



Alexander Forbes

TRUSTEE SERVICES

Trustee Knowledge and Understanding *Questionnaire*

This questionnaire should be completed by company and member nominated trustees for a free 'TKU Healthcheck'.

A guiding light through the pensions maze

Trustee Knowledge and Understanding Questionnaire

Introduction

"The Pensions Act 2004 (sections 247-249) requires trustees to have knowledge and understanding of the law relating to pensions and trusts and the principles relating to the funding of occupational pension schemes and the investment of scheme assets. Trustees are also required to be conversant with their own scheme's policy documents. (The Regulator has taken the phrase 'conversant with' to mean having a working knowledge of those documents such that the trustees are able to use them effectively when carrying out their duties as a trustee.)"

Taken from The Pensions Regulator website.

The new standard is effective from 6 April 2006 and Trustees must be able to demonstrate that they have understanding, knowledge and conversance from that date. To help Trustees understand what this means, The Pensions Regulator has issued a consultation Code of Practice on Trustee Knowledge and Understanding and guidance on these new requirements. Not all trustees will have reached this required standard in all areas and it is therefore important to take immediate action.

What Can I Do Next?

The Pensions Regulator will expect trustees to have assessed their current knowledge. This questionnaire has been designed to help you to identify your current level of knowledge and to identify where there may be gaps. A training plan will be drafted specifically designed to address these priority needs.

Completing the Questionnaire

Please remember that this is not a test and that you should answer the questions as accurately and honestly as you can! You and your fellow trustees are all likely to have differing experience and knowledge – the questionnaire is to help assess your own personal development/training needs. Please assess your knowledge and understanding of each aspect, by ticking the appropriate box, against the following scale:

| | | |
|---|--------------|---|
| 1 | No knowledge | No knowledge or exposure to the issues |
| 2 | Poor | Minimal knowledge or exposure to the issues |
| 3 | Slight | Some knowledge or exposure to the issues |
| 4 | Good | Reasonable level of knowledge/competence |
| 5 | Thorough | Fully competent to a high level of detail |

Some issues only apply to certain types of pension scheme. If a section does not apply to your scheme, tick the box headed 'N/A'. If in doubt check with your pensions adviser. Send your completed questionnaire to us at:

Alexander Forbes Trustee Services Limited, 6th Floor, Market Square House, St James's Street, Nottingham NG1 6FG.
If you have any questions, please call or email Louise Cottam MPML on 0115 948 7047 or Cottaml@forbes.co.uk

What Happens Next?

Your responses to the questionnaire will then be analysed and a report produced highlighting the areas where training is required. The report will include a suggested programme made up of blocks of training targeting the priority areas.

This training can be provided exclusively to your trustee board, either at your premises or at a convenient Alexander Forbes office; or at 'open enrolment' sessions to be held at various locations in the UK. Please discuss your requirements with your pensions adviser.

There is no charge made for the analysis of the questionnaires or the report.

About you

Please enter your details:

Your Name

Contact Address

Pension Scheme to which you are a Trustee

Type of pension scheme to which you are a Trustee
Please indicate the appropriate option:

Contracted in money purchase

Other, please list

Contracted out money purchase

Master Trust

Final salary

Defined benefit (other)

Hybrid

Length of Time as a Trustee of the Scheme
(years and months)

Type of Trustee
(e.g Company or Member Nominated)

Position in the Company

Any formal trustee training in the last 3 years
(Please provide details below)

Please use the space below to provide any other information you feel may be relevant.

SECTION ONE - The Law Relating to Trust

| | | | | | |
|-------|--------|--------|----------|--------|------------|
| SCALE | 1 None | 2 Poor | 3 Slight | 4 Good | 5 Thorough |
|-------|--------|--------|----------|--------|------------|

1.1) I am confident that I understand my duties and responsibilities as a trustee

| This includes: | 1 | 2 | 3 | 4 | 5 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| • The requirement that I am fit and proper for the role | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • The implications of the individual and personal nature of the trustee role with regard to duties and responsibilities | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Understand my responsibilities when taking / ceasing to hold office | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Understand the ongoing responsibility for my actions and decisions whilst a trustee | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Understand the responsibility to act prudently when investing funds on behalf of members | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Understand how to operate the scheme in accordance with the trust deed and rules | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Understand how to delegate powers whilst retaining responsibility | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Understand the protections offered to trustees | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

1.2) I am confident that I understand the concept of a 'trust'

| This includes: | 1 | 2 | 3 | 4 | 5 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| • The legal nature of a trust and the relationship of the trustees, employer and the beneficiaries and potential beneficiaries of the trust | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • The fiduciary duties of a trustee and the standard of care required for the fulfilment of those duties | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Understanding, recognising and managing conflicts of interest | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

1.3) I am confident that I understand the overall structure for managing the trust and the scheme

| This includes: | 1 | 2 | 3 | 4 | 5 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| • Understanding the need for professional advice in decision making | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Know the role, responsibilities and accountabilities of advisers and suppliers to the scheme | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • If the circumstance of the employer changes, understanding the potential impact on the scheme | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Understand the role of internal and external auditors | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Understand the importance of service delivery for administration services | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Understand how to identify risks, controls and implement contingency plans | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

SECTION TWO - The Law Relating to Pensions

| | | | | | |
|-------|---------------|---------------|-----------------|---------------|-------------------|
| SCALE | 1 None | 2 Poor | 3 Slight | 4 Good | 5 Thorough |
|-------|---------------|---------------|-----------------|---------------|-------------------|

2.1) I am confident that I understand the key provisions of the regulatory framework governing schemes

This includes:

- The role and powers of the Pensions Regulator including Codes of Practice and guidance
- The legislation applicable to occupational pension schemes
- The impact of other legislation on scheme management e.g Data Protection
- Know the key aspects of dispute resolution
- Know the tax privileges and requirements as they affect schemes and benefits
- Understand how benefits from the scheme fit with state pension provision

| | 1 | 2 | 3 | 4 | 5 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| • The role and powers of the Pensions Regulator including Codes of Practice and guidance | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • The legislation applicable to occupational pension schemes | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • The impact of other legislation on scheme management e.g Data Protection | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Know the key aspects of dispute resolution | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Know the tax privileges and requirements as they affect schemes and benefits | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Understand how benefits from the scheme fit with state pension provision | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

SECTION THREE - Investment

| | | | | | |
|-------|---------------|---------------|-----------------|---------------|-------------------|
| SCALE | 1 None | 2 Poor | 3 Slight | 4 Good | 5 Thorough |
|-------|---------------|---------------|-----------------|---------------|-------------------|

3.1) I am confident that I understand the different types of asset class available for investment and their characteristics

This includes:

- I am confident that I understand how capital markets work
- I am confident that I understand the major asset classes and their characteristics
- I am confident that I understand the implications of overseas management
- I am confident that I know of the existence of specialised asset classes and techniques
- I am confident that I understand the concept of risk versus reward
- The method used to record the scheme's assets in the Company's balance sheets
- With profits investments, how they work and their advantages and disadvantages

| | 1 | 2 | 3 | 4 | 5 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| • I am confident that I understand how capital markets work | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • I am confident that I understand the major asset classes and their characteristics | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • I am confident that I understand the implications of overseas management | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • I am confident that I know of the existence of specialised asset classes and techniques | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • I am confident that I understand the concept of risk versus reward | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • The method used to record the scheme's assets in the Company's balance sheets | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • With profits investments, how they work and their advantages and disadvantages | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

SECTION FOUR - Defined Benefit (DB) arrangements – Funding, Controls and Investment

Section N/A

| | | | | | |
|-------|--------|--------|----------|--------|------------|
| SCALE | 1 None | 2 Poor | 3 Slight | 4 Good | 5 Thorough |
|-------|--------|--------|----------|--------|------------|

4.1) I am confident that I understand how a defined benefit scheme is funded

| This includes: | 1 | 2 | 3 | 4 | 5 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| • The nature of the employer’s funding obligation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Know the importance of being aware of the employer’s business and its risk exposure | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Know how the scheme’s liabilities are valued | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Know how the funding targets are set in relation to the underlying liabilities of the scheme | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Know the powers of the trustee in relation to funding | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Know that exercising trustee discretions can have a financial and reputational impact on the scheme | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

4.2) I am confident that I understand the potential risks to the scheme

| This includes: | 1 | 2 | 3 | 4 | 5 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| • Financial (e.g. instability of employer) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Reputation (e.g. bad publicity in respect of the pension scheme) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Operational (e.g. benefits mispaid) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Strategic (e.g. investment strategy does not match liabilities) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Hazard (e.g. all records destroyed in a fire) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • I am confident that I know the implications of transfers and bulk transfers in and out of the scheme | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • I am confident that I understand additional pension funding available to employees | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

4.3) I am confident that I understand the principles relating to the funding of occupational Defined Benefit schemes and the way in which contribution levels are dependent upon the funding of the scheme

| This includes: | 1 | 2 | 3 | 4 | 5 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| • I understand the assumptions underlying the contribution calculations | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • I understand why professional advice is needed on funding, its nature and status and how it is provided | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • I understand funding deficits | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • I understand the requirements for managing disagreements on funding deficits | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • I understand the different ways of valuing assets in the scheme’s actuarial report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

| | | | | | |
|-------|---------------|---------------|-----------------|---------------|-------------------|
| SCALE | 1 None | 2 Poor | 3 Slight | 4 Good | 5 Thorough |
|-------|---------------|---------------|-----------------|---------------|-------------------|

4.4) I am confident that I understand the principles of strategic asset allocation

This includes:

| | 1 | 2 | 3 | 4 | 5 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| • The process behind deciding on a particular strategic asset allocation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • How asset allocations are chosen to reflect objectives for a scheme's funding strategy | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • What events would prompt a review of asset allocation decisions | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

4.5) I am confident that I understand the Statement of Funding Principles (SFP)

This includes:

| | 1 | 2 | 3 | 4 | 5 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| • Who is responsible for producing the SFP and when it is reviewed | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Understand the scheme's Statutory Funding Objective (SFO) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Understand the contents of the SFP | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Understand the purpose of the Schedule of Contributions | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Understand the purpose of a recovery plan where the SFO is not met | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

SECTION FIVE - Funding and Investment – Defined Contribution (DC) arrangements (including AVCs)

Section N/A

| | | | | | |
|-------|---------------|---------------|-----------------|---------------|-------------------|
| SCALE | 1 None | 2 Poor | 3 Slight | 4 Good | 5 Thorough |
|-------|---------------|---------------|-----------------|---------------|-------------------|

5.1) I am confident that I understand how defined contribution (DC)/AVC schemes are funded

This includes:

| | 1 | 2 | 3 | 4 | 5 |
|---------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| • The risks borne by the members | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • The implications of contracting out | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

5.2) I am confident that I understand the investment choices available under a DC/AVC scheme

| This includes: | 1 | 2 | 3 | 4 | 5 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| • The factors influencing trustee investment strategy | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • The rationale for the investment choices available to the members | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • The administration procedures specific to a DC/ AVC scheme | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • The responsibilities of the trustees in relation to effective administration | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • The risks to members | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

SECTION SIX - Fund Management Defined Benefit (DB) and Defined Contribution (DC) arrangements

SCALE 1 None 2 Poor 3 Slight 4 Good 5 Thorough

6.1) I am confident that I understand the principles of fund management and how performance can be measured

| This includes: | 1 | 2 | 3 | 4 | 5 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| • Know the investment considerations in meeting the provisions of the Statement of Investment Principles (SIP) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Know about measuring performance including the use of indices | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Know the implications of the ownership of assets | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Understand the structure of investment portfolios | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Understand the process of selecting fund managers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Know how to maintain adequate continuing review of investment arrangements | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

SECTION SEVEN - Scheme's Trust Deed and Rules

| | | | | | |
|-------|--------|--------|----------|--------|------------|
| SCALE | 1 None | 2 Poor | 3 Slight | 4 Good | 5 Thorough |
|-------|--------|--------|----------|--------|------------|

7.1) I am confident that I understand the principles contained in the scheme's trust deed and rules

This includes:

- The balance of power between employer and Trustees
- Know the classes of members in the scheme
- Know what benefits are payable when
- Know the duties, powers and discretions of trustees
- Know how and when the Trust Deed and Rules may be altered
- Know how trustees are appointed and removed
- Power of delegation
- Investment powers
- Powers to terminate/wind up the scheme

| | 1 | 2 | 3 | 4 | 5 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| • The balance of power between employer and Trustees | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Know the classes of members in the scheme | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Know what benefits are payable when | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Know the duties, powers and discretions of trustees | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Know how and when the Trust Deed and Rules may be altered | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Know how trustees are appointed and removed | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Power of delegation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Investment powers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Powers to terminate/wind up the scheme | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

SECTION EIGHT - Statement of Investment Principles (SIP)

| | | | | | |
|-------|--------|--------|----------|--------|------------|
| SCALE | 1 None | 2 Poor | 3 Slight | 4 Good | 5 Thorough |
|-------|--------|--------|----------|--------|------------|

8.1) I am confident that I understand the strategy included in the SIP

This includes:

- Who is responsible for the scheme's investment strategy
- What the investment objectives are and the reasons for them
- Understand the asset allocation strategy
- Understand the mandates given to the fund managers
- Understand the fee structures
- The type of investments undertaken
- Understand the stance taken in respect of socially responsible investment and corporate governance

| | 1 | 2 | 3 | 4 | 5 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| • Who is responsible for the scheme's investment strategy | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • What the investment objectives are and the reasons for them | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Understand the asset allocation strategy | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Understand the mandates given to the fund managers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Understand the fee structures | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • The type of investments undertaken | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Understand the stance taken in respect of socially responsible investment and corporate governance | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

SECTION NINE - Other Relevant Scheme Documents

| | | | | | |
|-------|---------------|---------------|-----------------|---------------|-------------------|
| SCALE | 1 None | 2 Poor | 3 Slight | 4 Good | 5 Thorough |
|-------|---------------|---------------|-----------------|---------------|-------------------|

9.1) I am confident that I understand the principles contained in other scheme documentation

This includes:

| | 1 | 2 | 3 | 4 | 5 |
|---|------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| • The scheme's booklet announcements and other member communications | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • The principal contents of the Actuarial valuation and advice | <input type="checkbox"/> N/A | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Meeting minutes : their importance and decisions recorded in them | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Principal contents of annual report and accounts | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • The principal terms of any significant insurance policy | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • The principal terms/contracts and agreements with advisers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Trustee approval procedures e.g. Internal Dispute Resolution Procedure, appointment of Trustees and Chairperson | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Know the terms of reference for any sub committee (if applicable) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Know the principal contents of the Memorandum and Articles of the Corporate Trustee | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Principal elements and features of the scheme business plan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Know where all the original scheme documents are kept and arrangements for safekeeping custody and access | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

SECTION TEN - Management of the Scheme

| | | | | | |
|-------|---------------|---------------|-----------------|---------------|-------------------|
| SCALE | 1 None | 2 Poor | 3 Slight | 4 Good | 5 Thorough |
|-------|---------------|---------------|-----------------|---------------|-------------------|

10.1) I am confident that I know and understand how to ensure 'best practice' is adopted in the running and management of the scheme

This includes:

| | 1 | 2 | 3 | 4 | 5 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| • The conduct of Trustee meetings | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Collection and investment of contributions | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Internal risk controls | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Arrangements for the Appointment of Member Nominated Trustees / Member Nominated Directors | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Notification and whistleblowing | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Compliance with the Myners Principles | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • 'A' day requirements | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Member communication | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Record Keeping | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Disclosure of Information | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Annual Report and Accounts | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |



Alexander Forbes

TRUSTEE SERVICES

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