

MEMBER-NOMINATED DIRECTORS (MNDs)

SUMMARY OF THE SCHEME'S MND ARRANGEMENTS

INTRODUCTION

The role of an MND is a challenging and responsible one, requiring considerable dedication, honesty and integrity.

An MND may claim expenses properly incurred (i.e. agreed in advance and aligned with YBS' Expenses Policy) in carrying out their duties and may, at the discretion of the Society, receive a payment in recognition of their services of such an amount as may be determined by the Society in accordance with any policy in place from time to time.

Meetings of the Trustee Directors are held regularly (there are currently five meetings per year) and are usually held within the hours of normal working day.

The Trustee Company (acting by its Trustee Directors) is responsible for the management of the Scheme and the payment of benefits. For that purpose Trustee Directors call upon the assistance of professional advisers and investment managers. The duty of the Trustee Company (via its Trustee Directors) is to administer the Scheme in accordance with the Trust Deed and Rules and all other governing documentation.

The enclosed document sets out what is involved in becoming a Trustee Director. A more detailed document has been produced by the Pensions Regulator called "Guidance for Trustees". It can be obtained from the Pensions Regulator's website at: www.thepensionsregulator.gov.uk.

ELIGIBILITY OF MNDS

The following members of the Scheme are eligible to be nominated as an MND:

- All members of the Scheme, whether Active or Deferred, who are current employees of the Society; or
- Members who are currently in receipt of a pension from the DB Section of the Scheme.

In addition, an individual nominated for an MND position must:

- Not have been disqualified from acting as a company director;
- Not have been declared bankrupt or disqualified as a trustee;
- Not have been convicted of dishonesty or deception; and
- Be aged at least 18 years old.

The Trustee Directors reserve the right not to accept a nomination if it honestly and reasonably believes that such a nominee would not be in the best interests of the Scheme's membership as a whole.

TRUSTEE COMPANY ARRANGEMENTS

Under the arrangements the following will apply:

- the intention is to have seven Trustee Directors in total. Three will be selected by the members and the balance will be nominated by the Society (one of whom may be a professional independent trustee).

- This process will be reviewed by the Trustee Directors every three years or at such other time as they decide is appropriate.
- MNDs will generally be appointed for an initial three year term which, subject to the approval of the other Trustee Directors, will be extended for a further three year term. At the end of that term they will be eligible for re-selection.
- If the MND is not re-selected at the end of the term, he or she will cease to be eligible and will be removed as a Trustee Director.
- An MND's appointment will cease if he or she ceases to be a member of the Scheme or ceases to be employed by the Society and is not in receipt of their pension.
- An MND may resign at any time by providing one month's written notice.
- An MND may be removed by the Society with the unanimous agreement of the remaining Trustee Directors or where he or she is disqualified from acting as a pension scheme trustee (under section 29 of the Pensions Act 1995) during the term of appointment.
- The nomination process to replace an MND will ordinarily follow within six months or as soon as practicable thereafter in order to find a replacement.
- An MND, where employed by the Society, will be given appropriate time off work within normal business hours to attend Trustee Director meetings and any required training courses. An MND will receive out-of-pocket/travel expenses.
- The role of the MND is exactly the same as the role of a Trustee Director nominated and appointed by the Society. Each Trustee Director is required to act in the best interests of the Scheme's membership as a whole.

NOMINATION AND SELECTION PROCESS

If you are interested in becoming an MND, you should complete and sign the enclosed nomination form and arrange for the document to be seconded by two other Eligible Members of the Scheme. You will also need to complete and sign a Trustee Director Declaration. Both forms should then be returned to the address shown by **6 January 2025** (inclusive). Please refer to the section (below) entitled Nomination Process for Member Nominated Directors for more details.

Subject to the Trustee Director's right not to accept a nomination (as described above), if there is just one nomination, a nominee will automatically be appointed as an MND and you will be informed of the name of the Trustee Company's new MND. If no nominations are received then the unfilled MND position will remain vacant. The Scheme will then arrange for the nomination process to be re-run in 12 months' time. If no nominations are received at the re-run of the process, the nomination and selection process will then be repeated at reasonable intervals until the vacancy is filled.

If there is more than one nomination then a selection committee (consisting of some of the current Trustee Directors (excluding any MNDs standing for re-election) and which includes member representation will be appointed to select the MND to fill the MND vacancy. In selecting the MND, the selection committee will adhere to the principles of fairness, transparency and proportionality – please refer to the document entitled Selection Process for more details. Once the selection process is completed, all members and the Society (as the Principal Employer) will be informed of the name of the Scheme's new MND.