

# **STMicroelectronics (Bristol) Retirement Benefit Scheme ("the Scheme")**

## **Member Nominated Trustee Directors: December 2021**

**To: All members of the Scheme**

### **Introduction**

This notice concerns the selection and appointment of Member Nominated Trustee Directors ("MNDs") to the board of the Scheme's Trustee Company. Set out below is:

- An explanation of the arrangements that the Trustee has put in place for nominating and selecting MNDs; and
- A request for nominations for one MND position.

The Trustee Directors have previously reviewed the MND selection process against the statutory requirements and Pensions Regulator's Code of Practice. Trustees are required to act in accordance with the principles of proportionality, fairness and transparency when setting an MND selection process.

The current selection approach involves the remaining Trustee Directors acting as an appointment sub-committee to select an individual from the nominated candidates. The selection process is aided by an independent legal adviser. Each Trustee Director, whether Company Appointed or Member Nominated, is appointed to represent Scheme members. The party that they are appointed by does not affect this role.

This notice confirms in detail the Trustee's policy for receiving nominations for a Member Nominated Trustee Director and the appointment process.

Nomination forms should be returned no later than **Friday 28 January 2022**.

**For and on behalf of STMicroelectronics (Bristol) Pension Trust Ltd**

**December 2021**

## **STMicroelectronics (Bristol) Retirement Benefit Scheme ("the Scheme")**

### **Member Nominated Trustee Directors: December 2021**

#### **The requirement for member-nominated trustee directors**

Under the provisions of the Pensions Act 2004 there are a number of requirements relating to member-nominated trustee directors. The Scheme's current trustee arrangements fully comply with the requirements of the Pensions Act 2004.

Note that the Pensions Act 2004 requires that a pension scheme should have at least one third of trustees selected by members. The Scheme has a policy of having a Trustee board where half of the trustees are selected by members. This therefore exceeds the statutory requirements.

#### **The current arrangements**

The Scheme is currently run by its Trustee Company, the STMicroelectronics (Bristol) Pension Trust Ltd ("the Trustee"). The Trustee is in turn run by six Trustee Directors: three of whom are appointed by the sponsoring Company, STMicroelectronics (Research & Development) Limited ("the Company") and three of whom are member nominated. The current Trustee Directors are:

Jonathan Edwards	<i>Company Appointed</i>
Dalriada Trustees Limited	<i>Company Appointed – represented by Greig McGuinness</i>
Maurizio Micale	<i>Company Appointed</i>
Jonathan Frosdick	<i>Member Nominated (current term ending on 31 October 2023)</i>
Rick Chapman	<i>Member Nominated (current term ending on 31 May 2024)</i>
Ian Pearson	<i>Member Nominated (current term extended to February 2022)</i>

The Trustee is responsible for selecting the Chairman of the Trustee board. Jonathan Edwards is the current Chairman of the Trustee board.

The MNDs are each appointed for a specified term, typically four years, although they may stand for re-election at the end of their term if willing. In 2011, the Trustee agreed to stagger the terms of office for the three MNDs appointed at that time to ensure that three vacancies did not arise at the same time in the future.

Nominations for the position of Member Nominated Director were invited in August of this year as Ian Pearson's term as a Member Nominated Director expired on 31 October 2021. No nominations were received for this position and therefore the Trustee is now reopening nominations from the membership for one MND.

## **The STMicroelectronics Limited Pension Scheme (the “Marlow Scheme”)**

Over the summer, the Trustee Company was appointed to also become the Trustee to the Marlow Scheme (referred to collectively with the STMicroelectronics (Bristol) Retirement Benefit Scheme (the ‘Bristol Scheme’) of which you are a member as the “Schemes”).

The Schemes are separate Trusts and separate legal entities who have different legal sponsors within the ST Group. The Scheme of which you are a member is sponsored by STMicroelectronics (Research and Development) Limited, and the Marlow Scheme is sponsored by STMicroelectronics Limited.

The appointment of the Trustee Company as the Marlow Scheme Trustee means that Directors appointed to the Trustee Company would work with advisors to manage both Schemes separately. If selected to become a Director, the duties set out later in this document would apply the same in respect of each Scheme.

This change was at the request of the ST Group and the intention is that this can streamline the management of their two UK pension schemes to produce efficiency savings.

The Marlow Scheme is a significantly smaller scheme than the Bristol Scheme, with around 60 members and £5 million of assets under management. It is not expected that significant additional time will be required from the Trustee Board in order to meet its commitments in respect of the Marlow Scheme.

Following this change, this invitation for nominations is being made across both Schemes. The Trustee may review the MND process in light of this change in due course.

The Trustee is now inviting nominations from the memberships of both the Bristol and the Marlow Schemes for one MND. To become eligible for selection any potential MND must be nominated in accordance with the criteria in the arrangements described over page.

## The process for appointing MNDs

<b>Term of office</b>	The MNDs will serve for a period of up to four years from the date of their appointment.
<b>Eligibility</b>	Any member of the Schemes may be nominated. Please note that you may not serve as an MND if you have ever been convicted of an offence involving deception or dishonesty or are an undischarged bankrupt.
<b>Nomination support</b>	Nominations must have the agreement of the nominee and be supported by a proposer and seconder, both of whom must be a member of the Schemes.
<b>Selection</b>	<p><i>Fewer or equal nominations to vacancies</i></p> <p>If the number of nominations is less than or equal to the number of vacancies, the nominee will be deemed to be selected and their appointment will take effect as soon as is practicable after the closure of the nomination period.</p> <p>Where a vacancy is not filled because insufficient nominations are received, the nomination and selection process will be run again in one year's time, unless the Trustee decides to run it again earlier.</p> <p><i>More nominations than vacancies</i></p> <p>If there are more nominations than vacancies, at least one of the MND roles should be filled by a pensioner member and one of the MND roles filled by a deferred member, where at least one nomination has been received by the relevant category of members. Thereafter a selection process will be held by an appointment subcommittee of the Trustee Directors, which will include the Chairman of the Trustee board. The appointment subcommittee will include all current Trustee Directors who are not standing for re-election. The appointment subcommittee will seek support from the Trustee's legal adviser to ensure an independent opinion is obtained.</p> <p>The nominees may be required to attend a selection interview.</p> <p>If agreement cannot be reached, the Chairman of the Trustee board will have the deciding vote. The decision on the Trustee Directors to be appointed will take no longer than three months.</p>
<b>Voluntary removal</b>	<p>If an MND ceases to be a member of the Schemes, for example by transferring out or trivially commuting their benefits held in the Scheme, during their term of office, they will cease to act as an MND.</p> <p>In this instance, a replacement will be sought immediately by the same nomination and selection process above. If an MND resigns for any other reason, a replacement will also similarly be sought immediately.</p>
<b>Future vacancies</b>	If a vacancy for an MND position arises in the future, members will be notified and given a one month period to submit nominations to fill the vacancy, using the nomination procedure set out above. The replacement MND will also serve for a period of up to four years or such time as their earlier resignation.
<b>Re-election</b>	At the end of their term of office, MNDs may put themselves forward for re-election.
<b>Responsibility</b>	All Trustee Directors have equal functions and responsibility for the Scheme and are to act in the best interests of all the Scheme's members, whether member nominated or Company appointed.
<b>Involuntary removal</b>	The agreement of all the other Trustee Directors is required to remove a Trustee Director.

## **Becoming a trustee**

Pension scheme trustees have important responsibilities. The primary function of all Trustee Directors (both Company appointed and Member Nominated) is to look after the best interests of all members and other beneficiaries equally and ensure the Scheme can pay the promised benefits. The complex set of laws surrounding pension schemes make the job a difficult but ultimately rewarding one. You will be expected to gain a reasonable knowledge and understanding of pensions and trust law and the principles of funding and investment, and be conversant with the Scheme's documentation.

More details on the role of a pension scheme trustee can be found on the sheet attached to this form. In addition, further information can be found on the Pensions Regulator's website at: <http://www.thepensionsregulator.gov.uk/trustees.aspx>

Please note that the role of a pension scheme trustee is a voluntary and unpaid position. Albeit, with the agreement of the other Trustee Directors, an MND may claim reasonable out of pocket expenses for carrying out their duties in relation to the Scheme.

The amount of time involved in fulfilling a role as a Trustee Director of the Scheme is of the order of 8-10 days per year, of which 4-6 days are for meetings. Meetings are currently held online but it is intended these will return to being held in Bristol over 2022. The rest of the expected time would be for correspondence, preparation for meetings, dealing with decisions between meetings and other general responsibilities.

## **Making nominations**

As explained above, the Trustee is seeking nominations for one MND position. If you nominate someone to become an MND, it should be someone you believe meets the requirements for a Scheme Trustee Director.

If you wish to nominate a member for consideration as an MND, you must do so by 28 January 2022, by providing the requested information in the nomination form, via email to the Scheme at [STMPensions@isio.com](mailto:STMPensions@isio.com)

The Trustee will acknowledge receipt of the form and may ask for further information. The nominee will then either be appointed, or a decision will be made by the appointment subcommittee, as described above. If a selection interview is required it is anticipated that this will be held in February 2022.

We are requesting nominations by email. Any selection interviews may also be arranged over telephone or video conference.

We note that members may not be able travel and meet to obtain nominee and proposers signature on the same form. We therefore will accept a nominee making their application directly by email to the Scheme email address, [STMPensions@isio.com](mailto:STMPensions@isio.com), copying in their proposers. Their proposers should then confirm to the same email address that they accept to be the proposer for the nominee.

If you have any questions in connection with this matter you may also email us at [STMPensions@isio.com](mailto:STMPensions@isio.com) for further information.

**For and on behalf of STMicroelectronics (Bristol) Pension Trust Ltd  
December 2021**

## Duties of a Pension Scheme Trustee Director

All the Trustee Directors, whether appointed by the Company or the Scheme members, will have the same duties, powers and responsibilities.

Trustee Directors are responsible for ensuring that:

- The Scheme is administered properly, records maintained and benefits paid correctly and on time.
- Correct contributions are received on time and invested, where applicable.
- The Scheme's assets are managed and invested prudently.

In carrying out their duties, Trustee Directors are expected to:

- Act in the best interests of all the Scheme's members, whether member nominated or company appointed.
- Act prudently, conscientiously and honestly and with the utmost good faith.
- Make themselves familiar with the Trust Deed and Rules of the Scheme and act in accordance with these.
- Seek advice on technical matters and any other matters they do not understand.

**The Trustee Directors usually meet a minimum of four times a year. In addition to these meetings the Trustee Directors correspond regularly to review individual member cases, draft documentation and keep up to date with pensions issues.** The Trustee Directors obtain advice and administration services from Isio. This is an approach that is reviewed regularly by the Trustee Directors.

The Trustee Directors have a personal liability in respect of the Scheme and may be required to pay compensation in the event of negligence, dishonesty or fraud. They may also be required to pay fines in the event of a breach of the pensions regulations. Any fines must be paid from the Trustee Directors' personal assets rather than from the Scheme. To provide some protection for the Trustee Directors the Trustee has indemnity insurance in place that will indemnify the Trustee Directors from meeting such fines in many circumstances, although not in relation to fines for acts of negligence.

All Trustee Directors will be publicly listed with Companies House as directors of the Trustee Company.

## STMicroelectronics (Bristol) Retirement Benefit Scheme

### NOMINATION FORM FOR SELECTION OF A MEMBER NOMINATED TRUSTEE DIRECTOR

For the nomination to be considered valid, all parts of this form must be filled in, and the form must be returned to [STMPensions@isio.com](mailto:STMPensions@isio.com) by **28 January 2022**.

Members may not be able travel or meet at this time to collate signatures on this form. The nominee may therefore make their application directly by email to the Scheme email address above, copying in their proposers. Their proposers should then confirm to the same email address that they accept to be the proposer for the nominee.

#### To the Trustee of the STMicroelectronics (Bristol) Retirement Benefit Scheme and STMicroelectronics Limited Pension Scheme

We nominate the following to serve as a Member Nominated Trustee Director:

**Name of nominee** :

**Deferred or Pensioner member** :

**National Insurance Number of nominee** :

**Address of nominee** :

**Phone number of nominee** :

**Email of nominee** :

#### **Proposed by:**

Name of proposer :

National Insurance Number of proposer :

Signature of proposer :

Date :

#### **Seconded by:**

Name of seconder :

National Insurance Number of seconder :

Signature of seconder :

Date :

**Form continued over page**

# STMicroelectronics (Bristol) Retirement Benefit Scheme

## NOMINATION FORM FOR SELECTION OF A MEMBER NOMINATED TRUSTEE DIRECTOR

### Personal Statement

Please give a personal statement to support your nomination. This should state why you should be considered as a suitable candidate and include details of previous roles of responsibility held. You may use additional paper if required.

### Fit and Proper Declaration

I confirm that I:

- Have never been convicted of an offence involving deception or dishonesty
- Am not currently an undischarged bankrupt, nor have I entered into other voluntary arrangements with creditors
- Have not previously been disqualified from acting as a company director
- Do not have property in Scotland covered by a sequestration order
- Have not previously been prohibited or suspended from acting as a trustee
- Will act in the best interest of all members of the Scheme equally and deal with conflicts of interest appropriately

**Signature of nominee** :

**Date** :