

MARKS AND SPENCER PENSION TRUST LIMITED TRUSTEE DIRECTOR JOB SPECIFICATION

About the M&S Pension Scheme

The M&S Pension Scheme is a Defined Benefit scheme which closed to new members on 1 April 2002 and has assets currently worth almost £9 billion.

The membership statistics as at 30 June 2015 were:

Active members	11,580
Deferred members	50,951
Retired members	54,066

About the Trustee Board (the "Trustee" or "Board")

The Board has nine Trustee Directors:

- 1 Chair of Trustees – appointed by the Company
- 2 Independent Trustee Directors – with professional pensions backgrounds
- 3 Company appointed Trustee Directors
- 3 MNDs made up of active members (current employees) and retired members (already taking their benefits from the Scheme)

The Board usually meets at least six times a year. In addition to Board meetings Trustee Directors are elected to at least one Committee from the Investment Committee or the Management and Governance Committee, each of which meet at least four times a year. Other committees are set up from time-to-time. The role of each is set out below.

There are no executive directors but the Board is supported by an in-house team and advisers.

The Investment Committee

The Scheme assets are invested externally through a number of investment managers. The Investment Committee works with the Scheme's Investment Adviser in monitoring the performance of Investment Managers. The Committee considers the overall investment strategy and ensures that this is carried out in accordance with that agreed with the Trustee Board. The strategy is set out in the Scheme's Statement of Investment Principles (SIP), which is subject to consultation with the Company and reviewed as necessary.

The Management and Governance Committee

The administration and governance of the Scheme are very important to ensure that the day-to-day dealings with members are conducted in an appropriate manner. The Management and Governance Committee is responsible for the supervision of the operational aspects, as well as regulatory and governance issues.

Trustee job specification

General

Being a Trustee Director carries a significant amount of responsibility and it takes a lot of time to learn how the Scheme works and the legal framework within which it operates.

The role is to individually and collectively, with other Trustee Directors, ensure that the pension scheme is run properly (ensuring the right payment is paid to the right person at the right time) and that members' benefits are secure, acting in line with the Trust Deed and Rules and relevant laws and guidance.

Nominees should possess good, independent judgment, be confident enough to speak their mind and contribute to discussions, and challenge advice if necessary.

The role of a Trustee Director is rewarding but challenging. They are often faced with difficult decisions, as they attempt to balance the interests of various stakeholders and run the scheme in an ever-changing legislative environment. Trustee Directors are also responsible for ensuring that their scheme is adequately funded and for investing significant sums of money in increasingly complex investment strategies. Therefore, it is vital that they are familiar with investment markets and understand how to balance risk with key responsibilities.

Some of the activities carried out over the last 12 months are set out in Appendix A.

Skills and experience

- A thorough understanding of trusteeship, the management of pensions and the operation of the M&S Pension Scheme, including:
 - the law, duties, responsibilities and powers of a Trustee Director
 - the scheme, its design and benefit structure
 - the scheme funding arrangements
 - the importance and implications of the employer covenant, along with a good understanding of corporate financial matters
 - the services involved in the management of a pension scheme
 - the role of the advisers and the approach which the Scheme uses to assess their performance
 - the investment arrangements
 - scheme communication obligations
- Awareness of scheme documentation, including the Trust Deed and Rules, Business Plan, Report and Accounts, Statement of Investment Principles (SIP) and Summary Funding Statement.
- Previous experience of working as part of a decision making group, either on a Board or Committee in a business or voluntary environment.
- Ability to work as part of a team.
- Understanding of the pressures facing pension schemes today.

- Good interpersonal and communication skills.
- Knowledge and experience in some of the following:
 - Strategic decision making
 - Investment
 - Finance
 - HR policies and procedures
 - Business skills
 - Information technology
 - Communications
 - Administration
 - Customer Care
 - Governance
 - Legal
 - Management

Time and commitment

The time commitment of being a Trustee Director cannot be underestimated. Each Director is expected to attend all Trustee and Committee meetings. Attendance at training sessions is additional to this. Employees are given time to attend meetings within their contracted hours, subject to line manager approval at the point of application.

Computer skills

Trustee Directors are expected to have access to a computer and be able to use this to receive emails and access the Trustee SharePoint site. Board papers are delivered via an app which is available on the iPad and Windows 8 laptops. We may provide them by post, if required.

Remuneration

Trustee Directors who are in receipt of their pension receive a lump sum payment which is paid quarterly. This recognises your commitment and agreement to provide services to the Trustee Board but this will not be a contract of employment. Employed Trustee Directors would receive an additional allowance paid with their M&S salary once a quarter.

All payments are subject to tax and National Insurance.

Induction, training and qualifications

The Regulator's Trustee Knowledge and Understanding (TKU) code of practice requires Trustee Directors to be familiar with most areas of scheme management almost immediately upon taking office. TKU requires Trustee Directors to understand their duties, responsibilities and powers, be familiar with the Scheme's benefit design, including funding and the employer covenant, have a 'working knowledge' of relevant documentation, understand the advice they receive, and to challenge it if necessary.

Induction training, tailored to the candidate's needs, will be provided shortly after appointment. Thereafter, an individual annual training plan will be agreed and training arranged as per the plan.

You would need to make significant progress towards the Pensions Regulators Trustee toolkit online learning programme and sit the PMI Award in Trusteeship within six months of becoming a Trustee Director.

Appendix – Activities carried out over the last 12 months

The following selection of activities carried out over the last 12 months should evidence the caliber of nominee we would require as an M&S Trustee Director:

1. Preparation for the triennial actuarial valuation of the Scheme, including consideration with external appointed advisers of assumptions including; future investment returns, discount rate, inflation, mortality and commutations.
2. The Scheme's Annual Report and Accounts was approved and the external auditor's findings and recommendations were considered.
3. An Audit Sub-Committee was set-up and its terms of reference agreed.
4. The Scheme's Risk Register was updated.
5. A review of the external auditor appointment was completed.
6. The internal control reports of investment managers and the custodian were reviewed.
7. A Trustee expenditure budget for 2015/16 was agreed.
8. The Company covenant was reviewed on a regular basis.
9. A number of external fund managers were appointed to manage a number of specialist portfolios.
10. A Trustee/Company Working Group was set-up to consider implementing a longevity risk mitigation exercise.
11. The Trustee made changes to the liability matching investment portfolio to allow the Scheme's monies to be invested more efficiently.
12. The Scheme's appointed communications provider was reviewed through the completion of a market test.
13. The Scheme's website was updated to work as a device response site, reflect the Company's new brand guidelines, and provide information about the changes to pensions from April 2015.
14. Administration letters were updated to reflect changes to pensions from April 2015.
15. An exercise which benchmarked the costs incurred by the Scheme was undertaken and results considered.

**MARKS AND SPENCER PENSION TRUST LIMITED
MEMBER NOMINATED TRUSTEE DIRECTOR (MND) APPOINTMENT PROCESS**

There shall be three Member-nominated Trustee Directors of the Trustee Board. The members will be active members who continue to work for M&S, or retired members receiving benefits from the Scheme.

They will not be deferred members no longer working for M&S or receiving their pension, or those receiving spouse's or dependant's pensions.

Terms of office

Each MND will hold a five year term of office from which a written resignation may be accepted at any time without notice. No reason need be given.

The term of office will automatically cease when the member leaves the Company and becomes a deferred member or transfers out of the Scheme.

An MND may be removed by agreement of all the other Trustee Directors. This may be, amongst other reasons, because the MND does not regularly attend meetings or fulfil the training and development requirements.

Applications

The Trustee Pensions Team will announce any vacancies and seek applications for the vacancy through Pensions Update or individual letters to members. A Nomination Pack, which will contain an application form inviting information on applicants' skills and experience, will be made available online. The application must be supported by eight signatures of Scheme members. Members of Your M&S Pension Saving Plan (the pension arrangement for employees who joined after 1 April 2002) are not eligible to support the application, unless they are also receiving benefits from the M&S Pension Scheme.

For active members, the applicant's line manager must support the application, including the time commitment, and demonstrate this by signing the application form.

Completed application forms must reach the Trustee Pensions Team by the date given in the announcement (Friday 29 January 2016).

In the event that no valid applications are received for any vacancies announced, the Trustee Board will consider the best action to take in the interests of the Trustee Board and scheme members.

Selection

Once the closing date for applicants has passed, the Trustee Pensions Team will make sure the applications are valid and in line with the process requirements.

The valid applications will be given to the Selection Panel who will determine the applicants that will progress to the interview stage. The Trustee Pensions team will then contact all applicants to advise them of the outcome and arrange interviews. Once the interviews have taken place, they will advise applicants of the outcome and the successful candidate will meet with the Trustee Chairman before the appointment is finalised. Members will be informed of the appointment through the next Pensions Update.

Selection Panel

The panel will consist of a Member-nominated Trustee Director (nominated by the Trustee Board), along with a member of the Trustee Pensions Team, a representative from HR, and an independent lawyer.

**MARKS AND SPENCER PENSION TRUST LIMITED
DOCUMENT REQUEST FORM**

You can find more information about the Scheme at www.mandspensionscheme.com. However, if you would like to receive any of the Scheme documents listed below, please complete and return this form or email your request to Trustee.Board@marks-and-spencer.com.

Full name:

Member number:

Date of Birth or National Insurance number:

Description	Tick the documents you would like
Trust Deed and rules	
Business Plan	
Report and Accounts	
Statement of investment principles (SIP)	
Summary Funding Statement	
Communication strategy and plan	