

Ricoh UK Retirement Benefits Plan

Governance Statement from 6 April 2018 to 5 April 2019

1 Introduction

This statement has been prepared by the Trustees of the Ricoh UK Retirement Benefits Plan (“the Plan”) to describe how the Trustees have considered the new governance standards for the Plan in relation to

- The default arrangement (where applicable),
- The requirements for processing financial transactions,
- Charges and transaction costs borne by members and
- Trustee knowledge and understanding

This statement covers the period from 6 April 2018 to 5 April 2019. Further information about the contents of this statement is available on request.

The Plan entered winding up on 8 May 2019, and the wind up is expected to complete and the Plan terminate by 31 December 2019 at the latest.

2 Default arrangement

The fund is invested in the Prudential Cash Accumulation With Profits Fund and the Trustees have no power to direct the investment, other than the establishment at the time of inception.

3 Requirements for processing financial transactions

The Trustees need to ensure that certain transactions (known as “core financial transactions”) relating to the Plan are processed promptly and accurately.

Processing of core financial transactions (e.g. transfers within and out of the Plan, and payments to members) is carried out by Prudential. As the Plan is no longer open to further contributions, the number of financial transactions is materially reduced compared to an active Scheme.

Prudential has adequate internal controls to ensure that core financial transactions relating to the Plan are processed promptly and accurately. For example, Prudential develops an annual risk based assurance plan in relation to the administration services provided to the Plan. Where assurance actively highlights any particular concerns, the Prudential Account Manager for the Plan will bring this to the Trustees' attention.

No issues / concerns were notified to the Trustees during the Plan year.

4 Charges and transaction costs

For the purpose of this section “charges” are defined as the ongoing charges figures, which are the annual fund management charges plus additional fund expenses (e.g. for custody, but excluding transaction costs). The stated charges shown in the Appendix exclude administration costs, since these are not met by the members, and have been supplied by the Plan's administrators, Prudential.

Transaction costs are those incurred as a result of trading by the investment managers within each fund (eg buying and selling of securities) Transaction costs do not include the costs to members of investing into and switching between funds

The Appendix includes an illustrative example of the cumulative effect over time of the value, of a member's accrued pension pot in today's money (allowing for inflation)

4.1 Default arrangement

The default arrangement is the Prudential Cash Accumulation With Profits fund and the value of the policy depends on how much profit the fund makes and how much Prudential decides to distribute that profit The performance objective is to offer competitive long term returns

4 2 The with profits investments are currently subject to a fund charge of 1%

4.3 Value for money assessment

Whether something represents "good value" is not capable of being precisely defined, but for these purposes, the Trustees consider that charges and transaction costs may be viewed as representing "good value" for members where the combination of costs and the quality of what is provided in return for those costs is appropriate for the Plan membership as a whole, when compared to other options available in the market

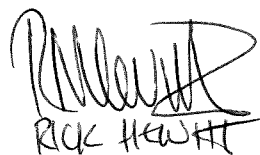
Members do not meet the administration costs for the Plan, and Trustees are not able to direct the investment as it is a bundled arrangement Members are free to change their investments

5 Trustees Knowledge and Understanding

The Plan's Trustees are required to maintain appropriate levels of knowledge and understanding During the period covered by this statement, the Trustees have ensured their knowledge and understanding is up to date by

- Maintaining a Trustee Training Register recording relevant activity for each Trustee
- Each Trustee has completed the Pensions Regulator's trustee training

Signed for and on behalf of the Trustees of the Ricoh UK Retirement Benefits Plan



Handwritten signature of Rick Hewitt in black ink.

Chair of Trustees

Appendix – Illustration of effects of charges and costs

About this illustration

The aim of this illustration is to show you an example of how charges and costs can effect returns on investment funds. The figures in the table are examples and are not guaranteed – they are not minimum or maximum amounts that you might expect to get back with the level of investment shown. The figures have been calculated as at October 2019.

As the prices of everyday things go up, your money won't stretch as far as the same amount would now. This is called inflation. The figures have been adjusted to allow for inflation using an assumed inflation rate of 2.5% per year. Actual inflation could be more or less than this.

What you might get back depends on a number of factors including:

- How much is paid in
- How long investments are held for
- Charges and costs
- Performance of the investment

For this illustration we show the annual costs as an average of the expected costs which apply over the term of the investment. You will see both the costs and the growth figures clearly shown in the table. More information on the funds you can invest in is available at pru.co.uk/funds.

The charges and costs you pay for the funds may vary depending on your scheme conditions. We might change our charges in the future.

The value of investments can go down as well as up so you might get back less than you put in.

For With-Profits funds the actual percentage charged depends on the performance of the With-Profits Fund and may vary over time.

These charges cover the costs of any expenses, any profits, implicit costs and other adjustments.

The basis for our calculations

Pot size and assumptions

Projected pension pot values are in today's money which means they have been adjusted for inflation. We have used:

- A starting pot size of £7,000
- No regular contributions
- The term of the investment is from age 22 to age 64

Example funds

The fund(s) we show have been chosen to cover a range of funds with different investments strategies, realistic potential growth rates and costs. This is to give a good idea of how costs can affect returns and is not intended as a recommendation.

Charges and costs

Different funds have different charges and costs which we have reflected in our projections.

Projected pension pot in today's money (£s)		
	With-Profits Cash Accumulation Fund	
	Growth rate (after inflation)	3.56%
	Yearly Costs*	1.40%
	Before Charges	After Charges
1	7,240	7,140
3	7,750	7,440
5	8,300	7,760
10	9,840	8,600
15	11,600	9,540
20	13,800	10,500
25	16,400	11,700
30	19,400	13,000
35	23,100	14,400
40	27,400	15,900
42	29,300	16,300

*Growth rates for the funds have allowed for the effects of inflation.

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