Member Nominated Directors

Your chance to make a difference

Now is your opportunity to have a major say in the future running of your pension scheme – the University of Oxford Staff Pension Scheme (OSPS). There are several ways in which you can make your voice heard. You can:

- **Stand for election** – you'll need to support of two other active scheme members if you want to stand for election as a Member Nominated Director.

- **Act as a sponsor** – if you’re an active member you can sponsor an active members for election as a Member Nominated Director.

- **Vote** – if there are more nominations than vacancies for the position of Member Nominated Director, an election will be held and you’ll be asked to vote for your preferred candidate.

This notice is about how to **stand for election**.
1 Introduction

The current directors of OSPS Trustee Ltd announce that there is a vacancy on the board for a Member Nominated Director (MND) to be appointed from the active membership of the Scheme. The term of office will until 31 March 2020. This vacancy arises from the resignation of one of the other current MNDs.

The procedure for the nomination and election of the MND to fill the current vacancies is set out in full below. The MND, when appointed, will act jointly alongside the other directors of the Trustee.

The Board has appointed Electoral Reform Services (ERS) to conduct the election process on their behalf.

2 Constitution of the Trustee

The current arrangement is that there are 11 directors of the Trustee, appointed as follows:

- Five directors appointed in accordance with the instructions of the Council of the University
- Five MNDs, who must themselves be members, appointed as follows:
  - four MNDs (one of whom may be a pensioner) selected by the active members; and
  - one MND selected by the pensioners
- The chairman of the Trustee, selected by the Vice Chancellor of the University (provided that the Vice Chancellor has consulted with the directors of the Trustee regarding this appointment in accordance with clause 5.4(c) of the Trust Deed and Rules of the Scheme).

Changes to pension scheme regulations introduced additional requirements related to the composition of the OSPS trustee board. Now the majority of trustee directors must be independent of the University (this is because the University provides administration services for the Scheme).

As a result of this change the Trustee must fill at least one of the vacancies with someone who does not work at the University. The Trustee is seeking nominations from members at Colleges and other employers (not University subsidiaries and not of members who have worked at the University or any of its subsidiaries at any time since 1 August 2012). If only one such nomination is received the individual will be appointed as MND. If no nominee from this group is put forward, the vacancy will remain. If there are more nominations than vacancies there will be an election.

Whoever they are nominated by, all directors of the Trustee have the same legal responsibility to act in the best interests of the members and other
beneficiaries of the Scheme and their role is not to represent the interests of the body by which they are nominated.

3 Current Directors of the Trustee

The Trustee currently has eleven directors, as follows:

Chairman selected by the Vice Chancellor of the University:
Mr J.N. Sykes (term of office ends 31 March 2020)

Appointed in accordance with the instructions of the Council of the University:
Mr N. Standen (31 March 2018)
Professor G.L. Clark (31 March 2019)
Ms N. McEntee (31 March 2019)
Mr C. Alexander (31 March 2018)
Mr W. Jensen (31 March 2020)

Selected by the active membership and appointed as MNDs:
Dr D. D. Bamford (31 March 2018)
Ms L Savin (31 March 2019)
Ms K. Kele (31 March 2020)
(vacancy) (31 March 2020)

Selected by the pensioner membership and appointed as an MND:
Mr J.L. Catney (31 March 2019)

4 The Role of Directors of the Trustee

The MNDs will have exactly the same legal obligations and functions as the other directors of the Trustee which include the following duties:

- to act in accordance with the articles of association of the Trustee and the trust deed and rules of the Scheme, within the framework of the law;
- to act prudently, conscientiously and honestly and with utmost good faith;
- to act in the best interests of the beneficiaries and to take into account the interests of all classes of beneficiary;
- to take advice on technical matters and any other matters which are not understood; and
- to invest the funds of the Scheme prudently.

The directors of the Trustee are responsible for ensuring that the Scheme is administered in accordance with the trust deed and rules and legislation.

The enclosed sheet summarises the role and duties of a trustee.

The Secretary to the Trustee, Jan Killick, will be very pleased to informally discuss the role and obligations of being an MND with any member who is considering seeking or accepting a nomination.
5 Training

Training is available for the directors of the Trustee to help them carry out their duties. It is primarily the responsibility of the individual director to ensure that they develop their knowledge and understanding through seeking training where necessary. For instance, general training is provided by the Regulator and takes the form of a free online training facility, which is available at www.trusteetoolkit.com. The introductory modules give a good overview of the responsibilities and activities involved in being a trustee of a pension scheme.

In addition, the directors of the Trustee are expected to attend more specific training sessions given by their advisers, in relation to actuarial, legal and investment matters held prior to quarterly Trustee meetings.

6 Time commitment

The nature of the Trustee's role means that some time commitment is required. Directors of the Trustee are required to attend one meeting lasting about three hours each quarter, but occasionally may also be required to attend meetings called for the purpose of discussing any particular urgent business that has arisen.

In addition, the directors of the Trustee have appointed two committees to deal with investment matters (Investment Committee) and day-to-day matters that should not wait for the next trustee meeting (General Purposes Committee). Any director of the Trustee elected to a committee will be required to attend regular meetings – the Investment Committee meets at least twice a quarter and the General Purposes Committee meets once a month for about an hour. Occasionally there are additional meetings to discuss urgent matters.

Outside of meetings, the directors of the Trustee may need to review email and other correspondence and to respond to such correspondence. Time is also spent reviewing documents in connection with the Scheme, such as member communications, legal documentation and papers in connection with actuarial matters.

Directors of the Trustee who are active members of the Scheme are legally entitled to take paid time off from their normal work to carry out their trustee duties, including attending trustee meetings or relevant training sessions. All directors of the Trustee are reimbursed for their expenses.

7 Eligibility and term of office

Any active member of the Scheme may become one of the four MNDs to be appointed by the active members. The Trustee needs at least two of these MNDs to be active members who do not work at the University or any of its subsidiaries and who have not worked at the University or any of its subsidiaries in the five years prior to appointment.
However, a person who is disqualified by section 29 of the Pensions Act 1995 may not become, or may not continue to act as a director of the Trustee (whether as an MND or as a University nominated director of the Trustee). This includes:

(i) a person convicted of any offence involving dishonesty or deception;
(ii) a person subject to bankruptcy or sequestration, in both cases undischarged;
(iii) a person who has made an arrangement with creditors but has not been discharged;
(iv) a person who is disqualified from being a company director.

A person who purports to act as a director of the Trustee whilst disqualified will be guilty of a criminal offence.

The removal of an MND requires the agreement of all the other Trustee directors.

All directors of the Trustee normally serve for a period of three years. At the end of that term of office, he or she may stand for re-appointment. In the interests of continuity, the terms of office are staggered so that each year three or four director posts become available for reappointment.

However, an MND must stand down immediately if he or she ceases to be in the same category of membership as when he or she was appointed i.e. on becoming a pensioner or on leaving the Scheme (unless the Trustee on a discretionary basis allows him or her to complete his or her term of office), dies or is removed in exceptional circumstances by the Trustee. Otherwise, at the end of that three-year period he or she may stand for re-election.

In the case of an MND who was an active member at the time of his or her appointment, if he or she ceases to be an active member and immediately becomes a pensioner at a time when there are already two pensioners who are Trustee directors, his or her term of office shall expire immediately upon his or her ceasing to be an active member unless the Trustee agree otherwise.

8 Invitation for nomination of MNDs (to be returned by 18 October 2017).

Any active member working at a College and other employer (not University subsidiaries and not from members who have worked at the University or any of its subsidiaries at any time since 1 August 2012) in the Scheme can nominate himself or herself for election as an MND by using the MND nomination form attached to this announcement. The nomination must be seconded by two other active members.

If you wish to stand for election you must ensure that the completed form is received by ERS at the address set out on the form by 18 October 2017.

9 Election of MNDs from the nominees

“Affiliated” members. These are members that are University or University subsidiary employees (or have been in the past five years) or have received any payment or benefit from the University.
Other members are “non-affiliated” members.

Any future relevant changes to legislation or the Trustee's understanding of it shall be reflected in these categories.

Nominations are sought from non-affiliated active members only for this MND vacancy. If no nominee from this group is put forward, the vacancy will remain.

If the number of nominations ERS receives from the non-affiliated active members is equal to or less than the number of MNDs which the active members have been invited to select on any occasion, then those persons nominated will automatically be appointed as the MNDs from the closing date for the receipt of nominations. The same will be true where there is only one vacancy and only one nomination is received.

If ERS receives more nominations than the number of non-affiliated active MNDs which the non-affiliated active members have been invited to select on any occasion then a ballot will be held of all active members. Within two weeks of the deadline for receiving nominations, ERS will circulate a ballot paper to all active members, inviting them to vote for one of the nominees. Ballot papers must be returned to ERS by the date stated on the paper, which must be at least three weeks from the date on which the ballot papers are circulated.

Each nominee may provide a written submission of no more than 500 words explaining their motivation for wishing to act as an MND and to highlight the skills and competencies which they believe they could bring to the board of directors of the Trustee. Written submissions will be circulated to all active members and at the same time as the ballot papers. The Chairman may provide comments on the nominations to be circulated and ERS shall circulate any such comments.

The nominee with the highest number of votes will be appointed to fill the vacancy. If there is more than one vacancy, the nominee with the next highest number of votes will be appointed to fill the remaining vacancy, and so on until all of the vacancies have been filled.

The election will be conducted using the Single Transferable Vote method.

The results of the ballot will be announced within one month of the ballot papers being returned to ERS and the successful candidate(s) will be formally appointed as a director(s) of the Trustee in accordance with the Rules which govern the Scheme.

10 Role of the Chairman

Legislation requires that the Chairman of the Trustee must be consulted on the appointment of any MND. Therefore, the Chairman will review proposed nominations of MNDs for any vacancy and may take any such action as he or she considers appropriate following such consultation, or take no action. This may include arranging for a discussion between the Chairman or Scheme Secretary and any of the nominees, and/or adding comments to any papers issued as part of an election process.
11 Reviews

There will be an annual review of the nomination and selection arrangements as part of the Scheme's business plan review to ensure that they remain appropriate for the Scheme. The Trustee may resolve at any time to change the arrangements if there is a material change to the Scheme's circumstances and/or membership or the Trustee considers it is in the interests of the good governance of the Scheme to change the arrangements.

12 Further information

If you have any questions about the above please contact Jan Killick whose contact details are as follows:

Mrs J Killick
Secretary to the Trustee
Finance Division
6 Worcester St
Oxford OX1 2BX

Jan.Killick@admin.ox.ac.uk

Dated 27 September 2017
Member Nominated Director form (active members)

To: The Trustee of OSPS c/o ERS

1 I confirm that to the best of my knowledge I am an active member (or pensioner member, if applicable) in the Scheme eligible to become an MND and I wish to serve as an MND. I have/have not* enclosed with this form a written submission of less than 500 words detailing why I wish to become an MND and the skills which I feel I can bring to the role.

   I confirm that I am/am not* an employee of the University or one of its subsidiaries.

   I confirm that I have/have not* worked for the University or one of its subsidiaries at any time since August 2012.

   *delete as appropriate

Full name (in Block Capitals) .................................................................

Home address (in Block Capitals) ..........................................................
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........................................................................

Contact telephone number .................................................................

Signature ................................................................................................

2 I confirm that I am an active member in the Scheme and that I wish to support the person named in 1 above:

........................................................................  ........................................
(Full name in Block Capitals) (Signature of Member)

3 I confirm that I am an active member in the Scheme and that I wish to support the person named in 1 above:

........................................................................  ........................................
(Full name in Block Capitals) (Signature of Member)

The deadline for returning this form and any written submission (which must be less than 500 words in length) is 18 October 2017.

On completion this form together with any written submission should be returned to:

The Trustee of the University of Oxford Staff Pension Scheme
c/o Electoral Reform Services
The Election Centre
33 Clarendon Road, London N8 0NW
Being a director of the Trustee— what does it mean?

Introduction

Before you decide to put your name forward as a member-nominated director, you may benefit from understanding some of the wide-ranging responsibilities placed on them and some of the powers they usually have.

You are not expected to be an expert in pensions law and investment, but you should be prepared to learn more about these subjects and take advantage of the training provided. It is more important that you possess the key attributes of a trustee, which are:

- common sense;
- a questioning attitude; and
- a concern for providing benefits to members and potential members.

What is the Trustee?

OSPS Trustee Limited is the corporate trustee (the ‘Trustee’) of the University of Oxford Staff Pension Scheme (the ‘Scheme’) and is responsible for the proper running of the Scheme which is carried out in its name by the administrators — from the collection of contributions to the investment of assets and payment of benefits. The scheme members look to the Trustee to make sure that the scheme is well run and that their benefits are secure.

This is a great responsibility, but help and advice are available from a range of sources, including your fellow directors, the Trustee’s professional advisers and the Pensions Regulator.

If you are considering becoming a director of the Trustee, it would be helpful if you understand some basic details about pensions, trustees and the legal framework surrounding occupational pensions, but assistance and training will be given to ensure you are equipped with the necessary knowledge to take on the role.

Fiduciary duties of the Trustee

Many of the duties of the Trustee arise from trust law. These are ‘fiduciary’ duties and this means that when they are carried out the Trustee must always act in the best interests of the scheme beneficiaries. Each director will owe statutory and fiduciary duties to the Trustee itself.

Working with the employer

The Trustee and employers each have a vital role to play in the proper running of the Scheme. They need to form and maintain a good working relationship. Regular consultation is important; in some cases the law requires the Trustee to consult.
Trustee learning

The Pensions Act 2004 requires the Trustee and its directors to have knowledge and understanding of the law relating to pensions and trusts and the principles relating to the funding of occupational schemes and the investment of scheme assets. The Trustee’s directors are also required to be conversant with the Scheme’s policy documents. The Pensions Regulator has taken the phrase 'conversant with' to mean having a working knowledge of those documents such that the Trustee’s directors are able to use them effectively when carrying out their duties as directors of the Trustee.

It is very important that you understand, and develop your knowledge of, your role as a director of the Trustee as this will help you to perform the role effectively.

Keeping the Pensions Regulator informed

The Regulator needs clear and open communication with the Trustee. The Trustee has to provide the Regulator with information at particular times and in particular circumstances. The information the Trustee provides help the Regulator to perform its role effectively.

Trustee liability

If something goes wrong, there are some protections for the Trustee, both in the rules of the scheme and the University’s indemnity insurance policy, depending on the nature of the breach of trust. Operating through a corporate trustee rather than as individual trustees also has certain additional advantages in terms of minimising potential individual liability. This means that in practice you should only be liable for your own conscious wrong-doing or fraud.

The Trustee’s advisers

Running a pension scheme is a complicated business. The Trustee can and will rely on others to carry out tasks on its behalf and will often need to take a range of specialist advice. As a director of the Trustee, you should always feel that you can ask the advisers to explain if you do not understand something, and that you can question or challenge them if you do not agree with what they are saying.

Scheme funding

One of the Trustee's most important responsibilities is to make sure that the right money is paid into the scheme at the right time. The Trustee also has to make sure that the contribution rates are sufficient to establish the right level of funding to provide the benefits.

Scheme investments

A pension scheme has long-term liabilities. To be able to meet those liabilities when they fall due, the Trustee will normally need to manage the Scheme’s existing investments and invest any new contributions that are received. There are practical and legal considerations affecting the investment of scheme assets.

Administrative procedures

Good scheme administration is vital to the proper running of a pension scheme. The Trustee is ultimately responsible for the scheme administration, and as a director of the Trustee, you should actively monitor the quality and effectiveness of the Scheme's procedures.

The Trustee must establish, operate and maintain adequate internal control mechanisms for the purpose of monitoring that the Scheme is being effectively
administered and managed in the interests of the members and beneficiaries under the Scheme rules.

**Website of the Pensions Regulator**

The above information is a summary of the material published on the website of the Pensions Regulator. You can obtain further information from the website [http://www.thepensionsregulator.gov.uk/trustees/](http://www.thepensionsregulator.gov.uk/trustees/)

The Pensions Regulator publishes guidance on its website which outlines some of the wide-ranging responsibilities placed on trustees and some of the powers they usually have. Their aim is to provide an overview of the role for newly appointed trustees (and is therefore relevant for newly appointed directors of a corporate trustee), including member-nominated directors, and to others who are thinking of becoming trustees (or directors of corporate trustees) or who are simply interested in finding out more about what being a trustee (or a director of a corporate trustee) involves.

Information for trustees published on the website includes:

**Guidance for trustees**

An overview of the function, duties and responsibilities of trustees. This guidance will be particularly useful for newly appointed trustees and people who are considering becoming trustees.

**The 'scope' documents for trustee knowledge, understanding and conversance**

These provide details of the items which the Pensions Regulator considers you should know and understand as a trustee, and describe the scheme policy documents with which you should be familiar.

**Codes of Practice**

The Pensions Regulator is issuing a number of codes of practice, providing practical guidance on complying with pensions legislation and setting out the standards of conduct they expect.

**The Trustee Toolkit**

The Trustee Toolkit is a training programme which has been developed to help trustees meet the requirements for trustee knowledge and understanding. It takes the form of a number of free online training modules at [www.trusteetoolkit.com](http://www.trusteetoolkit.com).

Directors of the Trustee are expected to be conversant with this material.