



G.E.C. 1972 Plan

Pension Consultative Committee

Constitution and Terms of Reference (together “the constitution”)

1 Constitution

- 1.1 The Pension Consultative Committee (the "PCC") described below is the pension consultative committee of the Plan.
- 1.2 The purposes and functions of the PCC are:
- (a) selecting MNDs from the PCC membership;
 - (b) consulting with **telent** and SPT on matters relating to the Plan;
 - (c) assisting **telent** and SPT in the communication of information to members;
 - (d) representing the views of all Plan members in matters relating to members' interests.
- 1.3 So long as (a) above remains a function of the PCC under arrangements made by SPT under the Pensions Act 2004, this constitution can only be altered with SPT's agreement – not to be unreasonably withheld - regarding alterations to (b) to (d) above. Subject thereto, **telent** may alter the constitution.
- 1.4 **telent** may disband the PCC but for the purpose of 1.2(a) above it shall give SPT sufficient notice for SPT to put alternative arrangements in place and shall facilitate communication with Plan and/or PCC members for that purpose (to the extent that facilities are dependent on it). If SPT so requests, after such notice the PCC shall remain a body until the next appointment of an MND but with no remit other than the nomination and selection of MNDs.

2 Membership

- 2.1 The members of the PCC are elected by Plan members every four years.
- 2.2 The usual composition of the PCC is 24 members, divided into two sections.
- 2.2.1 Initially these will be 8 members elected from and by deferred pensioners (the Deferred Section) and 16 members elected from and by pensioners (the Pensioner Section).
 - 2.2.2 The relevant sizes of the two sections will be amended from time to time broadly to reflect the overall numerical balance in the Plan between deferred pensioners and pensioners.
 - 2.2.3 The Pensioner Section will consist of a minimum of four members.
 - 2.2.4 SPT and **telent** may agree total numbers and balance between the sections that differ from these guidelines.



- 2.3 The Sections of the PCC will be elected based on geographical regions. These regions will be based on home postcodes. Where possible, as per the initial table below, the elected PCC member numbers will be proportionate to membership numbers in each of the geographical regions. However, if one region cannot fill all its allocated spaces they may be filled with candidates from other areas.

Region	Deferred Pensioners	Pensioners
North	2	4
Midlands	3	6
South	3	6

- 2.4 PCC members will normally serve for a period of 4 years, unless:
- they resign by written notice to the Chairman or Secretary; or
 - they are removed by a 75% majority of other members of the PCC; or
 - they cease to be entitled to a benefit under the Plan (e.g. have taken a transfer).
- 2.5 The PCC shall elect a Chairman and a Secretary from its members every two years. If more than two candidates are put forward, for either post, the election shall utilise the single transferable vote method from the members physically present at the meeting. For the avoidance of doubt, members present by phone or other means of communication will not take part in the voting process.

3 PCC Election Process

- 3.1 Elections will be held at four-yearly intervals.
- 3.2 The election process for the PCC is in two stages: nominations and then, if there are more nominations than available places, a ballot.
- 3.3 The Pensions Office shall act as Returning Officer responsible for calling for nominations and conducting elections. Sufficient time will be allowed to enable a new PCC to be in place on the fourth anniversary of the outgoing PCC's commencement of office.

Nominations

- 3.4 Nominations will usually be invited through the Plan newsletter (or other means of communication as determined jointly by SPT and **telent**), which will also set out the timetable for the nomination process. Members without internet access, or who so wish, will be given the opportunity to request a personal postal ballot form in the event a ballot is required. Sitting members of the PCC will be eligible for re-nomination via the same process as the nomination of new members.



- 3.5 To be nominated to stand for election to the PCC, a member (the “**Applicant**”) must write or send an e-mail to the secretary of the PCC providing the names, and either Plan membership numbers or national insurance numbers of him/herself and four other Plan members supporting his/her nomination. Where written nominations are submitted, signatures of the Applicant and all of his/her supporting members must also be provided. Where the Applicant has submitted his/her nomination by e-mail, s/he must also include those e-mails of support directed to him/her from the e-mail addresses of his/her supporting members.
- 3.6 If the Applicant or his/her supporting members do not provide this information the nomination will be rejected. Members supporting the nomination may be in any geographical area but must be in the same membership category as the Applicant and may support only one nomination. The Applicant must submit a brief biography with his/her nomination application to assist other members of the Plan (from the same category of membership and geographical area) in deciding whom to elect. The Applicant must state his/her most recent GEC/Marconi/**telent** business location and unit. Any candidate who is a member of a recognised trade union may, on request, have the union to which s/he belongs indicated on the ballot form.
- 3.7 If a region within a member category does not fill its quota, it may be filled from another region. If a category of member does not fulfil its quota (after any reallocation between regions), it may be filled by the other member category from the original region, or thereafter from any other region.
- 3.8 If there are fewer than 24 deferred pensioners and pensioners willing to be nominated for membership of the PCC, one or more PCC positions may remain vacant until the next scheduled PCC election. SPT and **telent** may, at their absolute discretion, jointly agree to fill these vacant positions during the intervening period if one or more pensioners and/or deferred pensioners are nominated in accordance with the requirements of clause 3.5.

Election

- 3.9 The Board of SPT, after consultation with **telent**, will determine whether an election is required. Within four weeks of nominations closing (or longer if needed to obtain decisions from **telent** &/or SPT) an announcement will be made on the Pensions Office Website saying whether the ballot is required for either any region(s)/category(ies) of members, or if the total number of nominations exceeds 24. If either is the case, members who have requested a postal ballot will be sent ballot papers. The ballot will be open for a period to be determined at the time, but not less than 14 days. The results of the ballot will be announced on the Pensions Office website not more than 14 days after the date the ballot closes. If a ballot is not required this will be communicated to members in the subsequent Plan newsletter. The next convenient Plan newsletter (or other means of communication as determined jointly by SPT and **telent**) will also be used to notify members of the results of the ballot, where one is necessary.
- 3.10 If an election is required, it will be by using the single transferable vote system.
- 3.11 **telent** may, where there are reasonable commercial grounds of potential conflict with its interests, veto the election of any deferred member.

4 Resignation from PCC, Changing Class of Membership and Replenishment

Members of the PCC will hold office for a four-year period subject to Clause 2.4 above. PCC representatives changing their class of membership during their term of office may complete their term of office, as long as they remain eligible for Plan benefits.



If, on either Section, vacancies on the PCC occur from resignation, death or transfers, these vacancies would not be filled until the next election. However, at the time of selection of MNDs, the Pensioners Section must have a minimum of four PCC Members unless specific dispensation has been given by the Board.

5 Meetings

Meetings and Costs

- 5.1 The PCC shall meet at least twice in each calendar year. Further meetings may be arranged where, in the opinion of the Chairman or the PCC itself, circumstances merit them or at the request of **telent** or SPT. After a total of four meetings in a calendar year, the expenses of a fifth or subsequent meeting in that year (merited or requested as above), and administrative support, shall not be borne by **telent** unless it has stated that it will provide for that cost and/or support, but **telent** shall not withhold administrative information to facilitate such additional meetings.

Attendance by Non PCC Members

- 5.2 Two (or with the Chairman's agreement more) representatives of **telent**, and any director of SPT, shall be entitled to attend any PCC meeting. The PCC shall have discretion to invite any other representatives of **telent**, the Pensions Office or SPT. Any **telent**, Pensions Office or SPT representative wishing to attend must inform the Secretary prior to the meeting. Company-nominated and independent directors of the Trustee Board will also be invited to attend PCC meetings. The PCC may request any such representatives of **telent**, SPT or **telent** Pensions Office to withdraw from a meeting for specific agenda items; agreement to such request will not be unreasonably withheld.

Agenda Notification and Provision of Information

- 5.3 Notice of each meeting of the PCC together with the agenda and supporting papers shall, unless otherwise agreed by the members of the PCC, be circulated not less than two weeks (save in cases of urgency) prior to the date of the meeting. The Pensions Office shall, where appropriate, co-ordinate and provide pensions information. To facilitate this, agendas must normally be forwarded to the Pensions Office at least one month before any meeting.

Quorum

- 5.4 The quorum necessary for the transaction of business by the PCC shall be 50% of the members of the PCC. For the election of the Chairman or Secretary and for the nomination and election of MNDs the quorum necessary shall be 50% of the members of the PCC physically present at the meeting.

Procedural Matters

- 5.5 Any procedural matter not covered by this constitution shall be decided (consistently with the constitution) jointly by the **telent** Head of Pensions and the Chairman of the PCC (or where the Chairman has a personal conflict of interest another member selected by the PCC).



Regular Attendance

- 5.6 Regular attendance at meetings by each member of the PCC is expected to ensure the effective operation of the PCC. A member who cannot attend a meeting should advise the Secretary prior to the meeting. A member is not allowed to nominate a substitute to attend a meeting. A member who does not attend three consecutive meetings without reasonable cause (as determined by three members nominated by the Chairman and acting by majority) shall be deemed to have resigned their position.

Facilities

- 5.7 **telent** shall be responsible for providing such facilities as are reasonably necessary, including secretarial facilities and reimbursement of justifiable expenses.

Methods of Participation

- 5.8 The members of the PCC may participate in a meeting by means of any communication equipment that allows all persons participating in the meeting to hear each other. Any person so participating shall, if the Chairman of the meeting acknowledges the presence of such person at the beginning of the meeting and unless the person has obtained the consent of the Chairman of the meeting to leave, be deemed to be present in person throughout the meeting and shall be entitled to vote, subject to Clause 2.5 and Clause 6.5, and be counted in a quorum accordingly.

MND Election Information

- 5.9 SPT and **telent** jointly shall be entitled to such information (if any) as they may reasonably require regarding the conduct of any meeting (or process) relating to the appointment of an MND by the PCC (but shall not be entitled to information regarding specific votes cast by secret ballot).

Voting

- 5.10 Questions arising at any meeting (other than the election of the Chairman/Secretary under Clause 2.5, and the selection of MNDs under Clause 6.5 to which the single transferable vote applies) shall be decided by a simple majority of those members of the PCC present and voting.

Written Business

- 5.11 In the absence of a properly convened and quorate meeting of the PCC, any decision (except the elections of both the Chairman and the Secretary to the PCC and the nomination and selection of MNDs) may be dealt with in the form of a written resolution issued to all members of the PCC (but not invalidated if the normal process has not resulted in delivery in some cases) signed by at least 75% of all members. Such resolution shall be as effective as a resolution passed at a meeting of the PCC.

Records

- 5.12 The PCC shall cause minutes of all proceedings and of all written resolutions of the PCC to be entered into books to be designated for the purpose. **telent** must receive from the Secretary (or, if not at a meeting, the person appointed by the Chairman to act as Secretary) draft minutes within three weeks of meetings and shall return the approved minutes to the Secretary within three weeks of receipt. **telent** shall mark as “confidential” any items within the minutes which due to commercial sensitivity or other reason should not be made public knowledge. **telent** shall not mark items as “confidential” without good reason. The minutes shall then be reviewed at the next available meeting of the PCC and signed by the Chairman. Any such minutes if signed by the Chairman of the meeting at which the proceedings took place or the Chairman of the next following meeting shall be sufficient evidence of the matter to which it relates.



- 5.13 The signed and approved minutes of each meeting of the PCC shall be circulated to all members of the PCC and to **telent**, the Company Secretary of SPT and the Pensions Office as soon as possible after the meeting of the PCC.

Reporting

- 5.14 Following each meeting of the PCC, and any business dealt with by written resolution, the Chairman of the PCC (or in his or her absence any other member of the PCC) shall report to the Pensions Office on the matters considered and dealt with by the PCC if no Pensions Office representative is present at the meeting.

Member Information

- 5.15 It is the responsibility of the Pensions Office to answer queries, verify data, publish literature and provide calculations in respect of individual members. No information about an individual member will be disclosed to a PCC member by the Pensions Office, SPT or **telent** without written consent from the member concerned, nor can individual cases be discussed at meetings without such written consent.

Publication

- 5.16 Statements and articles concerning the Plan may only be published by the PCC with the prior written agreement of **telent** and SPT jointly.

6 Selection of Member Nominated Directors

- 6.1 Initially two MNDs will be elected from the Pensioner Section and one MND selected from the Deferred Section. SPT may at its discretion alter the balance between MNDs elected from the Deferred and Pensioner Sections but a minimum of one MND will always be elected from the Pensioner Section, subject to there being a willing candidate.
- 6.2 Staggered elections will take place to nominate and select the MNDs. The first such election by the PCC will take place no later than 17th October 2012 when an MND will be elected from candidates from the Pensioner Section; the second such election of the PCC will take place no later than 17th October 2013 to nominate and select an MND from the Deferred Pensioner section; the third such election will take place no later than 17th October 2014 to nominate and select an MND from the Pensioner section. Thereafter, under the staggered election process, such elections will be held no less frequently than at four-yearly intervals.
- 6.3 To accommodate the staggered election process, the existing Deferred MND and Pensioner MND, will be granted extended periods of office. The existing Deferred MND's period of office will conclude no later than 17th October 2013, and the existing Pensioner MND's period of office will conclude no later than 17th October 2014.
- 6.4 The Plan newsletter will be used to notify members of the names of the new MNDs, but SPT shall be at liberty to use some other process simultaneously, or at an earlier time, if there is no suitable publication date for the next newsletter.
- 6.5 MNDs will serve for a period of 4 years, unless:
- they resign MNDs; or
 - they are removed by a unanimous vote of all other directors; or
 - they cease to be entitled to a benefit under the Plan (e.g. have taken a transfer).

Nomination



- The PCC will invite proposals for nomination from within a Section..
- Proposals for nomination will include self-nomination which may be in advance of the meeting.
- The PCC will consider whether it wishes to ask any (other) individual(s) from within the Section to agree to stand. Individuals not present may be nominated providing they have indicated their willingness to stand in advance of the meeting

Selection

- The PCC will select, at staggered intervals (Clause 6.2), three MNDS,. Selection will be by single transferable vote (by those present and voting) where candidates may vote. For the avoidance of doubt, members present by phone or other means of communication will not take part in the voting process.
 - If however there are no nominations from the appropriate member category, an additional MND will be nominated and selected by the whole PCC from the other member category, subject to a nominee being available.
 - If there is no PCC member willing to accept nomination at the appropriate time, an MND position will remain vacant until a member of the PCC is willing to accept the role. If there is no impending PCC election, the Board may be under a duty to convene one in which case it would first consult the PCC.
- 6.6 Where there are reasonable commercial grounds of potential conflict with its interests, **telent** may veto the selection of a deferred pensioner MND.
- 6.7 MNDs changing their class of membership during their term of office may complete their term of office, subject to Clause 6.5 above.
- 6.8 MNDs are entitled to attend discussions of both Sections of the PCC. This is to ensure that, once elected, the MNDs are able to hear representations from both membership categories.
- 6.9 An MND who ceases to be a member of the PCC prior to the end of his/her term of office as an MND will continue to be invited to attend meetings of the PCC.

7 Definitions

- 7.1 **MND** means Member Nominated Director or Member Nominated Trustee of the Plan
- 7.2 **Pensions Office** means the administrator of the Plan
- 7.3 **Plan** means G.E.C. 1972 Plan
- 7.4 **SPT** means the trustee(s) of the G.E.C. 1972 Plan
- 7.5 **telent** means the Principal Employer of the G.E.C. 1972 Plan
- 7.6 **Trustee Board** means the board of the corporate trustee, or in the event that there is more than one trustee, the collective meeting of the trustees.