheme (the "Scheme")

Annual governance statement for the year ended 31 December 2021

The Trustee is not aware of any issues relating to the processing of core financial transactions during the period covered by this annual governance statement. The processing of core financial transactions is kept under regular review and reported on it as part of the annual audit process.

Costs and charges

The Occupational Pension Schemes (Scheme Administration) Regulations 1996 requires the Trustee to review the charges and transactions costs borne by the Scheme members and consider the extent to which those charges and costs represent good value for money for members.

All scheme members' funds are currently invested in the FP with-profits sub-fund, a conventional with-profit fund managed by Aviva. All administration costs, investment management fees and transaction costs are reflected implicitly in the profits of the sub-fund and the bonuses applicable. There are no costs or expenses explicitly borne by the Scheme members. As such, Aviva have not provided an illustration of costs and charges and the impact of these over time (in accordance with the Occupational Pension Schemes (Administration and Disclosure) Amendment Regulations 2018 and relevant statutory guidance).

Value for money assessment

The Trustee is required to carry out an assessment of the member borne costs and charges and consider the extent to which these represent good value for members.

Given that the Scheme is in the process of being wound up and given that there are no explicit member borne costs applied under the terms of the policy, the Trustee is comfortable that the policy represents good value for money for the members. Furthermore, Scheme members benefit from a valuable secured pension at normal retirement date. The Trustee, therefore, has concluded that the Scheme's assets should remain invested in the current arrangements until the Scheme is wound up.

Trustee knowledge and understanding

Section 248 of the Pensions Act 2004 requires the Trustee to possess, or have access to, sufficient knowledge and understanding to run the Scheme effectively.

The Trustee takes training and development responsibilities seriously and each member of the Open Trustees team maintains a record of all training completed during the Scheme year. This record is reviewed annually in order to identify any gaps in knowledge and understanding and a training plan is then put in place over the course of the following Scheme year.

Each of the members of the board of directors is a UK qualified lawyer, either specialising in UK pensions law or insolvency and restructuring law. The Trustee combines the knowledge and understanding of the members of the board, together with the advice which is available to them through their consultants and advisers, to enable them to properly exercise their function as Trustee of the Scheme.

All members of the Open Trustees team are required to undertake ongoing training and development. This is achieved through a programme of training sessions relating to pensions law and practice relevant to the Scheme. This programme is supported by Osborne Clarke LLP's pensions training and know-how lawyer. In addition, members of the team undertake external training and development, particularly through completion of the Pensions Regulator trustee toolkit, attendance at industry knowledge sharing events and study for appropriate professional qualifications.

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Annual governance statement for the year ended 31 December 2021

Relevant training undertaken by the Open Trustees team during the scheme year ended 31 December 2021 included the following:

Training	Date
The Pensions Regulator's Trustee Toolkit	All year
Changes to statutory transfer rules – OC internal training	17 November 2021
UK GDPR – OC internal training	3 November 2021
TPR single code roundtable with Barnett Waddingham	6 October 2021
Pension scams webinar with Action Fraud	16 September 2021
DC Roundtable with Barnett Waddingham	23 June 2021
Statutory transfer consultation – OC internal training	19 May 2021
Cyber Security and Pension Schemes - webinar	17 March 2021
DC Roundtable with Barnett Waddingham	1 March 2021
ESG / climate risk governance – OC internal training	17 February 2021
DC bulk transfers and wind ups – OC internal training	20 January 2021
Pension scams - webinar	9 December 2020
DC governance – OC internal training	30 September 2020

Additionally, each of the members of the board of directors have access to the Scheme's governing documents, in order to ensure they are conversant with those documents and that they understand their powers under the Scheme rules, current pensions and trust law and current principles relating to the funding and investment of pension schemes.

In conclusion, the combined knowledge and understanding of the Open Trustees team along with the advice and support available from its professional advisers enables it to properly exercise all necessary functions in relation to the Scheme in accordance with its statutory duties.

Signed:

Date: 29 July 2022

Director of Open Trustees Limited (Chair of Trustees)
