

The Role of a Trustee Director of the Avon Rubber Retirement and Death Benefits Plan

What is a Trust/Trustee Director?

The Plan is set up as a trust. A trust is an arrangement under which a Trustee (in this case a corporate trustee, Avon Rubber Pension Trust Limited) holds the assets of the trust for the benefit of the members of the Plan. It is the Trustee Directors' role to administer the Plan and pay benefits, making use of professional advisers and administrators where necessary.

The Trustee Directors administer the Plan in accordance with legal documents which contain the framework of the Plan, including the Trustee Directors' powers and duties. They also set out the rights and interests of the members.

There is no distinction in terms of powers and duties between Company Nominated Trustee Directors and Member Nominated Trustee Directors.

Trustee Director Duties

Trustee Directors are under a variety of statutory duties set out in the Pensions Act 2004. One of the most important of these is the duty to act impartially at all times in the interest of all members under the Plan and not merely in the interests of a particular class of members.

The duties require Trustee Directors, amongst other things, to:

- maintain strict confidentiality at all times
- regularly attend and provide a valid contribution to Trustee meetings
- act in good faith and prudently
- ensure DC Section members have an appropriate range of funds to invest in
- ensure the correct and timely payment of contributions from employees and employers
- communicate information to members and other interested parties
- ensure that benefits are paid to members in accordance with the Plan Rules and law
- be conversant with the Plan Rules
- know and understand the law relating to pensions and trusts, as well as general funding principles
- invest the Plan's DB Section funds appropriately and in a timely manner
- keep up to date with relevant issues through regular training
- keep appropriate records at both a member and Plan level
- take appropriate advice from authorised advisers
- negotiate funding arrangements with Avon Protection p.l.c.

Each Member Nominated Trustee usually serves a term of four years.

There are a range of civil and criminal penalties which may apply to Trustee Directors who fail in the exercise of their duties, although the Plan has professional indemnity insurance for the Trustee Directors. The Pensions Regulator is empowered to act swiftly to protect members' interests where the Trustee Directors do not meet their legal obligations.

The Pensions Regulator has put in place knowledge and understanding requirements for all Trustee Directors to familiarise themselves with and this is a statutory obligation.

Meetings and Training

Regular Trustee meetings are held during which decisions in relation to the administration of the Plan are made. All Trustees are expected to attend these meetings and to spend time on Trustee business between meetings where

necessary. We usually meet formally at least four times each year with our specialist advisers in attendance but for certain projects a subset of the Trustee Board may form sub-committees or working parties.

Trustee training on various topics is provided by the Plan's advisers. Trustee Directors will be expected to undergo training, including completion of the Pensions Regulator's online training (accessed via www.trusteetoolkit.com) in order to comply with the trustee knowledge and understanding requirements. We usually expect this toolkit to be completed within 6 months of taking on a Trustee role.

If employed by Avon, the selected MNDs will be given sufficient time off from their normal duties to undertake appropriate training.

Please note . . .

Being a Trustee Director is a responsible post subject to a high degree of regulation. Whilst the Plan is managed professionally with the help of advisers, ultimately if a Trustee Director does not comply with the relevant laws, this may lead to a criminal offence being committed and the Trustee Director involved may be fined or prosecuted.

Please remember that if you become a Trustee Director you would be representing all members and beneficiaries of the Plan and not just your colleagues/friends.

Conditions for standing as a Trustee

You must be over 18, and a member of the Plan before applying.

There are also rules in place to make sure that trustees are fit to carry out the role. So, you cannot put yourself forward if:

- You are disqualified from being a company director
- You are suspended, banned or disqualified from being a pension scheme trustee
- You have any 'unspent' convictions for financial crime, such as theft or fraud ('Unspent' means that they still appear on your criminal record.)
- You are personally insolvent (for example, if you are going through bankruptcy)

Questions?

This document summarises the main responsibilities of a Trustee but for a more in depth look at the Trustee role, visit the Pensions Regulator's website:

[Understanding your role | The Pensions Regulator](#)