

University of Manchester Superannuation Scheme (UMSS or the Scheme)

GENERAL DETAILS REGARDING THE ARRANGEMENTS

1. There shall be nine directors of the Trustee in total, with three of the number being selected by the active and deferred members of the Scheme, one being selected by the pensioner members of the Scheme and the other five being selected by the University of Manchester ("the University").
2. Following appointment, a Member-Nominated Director (MND) shall remain a director of the Trustee for three years, but shall be eligible for re-selection at the end of that period.
3. The Trustee does reserve the right to agree a longer period of office with a nominee who is selected and may do this to avoid several selections occurring in a short period of time. This longer term would be for no more than four years.
4. The functions of an MND are the same in all respects as those of the other directors. Being a director of the Trustee carries a responsibility for the proper running of the Scheme and it is important that candidates for nomination are aware of this. A summary of an MND's activities and responsibilities is below.
5. The term of office as the MND shall automatically cease if they cease to be a member of the Scheme (i.e. have no benefit entitlement whatsoever left under the Scheme). Where a member ceases to be an MND, the nomination and selection process set out below will be run when the MND's term of office would have ceased had they remained in office for their full term or at such earlier date as the remaining directors decide.
6. If an MND resigns, the selection process set out below will be run to fill the vacancy within six months of the MND's date of resignation.
7. The removal of an MND during their period of office requires the agreement of all the other Trustee Directors.
8. The arrangements outlined in this Notice (including the nomination and selection process below) will be reviewed fully by the Trustee Directors every three years to ensure they are still appropriate for the Scheme. However, they will briefly review the arrangements on each process to ensure no changes are required.

NOMINATION AND SELECTION PROCESS

1. When an MND vacancy arises, it will be filled in accordance with the nomination and selection process set out below.
2. Nominees for a vacancy for the active and deferred members constituency must be active or deferred members of the Scheme and nominees for the pensioner members constituency must be pensioner members of the Scheme.
3. Nominees must sign a fit and proper statement to confirm there is nothing that disqualifies them from being a director of a trustee company.
4. In addition, nominees should ideally satisfy the following requirements:
 - Have or have had a minimum of one year's employment with the University or a participating employer
 - Be able to attend meetings and training sessions
 - Have access to the internet and have their own email address (i.e. it is not shared with another person such as a family member)
 - Confirm that they will complete The Pension Regulator's Trustee tool kit within an appropriate period.

5. If potential nominees wish to discuss what would be involved in being an MND they should contact the Pensions Office who will arrange a meeting.

6. Nominations do not need to be proposed or seconded by anyone else.

Nominations must be made on the Nomination Form provided and should include a short biography explaining why the nominee feels that they are suited to the role.

The Nomination Form must be received before 5pm on the closing date and must be signed by the nominee.

7. If the vacancy is not filled immediately because there are no valid (or sufficient) nominations, the nomination and selection process outlined in this Notice shall be repeated at intervals of at least annually until it is filled.
8. If only the same number of valid nominations are received for the number of vacancies, that/those nominee(s) shall become the MND subject to satisfying the Selection Panel of their suitability.
9. If more than one valid nomination is received, the vacancy shall be filled by a Selection Panel interviewing and selecting the successful nominee to fill the vacancy.

The Selection Panel is expected to comprise of the Chair, Secretary, and one of the other current Trustee Directors who may reject one or more nominees during the process. This is an unfettered discretion and no reason need be given for its exercise. Without limiting this discretion, the following are examples of factors which may be taken into account in arriving at the decision.

- An interest in pensions
- Any previous trusteeship experience
- Any complementary skills
- Confidence and willingness to ask questions
- Willingness to develop learning
- Willingness to contribute to meetings
- Trustee board diversity
- Representation of members

10. The outcome of the nomination and selection process will be notified to all the members involved at the next opportune time after the result is known.

SUMMARY OF AN MND'S ACTIVITIES AND RESPONSIBILITIES

The main duties and responsibilities of an MND are:

- To see that all members receive the benefits to which they are entitled on a timely basis
- To ensure that the Scheme's assets are prudently invested and held secure separately from those of the University
- To appoint professional advisers to help with the running of the Scheme
- To ensure that the Scheme complies with all statutory requirements, such as those included in the 1995 and 2004 Pensions Acts
- To monitor the security of members' benefits
- To check that proper records are kept
- To exercise discretionary powers in certain situations
- To ensure that members know about the benefits they are entitled to and understand how the Scheme is run, through regular and timely communications
- To have sufficient knowledge and understanding of trust law and investment principles
- To be familiar with the key documents, such as the Scheme's Trust Deed and Rules

In performing their duties, an MND must:

1. Act in members' interests
2. Follow the Scheme's Trust Deed and Rules
3. Conform with legislation and regulations
4. Be impartial
5. Act in good faith
6. Maintain confidentiality
7. Not profit personally as a consequence of being a Trustee
8. Delegate certain duties to appropriate professionals
9. Obtain specialist advice

Each MND must separate their duties and responsibilities as such from their role as a member of the Scheme. All classes of member (i.e. active members, pensioner members, dependants, and deferred members) must be treated fairly and equally. It is not the role of an MND to represent the interests of any particular individual or group, such as the University or a particular group or category of members.

Please note that the above duties are only a small number of the responsibilities of an MND. Failure to comply with these principal duties could result in a fine and, in some cases, would be considered a criminal offence. It is expected that there will be at least four scheduled meetings of the Trustee a year, plus around four sub-committee meetings a year for any sub-committees that you have volunteered for, with occasional ad-hoc meetings and training seminars.

Items typically covered at Trustee meetings include:

- Approval of the Minutes of the previous meeting
- Investment committee update
- Governance committee update
- Administration review
- Employer covenant

Some other regular items are:

- Annual Report and Accounts
- Actuarial reviews (funding of the Scheme)
- Updates on pension-related legislation and case law

The role of pension scheme trustees has become increasingly complex and demanding, and it seems likely that it will become even more demanding in the future. Whilst it is not the intention to discourage any potential candidates, it is important that anyone considering taking on the role of an MND should give serious thought to the full implications of their decision and the demands of the role.

To assist MNDs in undertaking their duties, they will receive the following assistance:

- Assistance with the training requirements necessary for being a Trustee Director
- Reasonable travel expenses will be provided for the MND that represents the pensioner constituency if he/she lives outside Manchester
- The MNDs who represent the active and deferred constituency (where still employed within the University) will be given reasonable time off work to attend Trustee meetings and training sessions

Further basic information regarding the responsibilities of trustees and trustee directors can be found on The Pensions Regulator's website at:

www.thepensionsregulator.gov.uk/en/trustees/understanding-your-role

If you wish to discuss the role of MND, please contact the Pensions Office via **umss@manchester.ac.uk** or by calling 0161 275 2043.