



July 2022

Would you like to be a Member Nominated Trustee Director of the Howden Joinery Pension Plan?

The term of office as Member Nominated Trustee Director ('MND') for Ian Arnold is due to end in September 2022. As this term is now due to expire, a nomination and selection process has to be run. This document explains the key elements of this process.

Occupational pension schemes in the UK, such as the Howden Joinery Pension Plan, are set up as trusts. This provides security for members' benefits by ensuring that the assets of the pension scheme are kept separate from those of the employer. The Plan has a sole corporate Trustee, a limited liability company called Howden Joinery Pension Plan Trustee Limited (the 'Trustee'). The Directors of the Trustee are known as the Trustee Directors. There is a statutory requirement that at least one third of the Trustee Directors have to be nominated by members under arrangements established by the Trustee.

The current composition of the Trustee board is as follows:

Company Appointed	Member Nominated
Independent Trustee Services Ltd - represented by Chris Martin (Independent Trustee) (Chairman)	Tony Cooper ^{*1} Charlie Nissen ^{*1} Ian Arnold ^{#2}
Emily Barker * Kathryn Coombe * Simon Gleadhill * Paul Jones *	# former employee of Company and Plan pensioner
*employee of the Company and in-service Deferred Plan member	¹ term of office expires 2025 ² term of office expires 2022

There is a statutory requirement that a minimum of one third of the Trustee board are MNDs.

The complexity and legal responsibility of the Trustee Director role has increased substantially in recent years, but if you are interested and think you are up to the task, we would like to hear from you. To help you, full information explaining the responsibilities of an MND, the commitment and qualities required for the role and the selection process are set out below. If you wish to apply the nomination form is also on the website, www.howdenjoinerypensions.co.uk, under the "News" section. If you require a paper copy, please contact the Pensions team using the contact details below.

The deadline for return of nomination forms is **19 August 2022**. The formal appointment of the MNDs will take place in September 2022, at the Trustee meeting.

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Howden Joinery Pension Plan - MND selection 2022

A Trustee Director's main duties are:

- to see that all members receive the benefits to which they are entitled on a timely basis
- to have sufficient knowledge and understanding of trust law, funding principles and investment principles to carry out their duties
- to be familiar with key Plan documents, such as the Trust Deed and Rules
- to appoint professional advisers to help with the running of the Plan. These advisers are there to give guidance to the Trustee Directors to help them carry out their duties. For instance the Trustee Directors have appointed Willis Towers Watson to carry out the administration of the members' benefits. The Trustee Directors' role is therefore to monitor the performance of those advisers.
- to ensure that the Plan complies with all statutory requirements
- to monitor the security of members' benefits and to ensure the Plan is adequately funded
- to ensure that the assets of the Plan are appropriately invested and held separately from those of the Company and that performance is regularly monitored
- to check that the correct amount of money is received by the Plan and that proper records are kept, showing what happens to it from year to year
- to make discretionary decisions in certain situations, such as when a member dies
- to ensure that members know about the benefits they are entitled to and understand how the Plan is run, through regular and timely communications

All of the Trustee Directors have the same responsibilities to the Plan (i.e. MNDs are subject to the same duties and responsibilities as company appointed Trustee Directors). In carrying out their duties, the Trustee Directors must act in the best interests of the members of the Plan. They must take account of the interests of the membership as a whole, and not just a particular part of it. Trustee Directors must act impartially, in line with the Plan documentation, prudently, responsibly and honestly.

How much time is involved?

The Trustee Directors usually meet four times a year, normally in London during office hours, though this could be more often depending upon Plan requirements. These are generally full day meetings. During the pandemic, meetings have been held via video conferencing. Candidates need to have access to the internet and the capability of attending meetings and training by video conference. A significant amount of reading is often necessary to prepare for meetings and time also needs to be set aside for training. Additional ad-hoc meetings may be held occasionally by video call on important matters such as Plan valuations. These may also involve email communications and, due to the subject matter, require swift turnaround times.

Trustee Directors are not paid, but expenses are met. Member Nominated Directors who are current employees are allowed time off to attend meetings and training sessions, although some personal time may also be required for preparation to ensure they play an effective role. The average time commitment is 8 to 12 days a year (in addition to attending meetings).

Some of the Directors are involved with sub-committees (for example dealing with investment and administration). This involves an additional time commitment.

Training

The Trustee Directors are at the heart of the decision-making process and make an important contribution to the success of the Plan. They need to know about the Plan and understand the basic principles of the framework within which it operates. Pensions is a complex area and therefore all Trustee Directors are given the opportunity to attend seminars and courses to help them extend their knowledge and keep up with developments in the pensions industry.

New Trustee Directors are expected to carry out the Pension Regulator's online training. Comprehensive training is made available to new Trustee Directors when they join the board and during their term of office. The Trustee Directors are also members of the Pensions Management Institute (PMI) Trustee Group who provide a monthly magazine and seminars twice a year to help keep Trustee Directors informed.

The Trustee Directors are also encouraged to ask questions of their fellow Directors and specialist professional advisers (including actuaries and lawyers) should they not understand something. Formal training should be supplemented by reading and going to events such as briefings organised by the Plan's professional advisers. The Plan will pay the cost of the training and out of pocket expenses.

Other skills

Individual Trustee Directors bring different personal qualities and experience to the role, contributing to the work of the Trustee Director in their own way. They all have one thing in common: a desire to see that the Plan is well run and to ensure that members' interests are protected. In addition to knowledge about pensions and awareness of their duties as a Trustee Director, successful candidates will be expected to have, or show a commitment and aptitude to acquire, important skills such as the ability to make judgements and decisions, the ability to work within a board and committee structure and the ability to communicate effectively.

Who is eligible for nomination to be a Trustee Director?

You must:

- be an in-service deferred member, or a pensioner member of the Plan
- be willing to dedicate yourself to ensuring that the Plan is run to high professional standards in compliance with the terms of the Trust Deed and Rules and statutory requirements
- not have been disqualified to act as a trustee (as an undischarged bankrupt or having been convicted of an offence involving dishonesty or deception)

The Nomination and Selection Process

- Candidates must complete the nomination form and questionnaire. Nominations will be accepted by email to: pensions@howdens.com
- The nomination form and questionnaire must be returned to the address given on the form by **19 August 2022**.
- All valid candidates will be considered for their suitability for appointment as Trustee Directors by a Selection Committee set up by the Trustee, which will include members of the Plan. The Selection Committee will meet even if there are only two nominees.
- The Selection Committee will review the nominees' questionnaires and will then produce a shortlist of nominees, who will be invited to attend individual interviews with the Selection Committee expected to be during late July or August.
- Following the interviews, the Selection Committee will decide whether to appoint any of the nominees as MNDs.
- The term of office for an MND selected through this process is four years.
- If, following the selection process, a vacancy remains, the nomination and selection process will be run again, starting within 12 months of the conclusion of the previous process. The Trustee board will continue to conduct business as usual in the meantime through the Trustee Directors currently serving.
- When the Selection Committee makes its final choice, it may also identify one or more reserve candidates from among the nominations. If a vacancy for an MND arises before the next nomination and selection process is run then a reserve candidate may be appointed to fill the vacancy.
- The Trustee will inform all members of the outcome of the selection process and, if the nomination and selection process is to be re-run, this will also be announced.