



## Mowi Scotland Pension Scheme

# Could you be a Member Nominated Trustee Director?

October 2021

# What is a Member Nominated Trustee Director (MNT)?

Most occupational pension schemes in the UK, including the Mowi Scotland Pension Scheme (the Scheme), are set up as trusts. This provides security for the members' benefits by ensuring the assets of the pension scheme are kept separate from those of Mowi. It also means that the Scheme can take advantage of certain tax allowances.

A Trustee is a person or company, acting separately from the employer, who through a Trust Deed holds the pension scheme assets for the benefit of the scheme members.

The Trustee Board is currently comprised 4 Trustees:

- ProPensions Ltd – an Independent Trustee company represented by Mike Kennedy – the Chairman appointed by Mowi
- Jackie Hail – a Member Nominated Trustee
- Lorraine Thompson – a Company appointed Trustee
- Paul Morris – a Company appointed Trustee

The trustees nominated by members play an important role in the operation of the Scheme as they act as a link between the Trustee Board and the members.

# Could you be an MNT?

## *How would you like to take a more active role in the management of your Scheme?*

Jackie Hail's three year term of office will expire soon. Jackie has agreed to stand again as a Member Nominated Trustee Director. There is also a further vacancy for a MNT who is needed to help run the Scheme.

As a first step, members are invited to nominate candidates (either themselves or other Scheme members) for election to the Trustee Board.

Full details of how to do this can be found at the back of this booklet, along with the nomination form.

Each MNT must separate his or her duties and responsibilities as a Trustee from their position as a member of the Scheme and as a current or former employee of Mowi.

Furthermore, all classes of beneficiary – active members, pensioners, members with a deferred pension entitlement and dependants receiving benefits – must be treated fairly.

It is not the role of a Trustee to represent the interests of any particular individual or group of members. In addition, consideration should be given to the views of Mowi, which funds the Scheme.

# What are the MNT's duties?

*The role of a Trustee is an extremely important one which carries with it a great deal of responsibility. The main duties can be summarised as follows:*

- to check that the correct amount of money is received by the Scheme and that proper records are kept, showing what happens from year to year
- to see that all members receive the benefits to which they are entitled on a timely basis
- to ensure that the assets of the Scheme are invested and held securely and separate from those of Mowi
- to be familiar with key Scheme documents, such as the Trust Deed and Rules and Scheme literature aimed at members
- to exercise discretionary powers in certain situations, such as in the distribution of lump sum death benefits
- 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, funding and investment principles to carry out their duties properly
- to ensure that the Scheme complies with all statutory requirements
- to appoint professional advisers to help with the running of the Scheme
- to monitor the security of members' benefits and to ensure the Scheme is adequately funded

# How much time is involved?

The Trustee Board normally meets 4-5 times a year. These meetings are usually held at Mowi's offices or, more recently, by videoconference. Trustees are also required to devote time to occasional pension scheme issues as they arise and further time needs to be set aside for training. Additionally, we encourage all Trustees to complete the Pensions Regulator's Online Trustee Toolkit within six months of being appointed.

## Are MNTs paid?

MNTs are not paid but reasonable travelling expenses are met by Mowi.

MNTs who are in Mowi's employment are given reasonable paid time off from their normal work to perform their duties as an MNT and to undergo relevant Trustee training, but must accept that a commitment of their own time may also be necessary to carry out the role.

## How long does an MNT serve?

The term of appointment is three years, and on completion of this term they may re-apply to serve another three-year term.

MNTs can only be removed from their position during a term of office with the unanimous agreement of the other Trustees.

# Trustee Knowledge and Understanding

*Trustees are at the heart of the decision-making process and the management of the Scheme.*

## Ongoing training

Appropriate training will be provided to new Trustees when they join the Board and during their term of office. They are also well supported by specialist advisers including actuaries, lawyers and investment managers and by the Scheme administrators.

Pensions are a complex area and the 2004 Pensions Act requirements set out the level of Trustee knowledge needed. The Code of Practice specifies that new Trustees should have reached this level within six months of their appointment. Much of the training is provided on a bespoke basis by our advisers and consultants. Trustees are also encouraged to complete the Pensions Regulator's Online Trustee Toolkit, within six months of their appointment.

Individuals are also encouraged to ask questions of their fellow Trustees and their advisers should they not understand something. Formal training should be supplemented by reading and going to pensions seminars.

Further guidance on the role of a Trustee can be found on the Pensions Regulator's website at:

[www.thepensionsregulator.gov.uk/Trustees](http://www.thepensionsregulator.gov.uk/Trustees)

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# Investment decisions

*The members of the Scheme place their trust in the Trustees to look after the financial assets that are expected to provide their pensions and other benefits.*

Trustees should act prudently, conscientiously and honestly, and should be aware of the basic requirements of relevant financial services legislation. The Trustee Board is responsible for the overall investment strategy of the Scheme, but has delegated implementation of the strategy to the Scheme's investment managers to manage the assets on a day-to-day basis.

The investment managers have to operate within guidelines laid down in the Statement of Investment Principles, a formal document setting out the Scheme's investment strategy.

Although everyday investment decisions are made by others, the Trustees still have overall responsibility for the investment strategy, monitoring progress and making sure the managers are suitable persons to carry out the task effectively.

Trustees have to consider:

- the need to have a spread of investments to minimise risk
- the suitability of investments to the needs of the Scheme, both now and in the future
- the need to get appropriate professional advice before taking decisions.

# Discretionary powers

*The Trustees may be required to make decisions about benefits which are discretionary. For example, they may decide:*

- who will receive a dependant's pension
- who will receive lump sum death benefits
- whether an ill-health pension is granted

In taking these decisions, it is the responsibility of the Trustees to ask for and consider all the relevant information to help them make a decision. The Trustees are supported by their advisers to help assist in making member decisions.

The Scheme advisers also work with the Trustees to consider possible pension scam cases and work with members in these circumstances so that they are aware of the options available and potential risks.



# Support and Protection

Given the level of support and advice, the possibility of the Trustees incurring penalties should be remote.

The Scheme is a well run pension scheme with the support of Mowi and skilled advisers such as actuaries, lawyers and investment managers, as well as the Scheme administrator.

Trustees can be held personally liable for any loss if a breach of trust occurs as a result of their negligence or other breach of duty even after they have stepped down from the role. However, suitable measures are in place to protect Trustees in exercising their responsibilities.

Mowi's indemnity insurance policy provides a level of cover for Trustees against costs or liabilities when acting on behalf of the Scheme and against fines from the Pensions Regulator. This does not, however, cover wilful neglect, criminal conduct or fraud.

## A breach of Trust happens when:

- A Trustee does something which they are not authorised to do under the Trust Deed and Rules – unless agreed by the court or directed by the Pensions Regulator
- A Trustee fails to do something which he should have done under the Trust Deed and Rules
- A Trustee does not perform one or more of the duties he has under trust law or pensions legislation.

A breach of trust may occur unintentionally because of an administrative error, or through negligence, or fraudulent or dishonest behaviour. That is why it is important to have procedures in place for checking that those involved in running the Scheme are doing their jobs properly.

# Is anyone barred from being an MNT?

*Candidates are legally disqualified from being appointed if:*

- they have been convicted of any offence involving dishonesty or deception (unless the conviction has become spent)
- they are an undischarged bankrupt (termed sequestration under Scots Law)
- they are subject to a disqualification order

# The nomination and selection process

## Nominations

The Trustees are inviting nominations for both MNT positions. The new MNT may only be nominated by members of the Scheme currently in the service of Mowi and by pensioners.

Nominations must be made to the Secretary to the Trustees who is Jill Brown of XPS Pensions Group, using one of the methods set out at the end of this booklet.

A nominated person can either be a member who is still employed by Mowi, or a deferred or pensioner of the Scheme.

## Selection

Once the nominations have been received, if the number of nominees is more than the number of Member Nominated Trustee Directors required to be appointed, then a selection process will be carried out including an interview. If a ballot is then necessary, ballot papers will be issued by XPS Pensions Group to those entitled to vote.

In the event that the number of nominees is equal to or less than the number of Member Nominated Trustee Directors required to be appointed, then the nominees will be deemed to be appointed, and the above selection process will not be necessary.

XPS Pensions Group will send a written notice to the Trustees, to the successful nominees and the membership after the closing date for nominations.

# Mowi Scotland Pension Scheme

## Nomination form for a Member Nominated Trustee Director

### By post

Fill out the form below and post it to:

Jill Brown  
XPS Pensions Group  
Cote House  
The Promenade  
Clifton  
BS8 3NG

by 22 October 2021

Name of the nominee \_\_\_\_\_

### To be completed by the nominee:

I consent to being nominated as a Member Nominated Trustee Director.

Signed \_\_\_\_\_ Date \_\_\_\_\_

### To be completed by the person making the nomination:

I propose the person named above as a nominee for the office of Member Nominated Trustee. I confirm that I am a Scheme member in the service of Mowi, deferred or pensioner member of the Scheme.

Signed \_\_\_\_\_ Name \_\_\_\_\_ Date \_\_\_\_\_

## By email

Send your nomination to [jill.brown@xpsgroup.com](mailto:jill.brown@xpsgroup.com) by 22 October 2021

Please include:

Your full name

The full name of your nominee and their email address

For the avoidance of doubt, any email addresses provided will only be used by XPS Pensions Group to check on the willingness of the nominee to your nomination. Once this has been done, they will be deleted and not used for any other purpose.