

# Ordnance Survey Limited

## Pensions Committee Terms of Reference

These are the terms of reference for the Ordnance Survey Limited Pensions committee (the **committee**) which is a committee of the Ordnance Survey Limited board of directors (the **Board**) to provide monitoring and oversight in relation to pensions and life cover.

### 1 Membership

1.1 The committee shall comprise at least two members, as follows:

- a Non-Executive Director of Ordnance Survey Limited; and
- an Executive Director of Ordnance Survey Limited (meaning a member of the Executive Committee, there being no requirement for this committee member to be a statutory director of Ordnance Survey Limited);

together with any additional members appointed by the Board from time to time.

1.2 Only members of the committee shall have the right to attend committee meetings. However, other individuals will usually be expected to attend committee meetings, including:

- the Chief Executive;
- the Director of Human Resources, or Head of Human Resources (if not already serving as a committee member);
- the Ordnance Survey Reward Manager;
- external advisers who are invited to attend for all or part of any meeting, as and when appropriate and necessary.

1.3 Appointments to the committee are made by the Board on the recommendation of the Ordnance Survey Nomination Committee and shall be for a period of up to three years extendable by no more than two additional three-year periods. The membership of the committee and these terms of reference will be reviewed by the Board on at least an annual basis.

1.4 The committee chairmanship shall alternate on an annual basis between the Non-Executive Director member and the Executive Director member of the committee, with each serving a year as chairman in turn. In the absence of the committee chairman, the remaining members present shall agree which one of them shall chair the meeting.

### 2 Secretary

2.1 The Reward Manager shall act as the secretary of the committee (the **Secretary**) and will ensure that the committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

### 3 Quorum

3.1 The quorum necessary for the transaction of business shall be two.

#### **4 Frequency of meetings**

- 4.1 The committee shall meet at least annually to review performance and other governance issues, and to complete the reporting requirements in relation to the Civil Service Pension Scheme - as defined below - and the Accounting Officer's certification). The committee shall hold additional meetings as required.

#### **5 Notice of meetings**

- 5.1 Meetings of the committee shall be called by the secretary of the committee at the request of the committee chairman.
- 5.2 All relevant information, including an agenda and supporting papers, shall be sent to committee members and to any other person required to attend and all other non-executive directors, in good time in advance of the meeting.

#### **6 Minutes of meetings**

- 6.1 The Secretary shall minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance.
- 6.2 Draft minutes of committee meetings shall be circulated promptly to all members of the committee. Once approved, minutes should be circulated to all other members of the Board unless in the opinion of the committee chairman it would be inappropriate to do so.

#### **7 Duties**

The committee should carry out the duties detailed below for Ordnance Survey Limited and the group as a whole, as appropriate. The committee shall:

- 7.1 Have responsibility for monitoring and oversight of the operation and funding of the OS Horizon pension scheme ('**OS Horizon**'), including the brokering arrangements.
- 7.2 Have responsibility for monitoring and oversight of the Ordnance Survey Ltd Group Life Assurance Scheme ('**OS Group Life Scheme**') in accordance with the rules of the scheme as set out in the Deed of Declaration of Trust of 1 April 2015 (and any superseding Deed of Declaration of Trust in relation to the Group Life Assurance Scheme). The Deed of Declaration of Trust and summary of the main terms are at Annex A.
- 7.3 Have responsibility for monitoring and oversight of the Civil Service pension arrangements in accordance with the terms of the Admission Agreement of 31<sup>st</sup> March 2015 ('**Civil Service Pension Schemes**'). The Admission Agreement and summary of the main terms are at Annex B and the Civil Service Pension Schemes are identified at Schedule 2 of the Admission Agreement.
- 7.4 In monitoring and overseeing OS Horizon, the OS Group Life Scheme and the Civil Service Pension Schemes, take into account all factors which it deems necessary including the rules applicable to each scheme and relevant legal and regulatory requirements and associated guidance.
- 7.5 Consider the adequacy of communications to members of the OS Horizon scheme regarding their membership of such scheme, and make recommendations to the Board to ensure that members are communicated to effectively.
- 7.6 Be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any consultants who advise the committee.
- 7.7 Work and liaise as necessary with all other Board committees, in particular the Remuneration Committee in relation to pension and group life benefits requirements.

#### **8 Reporting responsibilities**

- 8.1 The committee chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 8.2 The committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.

8.3 The committee shall ensure that provisions regarding disclosure of information, including pensions, as set out in the *Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008* and the *Companies Act 2006* are fulfilled and produce a report of the pension and group life scheme benefits and performance to be included in the company's annual report and ensure each year that it is put to the shareholder for approval. If the committee has appointed consultants, the annual report of the company's pension and group life scheme benefits and performance should identify such consultants and state whether they have any other connection with the company.

## **9 Other matters**

The committee shall:

- 9.1 Have access to sufficient resources in order to carry out its duties, including access to the corporate office for assistance as required.
- 9.2 Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.
- 9.3 Give due consideration to laws, regulations and any published guidelines or recommendations regarding pension and group life assurance schemes including but not limited to the provisions of the UK Corporate Governance Code.
- 9.4 Arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

## **10 Authority**

- 10.1 The committee is authorised by the Board to obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference.

# Annex A

## Main Terms of Deed of Declaration of Trust of 1 April 2015 (OS Group Life Scheme):

Clause No:	Summary of Term:
2	OSL shall administer and manage the OS Group Life Scheme in accordance with the Rules. The Rules are set out in the Appendix.
6	OSL may amend the Deed and the Rules without prior notice to the members of the OS Group Life Scheme.

## Main Rules of the OS Group Life Scheme:

Rule No:	Summary of Rule:
3 - Membership	<ul style="list-style-type: none"> <li>• A person shall be eligible for membership if s/he satisfies the eligibility conditions of the OS Group Life Scheme;</li> <li>• Membership of the OS Group Life Scheme commences on the date that s/he first satisfies the eligibility conditions;</li> <li>• OSL may include an individual in the OS Group Life Scheme who does not satisfy the eligibility conditions;</li> <li>• OSL may terminate membership of the OS Group Life Scheme on 30 days' notice to members at its sole discretion and in the event that the benefits cannot be secured at a reasonable price.</li> </ul>
5 – Payment of Lump Sum Benefit	<ul style="list-style-type: none"> <li>• OSL has the power to apply a lump sum benefit on the death of a member of less than 75 years to:               <ul style="list-style-type: none"> <li>• his/her dependants, relatives;</li> <li>• personal representatives;</li> <li>• any person/club/charity/society who would benefit from his/her will; or</li> <li>• his/her nominated beneficiary</li> </ul> </li> </ul> <p>in such shares and in such manner as OSL shall decide.</p> <ul style="list-style-type: none"> <li>• If any lump sum benefit has not been paid within 2 years of OSL first knowing of the member's death or the day on which OSL should have known of the death, OSL shall pay the benefit to the member's personal representatives. Further rules exist in relation to a member who dies intestate or in debt.</li> <li>• If OSL shall become liable for tax in respect of a benefit, this shall be deducted from the amount payable as a benefit.</li> </ul>
7 – Temporary Absence	A member who is temporarily absent from OSL shall continue to be included in the scheme as if s/he was still in active employment. The member's benefit during the absence shall be the amount for which s/he was entitled immediately before the absence, increased as and when necessary in accordance with the policy.
11 – Liability of OSL and Indemnity	<ul style="list-style-type: none"> <li>• Neither OSL nor its directors or officers shall be liable for any act or omission in relation to the OS Group Life Scheme unless it is as a result of deliberate act or omission made consciously in bad faith.</li> <li>• OSL shall indemnify directors and officers against all reasonable claims, costs, damages and expenses which it may incur under the Deed or applying the Rules except where the director or officer is liable as above.</li> </ul>

# Annex B

## Main Terms of the Admission Agreement of 31 March 2015 (Civil Service Pension Schemes):

Clause No:	Summary of Term:
3 – Eligibility for Membership	<p>An employee is eligible to be a member of the Schemes if s/he:</p> <ul style="list-style-type: none"> <li>• Immediately before 31 March 2015 was a civil servant or member of a listed scheme; and</li> <li>• Is employed by OSL;</li> <li>• Has spent and continues to spend 50% of his/her contracted time carrying out OSL work.</li> </ul> <p>An employee ceases to be eligible if s/he:</p> <ul style="list-style-type: none"> <li>• Ceases to fulfil the criteria above; or</li> <li>• Voluntarily gives up membership; or</li> <li>• Voluntarily elects to become an active member of another pension provided by OSL in respect of the same employment.</li> </ul>
4 – Admission of Members / Cessation of Membership	<p>An employee may choose to opt out of the Civil Service Pension Schemes without relinquishing their eligibility to join the Schemes.</p> <p>OSL undertakes to the Minister and BIS that each eligible employee will be automatically enrolled into either PCSPS or CSOP (as appropriate) in accordance with the terms of the Schemes and in compliance with each automatic enrolment period.</p> <p>OSL must give no more than 28 days’ notice to the Scheme Manager and Scheme Administrator of any employee who was a member of the Schemes but either ceases to be eligible or chooses to opt out of the Schemes.</p> <p>No employee shall be entitled to enter or remain in the Schemes unless they are eligible for membership.</p>
5 – General Obligations.	<p>OSL is obliged to:</p> <ul style="list-style-type: none"> <li>• Comply with all the obligations of an under the Acts, Rules and Guidance in respect of the members;</li> <li>• Ensure that its staff are aware of OSL’s obligations and provide sufficient training;</li> <li>• Adopt the practices and procedures for the Schemes as set out in the Rules and Guidance;</li> <li>• Comply with protocols maintained or issued by the Minister and ensure that the systems are capable of interfacing with the Scheme Administrator;</li> <li>• Ensure that its staff work in partnership with BIS, the Minister and delegated authorities;</li> <li>• Provide all relevant information, data and / or documentation as may be required;</li> <li>• Comply with its data protection obligations;</li> <li>• Give written notice (within 28 days) to the Scheme Administrator of any change to a member’s terms and conditions of employment, working pattern or attendance (including termination of employment, long term sick leave or other absence);</li> <li>• Notify and consult with any member and their TU in good time before making any changes to his / her conditions of employment which may have the effect of ending their membership;</li> <li>• If the member wishes to waive their rights as a result of changes to their conditions of employment, to obtain their signed agreement to a waiver of the employee’s new fair deal pension rights;</li> <li>• Provide written confirmation to the Scheme Manager that notification and consultation has taken place and a signed waiver has been obtained;</li> </ul>

	<ul style="list-style-type: none"> <li>• Review and update its lists of eligible employees and members regularly and provide to the Scheme Administrator within 30 days of the end of the Scheme Year;</li> <li>• Use best endeavours to ensure that eligible employees have the continued right to participate in the Schemes should OSL transfer its services to another party.</li> </ul>
7 – Costs to be met by OSL	<p>OSL shall pay all such contributions required of an employee including:</p> <ul style="list-style-type: none"> <li>• Annual administration charges covering core services provided by the Scheme Administrator;</li> <li>• Additional administration charges for the cost of services commissioned by the Scheme Medical Adviser and Scheme Actuary and any non-core services provided by the Scheme Administrator at OSL’s request;</li> <li>• Any sum arising from OSL’s breach of the Scheme’s rules;</li> <li>• All member contributions deducted by OSL in respect of the Schemes;</li> <li>• All OSL’s contributions for the Partnership Pension Account;</li> <li>• Additional contributions requested by the Minister, Scheme Manager or Scheme Administrator resulting from a breach of a Scheme;</li> <li>• Any accruing superannuation liability charge;</li> <li>• Flat rate charge applicable to the Partnership Pension Account, Ill Health Benefits Scheme and Partnership Pension Account Death Benefits Schemes;</li> <li>• Any payments due in respect of exceptional increase in pensionable earnings or qualifying service.</li> </ul> <p>In respect of early retirement without actuarial reduction (other than due to ill health), OSL must give the Minister notice of such early retirement at least 3 months before and pay to the Minister any additional liabilities caused by early retirement.</p> <p>If the final pensionable earnings to a member is greater than the amount set out in the scheme, OSL may be required to pay additional contributions.</p>
10 – Records and Administration	<p>OSL shall maintain accurate and up to date records and accounts.</p> <p>The Minister, Scheme Manager and auditors may examine, inspect and take copies of records or accounts.</p> <p>OSL shall transfer all necessary member records to any new employer as required by the Schemes.</p>
12 - Termination	<p>The Minister may terminate the Schemes in the event that:</p> <ul style="list-style-type: none"> <li>• OSL breaches its obligation under the Agreement, the Acts, Rules or Guidance and does not remedy the breach within 28 days of notice;</li> <li>• OSL fails to pay sums due to the Minister within 28 days of service of a notice;</li> <li>• OSL is insolvent, subject to winding up or liquidation;</li> <li>• OSL ceases to carry on its business.</li> </ul> <p>The Agreement will terminate when the last member ceases to be an active member of any of the Schemes and no eligible employees remain.</p>