

1 Background

This defined contribution governance statement has been prepared by the Trustees of the Origin UK Pension Scheme ('the Scheme'), in connection with the following arrangements of the Main Section of the Scheme:

- Defined contribution assets held with Prudential Assurance ('Prudential');
- Assets in respect of Additional Voluntary Contributions ('AVCs') held with Aviva Life & Pensions UK ('Aviva');
- Assets in respect of AVCs held with Equitable Life Assurance Society ('Equitable Life'); and
- Assets in respect of AVCs held with Royal London Mutual Insurance Society ('Royal London').

This statement covers the period 1 April 2017 to 31 March 2018. This statement should be read in conjunction with the Statement of Investment Principles for the Scheme.

The UAP Section of the Scheme does not hold any defined contribution assets or assets in respect of AVCs, and has therefore not been included as part of this governance statement.

2 Default Arrangements

The funds below are used as default arrangements in the Scheme. A default arrangement is an investment provided where members do not or cannot make their own investment choice from a range of options.

Provider	Default Fund
Prudential	Prudential With Profits Fund
Aviva	Aviva With Profits Fund
Equitable Life	Equitable Life With Profits Fund
Royal London	Royal London Deposit Account Fund

The above funds provided by Aviva and Royal London are the only funds available to members who have assets invested in these arrangements.

For those members who have AVCs invested with Equitable Life, members have access to a range of fund options. In addition, some members within the Main Section hold investments in the Prudential Discretionary Fund.

3 Review of Arrangements

The Trustees last reviewed the Scheme's defined contribution assets and assets in respect of AVCs, including any default arrangements, in 2016, and concluded that the current arrangements were reasonable in the context of the Scheme's defined contribution provision. In reaching this conclusion, the Trustees considered the membership profile of the Scheme, the needs of members, the presence of any investment or benefit guarantees, and the aims and objectives of the default arrangements as part of this review.

The Trustees concluded that no changes were required, given the presence of any guarantees that may be of value to members, and the limited options available to the Trustees to either put in place a different arrangement with the existing providers or to move members to an alternative arrangement.

The Trustees will consider further reviews of these arrangements where they believe this is necessary and have provisionally agreed that this review should take place in 2019.

In addition, the Trustees consider any changes to the arrangements that arise on an ad hoc basis, and notify members of these changes where they are material or notable, either via a member newsletter or a separate member communication.

4 Core Financial Transactions

Core financial transactions will typically include the following:

- AVCs actively paid to Aviva.
- A switch of funds for those members who have AVCs invested with Equitable Life, and for some members who have defined contribution assets invested with Prudential.
- Payments to members on transfer or retirement.

The Trustees receive updates on these core financial transactions on a quarterly basis under their service level agreement with JLT Benefit Solutions Limited ('JLT'). These updates are received via administration reports prepared by JLT on a quarterly basis, and which are considered at each Trustees' meeting. The agreement covers the accuracy and timeliness of all core financial transactions, as well as regular monitoring of the Trustees' bank account.

The Trustees also rely on the externally audited internal controls put in place by the providers, together with the Scheme's own audit procedures, as well as receiving quarterly updates on the service level agreement with JLT, to ensure any core financial transactions have been appropriately implemented and processed in a timely way.

Where core financial transactions are not processed promptly and accurately, the Trustees have put in place an internal dispute resolution process, and receive regular updates from JLT.

Overall, the Trustees are satisfied that core financial transactions of the Scheme have been processed promptly and accurately during the year. There has been one exception to this during the year, and the Trustees, in conjunction with JLT, took steps to resolve this as soon as practically possible.

5 Investment Charges

The investment charges of the arrangements used by the Scheme are provided in the table below. These include both charges for the range of funds available to members, as well as the default fund choice confirmed in Section 2. In addition, any other charges met directly by members of the Scheme are provided.

In preparing this table, the Trustees have taken account of statutory guidance in demonstrating the charges and transaction costs borne directly by members of the Scheme.

Charge	Prudential	Aviva	Equitable Life	Royal London
Management charge for range of funds available to members*	0.65% - 1.25% per annum	0.875% per annum	0.50% - 1.50% per annum	0.95% per annum
Management charge for default fund**	1.25% per annum	0.875% per annum	1.50% per annum	0.95% per annum
Surrender penalties	May be applied at provider's discretion	May be applied at provider's discretion	May be applied at provider's discretion on any AVCs invested in their With Profits Fund	May be applied at provider's discretion
Switch charges	Surrender penalties (where applicable)	Not applicable	None other than surrender penalties (where applicable)	Not applicable
Regular contribution charges	Not applicable	£0.50 per month for each contribution made	Not applicable	Not applicable

*These investment management charges are deducted from the overall with-profits funds and not on an individual by individual member basis. Actual investment charges applied within the with-profits funds can vary over time.

**Investment management charges from with-profits funds are deducted from these funds, and not on an individual by individual member basis. Actual investment charges applied within the with-profits funds can vary over time. Otherwise charges are applied directly to individual members' fund holdings.

6 Value of Arrangements

The Trustees have concluded that the current arrangements represent reasonable value for members. In taking this view, the Trustees have considered investment management charges for similar arrangements in the wider market, member communications, scheme design, scheme administration and the practical ability to move these funds elsewhere to an alternative arrangement.

The Trustees have also considered the investment management charge cap put in place by the UK Government for the default arrangements of defined contribution schemes. The Trustees note that this charge cap is not applicable in the Scheme's case, as the defined contribution arrangements are not used for auto-enrolment purposes. Furthermore, given the nature of the existing arrangements, the Trustees note that they have limited options available to put in place a lower cost, alternative arrangement.

7 Knowledge and Understanding

The Trustees undertake training on a periodic basis to demonstrate Trustee knowledge and understanding ('TKU') of defined contribution arrangements, as well as demonstrating they are conversant with the Scheme's governing documents, including the Scheme's Trust Deed and Rules and the Scheme's Statement of Investment Principles.

During the year, the Trustees received training on the following topics:

- Current Pensions Issues and Legislative developments including New Mortality projections; Pensions Green Paper; Finance Act; New Consumer Protections for Members of DC schemes; DC Annual Allowance; Lifetime and Annual allowances
- General Data Protection Regulations (GDPR)
- Investments
- tPR output and guidance including Annual funding Statement for DB Schemes; Record Keeping

A training log is maintained to record the training that has been undertaken by each Trustee, and this is reviewed and updated at each Trustees' meeting to identify any training needs of individual Trustees.

The Trustees also receive advice from their investment advisers, BBS Consultants and Actuaries ('BBS'), when reviewing the defined contribution arrangements of the Scheme.

Any new Trustees appointed to the board are required to undertake initial training, to demonstrate familiarity with pensions and trust law, as well as any relevant regulations. There were no new Trustees appointed during the year, and no initial training was undertaken.

The Trustee body includes a professional trustee, and the professional trustee undertakes its own training in addition to demonstrate knowledge and understanding of defined contribution arrangements, and that it is conversant with the Scheme's governing documents.

To complement this, the Trustees are of the view that the defined contribution manager and AVC providers have sufficient knowledge, understanding and expertise to manage the defined contribution assets of the Scheme.

The Trustees are satisfied that the combined knowledge and understanding allows them to properly run the Scheme.

Signed



Name

Claire Teagle, HR Trustees Ltd.

Date

8 October 2018

Signed by the Chair of the Trustees, on behalf of the Trustees of the Origin UK Pension Scheme