

SOPRA STERIA RETIREMENT BENEFITS SCHEME

MEMBER-NOMINATED DIRECTORS POLICY

This document sets out the Scheme's general policy and the appointment and removal processes regarding Member-Nominated Directors ("**MNDs**") and should be read in conjunction with the Member-Nominated Director Information Booklet dated 1 November 2020.

MNDs will be appointed through a process whereby eligible members are nominated by the membership of the Scheme, followed by a selection process of those nominated, run by the Selection Panel (as defined in Section 10 below).

Capitalised terms used in this Policy shall have the meaning given to them in the Scheme's Definitive Trust Deed dated 30 January 2020 unless more specifically defined here.

GENERAL TERMS		
1.	Number of MNDs	There will be no more than 3, unless the Principal Employer agrees otherwise
2.	Term of office	<p>6 years from the date of appointment, subject to Section 13 and the transitional provisions (Appendix 1)</p> <p>The term of office may be amended by amendments to this Policy, but an existing MND's term of office cannot be extended without his or her consent</p>
3.	Eligibility criteria	<p>To be eligible to act as an MND, an individual must at all times while acting be aged 18 or over and in an "eligible category of member", meaning any of:</p> <ul style="list-style-type: none">• an active or pensioner member of the Scheme• a deferred member of the Scheme who remains employed by the Principal Employer, a Participating Employer, or such other group company as the Principal Employer agrees to include <p>The Principal Employer may at any time consent to other deferred members not falling within the above category being included as eligible members within the nomination and selection process. No such consent has been given as of the date of this policy</p> <p>Existing MNDs are eligible to be re-elected to the role, provided they are appointed in accordance with the appointment process (see Section 8)</p>
4.	Disqualifying criteria	<p>An individual is not eligible to act as an MND if he or she:</p> <ul style="list-style-type: none">• is not in an "eligible category of member" (see Section 3)• has an unspent conviction for any offence involving dishonesty or deception• is an undischarged bankrupt, or an undischarged sequestration of his or her estate has been awarded• is the subject of a bankruptcy restrictions order or an interim bankruptcy restrictions order

- has entered into an undischarged composition contract or arrangement with, or granted a trust deed for the benefit of, creditors;
- is subject to a moratorium period under a debt relief order, a debt relief restrictions order, or an interim debt relief restrictions order
- is subject to a disqualification order or disqualification undertaking under the Company Directors Disqualification Act 1986 (or NI equivalent) or to an order under s. 429(2)(b), Insolvency Act 1986
- has been suspended or disqualified from acting as a trustee, or
- is affected by any other restriction on eligibility set out in companies or pensions law from time to time

The Selection Panel (as defined in Section 10) has the discretion not to accept a nomination if it considers that such action is in the interests of the Scheme's members

5. Payment

All MNDs are entitled to claim for reasonable expenses incurred in carrying out their duties. MNDs who work for Sopra Steria will be allowed time off work to undertake work associated with being an MND. MNDs who are not employed by Sopra Steria will receive an annual fee for the role; more information will be available at the interview stage.

APPOINTMENT PROCESS

6.	Members eligible to nominate MNDs	All members eligible to be nominated for the role of MND (see Sections 3 and 4) are eligible to nominate a member for the role. However, a member proposing the nomination (the " proposer ") and a member supporting the nomination (the " second er") should not be a close relative of the nominee	
7.	Timing of the appointment process	End of term of office	The process will commence 6 months prior to an MND's term of office ending
		Vacant post(s)	<p>If, following an appointment process, an MND post remains vacant, a new process will commence on the earlier of:</p> <ul style="list-style-type: none"> • a date within 12 months from the end of the previous appointment process, or • the next scheduled appointment process <p>If at any time there are no MNDs, a new appointment process will be run at least once every 12 months</p>
		Post becomes vacant	<p>If an MND post becomes unexpectedly vacant, an appointment process will commence immediately provided that:</p> <ul style="list-style-type: none"> • if an appointment process was run in the last 6 months, which failed to fill all empty MND posts, the Trustee will run a new process within 12 months of the previous appointment process, or

- if the next normal appointment cycle is due within 6 months, the Trustee may defer the process until then

The Trustee may decide the term of office for an MND appointed to an unexpectedly vacant post, which may include the remainder of the former MND's term or a full term of office, provided the term is communicated to members as part of the appointment process

8. **Appointment process**
 - i. **Week 1:** The Trustee will agree a project plan and timetable for the appointment process, consistent with this Policy, including appointing the members of the Selection Panel
 - ii. **Weeks 2-3:** The Selection Panel will prepare and send communications regarding the process to eligible members using the Scheme's normal communication channels, including the Nomination and Application Form, which must specify the number of vacant posts to be filled
 - iii. **Weeks 4-7:** Nomination and Application Forms must be completed by the nominee, a proposer, and a seconder, and returned to the specified address before the application deadline, which will be no more than one month from the date of the letter
 - iv. **Weeks 8-13:** - After the deadline for returning the Forms, the Selection Panel will:
 - consider the suitability of all candidates for the role in accordance with the selection criteria (see Appendix 2)
 - shortlist nominees for interview and communicate with selected nominees to set up an interview
 - interview appropriate nominees (if any)

The Selection Panel will follow this process in all cases, even if there are equal numbers of nominations and vacancies
 - v. **Weeks 14-15:** Agree by majority vote of the Voting Members who (if anyone) to appoint and, in the case of equal votes, the Chair of the Selection Panel shall have the casting vote
 - The Selection Panel may, having considered the pool of applicants, choose not to appoint an MND, provided that this decision is permitted by the relevant legislative provisions and the Selection Panel has considered any applicable Pensions Regulator guidance
 - Decisions of the Selection Panel are final. When contacting any unsuccessful applicants, the Selection Panel is not required to give reasons for its decision but may choose to do so
 - vi. The Selection Panel will make and retain a written record of its decision
 - vii. The term of office of any selected MND shall commence on the date specified by the Selection Panel, provided the MND shall be appointed in

accordance with the Scheme's Deed and the Articles of Association as soon as reasonably practical

A short transition period may be allowed for where the new MND attends Trustee meetings (if any) occurring before their official appointment commences in an observer capacity only

9. **Number of appointments under each process** Each appointment process will seek to replace the MND whose term of office is ending. However, if at that time there are other vacant MND posts, the process will seek to fill the vacant post(s) as well
10. **Make-up of the Selection Panel**
- Voting Members:**
- all current MNDs, excluding any up for re-selection under the appointment process in question
 - the Independent Director
 - the Chair of the Trustee, who shall act as the Chair of the Selection Panel
- Non-Voting Members:**
- the Scheme Secretary
 - such one or more Scheme adviser as may be requested by the Selection Panel
- The Trustee board will decide from time to time on the individuals making-up the Selection Panel, with a record being kept of the names
11. **Quorum of Selection Panel** A Selection Panel may not run interviews or make decisions as to appointments unless a minimum of the Chair of the Trustee, the Independent Director, one eligible MND, and the Scheme Secretary (or, where the Scheme Secretary is unable to attend dates agreed by the other members, such alternative as the Scheme Secretary shall appoint for this purpose) are all present
12. **Selection Panel conflicts** Members of the Selection Panel must declare any conflicts of interest to the remainder of the Panel, which shall decide on the appropriate action to take, taking into consideration the nature of the conflict and the Scheme's conflicts of interest policy
- Conflicts may include, but are not limited to, pre-existing relationships with nominees and/or proposer or seconder

REMOVAL FROM OFFICE

13. **Circumstances for removal** An MND shall be removed from office immediately on the occurrence of the following:
- the MND ceases to meet the eligibility criteria (see Section 3)
 - the MND falls within the disqualifying criteria (see Section 4)
 - the MND's term of office ends (see Section 2)
 - the MND tenders his or her resignation

- the MND is removed by unanimous agreement of all other Trustee Directors including, without limitation, for failing to meet the performance expectations of an MND

14. Prescribed change of position

Unless Section 13 applies, an MND shall not be removed from the post during his or her term of office if:

- the MND was an active member and becomes a deferred member while remaining employed by a company specified in Section 3
- the MND was an active member and becomes a pensioner member
- the MND was a deferred member employed by a company specified in Section 3 and becomes a pensioner member
- the MND was a deferred member employed by a company specified in Section 3 and leaves that employment otherwise than to become a pensioner member, provided that he or she has the prior written consent of the Trustee and the Principal Employer

Review of this Policy

This Policy may be reviewed and modified from time to time, and shall be reviewed at least once every four years and modified, if necessary, to ensure it remains appropriate for the needs of the Scheme

Version

Version 1

Last review Date

1 November 2020

APPENDIX 1 - TRANSITIONAL ARRANGEMENTS

As at 1 February 2020, the Scheme had the following MNDs:

- Jan Pye
- David Best
- John Rice
- Kevin Simonis
- Bev Wilson

(the "**Existing MNDs**")

From 1 March 2021, new MNDs will be appointed in accordance with the appointment process set out in the Policy to which this Appendix 1 is attached ("**New MNDs**"). For the avoidance of doubt, an Existing MND may be appointed as a New MND in accordance with the appointment process.

In order to maintain the proper administration of the Scheme, it is the Trustee's intention that the replacement of Existing MNDs with New MNDs, and the reduction in number of MNDs from five to three, should be completed over a transitional period. It is also the Trustee's intention that MNDs' terms of office should not expire at the same time, to avoid a significant loss of knowledge occurring at any one time.

The below table sets out how the process will be conducted.

Period	Step	Constitution of MNDs on Board	New MNDs' terms of office
01/02/20 - 28/02/21	Current position	5 Existing MNDs	N/A
On 01/03/21	3 Existing MNDs resign 2 New MNDs appointed	4 MNDs as follows: <ul style="list-style-type: none">• 2 Existing MNDs• New MND 1 & New MND 2	New MND 1: 01/03/21 to 28/02/26 (reduced 5 year term) New MND 2: 01/03/21 to 28/02/27 (full 6 year term)
On 01/03/22	2 remaining Existing MNDs resign 1 New MND appointed	3 New MNDs	New MND 3: 01/03/22 to 28/02/28 (full 6 year term)

At the end of the term of office of each New MND, as set out in the above table, the New MND replacing him or her shall be appointed for a 6 year term, or such other term of office as the Policy may from time to time provide.

APPENDIX 2 - SELECTION PANEL CRITERIA

This Appendix 2 sets out the criteria to be considered by the Selection Panel as part of the selection process. It is not intended to be comprehensive, but the Panel should give due consideration to the matters listed in this appendix.

1. The nominee must meet the eligibility criteria (see Section 3) and must not be disqualified from acting in accordance with the disqualifying criteria (see Section 4).
2. The Trustee and the Company agree that the ideal composition of the Trustee Board would include at least one MND who is (or is expected to become) a member of each of the Scheme's SRP Section, SMP Section and SPP Section. While not determinative, this will be taken into consideration
3. No significance will be placed on a nominee's membership category (active, employed deferred, or pensioner) in appointing an MND, although seeking diversity on the Board may be a relevant factor in distinguishing between otherwise qualified nominees
4. The Panel will give consideration to the nominee's professional and personal experience, qualifications, and membership of other boards and organisations. The Panel will also seek to ensure that the Board has an appropriate mix of experience, qualifications and ability, recognising the importance of diversity on the board
5. While noting the direct experience and Scheme knowledge of an existing member of the Board (including an existing MND seeking re-election), the Panel will not give undue weight to this when comparing it to suitable, but less immediately relevant, experience of the other nominees
6. The Panel will take into account a nominee's willingness and ability to commit to preparing for and attending Trustee meetings and flexibility to attend to Trustee business at short notice (subject to such reasonable adjustments as may be appropriate in light of an individual's circumstances). This may include recognition of practical issues such as a nominee's location overseas due to practical difficulties with travelling and/or time differences
7. The Panel will take into account a nominee's ability to use technology to enable them to undertake the effective running of the Scheme (for example, PensionPal)