

## Royal London Savings Limited

### Statement of directors' statutory duties in accordance with s172(1) Companies Act 2006

Under section 172(1) of the Companies Act 2006, the directors of a company have a duty to act in a way which promotes the success of a company for the benefit of the members as a whole. The board of directors of Royal London Savings Limited (RLS), which is a subsidiary company of a larger Group, are committed to maintaining the company's culture and achieving its purpose which ultimately leads to increasing value for RLS' ultimate parent company, RLMIS. During the year the company has given due regard to the promotion of the success of the company through suitable corporate governance procedures, which are also closely aligned to those of the group, as disclosed below.

#### ○ *Long-term decision making and relationship with customers*

The board considers annually, and as part of its medium-term planning, the strategic direction of the company. RLS receives commission income from ISA policies previously sold with the book now in run-off. The board's aim is to manage the run of this income stream in the most efficient and fair manner for customers and the company. The administration of this book of business is outsourced to a third party provider and the directors are also responsible for ensuring that this third-party relationship is being managed in line with the values of the company in order that policyholders are being treated fairly. The board is regularly updated on the relationship with this third party provider with the emphasis being a strong focus on customer outcomes; operational performance, due diligence work and adherence to service level agreements being reported and reviewed regularly to board.

The company is also an ISA manager in respect of a book of ISA policies in run-off, which is administered by a third-party outsourcer and are invested in OEICs via a fellow subsidiary company and also invested in the unitised with-profits fund of RLMIS. The board's aim is to also manage the run-off of this book in an efficient manner with fair outcomes to the policyholders. Each quarter the performance of the fund in which the ISAs are invested is reported to board to ensure the appropriate benchmark returns are not being breached and the fund is performing to the appropriate rating.

#### ○ *Interests of the company's employees*

As a subsidiary of a larger group, the company does not have any employees. All staff engaged in the company's business are employed by the company's ultimate parent undertaking, RLMIS. Employees are vital to the success of RLS and RLMIS and further information regarding the Group's approach to its workforce and current year initiatives are disclosed in the Group's annual report and accounts.

#### ○ *Environmental and community impact*

By nature of its activity, an ISA manager and managing a commission stream in run-off, environmental and community impacts are not highly relevant for the company. However, as a subsidiary of a larger Group, information about these matters are detailed and disclosed in the Group's annual report and accounts.

#### ○ *Reputation for high standards of business conduct*

RLS is authorised and regulated by the Financial Conduct Authority. The company is required to report to the regulator at various intervals on its capital adequacy position, financial performance, product sales data and complaints levels. The Board meets on a quarterly basis to review financial and operational performance and approve decisions in line with the strategy of the company whilst always taking into consideration how this will affect its customers.

As an ISA manager the company must follow the FCA's Client Assets Sourcebook (CASS) as it holds and controls client money and safe custody assets. The Board is supported in its CASS duties by the operation of staff within its Legacy division who also manage the outsourced relationship for other Group entities within RLMIS. CASS compliance has a strong governance oversight and focus. There are many CASS procedures that are undertaken by RLS in order to adhere to the requirements of the sourcebook on a weekly, monthly quarterly and annual basis some of which are noted below.

Each month a CASS committee meets to discuss and review CASS compliance, along with any issues, which can lead to recommendations for change to strengthen or enhance the CASS control environment. The CASS committee also feeds into a CASS technical forum where group-wide CASS issues are debated. Following this, each quarter, the board is updated on CASS matters with a strong attention on maintaining and/or improving the CASS control environment, where necessary, in order that policyholders' monies and assets are appropriately protected. The firm is also required to report to the regulator on a monthly basis detailing information around level of client monies and client assets held, frequency of reconciliations and level of any breaches.

In addition to the above, during the year the board of directors, as well as wider Group employees, have been assigned roles and responsibilities as part of the 'Senior Manager and Certification Regime' which is intended to reduce harm to consumers and strengthen market integrity by making individuals more accountable for their conduct and competence. The roles and responsibilities encompass a wide range of corporate governance activities ranging from operational, financial, investment, audit, compliance and risk.