

**United Norwest Co-operatives Employees' Pension Fund
&
Yorkshire Co-operatives Limited Employees' Superannuation Fund
Additional Voluntary Contribution Arrangements ("AVCs")**

Trustee Governance Statement

This statement has been prepared by TCG Northern Trustees Limited and relates to the legacy AVC plan for the United Norwest Co-operatives Employees' Pension Fund and Yorkshire Co-operatives Limited Employees' Superannuation Fund ("the Funds"). The Funds' AVCs are held in the Royal London (CIS) Traditional With-Profits Fund (known as the "CIS Extra Plan").

The Pension Regulator's Code of Practice 13: Governance and administration of occupational trust-based schemes providing money purchase benefits

The Pension Regulator's ("tPR") Code of Practice 13 ("the Code") was first introduced in November 2013, and a revised version came into force in July 2016. The Code is designed to give Trustees of money purchase, or 'Defined Contribution' ("DC") pension arrangements, guidance on the standard of governance expected by tPR, including AVC arrangements.

The Code is divided into six sections; the following provides a summary of some of the things that the Trustee does to make sure that the AVC arrangements meet the applicable governance standards in the Code.

1. The Trustee Board

- Trustee Directors are appointed to the Trustee Board based on fair and transparent processes.
- The Trustee Board includes a professional independent Trustee Director.
- Trustee Directors are aware of their duties and responsibilities, and carry them out with due diligence.

2. Scheme Management Skills

- Trustee Directors undergo regular training to ensure that they understand their duties and are fit and proper to carry them out, including completing an annual 'Training Needs' analysis.
- Trustee Directors update their knowledge to ensure that they have the appropriate skills and competencies.
- Trustee Directors take time to understand the AVC arrangement's features, terms and options.
- Managing risks is a priority and robust internal controls are maintained to help mitigate significant operational, financial, regulatory and compliance risks.

3. Investment Governance

- The AVC investment options are considered on at least a triennial basis, along with an annual review of the AVC arrangements.

4. Value for Members

- The Trustee Directors regularly review the costs and charges associated with the AVCs and consider whether they are appropriate.
- The services offered to members are also taken into account when considering the overall value offered within those costs and charges.

5. Administration

- Pension records are kept by the AVC provider, with records also being maintained by the Co-op's Pensions Department, who assist the Trustee in monitoring administration performance and maintaining robust controls over financial transactions.

6. Communicating and Reporting

- Accurate information about how the AVC arrangements work and the options available are accessible.

Action plan

During 2018 there have been a number of areas that the Trustee has focused on to help ensure future compliance with the Code of Practice. These include:

- **AVC review** – A full review of the AVC arrangements has been completed. The review looked at various aspects of the arrangements, such as the investments, the performance of the provider, and the associated costs and charges.
- **Member communications** - The Trustee will be carrying out a review of all member communications to ensure that it meets all the disclosure requirements of the Code.

Our strategy for the future

Looking ahead over the coming year there are a number of specific areas relating to the AVC arrangements that the Trustee will be focusing on, including supplementary communications to members to ensure that members are provided with the necessary information and support to make informed decisions.

The Trustee will continue to incorporate the results of its ongoing work and future assessments into the Trustee's business plan and governance processes, and provide updates through its future governance statements.

Signed:



Date:

07/11/18

Russell Gill, Chair of TCG Northern Trustees Limited