

THE ANNUAL GOVERNANCE STATEMENT
for the period ended 31 March 2023

This Statement has been prepared by the Trustees of Curtsons (Radstock) Limited Pension and Assurance 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 31 March 2023.

The Trustees had continually reviewed and assessed systems, processes and controls across key governance functions to determine whether these were 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.

The Trustees' findings have been discussed in recent meetings and further to this, the Trustees and the Employer, Optima Products Limited decided to wind-up the DC section of the Scheme with effect from 1 September 2022.

The DC section of the Scheme was insured with Scottish Widows. The six remaining members were informed of their options and five decided to have their policy assigned to a policy in their own name with Scottish Widows and Deeds of Assignment have been executed for these members. The deeds were provided to Scottish Widows in February 2023. The remaining member has elected to take an Uncrystallised Funds Pension Lump Sum and a disinvestment instruction was sent to Scottish Widows in May 2023.

Scottish Widows confirmed receipt of the Deeds of Assignment but have not yet provided any correspondence to the Trustees or the former members. Additionally, at the time of producing this statement, Scottish Widows had not disinvested the funds for the final member. The Trustees, through their advisers, have raised complaints with Scottish Widows and are awaiting a formal response. This further reinforces the Trustees' and Employer's decision to wind-up the DC section of the Scheme.

Administrative Standards & Core Financial Transactions

- The DC section of the Scheme is insured with Scottish Widows. In addition, 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
 - The Trustees use a reputable professional pensions administration service who are trained and completely conversant with the Scheme's Trust Deed and Rules
 - Service agreements set out the scope of work covered by professional appointments. Broadstone Corporate Benefits Limited, the appointed administrators of the Scheme, work to industry standards providing timely turnaround times for both non-financial and financial matters
 - The Trustees have a specific 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 DC section are processed efficiently and accurately. These transactions are undertaken on the Trustees' behalf by Scottish Widows. The Trustees had reviewed the processes and controls implemented by Scottish Widows and considered them to be suitably designed to achieve these objectives. However, the standard of Scottish Widows' administration was one factor in the decision to wind-up the DC section of the Scheme.
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Issues arising during the scheme year and how they were resolved

- Scottish Widows have not yet disinvested the fund for the final remaining member of the Scheme.
- Scottish Widows have not yet communicated with the Trustees or former members following receipt of the Deeds of Assignment.

Plan for resolving any unresolved issues during the scheme year

- A formal complaint has been raised with Scottish Widows by Broadstone.
- The Trustees' have given consideration to raising a complaint through the Financial Ombudsman.

Reporting to Trustees

The Trustees receive an update on administration matters at each Trustees' meeting and this includes provision of up to date information relating to the DC section. Representatives from the administrator attend each Trustees' meeting.

- 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 risks and these are discussed at each Trustees' meeting
- The Trustees have reviewed all their data management procedures and those of their service providers and have a post 25 May 2018 data protection policy in place
- In line with Anti-Money Laundering regulations the Trustees hold an up to date register of beneficial owners
- The Trustees ensure that 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. There have been no delays in the investment of contributions or the payment of benefits over the year.
- The Trustees use dual authorisation internet banking process for all investment and benefit payments
- Any errors are resolved immediately
- All data is backed up on a nightly basis and copies are stored off site and can be fully restored in any eventuality
- Any Member files not scanned on to the secure online document storage system are contained in fire resistant cabinets
- All financial transactions are subject to annual audit requirements as part the Trustees' Annual Report and Financial Statements

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

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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.

Due to the increasing governance requirements imposed on the Trustees and the increasing costs borne by the Employer, the Employer decided to wind-up the DC section of the Scheme with effect from 1 September 2022.

No administration costs were paid by members. A professional administration service is used by the Trustees and the costs for this service are met separately by the Employer. Fund management charges are deducted directly from the members' funds.

As the DC section is winding-up, fund charges are no longer applicable. Historically, the funds attracted an annual management charges as shown below:

Fund	Annual Management Charge	Other Expenses	Total annual fund charges
Scottish Widows Cash	1.000%	0.000%	1.000%
Scottish Widows Consensus	1.000%	0.000%	1.000%
Scottish Widows Fixed Interest Tracker	1.000%	0.000%	1.000%

The Trustees considered that the charges and transaction costs set out above represented good value for members.

Default arrangement

As the DC section is winding-up there is no default option.

Communication with members

- The Trustees have communicated with all remaining members about their options on the winding-up of the Scheme.
 - 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
 - The Trustees work closely with the Scheme advisers to try to ensure member interests are understood and represented in all decision making
 - Ad hoc announcements are sent periodically as the Trustees deem necessary
 - The Trustees have issued their privacy notice covering General Data Protection Regulation requirements to all members. A copy of which is also available on request
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Sufficient Knowledge and Understanding

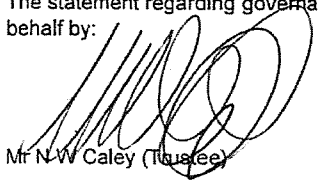
Actions taken by the Trustees to gain the appropriate knowledge and understanding required to effectively run the Scheme with good governance.

- All of the existing Trustees have completed the Pension Regulator's Trustee Toolkit or received training. All new Trustees are required to complete the Trustees Toolkit within six months of taking up office
- The Trustees have put in place arrangements for ensuring that they take personal responsibility for keeping themselves up-to-date with relevant developments and carry out a self-assessment of training needs. The Trustees receive regular training and are encouraged to identify gaps in their knowledge through regular discussions of pertinent pension issues from advisers and own continual development
- The Secretary to the Trustees arranges for training to be made available to individual Trustees or to the whole trustee body as appropriate. Trustee training takes place at each Trustees' meeting. In addition, the Trustees receive advice from professional advisors, and the relevant skills and experience of those advisors is a key criterion when evaluating advisor performance or selecting new advisors
- 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 Trustees take regular investment advice from their Investment Consultant on matters relating to the Scheme investments and investments for occupational pension schemes
- The Trustees keep up to date with developments in the DC landscape and new guidance issued by the Pensions Regulator
- The Trustees have sufficient knowledge of pensions law and if advice is required will be sought from the Trustees' pension lawyer

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 time set aside at each meeting 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.

This Chair Statement will be made publicly available on a website and can be accessed at the following site:
<https://optimasystems.com/>

The statement regarding governance was approved by the Trustees on 31 October 2023 and signed on their behalf by:



Mr N.W. Caley (Trustee)

Chair of Curtsons (Radstock) Limited Pension and Assurance Scheme
