

NATURIN LTD RETIREMENT BENEFITS SCHEME

(“The Scheme”)

THE ANNUAL GOVERNANCE STATEMENT 2021

This Statement has been prepared by the Trustee of “Naturin Limited Retirement Benefit Scheme” (‘the Scheme’) in accordance with regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (as amended). It sets out how the Trustees have met the statutory defined contribution (DC) governance standards during the Scheme year ended 30 April 2021.

The Trustees continually review and assess systems, processes and controls across key governance functions to determine whether these 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
- Regulatory guidance for defined contribution schemes.

Additionally, the Trustees review periodically whether there have been any changes to the Regulations, to ensure they are working towards meeting the highest standards expected of them.

To aid the Trustees they are currently assessing the presence of the DC Code of Practice standards using the Pensions Regulator’s self-assessment template. Their findings will be documented and discussed as part of the 2022 investment review.

The template sets out the key quality features that underpin both the code of practice and regulatory guidance which The Pensions Regulator considers should be present in well-governed pension schemes.

Sufficient Knowledge and Understanding

The Trustees of the Scheme are the Principal Employer, Viscofan UK Limited and the professional trustee, 20-20 Trustee Services Limited. There current statutory directors of 20-20 Trustee Services Limited are as follows:

Name	Date of appointment	Date of resignation
Antony Miller	15 April 2014	
Naomi L’Estrange	29 April 2014	
Nigel Jones	3 September 2014	
Grant Stobart	24 January 2018	
Nicholas Jones	24 January 2018	
Julia Yates	15 January 2020	
Duncan Willsher	15 January 2020	
Nadeem Ladha	15 January 2020	
Angela Winchester	15 October 2021	
Andrew Bakewell		15 January 2020
Gerry Walsh		15 January 2020

Actions taken by the Trustees to gain the appropriate knowledge and understanding required to effectively run the Scheme with good governance.

- All Trustees have completed the online Trustee Toolkit and complete new modules or amended modules as they are added or changed. In addition, the Trustees will revisit modules to refresh their knowledge periodically as necessary.
- Part of the Trustee board is a professional company with a number of directors, all of whom keep

their knowledge up to date by attending seminars and reading material from the Regulator and other pension service providers.

- 20-20 Trustees work for a broad range of clients and are familiar with the law relating to pensions and trusts. This can be demonstrated through the qualifications held by the Trustee and their continued involvement with many pension schemes.
- All Trustees receive regular training and are encouraged to identify gaps in their knowledge
- All Trustees receive regular investment training and receive manager presentations as and when required.
- The Trustees maintain a training register to keep a log of all training undertaken. The log is assessed from time to time to identify knowledge gaps
- The Trustees are conversant with the Trust Deed and Rules and the powers granted to them
- The Trustee is conversant with, and has demonstrated a working knowledge of, the Trust Deed and Rules by having access to the documents on their online directory and providing decisions in line with the Rules. If there are any ambiguities over the interpretation of the Rules legal advice is sought from the Scheme's Lawyers.
- The Trustees keep up to date with developments in the DC landscape and new guidance issued by the Pensions Regulator.
- 20-20 Trustees have a training program for their staff and are subject to independent audit on their controls and processes through the AAF02/07 reporting. As part of the AAF process the Trustee is required to confirm that the current team have appropriate level of knowledge and understanding to be able to represent 20-20 as Trustee of the Scheme. The Trustee maintains a log of both required and voluntary training.
- The Trustee seeks advice on its arrangements from its appointed professional advisers.
- 20-20 Trustees operate a governance framework which includes policies on how the Trustee will deal with conflicts, manage risk, ensure key tasks are completed in time and deal with member complaints. The Trustee reviews these documents on an annual basis to ensure they are still suitable and makes any changes as required. The Trustee is also undertaking a review of the DC section against the code of practice 13 requirements as part of the 2022 review.
- All Trustees of 20-20 are accredited under the **APPT Accreditation Scheme for professional trustees and as such, have received the Association of Professional Pension Trustees (APPT).**

During the Scheme year the Trustees have met the requirements of Section 247 and 248 of the 2004 Act (requirement for knowledge and understanding) by holding regular Trustee meetings, with at least once year set aside for monitoring the Scheme governance and ensuring it is run in accordance with the Scheme rules and in line the Pensions Regulator's guidance notes. Additional ad hoc meetings by conference call or as a 'special' meeting are also held when required.

The Trustees, together with assistance from their professional advisers, use their combined knowledge and understanding of Pension Law, specific Scheme documentation, legal requirements and the Pensions Regulator's guidance to ensure that the Scheme is run effectively and members' benefits are paid in accordance with the Scheme rules and to carry out the fiduciary duties required of them. This combined knowledge helps the Trustees to ensure that good Scheme governance is a priority and where any improvements can be made to existing procedures and processes. The Trustees knowledge of the Scheme rules ensures that they can consider non-standard benefit request options and whether this is permissible under the current rules and whether legal opinion is required and / or a rule change needed.

Ensuring good governance helps the Trustees determine whether the Scheme is good value for money and whether members and beneficiaries are being treated fairly and seeks to safeguard the interests of all members and beneficiaries.

The Trustees are currently using the Pension Regulator's Self-assessment template – "Presence of DC code standards" to assess whether they can improve further their Scheme governance and whether better practices can be established. A full review will be carried out and assessed during 2022.

Administration Standards & Core Financial Transactions

- The Trustees have appointed professional advisers and have delegated the day to day running of the Scheme
- The Trustees are aware that the responsibility of the running of the Scheme remains with them and they have implemented adequate internal controls, which are reviewed periodically
- The Trustees have appropriate service agreements in place with their advisers and are aware of their key contacts
- Service agreements set out the scope of work covered by professional appointments. ReAssure, the appointed administrators of the Scheme, work to industry standards providing timely turnaround times for both non-financial and financial matters.

a) SLA with professional advisers ReAssure – Key Terms:

1. To provide retirement benefits to our members in accordance with the Rules of the Naturin Retirement Benefit Scheme for all Employees, and relevant legislation and regulations.
2. To manage the Scheme assets on behalf of the trustees
3. To report any breaches or maladministration to the trustees once identified
4. To meet the agreed service level standards

b) Processes adopted by ReAssure to meet the SLA targets:

1. Dedicated investment team who carry out checks on investments.
2. Ensure that member's benefits are invested in line with the member's instruction
3. To provide an annual report to the trustees confirming the transactions that have taken place within the Scheme year

c) Issues arising during the scheme year and how they were resolved:

1. Following the impact of Covid19, ReAssure's level of service was severely impacted. Most noticeably, the Scheme experienced severe delays in cashing and allocating the annual contributions that were payable to the members. This situation was only rectified in March 2021 despite numerous chasers from the Trustee over the period.

It is worth noting that the Trustee have not experienced the same issues with this year's contributions, which have been received and allocated accordingly by ReAssure.

d) Plan for resolving any unresolved issues during the scheme year:

There is no further work required as there is no unresolved issues.

e) Reporting to Trustees

1. The trustees receive the annual review from ReAssure post year end.

- The Trustees consider all areas of risk and specifically risks of significant impact such as, fraud (including pension liberation), investment, management of costs, administration, regulatory requirements, operational procedures, communications and member understanding, corporate activity relevant to the Scheme (including employer covenant) and options at retirement
- The Trustees identify, evaluate, manage and monitor risk. By incorporating risks identified into a risk register they are categorised in accordance to its likelihood of occurring and the potential impact it would have if it did occur

- The Trustees have recently reviewed all their data management procedures and those of their service providers and have a post 25 May 2018 data protection policy in place. No changes have been made to the data management procedures.
- In line with Anti-Money Laundering regulations the Trustees hold an up to date register of beneficial owners.
- The Trustees ensure that the Scheme administrators work closely with the employer relating to leavers to avoid delays providing relevant information
- Internal control measures are in place that ensure contributions are checked reconciled and that they are paid in accordance with the payment schedules in place. As noted above there was a delay in the investment of contributions over the year, however this has since been rectified. There has been no delay in the payment of benefits
- Any errors are resolved are promptly dealt with by the Trustee however there are certain situations that are outside the Trustees control
- The Trustees require the administrators to provide details on leavers and potential forthcoming retirements
- All data is backed up on a nightly basis and copies are stored off site and can be fully restored in any eventuality
- Member files are contained in fire resistant cabinets
- All financial transactions are subject to annual audit requirements as part the Trustees' Annual Report and Accounts

In accordance with regulation 24 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (as amended), the Trustees have reviewed their core financial transactions to ensure that they continue to be processed promptly and accurately. There have been no notifiable events arising during the year.

Costs and Charges borne by members

In accordance with regulation 25(1)(a) of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (as amended), the Trustees are required to calculate the charges and transaction costs paid by members and assess the extent to which these charges paid by members represent good value for money.

The Scheme has a fixed fee of 15% of each active member's contributions which is payable by the Employer.

ReAssure have confirmed that the Scheme is invested in the Windsor Life With-Profits fund up until the nominated retirement date, if the benefits are not taken by this date then the fund is moved into the Gresham, Money, Type A, Series 02 fund.

The Scheme also has a Guaranteed Annuity Rate (GAR) that is applied when the benefits are taken between ages 55-75. There are no individual penalties on the member's policies.

ReAssure have also advised that the Windsor Life With-Profits fund does not have explicit charges. However, investment returns are allocated net of the charges to the fund for policy administration and investment management. ReAssure have also advised that the charges are not defined at policy/scheme level, and the amounts charged are the actual expense incurred, which vary on yearly basis.

Based on their assessment the Trustees concluded that funds adopted remain competitive and good value for money.

The following illustration projects the cumulative value of a pension contribution of £75 paid each month into a pension fund for the entire period under consideration.

These contributions are assumed to increase each year with a notional salary increase of 2.5% per annum.

Annual Management Charges (AMCs) are paid out to the investment fund manager for services involved with the management of the fund and the costs associated with running the fund. The level of these charges affects the final fund value.

Three different annual management charges have been used to provide a broad spectrum of projections demonstrating how a higher annual management charge may result in a lower final fund value at the end of the period.

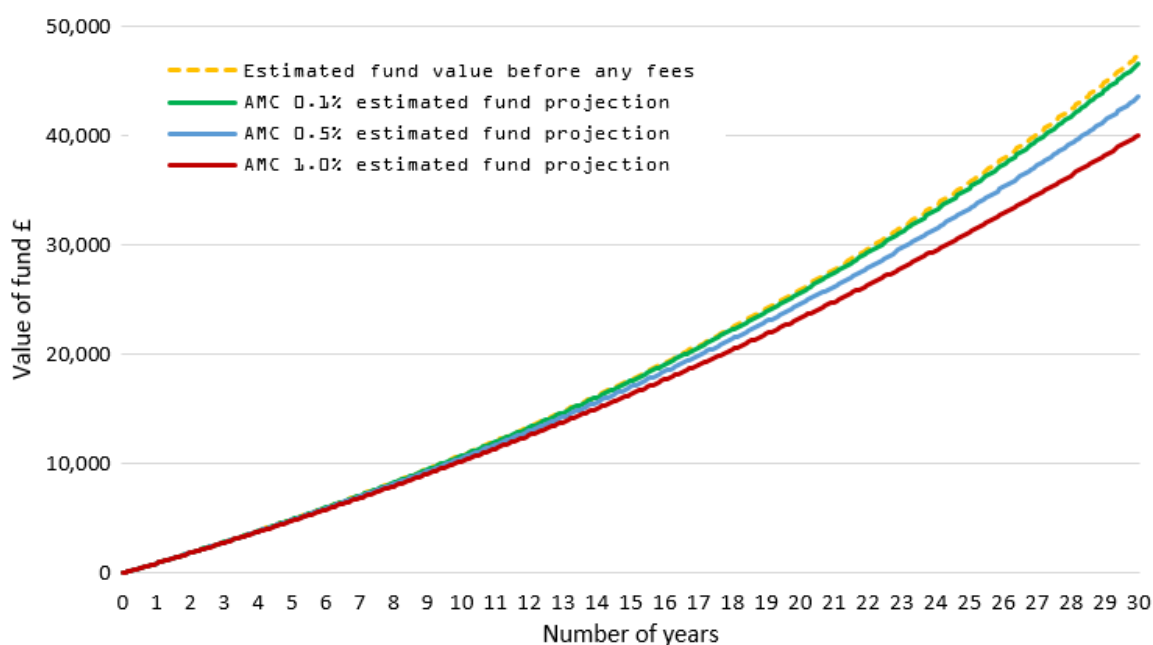
A gross investment return of 6% per annum has been assumed over all illustration periods and the annual management charges applicable for each example are deducted from this.

The illustrations have been reduced to reflect the effects of anticipated inflation over the period of projection, assumed to be 2.5% per annum.

The value of the fund based on each different Annual Management Charge is shown at three separate periods 10 years, 20 years and 30 years.

It should be noted that these are only illustrations and actual fund values will depend on actual investment returns achieved on investments, the time under investment and the amounts invested.

Illustration of the effect of Annual Management Charges (AMC) on projected fund values



	No Charges	0.1% Charge per annum	0.5% Charge per annum	1.0% Charge per annum
Value at 10 years	£10,764	£10,709	£10,493	£10,230
Value at 20 years	£25,948	£25,670	£24,595	£23,324
Value at 30 years	£47,366	£46,572	£43,546	£40,087

Default arrangement

All members are in the Windsor Life With-Profit fund offering 5.75% guarantee which could be lost in the event of changing funds. The Trustees and the Employer regularly monitor this against possible alternative funds and if it appears that alternative investments would offer a better return then the members will be offered the choice. A full review will be carried including a VFM assessment will be carried out in 2022.

Communicating with members

- The Trustees endeavour to provide Scheme communication that is accurate, clear, understandable and engaging
- The Trustees, with their advisers, carefully consider all member communications and review common communications periodically (such as retirement quotation packs and benefit statements). The Trustees work closely with the Scheme advisers to try to ensure member interests are understood and represented in all decision making
- Extensive retirement packages are sent to members which cover all disclosure requirements, including clear details of the retirement choices available to them, how they work and details of the Government's Money Helper, Pension Wise service
<https://www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise>
- Ad hoc announcements are sent periodically as the Trustees deem necessary
- ReAssure provide an interactive website facility to help members plan for retirement. The Trustee is required to provide members with information on the effect of costs and charges on their pension pot. This information is publically available on the following website <https://2020trustees.co.uk/chair-statement-naturin/> and members are directed towards this information in their annual benefit statements.
- The Trustees have recently issued their privacy notice covering General Data Protection Regulation requirements to all members.

Signed: Andrew Bakewell

Date: 26 November 2021

Chair of the Naturin Limited Retirement Benefit Scheme ("The Scheme")