

## Fact Sheet - The Role and Responsibilities of a Trustee Director

### 1. Profile

Prior to being nominated to become a Member Nominated Director, members should consider whether they meet the following criteria for the role.

In particular, Trustee Directors must:

- be able to manage conflicts of interest that may arise from time to time;
- have a realistic prospect of being able to serve for a term of not less than 4 years;
- be able to devote sufficient time necessary for the fulfilment of the Director's duties;
- be willing to undertake training as may be required; and
- possess, or be able to possess through learning, the skills required to operate as a Director on a trustee board of a large UK pension scheme.

### 2. Duties

The collective responsibilities, powers, discretions and duties of the Trustee Board include:

- ensuring the correct pension benefits are paid to members and that the Scheme is operated in accordance with its Rules and the law;
- obtaining and considering professional advice from the Scheme's professional advisers, including the Scheme actuary, legal advisers, investment consultant and the administrators of the Scheme;
- ensuring that the Scheme's financial accounts are prepared and audited every year, and to keep all proper records relating to the Scheme;
- monitoring the payment of employer contributions and ensuring that these are paid in accordance with the Scheme's Schedule of Contributions;
- exercising any discretion vested in the Trustee Board by the Scheme Rules, for example the discretion relating to payments of benefits to a dependant or beneficiary;
- arranging regular actuarial valuations with the Scheme actuary and agreeing the results with the Company;
- ensuring that the Scheme complies with all regulations, codes of practice and laws which may apply from time to time;
- monitoring any potential breaches of the law and notifying the Pensions Regulator if such a breach is of material significance;
- ensuring that the members of the Scheme are kept informed and reviewing and approving all announcements and any other written communications (other than day to day correspondence) to members about the Scheme;
- ensuring that the Scheme's assets are invested in a responsible manner, with clear performance targets and mandates to ensure the assets of the Scheme are safeguarded;
- arranging for investment managers to provide regular reports and valuations and monitoring Scheme performance;
- making arrangements for the operation of a Scheme bank account;
- having regard to the interests of all members of the Scheme; and
- considering, where appropriate, changes to the Scheme Rules and making amendments as agreed with the Company.

### **3. Trustee Training**

Each Director must develop his or her personal knowledge and skills and attend training as required by the Trustee Board to ensure a degree of knowledge and understanding of pensions and trust law in order to be able to carry out his or her duties. Formal training that is needed is provided by the Scheme. However, each Director may also undertake individual training and/or self-development that they consider necessary to fulfil the role.

A new MND will be expected to have completed the Pensions Regulator's online Trustee Toolkit within 6 months of being appointed.

### **4. Attendance and Time Commitment**

Each Director is expected to attend all Trustee meetings as well as the meetings of any Sub-Committee to which he or she belongs. This is an important requirement and only an occasional absence for good reason will be acceptable. Each of the Trustee Board and the Sub-Committees meet at least four times a year with meetings usually taking place in High Wycombe (Trustee Board), London (Investment Sub-Committee) or online (Audit & Operations Sub-Committee). Meetings usually last between 4-5 hours and conference calls between meetings may also be necessary. Ad hoc training and other meetings may be required via telephone or video conference.

The role requires that the Director devotes sufficient time to reading papers and preparing for meetings. These can be substantial and may require a number of hours of preparation in-between meetings. The majority of Trustee communications between meetings are provided in electronic format and therefore it is necessary that the Director has access to a computer and has a degree of computer literacy.

### **5. Confidentiality**

Each Director will be required to sign a confidentiality agreement relating to business information disclosed by the Company. The Director will also need to agree to comply with the Taylor Wimpey plc Group-Wide Dealing Policy as all Trustee Directors are designated as 'insiders' for stock market purposes.

Each Director must respect the confidentiality of information obtained as a Director (including personal information regarding members and business information disclosed by the Principal Employer), and should seek guidance before disclosing information to third parties

Each Director should approach the duty to act in the interests of all Scheme beneficiaries without being influenced by any personal or professional interest. Each Director should declare to the Trustee Secretary or to the Chair any conflict of interest (however small) which they perceive they may have. It is not the role of a Director to represent the interests of any particular group or individual, such as the Company or pensioner members.

Each Director should act prudently, conscientiously, honestly and in good faith.

Each Director must inform the Trustee Secretary if they have been convicted of an offence involving dishonesty or deception (unless the conviction is already spent) or is or becomes bankrupt or disqualified from acting as a trustee or company director.