

Defined Contribution (DC) Governance statement for The Marks and Spencer Pension Scheme

1. As trustees of The Marks and Spencer Pension Scheme ('the Scheme') we have reviewed and assessed that our systems, processes and controls across key governance functions are consistent with those set out in The Pensions Regulator's:

- Code of practice 13: Governance and administration of occupational defined contribution trust-based schemes
- Regulatory guidance for defined contribution schemes.

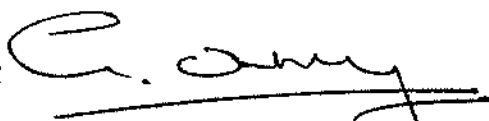
These are underpinned by the DC quality features as they relate to the Marks and Spencer Additional Voluntary Contribution Scheme ('AVC Scheme').

2. Based on our assessment and subject to the explanations set out below we believe that we have adopted the standards of practice set out in the DC code and DC regulatory guidance. These help demonstrate the presence of DC quality features, which we believe will help deliver better outcomes for members at retirement. A review period has been agreed for each of the assessments where relevant.

3. Where we adopt a different approach to that set out in the DC code and DC regulatory guidance we explain why below.

The AVC Scheme was reviewed in 2010 and 2012 with advice from Mercers who are the advisors to the Scheme in respect of AVC. The review considered the choice of investment funds that are available to members and also the provider of the platform for the funds. During both of these reviews it was decided not to include a default fund as an option. At retirement the vast majority of members take the fund value as part of their tax free cash lump sum. Hence it was agreed that a default fund would not be as relevant in these circumstances.

Signed:



Graham Oakley, Chairman, Marks and Spencer Pension Trust

Date:

27 / 02 / 2015