

BCF Corporate Governance Statement

(Approved by the Trustee Directors on 4th March 2013)

Objectives

This document provides an overview of BCF Pension Trustee's corporate governance structure to comply with principles of good governance including recognised codes of conduct and best practice.

Appointment of the Trustees

BCF Pension Trustees Ltd is made up of Trustee Directors, comprised of 5 individuals including a Chair.

The Trustees may, by deed, appoint additional or replacement Trustees, in accordance with the Trustee Act 1925. The appointed Trustee Directors are collectively responsible for the success of BCF Pension Trust and the achievement of its strategic objectives and for maintaining corporate accountability.

Induction and on-going development

All newly appointed Trustee Directors will participate in a formal induction programme tailored to their individual needs. The induction programme is designed to give Trustee Directors an understanding of BCF Pension Trust, its business, the environment in which it operates and their powers as set out in the Trust deed and rules. All Trustee Directors are required to meet statutory trustee knowledge and understanding requirements as set out in s248 of the Pensions Act 2004 (the Pension Regulator expects this to be undertaken within 6 months of appointment). They will maintain and develop their general knowledge and skills during their period of office and will be supported by a personalised development programme to achieve this.

Trustee Director committees

In line with best practice, the Trustee Directors will be establishing committees to oversee key activities. The Trustee Directors will agree Terms of Reference for each committee. The various committees will be responsible for oversight of communications, audit, risk, investments and governance.

Stakeholder relations

The Trustee Directors place considerable importance on maintaining good relationships with stakeholders and BCF is committed to full transparency consistent with good governance and commercial confidentiality. BCF is also committed to treating its stakeholders fairly with access to information.

BCF Pension Trustees Ltd will provide information about a wide range of subjects within its annual report and accounts which will include full audit disclosure and risk statements.

BCF Pension Trustees Ltd welcomes questions, concerns and feedback from all its stakeholders, which can be made through a variety of communication channels.

Complaint, whistle blowing and grievance procedures exist and details of these are available on request.

Risk management

The Trustee Directors determine BCF Pension Scheme's risk tolerance, appetite and strategy. They set the risk strategy and, through the Risk Committee, review the effectiveness of the internal control processes in providing a responsible assessment and mitigation of risk.

A sound system of internal controls is maintained to safeguard BCF Pension Trust and its assets. BCF Pension Scheme takes a risk based approach to its activities, which recognises the need to identify and manage risk for the benefit of Scheme members. BCF Pension Trust will comply with the Pension Regulator's Codes of Practice relating to risk management in occupational pension schemes.

The Trustee Directors will establish procedures to identify, evaluate and manage significant risks faced by BCF Pension Scheme. These procedures will include the review of strategic and political risk, financial, operational and compliance controls and risk management processes. The procedures aim to manage risk and provide reasonable assurance against material misstatement or loss.

Financial reporting

The Trustee Directors have a statutory requirement for preparing and disclosing proper accounting records for the Scheme in accordance with the Occupational Pension Schemes (Disclosure of information) Regulations 1996 (as amended).

The Trustee Directors, Accounting Officer, Senior Managers and other staff preparing financial statements are required to conduct themselves with integrity, honesty and in accordance with the ethical standards which apply to the business. They are required to promote full, fair and accurate timely and understandable disclosures in compliance with all applicable laws, rules and regulations in all financial statements. The Trustee Directors are responsible for establishing and maintaining internal control over financial reporting to provide reasonable assurance regarding the reliability of financial statements. The Trustee Directors have a general responsibility for taking appropriate steps as are reasonably open to them, to safeguard assets and to prevent and detect fraud and other irregularities.

Business integrity

BCF Pension Trust undertakes its business with integrity, honesty and fairness at all times, building from a foundation of compliance with all relevant laws, regulations and codes of conduct/best practice.
