

Corporate Governance Framework Policy Updated September 2020

PURPOSE AND OBJECTIVES

The objective of the Corporate Governance Framework Policy (“policy”) is to describe the arrangements in place to deliver effective and prudent governance management and oversight, to deliver the long-term success of USS Group. The policy sets out the principles and high level arrangements from which governance processes and procedures are derived. For the purposes of this policy, USS Group is defined as Universities Superannuation Scheme Limited (“USSL”) and its investment management subsidiary, USS Investment Management Limited (“USSIM”).

The policy has been drafted with reference to the Companies Act 2006, Pensions Act 2004, Pension Schemes Act 2017, the Wates Principles, the UK Corporate Governance Code (“Code”)¹ and other relevant legislation, regulation and guidance. It has been developed to address the needs of the scheme and take account of USS Group’s operating environment and regulatory framework.

1. DEFINITION AND BACKGROUND

The Code defines corporate governance as:

“...the system by which companies are directed and controlled .”

The Code clearly distinguishes corporate governance from the day to day operational management of the company by full time executives. The policy adopts this definition. Separate management systems have been developed to cover the day to day operational management.

2. APPLICABILITY & SCOPE

The group general counsel is the sponsor of this policy. The head of governance is responsible for reviewing and maintaining this policy and for reviewing the policy at least annually, and where relevant, submitting it to the USSL board for re-approval.

The policy applies to the following people:

- USSL board and committee members;
- USSIM board members and
- All USSL and USSIM employees.

The policy does not apply to the special purpose vehicles (“SPVs”) which have been incorporated to facilitate a scheme investment. The governance of these SPVs is covered by the USS Group SPV Policy.

3. POLICY STATEMENT

This policy is owned by the USSL board. All other detailed governance policies and procedures must either comply with this policy or the owner must seek an exceptional approval from the USSL board. If another policy or procedure specifies a conflicting rule, then the rule in this policy shall apply.

¹ The Code is only applicable to listed companies and is therefore not binding on USS. However, the USS Corporate Governance Framework Policy, and accompanying Governance team procedures, are drafted with reference to the best practice principles set out in the Wates Principles and, where deemed to be relevant and appropriate, recognising USS’s status as a trust, the Code.

4. POLICY PRINCIPLES

USSL is regulated by the Pensions Regulator (“tPR”) and its subsidiary, USSIM, is regulated by the Financial Conduct Authority (“FCA”). In accordance with UK legislation and regulation, USS Group is required to have appropriate governance arrangements in place.

Compliance with this policy is mandatory. However, all employees, directors and committee members are also required to think and act with integrity and apply professional judgement.

The USSL board retains responsibility for strategic oversight of governance. Responsibility for monitoring and reviewing the governance framework, and the effectiveness of it, is delegated to the governance and nominations committee (“GNC”). The USSL board and the executive expect all employees to be accountable; successful governance is a priority for USS Group.

In fostering a successful governance framework and culture, the USSL board expects the executive to develop and monitor the governance framework alongside the business strategy, ensuring that the growing complexity of the business is matched with appropriate enhancements to the governance arrangements.

5. ROLES AND RESPONSIBILITIES

- The head of governance is responsible for reviewing and maintaining this policy;
- The GNC is responsible for reviewing this policy and recommending approval to the USSL board;
- The USSL board is responsible for approving this policy; and
- The USSL and USSIM boards and committee members, and all USSL and USSIM employees, are responsible for complying with this policy.

6. COMPONENTS

The USS Group governance framework comprises the USSL board, the USSIM board and a number of committees which have been established under delegated authority from those boards.

The following documents make up the governance framework:

- This policy;
- USSL memorandum and articles of association;
- USSIM memorandum and articles of association;
- Scheme Rules;
- The terms of reference (“TOR”) for the USSL board, USSIM board and their committees;
- The investment management and advisory agreement (“IMAA”);
- The Statement of Investment Principles (“SIP”);
- The defined benefit (“DB”) reference portfolio framework;
- The defined contribution Statement of Investment Principles (“DC Default SIP”); and
- USSL’s Director appointment, removal, evaluation and training policy.

7. DELEGATION PRINCIPLES

The USSL board has approved a set of delegation principles, which apply to the USS Group governance framework. The delegation principles state that all delegations within the USS Group governance framework will:

- Be in accordance with the USS Group corporate structure;
- Be consistent with the USSL and USSIM articles of association and the Scheme Rules;
- Be consistently applied across all areas of business within USSL and USSIM;
- Be well-defined, transparent and with clear lines of responsibility;
- Demonstrate appropriate apportionment of roles and responsibilities;
- Promote effectiveness, efficiency and accountability;
- Be clearly documented, approved by the USSL and USSIM boards and reflected in all relevant TOR, job descriptions, policies and procedures;
- Recognise only three types of delegation: (i) delegation with control; (ii) delegation with oversight, and (iii) delegation with review. The type of delegation should be identified for every delegation made, and
- Recognise only four key activities which can be vested in one body for any particular matter of business. These activities are: (i) perform; (ii) recommend; (iii) approve, and (iv) oversee.²

Notwithstanding the above or any other provision of this policy, to the extent that the group executive committee (“GExCo”) would otherwise take any decision where the interests of GExCo (as a whole) are in conflict with the interests of scheme members, such decision will be escalated to the USSL board for approval (in its capacity as trustee of the USS Scheme).

Where the policy or a board or committee’s (each being an “Approving Body”) terms of reference provide that such board or committee is to approve any matter ‘on recommendation from’ another board or committee (the “Recommender”), the Approving Body shall have absolute discretion as to whether or not it follows the Recommender’s recommendation and may therefore choose to make a contrary decision.

Where in this policy or under the USSL board’s terms of reference the USSL board has oversight of a decision that is made by any other board or committee, the USSL board may, at its discretion, review that decision and, if the USSL board considers it appropriate, substitute a new decision in its place.

8. SUMMARY OF KEY GOVERNANCE DOCUMENTS

USSL Articles of Association

The USSL articles of association were adopted in April 1974, and most recently amended by written resolution on 12 February 2020.

USSIM Articles of Association

The USSIM articles of association were adopted on 4 September 2012.

² It is acknowledged that the USSL and USSIM boards and committee may be asked to carry out a range of activities to fulfil their ‘oversight’ responsibility.

Scheme Rules

USS was originally established by Trust Deed on 2 December 1975. The Scheme Rules were adopted on 19 November 2015 and apply to all persons who are, or become, scheme members on or after 1 April 2016. Any changes to the Scheme Rules require approval by the Joint Negotiating Committee (“JNC”) and the USSL board.

IMAA

USSL appoints USSIM to invest the assets of the scheme and advise USSL in respect of scheme investments under the IMAA. USSL is USSIM’s sole client and 100% parent company. The allocation of responsibilities between the USSL board and the investment committee, and the USSIM board, are clearly set out in the TOR.

A USSIM escalation policy has been established, under the IMAA. This allows USSIM to gain approval for certain matters, which ordinarily fall within the remit of the investment committee, outside of the normal investment committee meeting timetable, and on an urgent basis, as a result of a market shock or similar event. The USSIM escalation policy is approved by the investment committee and USSIM board, in accordance with the IMAA.

USSIM Escalation Policy

This USSIM escalation policy will enable a representative of the USSIM executive to send an email to all of the investment committee members outlining the proposal for approval. The members of the investment committee would be given a “longstop date” which should reflect the degree of urgency of the matter in question, after which approvals would be collated and action taken, or otherwise. Actions taken will be on the basis of responses received by the longstop date. In order for an item to be approved, three responses (including Chair of investment committee) will be deemed to be a quorum sufficient for the approval.

Any approvals made under this USSIM escalation policy would be notified to the investment committee at the next meeting.

This USSIM escalation policy will apply to approvals that are not covered by other delegated authorities to USSIM, or situations where it is already agreed that the Chair of investment committee or a sub-committee of the investment committee has delegated authority to approve recommendations from the USSIM CEO. For avoidance of doubt, the USSIM escalation policy does not apply to any matter regulated by the FCA and which, therefore, falls outside the remit of the investment committee.

If there are insufficient responses, then the decision will not be deemed to be approved by the longstop date.

If there are disagreements/concerns then these may be resolved via email communication. However, if by the longstop date, there are still members of the investment committee who do not agree with the proposal then this shall be deemed not to be approved and a conference call will be established to discuss the matter.

Pensions Committee

A pensions committee escalation policy has been established, by the pensions committee to allow the pensions committee to gain approval for certain matters which ordinarily fall within the remit of the pensions committee outside of the normal pensions committee meeting timetable, and on an urgent basis, primarily in relation to employer participation cases or similar issues. The escalation policy is approved by the pensions committee.

Pensions Committee escalation policy

The pensions committee established an escalation policy to gain approval for proposals outside of formal pensions committee meetings. To use this policy a representative of the GExCo will send an email to all of the pensions committee members outlining a proposal for approval. The members of the pensions committee would be given a "longstop date" which should reflect the degree of urgency of the matter in question, after which approvals would be collated and action taken, or otherwise. Actions taken will be on the basis of responses received by the longstop date. In order for an item to be approved, two responses (including Chair of pensions committee) will be deemed to be a quorum sufficient for the approval.

Any approvals made under this pensions committee escalation policy would be notified to the pensions committee at the next meeting.

This pensions committee escalation policy will apply to approvals that are not covered by other delegated authorities of the pensions committee, or situations where it is already agreed that the Chair of pensions committee or a sub-committee of the pensions committee has delegated authority to approve recommendations.

If there are insufficient responses, then the decision will not be deemed to be approved by the longstop date.

If there are disagreements /concerns then these may be resolved via email communication. However, if by the longstop date, there are still members of the pensions committee who do not agree with the proposal then this shall be deemed not to be approved and a conference call will be established to discuss the matter.

Terms of reference for the USSL board, USSIM board and their committees

The terms of reference ('TOR') have been established to ensure appropriate allocation of all responsibilities and reduce the risk of duplication. The purpose and remit of each of the USSL and USSIM boards, and their committees, is set out in the TOR in the annexes. The TOR have been drafted in accordance with the USS Group delegation principles, as set out above. An illustration of the USS Group governance structure is also included in the annexes.

SIP

The SIP is a statutory requirement and sets out the investment principles and long term investment policy of the scheme. It is reviewed and approved annually by the USSL board.

DC Default SIP

USSL has a Statement of Investment Principles for the DC Default Lifestyle Option (the "DC Default SIP").

The USS Default Lifestyle Option is the default arrangement in relation to the DC section of the scheme, the Investment Builder. Although the USS Default Lifestyle Option can be actively chosen by members as their investment strategy, as a default arrangement it is the investment strategy into which the DC contributions of members who do not make any investment decisions are paid.

Director appointment, evaluation, training and removal procedures

The governance team maintains various procedures around the appointment, induction and training of directors. A short summary of the appointment procedures are included at section 10 below.

9. BOARD COMPOSITION AND APPOINTMENT

To achieve effective leadership and discharge their duties successfully, the USSL board and USSIM board must have an appropriate balance of knowledge, skills and experience. Recruitment, ongoing training and development and performance management processes are in place to achieve this.

9.1. USSL BOARD COMPOSITION

The composition of the USSL board is laid out in the USSL articles of association. The composition is:

A supervisory board consisting of between 10 and 12 (or between 1 September 2019 and 1 February 2021, 13) non-executive members comprising:

- Four UUK directors;
- Three UCU directors (one of whom is the pensioner member); and
- Between three and five (or between 1 September 2019 and 1 February 2021, six) independent directors.³

The authority to appoint USSL board members is laid out in the articles of association and summarised below:

- UUK is entitled to appoint any person to be a UUK director to fill any vacancy caused by the removal, retirement or death of a UUK director, subject to the approval of the USSL board, not to be unreasonably withheld or delayed.
- UCU is entitled to appoint any person to be a UCU director to fill any vacancy caused by the removal, retirement or death of a UCU director, subject to the approval of the USSL board, not to be unreasonably withheld or delayed.
- The USSL board is entitled to appoint any person to be an independent director to fill any vacancy caused by the removal, retirement or death of an independent director.

Recruitment procedures will be formal, fair, open, transparent and rigorous. Any search will be conducted with due regard to the skills and knowledge of the candidates against the requirements of the USSL board and USS Scheme.

Succession planning processes are in place to allow orderly appointments, maintenance of board skills and experience and progressive refreshing of the board.

Any director may be removed from the USSL board in accordance with USSL's articles of association.

³ Under USSL's Articles of Association, from 28 March 2019 until 31 January 2021 the maximum number of independent directors is increased to six and consequently the maximum aggregate number of directors is 13 during such period.

9.2. USSL DIRECTOR APPOINTMENT PROCESS

A job description for independent directors, as agreed by the USSL board from time to time, which includes the time commitment, standards of conduct and competencies required as a board member, is utilised in the recruitment process.

a) Independent Directors

- The GNC evaluates the balance of skills, experience and knowledge on the USSL board and, in light of this evaluation, approves a role specification for the particular appointment which, along with the director job description, provides the search criteria;
- The GNC leads the search for candidates via a variety of media such as professional networks and advertising or, where appropriate, delegates the search to a recruitment specialist;
- The USSL chair is consulted on the proposed appointment;
- The GNC conducts interviews with appropriate candidates and provides its recommendations to the USSL board for approval;
- The USSL board approves the appointment; and
- Prior to the appointment of a proposed independent director to the USSL board, there will be a consultation with the UUK and UCU appointing bodies.
- For the purposes of this policy, and the terms of reference of the USSL and USSIM board and committees, a director is considered “Independent” if he/she is not appointed by either UUK or UCU⁴. Independent for the purposes of this Policy does not bear the same meaning as “non-affiliated” as set out in the Occupational Pension Scheme (Changes and Governance) Regulations 2015, where non-affiliated means not connected to a service provider to the scheme.

b) UUK and UCU Directors

- In the case of UUK and UCU vacancies, the GNC evaluates the balance of skills, experience and knowledge on the USSL board and, in light of this evaluation, approves a role specification for the particular appointment which, along with the director job description, is provided to the appointing body;
- A member of the GNC sits on the interview panel to provide expert knowledge of USSL board requirements to the appointing bodies;
- The GNC conducts due diligence on the candidate, including at its discretion a further interview, and provides its recommendation to the USSL board for approval;
- The USSL Chair is consulted on the proposed appointment; and
- The USSL board approves the appointment.

If the GNC determines that a proposed appointee does not meet the requirements of the role profile and the legal and regulatory requirements for the role, the GNC will notify the appointing body who will have the right to propose further candidates.

⁴ As per the definition of an independent director under the USSL Articles of Association.

9.3. USSIM DIRECTOR APPOINTMENT PROCESS

- The GNC evaluates the balance of skills, experience and knowledge on the USSIM board and, based on a recommendation from the USSIM board, approves a role specification for the particular appointment. The role specification and director job description provide the search criteria;
- The GNC conducts interviews with appropriate candidates, in conjunction with the USSIM board, GCEO and USSIM CEO;
- The GNC recommends appointment of the candidate to the USSL board; and
- The USSL board approves the appointment.

9.4. USSL DIRECTOR TERMS OF OFFICE

The USSL articles of association state that no director may hold office for a period exceeding four years unless they have been reappointed and this policy lays out further provisions (as below) to ensure a balanced board is established and maintained. The only exception to this is that until 31 August 2020, the maximum term of office of the USSL Chair is 5 years. Thereafter, it is 4 years.⁵ Where a director has been appointed for a term of office shorter than the maximum permitted under the USSL articles of association, the board may, if it considers it appropriate, for example for continuity reasons or to facilitate succession planning, with the agreement of the relevant director agree to extend the term up to the maximum period permitted under USSL's articles of association and as permitted by law.

The following criteria are applied for all directors:

- The term of office for directors is generally four years with a maximum of one reappointment for a further term of four years, resulting in a maximum tenure of eight years. In this case maximum tenure means a single continuous period of service without a material break. This provision is outside best practice which suggests annual re-election to ensure ongoing refreshing of the board. However, it is considered the best option for USSL, given the complexity of matters to be considered by the board and the requirement to undertake a full recruitment exercise at the end of a director's term of office.
- The move to a four year term of office for all directors was introduced in August 2020, and those directors who were serving their second or third terms of office at that time have remained subject to their original three year terms of office, and a maximum tenure of nine years (maximum of two reappointments for a three year term).
- Under exceptional circumstances, the USSL board has the right to extend an independent director's tenure beyond the maximum term for a period of one year; that is to a total of nine years (or ten years in the case of those directors who have remained on a three year term of office). Where an extension is approved by the board the circumstances will be reported in the annual Report and Accounts.
- Following the completion of their maximum tenure, no individual can be eligible for appointment to the USSL board for a period of three years.

⁵ This provision was added in March 2019 in order to facilitate succession planning in relation to the role of the USSL board chair.

- Following their maximum tenure of eight years (nine years for those who remain subject to a three year term) (or nine/ten years if extended in accordance with the foregoing provisions), independent directors will no longer be considered independent and therefore would not be eligible for appointment to the USSL board as an independent director.
- Notwithstanding the above provisions the USSL board may, in exceptional circumstances, resolve to approve that (i) the term of office of the USSL board chair shall be up to 5 years and (ii) the maximum tenure of the USSL board chair shall be 14 years.⁶

9.5. USSIM DIRECTOR TERMS OF OFFICE

The USSIM articles of association do not state a maximum term of office for directors. However, the articles of association do stipulate the process for removal of USSIM directors. USSIM directors are currently appointed for an initial term of three years, with a maximum of two reappointments, resulting in a maximum tenure of nine years. Save that the USSL board may, in exceptional circumstances, resolve to approve that (i) a USSIM director's term of office be up to 5 years and (ii) the maximum tenure of a USSIM director be 11 years.

10. SCHEME GOVERNANCE

The USS Group corporate governance structure exists within the wider context of the USS Scheme governance framework. There are two key committees which form part of the USS governance framework: (i) JNC, and (ii) advisory committee. The JNC and advisory committee are constituted, empowered and governed by the Scheme Rules, not the USSL board.

10.1 JNC

The JNC is a body comprising nominees of both the employers and members (with an independent chair). The purpose of the JNC is to ensure that vital decisions, such as changes to the Scheme Rules and cost-sharing arrangements, are made with the input of stakeholders beyond those who are board directors, and that no one body has sole control and unchecked authority in these areas.

The USSL board and JNC work in partnership to ensure that the decision making process is efficient, fair and balanced. Arrangements are in place to foster a cooperative and successful relationship between the two groups. This includes:

- Reporting mechanisms that allow ongoing communication between the two bodies on relevant matters, and
- Regular briefing sessions with the Chair of the USSL board and Chair of the JNC.

10.2 ADVISORY COMMITTEE

The advisory committee is the primary body for managing complaints and the dispute resolution process. The USSL board is responsible for seeking and acting upon the advice of the advisory committee as appropriate and in line with the Scheme Rules.

⁶ This provision was added in March 2019 in order to facilitate succession planning in relation to the role of USSL board chair.

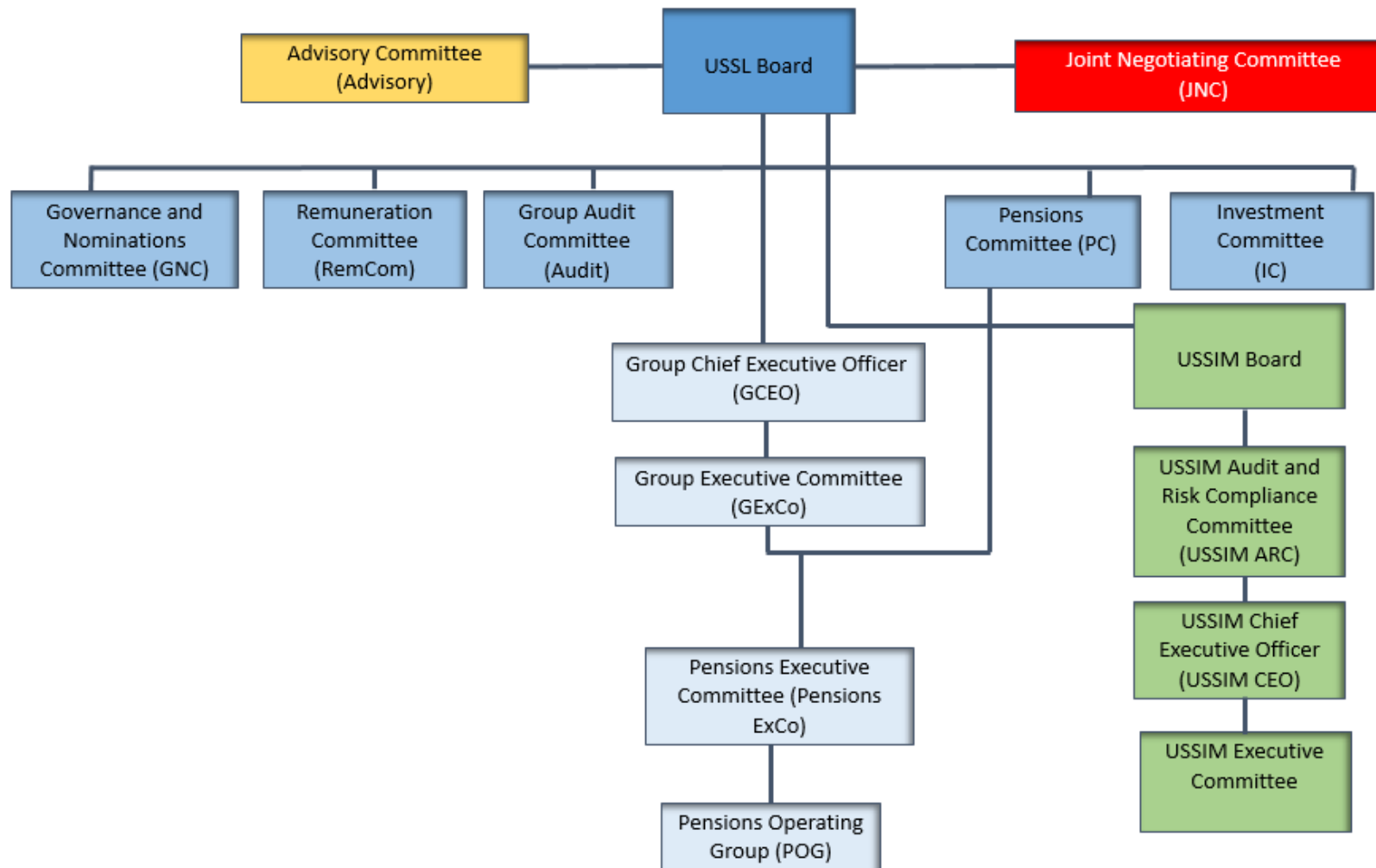
11 ANNUAL REVIEW

This policy will be reviewed annually by the Governance team.

CONTENT

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3	Annex L Annex M Annex N Annex O	Job descriptions USSL Director USSL Board Chair USSL Board Senior Independent Director (SID) and Deputy Chair Committee Chair

USS GROUP CORPORATE GOVERNANCE STRUCTURE



Key

Cell content describes thresholds and conditions for the delegation of authority to the indicated level (Exec, PC, TB). Note each body may further delegate to a sub-group of its members if it feels it is necessary and appropriate.

Green - current policies agreed and approved by all authorities and remain effective;

	Policy and status	Date of implementation / future presentation	Paper reference	Executive	Pensions Committee (in all cases, notified of Executive decisions under its delegations)	Trustee Board
Admission	Admission of new employers	Approved at Sept 2020 TB	MC 317 - 3.4	All requests where the employer evidences either sufficient covenant/a guarantee from another suitable employer with sufficient covenant to support the accrual of future benefits, and enrolls: (i) Academic or comparable staff; or (ii) All staff; or (iii) Employees who were members of USS immediately prior to the start of their current employment (for Post-1992 universities only).	Any other employer, with a recommendation from the executive	Notification only
		Approved at Sept 2020 TB	MC 317 - 3.4	No delegation of authority	The admission of employers and/or modification of the Scheme Rules in relation to an Institution following amalgamation, on recommendation from the GCEO under Scheme Rule 49.	Notification only
	Admission of existing employers after change of status	Approved at Feb 2019 PC, March 2019 TB	POL 30-4.1	(a) Change in legal status (such as incorporation), and (b) S75 debt less than £100m	Any other requests, with a recommendation from the executive	Notification only
Participation	Annual attestation	2020. Dependent on initial engagement exercise and wider participation monitoring	tba	All non-HEI cases	Notification only	Notification only
	Specified employee	Historic delegation to the Executive.	n/a	All cases (decision has been delegated further to the Pensions Strategy Executive: update for delegation to the Chief Pensions Officer).	Notification where requested	Notification where requested
	Participation terms breaches	Approved at July 2019 PC, July 2019 TB Minor amendment approved at Sept 2020 TB	POL 32-4.2	For Non-HEIs: where employer requests changes to participation terms to 'All Staff' or 'Academic & Comparable' and/or retrospective waivers of exclusivity	Any other employer	Notification only
Change in circumstance	Authorised schemes	Historic delegation under Rule 45.2.5 to the Executive.	n/a	Historic delegation: all Authorised Scheme cases (confirmation that a scheme meets the Authorised Scheme requirements has been delegated further to the Technical Policy Manager). Update to delegation: to agree an institution may participate in any other pension scheme in circumstances agreed to by the trustee company.	Notification where requested	Notification where requested
	Change to participation terms (where not in breach)	Approved at May 2018 PC, May 2018 TB Minor amendment approved at Sept 2020 TB	POL 27-7.3	Where employer requests changes to participation terms to 'All Staff' or 'Academic & Comparable' and/or waivers of exclusivity (including retrospectively)	Any other employer	Notification only
	SAA	Approved at Feb 2019 PC, March 2019 TB	POL 30-4.1	(a1) Change in legal status (such as incorporation) or (a2) 3rd party provides guarantee, and (b) S75 debt less than £100m	Any other employer	Notification only
	FAA	Approved at Feb 2019 PC, March 2019 TB	POL 30-4.1	(a1) Change in legal status (such as incorporation) or (a2) 3rd party provides guarantee, and (b) S75 debt less than £100m	Any other employer	Notification only
	DDA	Delegation approved at May 2018 PC, May 2018 TB Further criteria for DDA approval yet to be agreed - updated delegation to follow	POL 27-7.2	Current agreed criteria: (a) Non-HEI or Post-1992, and (b) S75 debt less than £25m, and (c) Planned cessation event	Current agreed criteria: Any employer with a S75 debt less than £300m, except those delegated further to the executive.	Current agreed criteria: Any other employer
	Period of Grace extension	Approved at July 2019 PC, July 2019 TB	POL 32-4.2	All cases	Notification only	Notification only
	Restructuring and mergers	Approved at Feb 2019 PC, March 2019 TB	POL 30-4.1	To follow policy for SAAs and FAAs	To follow policy for SAAs and FAAs	Notification only

Key	
Cell content describes thresholds and conditions for the delegation of authority to the indicated level (Exec, PC, TB). Note each body may further delegate to a sub-group of its members if it feels it is necessary and appropriate.	
Green - current policies agreed and approved by all authorities and remain effective;	

	Policy and status		Date of implementation / future presentation	Paper reference	Executive	Pensions Committee (in all cases, notified of Executive decisions under its delegations)	Trustee Board
Exit	Exit (last active member ceases)		Approved at July 2019 PC, July 2019 TB Applies during moratorium period only.	POL 32-4.2	(a) Employer covenant is NOT assessed as 'strong' or 'tending to strong', and (b) S75 debt less than £25m	Any employer with a S75 debt less than £300m, where the covenant is NOT assessed as 'strong' or 'tending to strong'.	Any other employer (particularly where covenant is assessed as 'strong' or 'tending to strong')
	Voluntary exit		Approved at July 2019 PC, July 2019 TB Applies during moratorium period only.	POL 32-4.2	(a) Employer covenant is NOT assessed as 'strong' or 'tending to strong', and (b1) S75 debt less than £25m, or (b2) exit is incidental (eg legal restructuring)	Any employer with a S75 debt less than £300m, where the covenant is NOT assessed as 'strong' or 'tending to strong'.	Any other employer (particularly where covenant is assessed as 'strong' or 'tending to strong')
	Decision to remove of employer for consistent late payment of contributions		Rule 46.1.5 allows the Trustee to require an Institution to withdraw from the Scheme if, in the Trustee Company's opinion, the institution has persistently failed to pay contributions in accordance with Rule 6 (Ordinary employer contributions). Approved at Sept 2020 TB	MC 317 - 3.4	No delegation of authority	All cases, unless the PC agree it appropriate to escalate to the TB as it raises reputational risk issues.	Any cases referred from PC
	Where "the Trustee finds it impractical or inexpedient for the institution to continue in the Scheme"		Approved at Sept 2020 TB	MC 317 - 3.4	No delegation of authority	All cases, unless wishes to refer to TB	Any cases referred from PC
	Insolvency cases		Approved at July 2019 PC, July 2019 TB	POL 32-4.2	Cases where the S75 debt is expected to be paid in full	All other cases unless wishes to refer to TB	Any cases referred from PC
	Potential insolvency cases (where scheme action could trigger the insolvency)		Approved at July 2019 PC, July 2019 TB	POL 32-4.2	No delegation of authority	No delegation of authority	All cases
Matters arising from the debt monitoring framework	tbc	tbc		tbc	tba	tba	tba
Governance	Changes to the Delegations matrix		Approved at Sept 2020 TB	MC 317 - 3.4	No delegation of authority	Policies that determine arrangements for employers joining, participating in, and leaving the Scheme.	Notification only

TERMS OF REFERENCE (“TOR”)

TRUSTEE BOARD (“TB” or the “Board”)

Chair	<ul style="list-style-type: none"> • A non-executive director, with the requisite skills and experience • Appointed by the TB from its number
Directors	<p>Not less than ten and not more than twelve non-executive members comprising:</p> <ul style="list-style-type: none"> • Four UUK Directors • Three UCU Directors (one of whom is the pensioner member) • Between three and five independent¹ directors • In carrying out all duties of the Board, the directors will act in accordance with all relevant and applicable law and regulation. In particular, they will take account of the directors’ duties contained in the Companies Act 2006.
Standard Attendees	<ul style="list-style-type: none"> • Group Chief Executive Officer (“GCEO”) • Group General Counsel • Head of Governance <p><i>(or an appointed delegate of each)</i></p>
Additional Attendees	Other attendees as agreed by the Chair.
Quorum	<ul style="list-style-type: none"> • Three directors • Where a consensus is not reached, questions will be decided by a majority of votes, with the Chair having a casting vote.
Meeting Frequency	A minimum of six times per annum.
Secretary	A member of the Governance and Company Secretariat team.
This Board receives authority from	<ul style="list-style-type: none"> • The Scheme Rules • USSL Articles • The TB is accountable to the scheme’s stakeholders, employers and members.
Purpose of this Board	<ul style="list-style-type: none"> • Overall leadership, strategy and oversight of USS Group. • Monitoring and oversight of USS’s operations, ensuring competent and prudent management, sound planning, proper procedures for the maintenance of adequate systems of internal control, and for compliance with statutory and regulatory obligations. • Overall oversight of the administration of the scheme to ensure that: (i) the scheme is adequately funded; (ii) benefits are paid when they fall due; (iii) the scheme is effectively administered in line with objectives;

¹ A director is considered independent if he/she is not appointed by either UUK or UCU i.e. as per the definition of an independent director under the USSL Articles of Association.

	<p>and (iv) the scheme and its administration continue to meet the needs of the UK higher education sector.</p> <p><i>It is acknowledged that while the TB retains overall oversight of USS Group, day to day management of USSL in accordance with the approved business plan and budget has been vested by the TB in the GCEO, who allocates specific responsibilities to the senior members of his team. Where it is unclear whether a matter falls within those set out below, the GCEO will discuss with the Chair whether such matter should be brought to the attention of the TB.</i></p> <p><i>All decisions, obligations and powers of the Trustee under the Scheme Rules pertaining to the administration of the scheme are delegated to the GCEO except as expressly retained in these TORs.</i></p>
Reporting and Escalation	<ul style="list-style-type: none"> • Minutes of meetings will be issued to all directors and regular attendees. • All committees and subsidiary boards that act on the direct delegated authority from the TB, will provide a report to the TB following each meeting. The reports will cover: (i) key matters discussed and approved; (ii) decisions taken, and (iii) items recommended for approval by the TB.
Scope of this Board's responsibilities:	
The Board is responsible for Approving:	<p>APPOINTMENTS</p> <ol style="list-style-type: none"> 1. The appointment, reappointment or removal of the following, on recommendation from the GNC: <ol style="list-style-type: none"> a. Any directors to or from the TB; b. TB Chair; c. TB senior independent director; d. TB Deputy Chair; and e. TB committee members (including any non-director committee members "special committee members"). 2. The appointment or removal of the chair of any TB committee on recommendation from the TB chair. 3. The appointment or removal of the GCEO, on recommendation from the GNC. 4. The appointment or removal of the USSIM CEO, on recommendation from the GNC. 5. The appointment or removal of the USSIM board chair and directors, on recommendation from the GNC. 6. The period for which any independent director is to hold office (as long as it does not exceed any time limit in USSL's articles of association ("Articles") or the Corporate Governance Framework Policy). 7. Appointment (and subsequent removal) of an independent director to the Advisory Committee (who is not otherwise a member of the Advisory Committee) on a temporary basis, where neither the additional members (nor alternates) are able to participate in its Dispute Resolution Function as further referred to in Scheme Rule 65. 8. The appointment or removal of one or more persons to act as Company Secretary of USSL and USSIM, on recommendation from GNC. 9. The extension of tenure of an independent director on the TB beyond the maximum term (nine years), on recommendation from GNC.

	<p>10. Appointment or removal/replacement of the scheme's actuary, on recommendation from the GCEO.</p> <p>GOVERNANCE</p> <p>11. Any matters relating to the power of directors and decision-making by directors, subject to the USS Articles and any applicable laws and regulations.</p> <p>12. Any necessary authorisations for the purposes of section 175 Companies Act 2006 (<i>Duty to avoid conflicts of interest</i>).</p> <p>13. The delegation of any of its powers to any person or any committee or sub-committee consisting of one or more directors, and such other persons, as the TB thinks fit.</p> <p>14. The removal of any delegation in whole or in part, or to amend its terms of reference.</p> <p>15. The Corporate Governance Framework Policy, and any amendments to it, on the recommendation of the GNC.</p> <p>16. The governance framework and processes put in place by the GCEO around major strategic projects.</p> <p>17. Material changes to the terms of reference for all committees and subsidiary boards that act on the direct delegated authority from the TB.</p> <p>18. Any signing mandate, authorised signatories, powers of attorney or authorities to bind USS (including delegation of authority to an entity authorised to act as agent of USS but excluding personnel of such entity when the delegation of authority has been made).</p> <p>19. Who shall sign any instrument to which the USS common seal is affixed.</p> <p>20. Significant contracts above the thresholds set out in any signing mandates.</p> <p>21. As sole shareholder of USSIM, the payment of dividends and other distributions of USSIM.</p> <p>22. As sole shareholder of USSIM, the capitalisation of any profits of USSIM.</p> <p>23. The director appointment, removal, evaluation and training policy, on recommendation from the GNC.</p> <p>24. The Board Code of Conduct, on recommendation from the GNC.</p> <p>OPERATION OF THE SCHEME</p> <p>All of the following to be approved and performed in accordance with and as required by the Scheme Rules:</p> <p>25. Material pension increases under Scheme Rule 17, on recommendation of the GCEO.</p> <p>26. The financial monitoring plan (FMP) for the scheme and any amendments (to be reviewed at least triennially).</p> <p>27. Amendments to the Scheme Rules for recommendation to the JNC (as appropriate) or approving amendments to the Scheme Rules (as appropriate) following receipt of JNC consent or recommendations (<i>including that the conditions set out in the Scheme Rules for the power of amendment are met prior to execution of any deed of amendment</i>), on recommendation from PC.</p>
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	<p>28. That any permissive statutory override be used in relation to the Scheme Rules (including any decision to apply such an override retrospectively), on recommendation from PC.</p> <p>29. The scheme's funding and benefits position and allocations, acting on actuarial advice and in consultation with the JNC where required.</p> <p>30. The statement of funding principles and schedules of contributions.</p> <p>31. The triennial valuation and process (including assumptions, methodology and outcomes).</p> <p>32. The principal employer contribution rate in accordance with the Scheme Rules.</p> <p>33. The framework to address any alteration or addition to the scheme that is required following actuarial investigation, in consultation with the JNC (on recommendation by the GCEO).</p> <p>34. Any proposals that will have a material impact on member benefits/experience/offering (employer service levels and/or the cost of operating the Pensions Segment), on recommendation from PC.</p> <p>35. Any material proposals in relation to the range of DC investment Options, DC Benefit Options (under the Scheme Rules) and/or Services and Flexibilities provided to members, including the member requirements and any specifications for such products and services, on recommendation from PC.</p> <p>36. The appointment or removal of, or entering into any material arrangement with, any material third party supplier who (a) provides services to members (e.g. Services and Flexibilities or as a MPAVC provider) and/or (b) provides DC administration or DC investment platform services, on recommendation from PC.</p> <p>37. The regular for admission, participation and exit of participating employers, on recommendation from PC and /or GCEO.</p> <p>38. (i) The delegation of any employer participation decisions to PC under the employer participation delegations framework ("Delegations Framework"), (ii) any employer participation decisions that are reserved to TB under the Delegations Framework, on recommendation from PC and (iii) any other material proposals in relation to day to day employer participation issues (i.e. those not relating specifically to the scheme's valuation), including admission of a participating employer or exit / withdrawal of an Institution (other than for persistent late payment of contributions).</p> <p>39. Bulk transfer in arrangements under Scheme Rule 48.</p> <p>40. Wind-up of the scheme or cessation to be the administrator (in conjunction with approval by the JNC).</p> <p>41. The Continuity Strategy and any revisions to it.</p> <p>42. The Continuity Option (following a Trigger Event²).</p> <p>43. The Implementation Strategy (including any delegations and matters reserved for the TB within the Implementation Strategy) on recommendation from the GCEO.</p> <p>44. The purchase of insurance (in a buy-out situation).</p> <p>45. The principles for implementation of the subsidy of DC management charges, on recommendation from PC.</p>
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² As defined by the Pension Schemes Act 2017

	<p>46. The scheme's Value for Money Assessment, and the Chair's statement, on recommendation from the GCEO and / or PC.</p> <p>47. the scheme's annual supervisory return, on recommendation from PC.</p> <p>INVESTMENT</p> <p>48. The investment policy of the scheme and the SIP, on recommendation from the IC, to ensure that it is appropriate given the scheme's funding position, liabilities and covenant.</p> <p>49. The Journey Plan and any amendments to achieve the FMP's return objectives and risk tolerances (to be reviewed at least triennially), on recommendation from the IC.</p> <p>50. Amendments to the IMAA (as required), on recommendation from the IC.</p> <p>51. The appointment or removal/replacement of any investment manager (including USSIM but excluding any investment manager that is managed by USSIM), on recommendation from the IC.</p> <p>52. The Responsible Investment Strategy (including the USS UK voting policy; USS and USSIM's Stewardship Principles and the public policy areas of focus).</p> <p>53. Appointment or removal/replacement of professional custodians on recommendation from the IC.</p> <p>54. The Risk Tolerance Measures and Risk Budget for the DB Reference Portfolio, with advice from the USSIM CEO (as appropriate) on recommendation from the IC.</p> <p>55. The DB Return Objective for the DB Reference Portfolio, with advice from the USSIM CEO (as appropriate) on recommendation from the IC.</p> <p>56. The Liability Benchmark for the DB Reference Portfolio, with advice from the USSIM CEO (as appropriate) on recommendation from the IC.</p> <p>57. The DB Reference Portfolio and any amendments including pre-approvals for future adjustments based on the Journey Plan (at least annually), with advice from the USSIM CEO (as appropriate) on recommendation from the IC.</p> <p>58. The overall investment policy, beliefs and DC Investment Objectives for the DC Section, on recommendation from the IC.</p> <p>59. The composition of the DC Reference Portfolios (including asset allocation, performance benchmarks, return objectives, risk tolerances, risk limits and glide-paths), on recommendation from the IC (and with advice from USSIM).</p> <p>60. In respect of the DC Self Select Funds, on recommendation from the IC (and with advice from USSIM):</p> <p>61. The DC Investment Solutions for the DC Self Select Range;</p> <p>62. The DC Self Select Range outperformance targets and benchmarks (where applicable); and</p> <p>63. The Risk Tolerances and Risk Limits of the DC Self Select Funds (where applicable).</p> <p>64. The DC investment policy implementation document ('IPID').</p> <p>65. The DC default statement of investment principles.</p> <p>66. Engagement of USSIM to commence direct management of DC assets.</p> <p>67. The investment management cost envelope for the DC default strategy.</p> <p>68. The method for setting investment return assumptions to be used for the purposes of Statutory Money Purchase Illustrations.</p>
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	<p>69. The terms and limits proposed by USSIM in any DC Notification letter under the IMAA.</p> <p>OPERATION OF THE GROUP/REMUNERATION</p> <p>70. The USS Group and DC Business Plans and Budgets (including total estimated compensation) and any material deviations (including the business plan and budget for all subsidiaries), on recommendation from the GCEO, and the USSIM Board (in respect of the USSIM Business Plan and Budget and USS Investment Business Plan), and on recommendation from the GCEO and (in respect of the Pensions Segment in any Business Plan or Budget) PC.</p> <p>71. Any increase to the total compensation which exceeds the amount approved by the TB as part of the USS Group and DC Business Plans and Budgets, on recommendation from the RemCom.</p> <p>72. The USS Group's strategic aims and objectives.</p> <p>73. The USS Group Corporate Structure and any material amendments to it (excluding any SPVs or entities formed or acquired as investments of the scheme).</p> <p>74. USSIM Board non-executive directors' fees and expenses and changes, recommended by Remcom.</p> <p>75. Any amendments to the remuneration policy that are not in accordance with the USS Group Business Plans or strategy, on recommendation from the Remcom.</p> <p>76. The USS Group strategy for recruitment, retention and motivation of its employees, on recommendation from the Remcom.</p> <p>77. The fee structure for members of any committee of the TB other than for members of the JNC, Advisory Committee and IC.</p> <p>RISK</p> <p>78. The Risk Governance Policy, on recommendation from the Group AC and IC.</p> <p>79. The USS Group risk appetite statements on recommendation from IC, PC, Group AC, GNC or Remcom, as appropriate.</p> <p>AUDIT</p> <p>80. The appointment, re-appointment and removal of the Group external auditor for USS, the scheme and USSIM, on the recommendation of the Group AC.</p> <p>81. The continued use of the going concern basis of accounting in the preparation of the USS and scheme annual Report and Accounts.</p> <p>82. The external audit management representation letter for USS and the Scheme, on the recommendation of the Group AC.</p> <p>83. The USS and scheme annual Report and Accounts for signing and publication, on recommendation from the Group AC.</p> <p>84. The Whistleblowing Policy, on recommendation from the Group AC.</p> <p>85. The Conflicts of Interest Policy, on recommendation from the Group AC.</p>
<p>The Board is responsible for Recommending for Approval:</p>	<p>86. To the JNC, Scheme Rule amendments, in accordance with Scheme Rule 79.</p>

	<p>87. To the JNC, the fee structure for current and prospective TB directors and any changes following a review, at such time as determined appropriate.</p> <p>88. To the JNC, any changes to the fee structure for members of the JNC, Advisory Committee and the IC, following a review at such time as determined appropriate.</p>
<p>The Board is responsible for Oversight:</p>	<p>In addition to the specific activities listed below, the TB also oversees all activities delegated to, and carried out by, the GCEO, committees and subsidiary boards, as documented in each of their TOR, through oversight of the reporting provided by them to the TB.</p> <p>APPOINTMENTS</p> <p>89. Monitoring the effectiveness of the recruitment process undertaken by the GCEO to appoint his/her executive team.</p> <p>GOVERNANCE</p> <p>90. Reviewing and evaluating any risks of material breaches/issues of compliance with the Corporate Governance Framework Policy, which have been reported by the GNC.</p> <p>91. Considering any advice provided by Advisory Committee, under its TOR.</p> <p>92. Monitoring compliance with the conflicts of interest policy.</p> <p>OPERATION OF THE SCHEME</p> <p>93. Monitoring and challenging the triennial actuarial valuation/investigation activities, performed by GCEO on the request of the TB.</p> <p>94. Monitoring and reviewing statutory increases to pension benefits, acting on actuarial advice.</p> <p>95. Keeping under review the admission of employers or modification of the Scheme Rules in relation to an Institution following amalgamation or where an Institution contributes to or participates in any other pension scheme.</p> <p>96. Monitoring and assessing the adequacy of policies and arrangements for employers joining and leaving the scheme.</p> <p>97. Considering proposals (where required) in respect of decisions of the Advisory Committee that involve a significant issue of principle or policy where the Advisory Committee is required to refer the matter to the TB (in accordance with Scheme Rule 65.6.1), on recommendation from PC.</p> <p>98. Monitoring the integrity of the framework for the compromise of claims (excluding any claims in respect of s75 which shall not be compromised except in accordance with the PA 1995).</p> <p>99. Monitoring and assessing the adequacy of The Trustee's general approach to (i) corporate affairs and (ii) member and employer engagement (excluding non-valuation related ordinary course member and employer communication and engagement, which will be reviewed by PC).</p> <p>100. Monitoring and assessing that the DC Section offers value for money for its members.</p> <p>INVESTMENT</p>

	<p>101. Reviewing and challenging the Reference Portfolio, Reference Portfolio Framework Document and any amendments to incorporate the FMP and Journey Plan to achieve the FMP's return objectives and risk tolerances.</p> <p>102. Reviewing and receiving regular reports about USSIM's performance and the reporting provided by USSIM Board and USSIM CEO as required under the IMAA.</p> <p>103. Monitoring USSIM's Target Outperformance, based on reporting from the IC.</p> <p>RISK</p> <p>104. Monitoring and assessing the adequacy of the internal control and risk management framework of USS Group, based on assurance provided by the Group AC on each of the three lines of defence, as follows: (i) first line: the Group Executive and USSIM Board; (ii) second line: the GGC and CRO, and: (iii) third line: internal audit.</p> <p>105. Reviewing the processes to identify, manage, monitor and report (relative to risk appetite/risk tolerances) the risks to which USS is or might be exposed.</p> <p>106. Reviewing and receiving regular reports on errors that may lead to material losses or gains, and management's response to them.</p> <p>107. Monitoring compliance with all relevant regulatory notification and filing requirements applicable to USSL (including those under the Pensions Schemes Act 2017 and the Occupational Pension Schemes (Master Trust) Regulations 2018) and the implementation of an appropriate monitoring framework to support such compliance.</p> <p>OPERATION OF THE GROUP</p> <p>108. Monitoring and assessing the implementation of the USS Group Business Plans and Budgets (including the DC Business Plan) by the GCEO.</p> <p>109. Evaluating the execution of the Implementation Strategy by the GCEO.</p> <p>110. Monitoring and assessing the GCEO's performance in light of USS's company's strategic aims, objectives, business plans and budgets and the risk appetite set by the TB (and ensuring any necessary corrective action is taken).</p> <p>111.</p> <p>112. Assessing the effectiveness of the USS Group's operating structure, put in place by the GCEO.</p> <p>113. Reviewing management information from the GCEO and each business area, to evaluate implementation of the USS Group Business Plan.</p> <p>114. Monitoring and receiving regular reports and assurance about the performance of the Pensions Segment, against the Pensions Business Plan and Budget, as provided by PC.</p> <p>115. Monitoring and receiving regular reports and assurance about the performance of USSIM, against the USSIM Business Plan and Budget, as approved by the USSIM Board.</p>
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	<p>116. Monitoring and receiving regular reports and assurance about performance against the USS Investment Business Plan, as provided by the IC.</p> <p>117. Monitoring and receiving regular reports and assurance about the from the USSIM Board on the level and adequacy of services provided by USSIM under the IMAA.</p> <p>118. Receiving regular reports about material communications with the Pensions Regulator.</p> <p>119. The bi-annual review of the USSIM Board non-executive directors' fee and expenses structure as performed by Remcom.</p>
The Board is responsible for Performing:	<p>120. The recruitment of the GCEO in conjunction with the GNC.</p> <p>121. The convening of a USS General Meeting, in accordance with the USS Articles and the Companies Act 2006.</p> <p>122. The convening of a USSIM General Meeting, as sole shareholder, in accordance with the USSIM Articles and the Companies Act 2006.</p> <p>123. Resolution of any doubt/disagreement as to whether the Advisory Committee is exercising its Dispute Resolution Function pursuant to Scheme Rule 65.2.4.</p> <p>124. Review of the GCEO's implementation of USS Group's objectives, values and culture (and ensuring that any corrective action is taken).</p> <p>125. An annual review of the TB's own effectiveness (including individual directors).</p> <p>126. An annual review of these TOR.</p>
TOR last approved	10 September 2020

TERMS OF REFERENCE (“TOR”)**PENSIONS COMMITTEE (the “PC” or the “Committee”)**

Chair	<ul style="list-style-type: none"> An independent¹ non-executive director, with the requisite skills and experience. Appointment approved by the Trustee Board (TB), on recommendation from the Governance and Nominations Committee (GNC).
Members	<p>Minimum of five members, including:</p> <ul style="list-style-type: none"> Group Chief Executive Officer (GCEO) Chief Pensions Officer (CPO) <p>The Chair of the Audit Committee is not permitted to be a member of the Committee.</p>
Standard Attendees	<ul style="list-style-type: none"> Chief Risk Officer (CRO) Pension Strategy Executive Head of Policy, Proposition and Stakeholder Engagement Chief Legal Officer <p><i>(or an appointed delegate of each)</i></p>
Additional Attendees	Other attendees as agreed by the CPO and the Committee Chair.
Quorum	Three committee members, the majority of whom shall be non-executive directors.
Meeting Frequency	Typically, four meetings per annum (to be focused around quarterly reporting) and at least one that is focused on strategic matters.
Secretary	A member of the Governance and Company Secretariat team.
This Committee receives authority from:	The Committee operates under delegated authority from the TB.
Purpose of this Committee	<ul style="list-style-type: none"> High-level monitoring and oversight of the performance of the Pensions Segment, including: <ul style="list-style-type: none"> the scheme’s administration and the services provided to employers and scheme members; Engagement with members and employers (other than in relation to valuations); the scheme’s approach to any material regulatory, policy or strategy developments impacting the Pensions Business; and the development, agreement and implementation of changes to the Scheme Rules.

¹ A director is considered independent if he/she is not appointed by either UUK or UCU i.e. as per the definition of an independent director under the USSL Articles of Association.

	Note: The Committee is authorised by the TB to obtain, at USSL's expense, external legal or independent professional advice, and secure the attendance of external parties with relevant experience and expertise if necessary (subject to TB approval of the USS Group budget).
Reporting and Escalation	<ul style="list-style-type: none"> The Committee will report to the TB after each Committee meeting. The report will cover: (i) key matters discussed; (ii) decisions taken within its remit, (iii) items recommended for approval by the TB and (iv) any other material issues that the Committee wishes to escalate to the TB. Minutes of the meetings will be issued to all Committee members and regular attendees and will be made available, on request, to members of the TB. All activities listed below are undertaken under the delegated authority from the TB and must be: (i) in accordance with the USS Group business plan; (ii) in line with relevant regulatory and statutory requirements, and (iii) included in the appropriate budget. Where these conditions are not met, the Committee must escalate to the TB.
Notice of meetings	<ul style="list-style-type: none"> Meetings of the Committee shall be called by the secretary of the Committee, at the request of the Committee chair or any of its members. Unless otherwise agreed, notice of each meeting confirming the venue, time and date shall be sent to each member of the Committee and any other person required to attend before the date of the meeting. The agenda of items to be discussed and supporting papers shall be sent to Committee members and to other attendees as appropriate.
Scope of this Committee's responsibilities:	
This Committee is responsible for Approving:	<p><u>Member Options and Service Developments</u></p> <ol style="list-style-type: none"> The assumptions, beliefs and preferences of members (for the DC Investment Options and DC Services and Flexibilities to be offered to members). The range of investment options under money purchase additional voluntary contributions ("MPAVCs"). The principles for conversion of defined benefit ("DB") lump sum entitlements into DB pension (and vice versa) as per Rule 21 or the conversion of MPAVC funds (Rule 36) or a member's defined contribution ("DC") account (Rule 22) into DB benefits. Material changes to the Member Journey. Any non-material proposals in relation to the range of Services and Flexibilities provided to members. <p><u>Employer Participation</u></p> <ol style="list-style-type: none"> Any employer participation decisions that are reserved to PC under the employer participation delegations framework ("Delegations Framework") from time to time. <p><u>Specific Policies/Frameworks</u></p> <ol style="list-style-type: none"> The following policies, principles and frameworks: <ol style="list-style-type: none"> Member Dispute Policies;

	<ul style="list-style-type: none"> b. The DC errors and omissions framework; c. USS commutation policies and procedures; d. Fairness principles for DC Illiquids; and e. Framework for purchase of insurance under Scheme Rule 20 (Buy-outs). <p><u>Governance</u></p> <ul style="list-style-type: none"> 8. The Rules Group TOR. 9. Any immaterial changes to the Committee's TOR or amendment to the Committee's escalation policy. 10. The annual report from the Committee for inclusion in the USS annual Report and Accounts. <p><u>Miscellaneous</u></p> <ul style="list-style-type: none"> 11. Payments to compromise claims under the Scheme Rules or relevant pensions legislation and regulations in excess of £5 million, (excluding any compromise of claim regarding section 75 of the Pensions Act ("PA") 1995 except as authorised by legislation). 12. The reports prepared for the JNC about elections under the enhanced opt out provisions and employee specific voluntary salary cap under schedules 14 and 15 of the Scheme Rules.
This Committee is responsible for Recommending for Approval:	<p><u>General</u></p> <ul style="list-style-type: none"> 13. Any proposals that will have a material impact on member benefits/experience/offering (employer service levels and/or the cost of operating the Pensions Segment). 14. Any proposals in relation to the range of DC Investment Options, DC Benefit Options (under the Scheme Rules) and/or Services and Flexibilities provided to members, including the member requirements and any specifications for such products and services. 15. The appointment or removal of, or entering into any material arrangement with, any material third party supplier who (a) provides services to members (e.g. DC Services and Flexibilities or as an MPAVC provider) and/or (b) provides DC administration or DC investment platform services. <p><u>Business Plans</u></p> <ul style="list-style-type: none"> 16. the proposed objectives (and key KPIs) in respect of the Pensions Segment in any Business Plan or Budget (including the Annual Business Plan, 3 Year Plan and/or DC Business Plan). 17. The scheme's Value for Money Assessment, and the Chair's statement, in so far as it relates to the Pensions Segment. 18. The principles for the implementation of the subsidy of DC management charges. <p><u>Employer Participation</u></p> <ul style="list-style-type: none"> 19. The framework for admission, participation and exit of participating employers. 20. (i) the employer participation Delegations Framework, (ii) any decisions that that require TB approval under the Employer Delegations Framework and (ii) any other material proposals in relation to day to day employer participation issues (i.e. those not relating specifically to

	<p>the scheme's valuation), including admission of a participating employer or exit/ withdrawal of an Institution (other than for persistent late payment of contributions).</p> <p><u>Risk</u></p> <p>21. Any amendment to the Risk Appetite Statements in respect of the Product, Members and Service Delivery risks that the Committee has oversight of, as set out in paragraph 30 below.</p> <p><u>Master Trust</u></p> <p>22. The scheme's annual supervisory return.</p> <p><u>Scheme Rule Amendments</u></p> <p>23. Amendments to the Scheme Rules and/or any decision to use a permissive statutory override in relation to the scheme (including any decision to apply such an override retrospectively).</p> <p><u>Governance</u></p> <p>24. Proposals (where required) in respect of decisions of the Advisory Committee that involve a significant issue of principle or policy where the Advisory Committee is required to refer the matter to the TB (as per Scheme Rule 65.6.1).</p> <p>25. Material changes to the Committee's TOR.</p>
<p>This Committee is responsible for Oversight:</p>	<p><u>Strategy Business Planning and Operations</u></p> <p>26. Reviewing and assessing performance of the Pensions Business, including overseeing implementation of the Pension Segment of any Business Plan (including the Annual Business Plan, 3 Year Plan and/or DC Business Plan).</p> <p>27. Evaluating the adequacy of the strategy, planning and business development for the Pensions Segment.</p> <p>28. Monitoring and evaluating the adequacy of the Trustee's proposed response to legal, regulatory, fiscal, policy and/or sector specific issues that may have a material impact on the way in which the scheme is administered, members and/or employers are serviced and/or the Trustee engages with members and/or employers.</p> <p>29. Monitoring and assessing the effectiveness and appropriateness of the Trustee's communication, education and engagement with Institutions and scheme members and keeping under review of any communications/engagement frameworks (but excluding the Trustee's general strategic approach to (i) corporate affairs and (ii) member and employer engagement specifically in the context of a valuation).</p> <p>30. Keeping under review the following risks, within the scheme's existing benefit structure:</p> <ul style="list-style-type: none"> a. Product: the risk that USS fails to develop an appropriate and attractive product suite; b. Members: the risk that members no longer want to use USS for their retirement provision; and c. Service Delivery: the risk that transaction errors may occur in the processing of data. <p>31. Reviewing and challenging the assurance maps relating to the Pensions Business.</p>

	<p>32. Keeping under review the adequacy of risk management and security controls that relate to the protection of Members' and Institutions' data and personal information.</p> <p>33. Reviewing and challenging the findings and recommendations of the GCEO's annual review of member demographics (pursuant to regulatory guidance).</p> <p>34. Compliance of policies / frameworks (as set out in paragraph 7 above) with legal and regulatory requirements and best practice for USS, based on assurance provided by the GCEO and CPO.</p> <p><u>Employer Participation</u></p> <p>35. Monitoring and assessing any material issues arising from the GCEO's implementation of the employer participation framework and policies, and/or the Delegations Framework and monitoring of employer's compliance with it. The Committee will as part of this review and challenge the GCEO's analysis of the employer covenant in the context of day to day employer participation issues (not valuations).</p> <p><u>DC Services and Flexibilities</u></p> <p>36. Monitoring and assessing the adequacy of the Pensions Business performance and delivery of services (including member benefits/experience/offering and employer service levels) to institutions and members.</p> <p>37. Reviewing annually the scheme's Value for Money Assessment in so far as it relates to the Pensions Segment.</p> <p>38. At least once every year, reviewing and assessing member behaviour and the ongoing suitability of:</p> <ul style="list-style-type: none"> a. The range of DC Investment Options to be offered to members (and providing an annual report to the IC); b. The DC Services and Flexibilities; c. The range of investment options under MPAVCs; and d. The Member Journey. <p><u>Master Trust</u></p> <p>39. Reviewing and assessing the input into the scheme's annual supervisory return.</p> <p><u>Scheme Rules</u></p> <p>40. Receiving and assessing recommendations from the Rules Working Group (an executive led forum) (the "Rules Group") of any proposed amendments to the Scheme Rules.</p> <p><u>Governance</u></p> <p>41. Reviewing at least once every two years the Committee's own effectiveness.</p> <p>42. At least annually, reviewing the Committee's constitution and TOR to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the TB for approval.</p>
TOR last approved	10 September 2020

Definitions

The following definitions are used in these terms of reference:

Phrase	Meaning
“Pensions Business”	Comprises (i) Pension Executive, (ii) Pension Operations, (iii) Group Transformation, (iv) Pension Engagement and Development and (v) Pension Strategy
“Pensions Segment”	The financial reporting segment comprising Pensions Business, together with (i) Funding Strategy, (ii) Pensions element of group projects, (iii) Payroll and (iv) Pensions Allocation of Group costs
“DC Services and Flexibilities”	The range of services and flexibilities made available to members (including but not limited to the DC Benefit Options, the provision of member guidance and advice services and the signposting of third party providers of annuity and drawdown).
“DC Benefit Options”	Shall have the meaning given to it in the Scheme Rules. In effect it is the benefit options made available to members of the scheme under Rule 22 of the Scheme Rules.
“DC Investment Options”	The investment options made available to members in the Investment Builder.
“Member Journey”	The set of agreed pathways that members travel in their relationship with the scheme through which they access member facing options, services and flexibilities.

TERMS OF REFERENCE

INVESTMENT COMMITTEE (“IC” or the “Committee”)

Chair	<ul style="list-style-type: none"> • An independent¹ non-executive director, with investment experience. • Appointment approved by the TB, on recommendation from the GNC.
Members	<ul style="list-style-type: none"> • Not less than four, not more than ten persons. • At least one member to be a non-executive director of USSIM. • At least two members will be directors on the TB (“ordinary committee member”). • No more than five members may be co-opted by the TB because of specialist skills/qualifications/experience in investment management and provision of investment advice (“special committee member”). • A member of the TB with the requisite skills may be appointed as a special committee member. • Composition of members to be reviewed annually.
Standard Attendees	<ul style="list-style-type: none"> • GCEO • USSIM CEO • USSIM Deputy CEO • GGC • Head of Strategy Coordination • CRO • Representative from Governance and Company Secretariat team • Independent Advisers from time to time <p><i>(or an appointed delegate of each)</i></p>
Additional Attendees	<ul style="list-style-type: none"> • Other investment staff as agreed with the Chair.
Quorum	<ul style="list-style-type: none"> • Two ordinary committee members and two special committee members.
Meeting Frequency	A minimum of four meetings per annum, plus an away day.
Secretary	A representative from the Governance and Company Secretariat team.
This Committee receives authority from	<ul style="list-style-type: none"> • Rule 66 of the Scheme Rules • The Committee operates under delegated authority from the TB
Purpose of this Committee	<ul style="list-style-type: none"> • To oversee the investment of the scheme’s assets. • To advise the TB and, where delegated, approve on the TB’s behalf all strategic matters relating to the investment of the DB assets of the scheme, on the development of the scheme’s strategy, having regard to regulatory requirements and having taken appropriate advice. <p>Note: The IC is authorised by the TB to obtain external legal or independent professional advice, and secure the attendance of external parties with relevant experience and expertise if necessary (subject to TB approval of the USS Group budget).</p>

¹ A director is considered independent if he/she is not appointed by either UUK or UCU i.e. as per the definition of an independent director under the USSL Articles of Association.

Reporting and Escalation	<ul style="list-style-type: none"> • The Committee will report to the TB after each Committee meeting. The report will cover: (i) key matters discussed; (ii) decisions taken within its remit; and (iii) items recommended for approval by the TB. • Minutes of meetings will be issued to all Committee members and regular attendees and will be made available, on request, to members of the TB. • All activities listed below are undertaken under the delegated authority from the TB and must be: (i) in accordance with the USS Group business plan; (ii) in line with relevant regulatory and statutory requirements; and (iii) included in the appropriate budget. Where these conditions are not satisfied, the Committee must escalate to the TB.
Scope of this Committee's Responsibilities:	
The Committee is responsible for Approving:	<p>DB REFERENCE PORTFOLIO</p> <ol style="list-style-type: none"> 1. The DB Instruction letter to incorporate any appropriate approvals by the TB (including amendments to core constructs such as the Risk Tolerance measures and Risk Budget, the DB Reference Portfolio, the Return Objective, the Liability Benchmark, the FMP and Journey Plan). 2. The DB Reference Portfolio Benchmarks, with advice from the USSIM CEO (as appropriate). 3. The Target Outperformance (being the target return objective by which the Implemented Portfolio is to outperform the DB Reference Portfolio), with advice from the USSIM CEO (as appropriate). 4. The Risk Objective (being a tolerance around various risk measures to which the Implemented Portfolio must adhere) with advice from the USSIM CEO and GCEO (as appropriate). 5. Approach to Strategic Leverage and the Strategic Leverage Limits, with advice from the USSIM CEO (as appropriate). 6. The Allocation Limits (regarding disposable assets, hedging, diversification and external managers to which the Implemented Portfolio must adhere), with advice from the USSIM CEO (as appropriate). 7. The FX Hedging Approach (being the hedge ratios to be applied to currency exposures in the DB Reference Portfolio), with advice from the USSIM CEO (as appropriate). 8. The scheme's approach to illiquidity and any limits to which the Implemented Portfolio must adhere. 9. The maximum allocation and limits to PMG Assets to be included in the Implemented Portfolio with advice from the USSIM CEO (as appropriate). 10. The scheme's securities lending programme framework. <p>OTHER</p> <ol style="list-style-type: none"> 11. The investment report for inclusion in the USS annual Report and Accounts. 12. Any immaterial changes to the Committee's TOR. 13. Participation in securities litigation proceedings (where a referral is made under the Securities Litigation Policy).

	<p>14. Settlement of a securities litigation case (where a referral is made under the Securities Litigation Policy).</p> <p>15. The Securities Litigation Policy.</p> <p>16. The USSIM Escalation Policy (included in the corporate governance framework policy).</p>
<p>The Committee is responsible for Recommending for Approval:</p>	<p>DB REFERENCE PORTFOLIO</p> <ol style="list-style-type: none"> 1. To the TB, the Risk Tolerance Measures and Risk Budget for the DB Reference Portfolio, with advice from the USSIM CEO (as appropriate). 2. To the TB, the Return Objective for the DB Reference Portfolio, with advice from the USSIM CEO (as appropriate). 3. To the TB, the Liability Benchmark for the DB Reference Portfolio, with advice from the USSIM CEO (as appropriate). 4. To the TB, the DB Reference Portfolio and any amendments including pre-approvals for future adjustments based on the Journey Plan (at least annually), with advice from the USSIM CEO (as appropriate). <p>DC</p> <ol style="list-style-type: none"> 5. To the TB, the DC Reference Portfolios' composition for the Core Notional Funds and any changes to the DC Reference Portfolios' composition, in respect of the DC Default Strategy and DC Ethical Strategy. 6. To the TB, in respect of the DC Default Strategy and DC Ethical Strategy: <ul style="list-style-type: none"> ○ The DC Reference Portfolios' Performance Benchmarks (with advice from the USSIM CEO, as required); ○ The DC Reference Portfolios' Return Objectives and DC Reference Portfolios' Risk Tolerances and Risk Limits (with advice from the USSIM CEO, as required); ○ The DC Implemented Portfolios' Target Outperformance; and ○ The DC Default Strategy and DC Ethical Strategy glidepaths. 7. To the TB, in respect of the DC Self Select Funds: <ul style="list-style-type: none"> ○ The DC Investment Solutions for the DC Self Select Range; ○ The DC Self Select Range outperformance targets and benchmarks (where applicable); and ○ The Risk Tolerances and Risk Limits of the DC Self Select Funds (where applicable). 8. To the TB, the DC Investment Policy Implementation Document ('IPID') 9. To the TB, the engagement of USSIM to commence direct management of DC assets (if applicable). 10. To the TB, the investment management cost envelope for the DC default strategy. 11. To the TB, the method for setting investment return assumptions to be used for the purposes of Statutory Money Purchase Illustrations 12. To the TB, the terms and limits proposed by USSIM in any DC Notification letter under the IMAA. 13. To the TB, the DC Default Statement of Investment Principles 14. To the TB, the overall investment policy, DC Investment Objectives and beliefs for the DC Section.

	<p>OTHER</p> <ol style="list-style-type: none"> 15. To the TB, the investment policy of the scheme and the SIP, on receipt of analysis from USSIM Board. 16. To the TB, the investment related assumptions to be considered for use in actuarial valuations. 17. To the TB, the Journey Plan and any amendments to achieve the FMP's return objectives and risk tolerances (to be reviewed at least triennially), on receipt of analysis from the GCEO and USSIM CEO. 18. To the TB, amendments to the IMAA (as required). 19. To the TB, the appointment or removal/replacement of any investment manager (including USSIM) (other than an investment manager that is managed by USSIM). 20. To the TB, the appointment or removal/replacement of professional custodians (with advice from USSIM Board, as appropriate). 21. To the TB, the Risk Governance Policy in relation to investment-related risks. 22. To the TB the overall USS investment cost as reasonable. 23. To the TB, the apportionment rate of investment management costs, on receipt of analysis from the GCEO. 24. To the TB, any material changes to the Committee's TOR.
<p>The Committee is responsible for Overseeing:</p>	<ol style="list-style-type: none"> 1. The delivery of Services provided by USSIM under the IMAA, through receipt of assurance by USSIM and the USSIM CEO, including (but not limited to), USSIM's asset management services, including advisory and operational services. 2. Delivery of services of any investment manager with its applicable investment management agreement (other than USSIM or an investment manager that is managed by USSIM). 3. USSIM's delivery of the Target Outperformance (being the target return objective by which the Implemented Portfolio is to outperform the DB Reference Portfolio). 4. USSIM's compliance with the Investment Restrictions (as per the IMAA). 5. Implementation of the Journey Plan by USSIM. 6. The Implemented Portfolio Benchmarks and benchmark process 7. Adherence by USSIM to the Risk Objectives, including periodic review of performance against and basis of the estimate for adherence to the Risk Budget. 8. Performance against the USS Investment Business Plan. 9. Adherence with the SIP and DC default SIP. 10. Any investment issues raised by USSIM CEO. 11. Compliance by USSIM with the following policies (being Trustee Approved Policies under the IMAA): <ol style="list-style-type: none"> a. Securities Litigation Policy; b. Permitted Assets and Derivatives Policy; c. USSIM's External Manager Selection Procedures; d. Responsible Investing Policy and USSIM's compliance with the Responsible investment Strategy and advice on shareholder engagement/responsible investment services. 12. Receipt and review of: <ol style="list-style-type: none"> a. USSIM's adoption of appropriate policies (consistent with the Trustee Approved Policies).

	<ul style="list-style-type: none"> b. USSIM's advice on the selection, appointment and management of the scheme's custodians; c. USSIM's advice on shareholder engagement/responsible investment services; d. USSIM's advice on securities litigation cases; e. USSIM's advice on selection, appointment and management of performance measurement and valuation service providers; f. USSIM's asset management services, including advisory and operational services; g. USSIM's advice and assistance to ensure satisfaction of any investment related legal and regulatory reporting requirements; h. The FX Hedging Approach and advice from the USSIM CEO; i. Assurance from USSIM that the scheme's assets are held in the name of the scheme or a nominee or a professional custodian; j. Assurance from USSIM with respect to its implementation and operation of risk management and risk monitoring including adoption of and compliance with appropriate policies including the USS UK voting and engagement policy.
The Committee is responsible for Performing:	<ol style="list-style-type: none"> 1. Review of the reporting provided by USSIM as required under the IMAA. 2. Review of reporting provided by any investment manager (other than USSIM or an investment manager that is managed by USSIM). 3. An annual review of the IMAA (and recommend changes as per the above). 4. Instructions or directions to investment managers as required by the IMAA and any relevant regulations. 5. Review of reporting received from the Pensions Committee² on member requirements for DC investment products. 6. An annual review of the reporting received from USSIM on (i) USSIM's construction and implementation of the Implemented Portfolios for the DC Default Strategy and the DC Ethical Strategy and the DC Investment Solutions within the DC Self-Select Range; (ii) selection, appointment and oversight of external managers and funds; and (iii) compliance with relevant DC investment restrictions and risk tolerances. 7. An annual review of the Committee's TOR. 8. A biennial review of the Committee's own effectiveness.
TOR last approved	18 February 2020

² On 10 Sept 2020, Policy Committee was renamed Pensions Committee and these ToR have been updated to reflect that change in name.

TERMS OF REFERENCE

GROUP AUDIT COMMITTEE (“Group AC” or the “Committee”)

Chair	<ul style="list-style-type: none"> • A director of USSL, with the requisite skills and experience (other than the Chair of the TB). • Should not be a member of the PC. • Appointed by the TB, on recommendation from the GNC. In the absence of the Committee Chair and/or an appointed deputy at a Committee meeting, the remaining members present shall elect one of themselves to chair the meeting.
Members	<p>Not fewer than four nor more than six members:</p> <ul style="list-style-type: none"> • At least three members must be independent directors of USSL¹ and/or USSIM, of which at least two must be independent directors of USSL. • Up to one member can be a UUK director. • Up to one member can be a UCU director. • At least one member should have recent and relevant financial experience and a current qualification from one of the professional accountancy bodies. • The Chair of the TB should not be a member. • As required from time to time to supplement the composition of the committee, a subject matter expert independent of both USSL and USSIM may be appointed.
Standard Attendees	<p>The Committee may request the attendance of the following individuals, as required:</p> <ul style="list-style-type: none"> • GCEO • CFO • GGC • CRO • CPO • COO • USSIM Deputy CEO and COO • Head of Internal Audit • Head of USSL Compliance • External Audit Engagement Partner <p><i>(or an appointed delegate of each)</i></p>
Additional Attendees	Other attendees as agreed by the Chair.
Quorum	<ul style="list-style-type: none"> • Three members, including a minimum of two independent directors of USSL. • Must include a member with recent and relevant financial experience.

¹ A director is considered independent if he/she is not appointed by either UUK or UCU i.e. as per the definition of an independent director under the USSL Articles of Association.

Meeting Frequency	<ul style="list-style-type: none"> • A minimum of four meetings per annum at appropriate intervals in the financial reporting and audit cycle and otherwise as required. • The Group AC will meet in camera with each of the external auditor and the Head of Internal Audit, without the executive present, at least once per annum.
Secretary	A member of the Governance and Company Secretariat team.
This Committee receives authority from:	The Group AC operates under delegated authority from the TB.
Purpose of this Committee	<ul style="list-style-type: none"> • Overseeing the adequacy and effectiveness of the internal control and risk management framework of USS Group based on assurance provided by the external auditor, the USSIM Board and each of the three lines of defence, having regard to the TB risk appetite. • Oversight of the integrity of the financial reporting process and the production of the USSL and scheme annual Report and Accounts. • Oversight of the integrity of the financial reporting process and the production of the USSIM annual Report and Accounts, through assurance provided by the USSIM Board. • Overseeing the effectiveness of the internal and external audit functions. <p>Note: <i>The Committee is authorised by the TB to obtain external legal or independent professional advice and secure the attendance of external parties with relevant experience and expertise if necessary (subject to TB approval of the USS Group budget).</i></p>
Reporting and Escalation	<ul style="list-style-type: none"> • The Group AC will report to the TB after each Group AC meeting. The report will cover: (i) key matters discussed; (ii) decisions taken within its remit, and; (iii) items recommended for approval by the TB. • Minutes of meetings will, unless it would be inappropriate to do so in the opinion of the Chair, be issued to all Group AC members and standard attendees and made available, on request, to members of the TB. • All activities listed below are undertaken under the delegated authority from the TB and must be: (i) in accordance with the USS Group business plan; (ii) in line with relevant regulatory and statutory requirements, and; (iii) included in the appropriate budget. Where these conditions are not satisfied, the AC must escalate to the TB. • The Group AC delegates various responsibilities to the FVC as detailed in the FVC TOR – the AC will receive a report after each FVC meeting, which will cover: (i) key matters discussed, and; (ii) decisions taken within its remit.

Scope of this Committee's responsibilities:	
The Committee is responsible for Approving:	<ol style="list-style-type: none"> 1. The appointment or removal of the Head of Internal Audit and the internal audit co-source provider. 2. The Group internal audit charter annually, on recommendation from the GCEO and USSIM ARCC. 3. The Group annual internal audit plan, on recommendation from the GCEO and USSIM Board. 4. Corrective action in relation to the performance and effectiveness of the internal audit function, where necessary. 5. Significant amendments to the Group's internal controls or risk management framework (including those pertaining to USSIM). 6. The external audit engagement letter (including the terms of appointment and audit fees) for the scheme and USSL. 7. The annual external audit plan for USSL and the scheme, on recommendation from the GCEO and external auditor. 8. Corrective action in relation to the performance and effectiveness of the external auditor. 9. The USSL compliance monitoring plan. 10. The appointment of the external auditor for non-audit services for which pre-approval by the Group AC is required (as defined in the Non-Audit Services provided by the External Auditor Policy). 11. Amendments to accounting policy for USS, the scheme and USSIM, on recommendation from the GCEO and external auditor. 12. The Group AC report for inclusion in the scheme annual Report and Accounts. 13. The FVC TOR (including the roles that form the standard membership of the FVC). 14. Any immaterial changes to the Group AC's TOR. 15. The following USS Group policies and ensuring they are consistent with the Group's values and support its long-term sustainable success: (i) Non-Audit Services provided by the External Auditor Policy (including the Appointment, Remuneration and Rotation of External Auditors Statement of Policy included therein); (ii) Taxation Policy;; (iii) Anti-bribery and Corruption Policy; (iv) Anti-Fraud Policy; (v) Anti-Money Laundering, Counter-Terrorism Financing and Financial Sanctions Policy; (vi) Personal Account Dealing Policy; (viii) Gifts and Hospitality Policy; and (x) the USS Code of Conduct. 16. The USSL compliance manual.
The Committee is responsible for Recommending for Approval:	<ol style="list-style-type: none"> 1. To the TB, the appointment, re-appointment and removal of the external auditor for USS, the scheme and USSIM. 2. To the TB, the external audit management representation letter for USS and the scheme. 3. To the TB, the continued use of the going concern basis of accounting in the preparation of the USSL and scheme annual Report and Accounts. 4. To the TB, the USS and scheme annual Report and Accounts for signing and publication. 5. To the TB, the Risk Governance Policy (with the exception of the investment-related risks, which are recommended by the IC). 6. To the TB, the Whistleblowing Policy.

	<ol style="list-style-type: none"> 7. To the TB, the Conflicts of Interest Policy. 8. To the TB, any material amendments to the Committee's TOR.
The Committee is responsible for Overseeing:	<ol style="list-style-type: none"> 1. The adequacy and effectiveness of the internal control and risk management framework of USS Group, based on assurance provided by the external auditor, the USSIM Board and each of the three lines of defence, as follows: (i) first line: the relevant members of the Group Executive Committee; (ii) second line: the GGC and CRO, and (iii) third line: internal audit. 2. USSL's internal controls and risk management framework. 3. The compliance of internal processes and controls with regulatory and statutory requirements. 4. Performance and effectiveness of the risk function. 5. Performance of the internal audit function and the effectiveness of arrangements (including the internal co-source provider) including ensuring that the Head of Internal Audit has direct access to the Chair of the TB and to the Committee Chair, providing independence from the executive and accountability to the Committee. 6. Performance and effectiveness of the compliance function. 7. The appropriateness of resolutions to internal audit findings and recommendations for the USS Group; and the completion of resolutions within agreed timescales. 8. Implementation of the USSL compliance monitoring plan and completion of actions arising. 9. Relationship with the external auditor and performance and effectiveness of the external auditor. 10. The completion of management's responses to the external auditor's findings (as documented in the management representation letter) for USS within agreed timescales. 11. Implementation of external audit annual plan for USSL and the scheme. 12. The independence and objectivity of the external auditor. 13. The purchase of non-audit services (in accordance with the Non-Audit Services provided by the External Auditor Policy). 14. The production of the annual Report and Accounts for USS and the scheme and provide advice (where requested by the TB) on whether the annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for stakeholders to assess USSL and the scheme's position and performance, business model and strategy. 15. The accounting treatment of the Group's Long Term Incentive Plans and the resulting liability to be recorded in the annual Report and Accounts for USS and the scheme. 16. The integrity of the annual Report and Accounts for USSL and the scheme and review and report to the board on significant financial reporting issues and judgements which those accounts contain having regard to matters communicated to it by the external auditor. In particular, the committee shall review and challenge where necessary: (i) the application of significant accounting policies and any changes to them; (ii) the methods used to account for significant or unusual transactions where different approaches are possible; (iii) whether

	<p>appropriate accounting policies have been adopted and appropriate estimates and judgements made, taking into account the external auditor's views on the annual Report and Accounts; and (iv) all material information presented within the annual Report and Accounts relating to audit and risk management.</p> <p>17. Compliance of Group accounting policies with legal and regulatory requirements and best practice for USS Group, based on assurance provided by the GCEO and USSIM Board.</p> <p>18. Compliance of the following USS Group policies (a) by staff and (b) with legal and regulatory requirements and best practice for USS Group: (i) Non-Audit Services provided by the External Auditor Policy (including the Appointment, Remuneration and Rotation of External Auditors Statement of Policy included therein); (ii) Taxation Policy; (iii) Whistleblowing Policy; (iv) Anti-bribery and Corruption Policy; (v) Anti-Fraud Policy (vi) Anti-Money Laundering, Counter-Terrorism Financing and Financial Sanctions Policy; (vii) Personal Account Dealing Policy; (viii) Conflicts of Interest Policy; (ix) Gifts and Hospitality Policy; and (x) the USS Code of Conduct and in each case receive reports of non-compliance.</p> <p>19. The responsibilities of the FVC (as fully detailed in the FVC TOR).</p> <p>20. The identification of reportable and notifiable events under the Regulator's code of practice/regulation, and management's response to them. (This responsibility is distinct from those events monitored by the scheme Strategists and notifiable to the Regulator further to USSL's authorisation as a Master Trust.)</p> <p>21. The annual report from the MLRO for USSIM and corresponding report on financial crime controls at USSL.</p>
The Committee is responsible for Performing:	<ol style="list-style-type: none"> 1. The selection process for the appointment of external auditors, in conjunction with the GCEO. 2. A competitive external audit tendering process undertaken at least every seven years by a panel made up of AC members (supported by the GCEO). 3. The selection process for the appointment of the internal audit co-source provider, in conjunction with the GCEO and Head of Internal Audit. 4. An annual review of: (i) the effectiveness of the external audit process taking into consideration relevant UK professional and regulatory requirements (ii) the independence and objectivity of the external auditor taking into consideration relevant UK regulatory requirements, the Financial Reporting Council's Ethical Standard and other professional requirements; and (iii) the appropriateness of the external audit firm's engagement partner (audit firm's engagement partner to change every seven years). 5. An annual review of the effectiveness of the internal audit function. 6. An annual review of the effectiveness of the compliance function. 7. An annual review of the Committee's TOR. 8. A biennial review of the Committee's own effectiveness.
TOR last approved	18 February 2020

TERMS OF REFERENCE

GOVERNANCE AND NOMINATIONS COMMITTEE (“GNC” or the “Committee”)

Chair	<ul style="list-style-type: none"> • An independent¹ non-executive director, with the requisite skills and experience. • The chair of the TB shall not chair the GNC when it is dealing with the matter of succession of the chair of the TB. • Appointment approved by the TB, on recommendation from the GNC.
Members	<p>Five members including:</p> <ul style="list-style-type: none"> • Chair of the TB • UUK Director • UCU Director • Independent director • GCEO
Standard Attendees	<ul style="list-style-type: none"> • Head of Governance • Representative from the Governance and Company Secretariat team <p><i>(or an appointed delegate of each)</i></p>
Additional Attendees	Other attendees as agreed by the Chair.
Quorum	Three members, including the Chair of the Committee or such other independent director as they may nominate as an alternate.
Meeting Frequency	A minimum of four meetings per annum.
Secretary	A representative from the Governance and Company Secretariat team.
This Committee receives authority from	The Committee operates under delegated authority from the TB.
Purpose of this Committee	<ul style="list-style-type: none"> • Ongoing oversight of the effectiveness of the operation of USS Group’s governance framework having regard to corporate governance best practice, as applicable. • Oversight of the composition of the TB and USSIM board (including the fitness, propriety and competence of TB directors). • Oversight and participation in the recruitment process for, including reviewing and making recommendations to the TB in respect of, TB and USSIM board directors, committee members, GCEO and USSIM CEO. • Oversight of group executive team and senior management succession planning, performed by the GCEO. • Oversight of the regular effectiveness reviews of the TB and USSIM board and their respective standing committees. • Approving induction and ongoing training programmes for TB and USSIM board directors and committee members, and overseeing their implementation. <p><i>Note:</i> The Committee is authorised by the TB to obtain external legal or independent professional advice, and secure the attendance of external parties with relevant experience and expertise if necessary (subject to TB approval of the USS Group budget).</p>

¹ A director is considered independent if he/she is not appointed by either UUK or UCU i.e. as per the definition of an independent director under the USSL Articles of Association.

Reporting and Escalation	<ul style="list-style-type: none"> • The Committee will report to the TB after each Committee meeting. The report will cover: (i) key matters discussed; (ii) decisions taken within its remit, and; (iii) items recommended for approval by the TB. • Minutes of meetings will be issued to all Committee members and regular attendees and will be made available, on request, to members of the TB (redacted where considered appropriate by the Chair). • All activities listed below are undertaken under delegated authority from the TB and must be: (i) in accordance with the USS Group business plans; (ii) in line with relevant regulatory and statutory requirements, and; (iii) included in the appropriate budget. Where these conditions are not satisfied, the Committee must escalate to the TB.
Scope of this Committee's responsibilities:	
This Committee is responsible for Approving:	<ol style="list-style-type: none"> 1. The role profile(s) for the following USSL and USSIM positions: <ol style="list-style-type: none"> a. TB directors; b. TB chair and USSIM board chair; c. The Senior independent director (SID) and deputy chair of the TB; d. Committee members and chairs of the standing committees of the TB and USSIM board; e. GCEO; f. USSIM CEO. 2. Any succession plan in respect of the TB or the USSIM board. 3. The TB skills matrix. 4. The TB competency matrix. 5. The training programme for TB and USSIM board directors and members of their respective standing committee members. 6. The TB and USSIM board director and standing committee member induction programme(s) and any material changes to them. 7. The annual report from the Committee for inclusion in the scheme annual Report and Accounts. 8. Immaterial changes to the Committee's TOR.
This Committee is responsible for Recommending for Approval:	<ol style="list-style-type: none"> 1. To the TB, the appointment, reappointment, extension or removal as applicable of the following: <ol style="list-style-type: none"> a. All TB directors (including UUK and UCU directors); b. TB chair; c. TB committee members (including the appointment or removal of special committee members) in consultation with the chairman of these committees, and in the case of any committee chair, in consultation with the TB Chair; and d. Suitable candidates for the Senior independent director (SID) and deputy chair of the TB. 2. To the TB, the appointment or removal of the GCEO and USSIM CEO. 3. To the TB, the appointment, reappointment, extension or removal of the USSIM board chair and directors. 4. To the TB, the appointment or removal of one or more persons to act as Company Secretary of USSL and USSIM. 5. To the TB, the veto of the proposed appointment or reappointment of a UUK Director or UCU Director to the TB on the grounds that the candidate does not meet the criteria in the role profile and/or the required standards of fitness and propriety.

	<ol style="list-style-type: none"> 6. To the TB, the extension of tenure of any TB director or USSIM board director beyond the maximum term (nine years) specified in the Corporate Governance Framework Policy. 7. To the TB, the director appointment, removal, evaluation and training policy (the 'Composite Policy'). 8. To the TB, a change in any IC member's 'ordinary' or 'special' designation. 9. To the TB, amendments to the Corporate Governance Framework Policy. 10. To the TB, any material amendments to the GNC TOR. 11. To the TB, the Board Code of Conduct.
This Committee is responsible for Overseeing:	<ol style="list-style-type: none"> 1. The recruitment process for appointment (or reappointment as applicable) of all directors and special committee members to the TB; 2. Director, group executive team and senior management succession planning, performed by GCEO. 3. The recruitment process for appointment of the USSIM board chair, which is performed by the GCEO, TB chair and chair of IC. 4. The recruitment process for appointment (or re-appointment as applicable) of independent directors to the USSIM board, which is performed by the GCEO and USSIM Chair, in conjunction with the GNC. 5. The recruitment process for appointment of the USSIM CEO, which is performed by the GCEO and USSIM board. 6. Compliance by the business with the Corporate Governance Framework Policy. 7. Compliance with the TB Board Code of Conduct. 8. Completion of annual effectiveness reviews of TB and USSIM board and completion of all actions arising from the annual effectiveness reviews within agreed deadlines. 9. Completion of biennial effectiveness reviews of each of the TB and USSIM board's standing committees and completion of all actions arising from those biennial effectiveness reviews within agreed deadlines. 10. Completion of annual appraisals of individual TB and USSIM board directors (to include the continued fitness, propriety and competence of TB directors) and completion of all actions arising from the reviews within agreed deadlines. 11. The implementation of the training programme for all TB and USSIM board directors and standing committee members. 12. The completion of induction programmes by all new TB or USSIM board directors and/or special committee members. 13. Review of the results of the TB board evaluation process that relate to the composition of the TB. 14. Review of the status of USSL in relation to the criteria for exemption from the requirement under s242 of the Pensions Act 2004 for one third of TB directors to be member nominated. Any breaches/issues should be reported to the TB. 15. Compliance of USSL with the Occupational Pension Schemes (Scheme Administration) Regulations 1996. Any breaches/issues should be reported to the TB.

	<p>16. The framework around the establishment, operation, monitoring winding up/disposal and appointment of directors to USSL's special purpose vehicles (SPVs).</p> <p>17. The implementation of initiatives to promote diversity on the TB and USSIM board. Diversity includes but is not limited to gender, social and ethnic background, cognitive and personal strengths.</p>
<p>This Committee is responsible for Performing:</p>	<ol style="list-style-type: none"> 1. In respect of all proposed director recruitment to the TB, a review and assessment of whether there are any particular risks applicable to that recruitment process and implementation of any necessary mitigations. 2. An assessment of the fitness and propriety of proposed appointees or re-appointees to the TB, in accordance with the Composite Policy. 3. Participation in the process to appoint (or re-appoint as applicable) UUK Directors and UCU Directors to the TB, including nominating a committee member to sit on the interview panel. 4. The recruitment process for the appointment (or reappointment) of the TB Chair and independent directors in accordance with the Composite Policy (and recommend to the TB as per the above). 5. The recruitment process for appointment of the USSIM board independent directors, (including the senior independent director), in conjunction with the GCEO and USSIM board Chair (and recommend to the TB as per the above). 6. The recruitment process for the GCEO. 7. In relation to the Corporate Governance Framework Policy: <ol style="list-style-type: none"> a. Reviewing on a regular basis; b. Drafting any proposed changes; c. Monitoring compliance by the business. 8. A review (at least annually) of each of: <ol style="list-style-type: none"> a. The TB skills matrix. b. The Composite Policy. 9. Regular review of the structure and composition (including the review (at least annually) of the TB competency matrix and make recommendations to the TB with regards to any changes in accordance with the Composite Policy. 10. A review at least once a year, and following the resignation, removal or appointment of any director or special committee member, of any succession plan in respect of the TB or the USSIM board 11. An annual review of whether the TB and USSIM non-executive directors are spending enough time to fulfil their duties and their respective conflicts of interest. 12. A regular review of the TB Board Code of Conduct and report any material breaches/issues to the TB 13. Reporting to the TB any material breaches/issues in respect of the Corporate Governance Framework Policy, USSL's status in relation to the exemption from the requirements of s242 of the Pensions Act 2004, and/or in respect of the Occupational Pension Schemes (Scheme Administration) Regulations 1996. 14. A biennial review of the Committee's own effectiveness. 15. An annual review of the Committee's TOR.
TOR last approved	18 February 2020

TERMS OF REFERENCE (“TORs”) REMUNERATION COMMITTEE (“Remcom” or the “Committee”)

Chair	<ul style="list-style-type: none"> • Appointment approved by the Trustee Board, on recommendation from the Governance and Nominations Committee (“GNC”). • An individual with the requisite skills and experience (other than the Trustee Board Chair).
Members	<ul style="list-style-type: none"> • Not fewer than four or more than seven members.
Standard Attendees	<p>The Committee may request the attendance of other individuals from time to time, including:</p> <ul style="list-style-type: none"> • GCEO • USSIM CEO • COO • Chief HR Officer • Head of Governance • External advisers who advise the Committee <p><i>(or an appointed delegate of each)</i></p>
Additional Attendees	Other attendees as agreed by the GCEO and the Chair of the Remcom.
Quorum	Three members.
Meeting Frequency	A minimum of four times per annum and otherwise as required.
Secretary	A representative from the Governance and Company Secretariat team.
This Committee receives authority from:	The Remcom operates under delegated authority from the Trustee Board.
Purpose of this Committee	<p>Ensuring that remuneration arrangements for USS and USSIM:</p> <ul style="list-style-type: none"> • Support the USS Group Business Plan and long-term strategic objectives and USS’s purpose, values and culture; • Enable the appropriate motivation, retention and recruitment of quality staff; • Establish a clear link between reward and performance; • Comply with relevant legal and regulatory requirements, and are consistent with industry standards and market best practice; • Are in the best interests of the scheme’s members and promote long-term sustainable success. <p><i>Note:</i> The Committee is authorised by the Trustee Board to obtain, at USSL’s expense, external legal or independent professional advice, and secure the attendance of external parties with relevant experience and expertise if necessary (subject to Trustee Board approval of the USS Group budget).</p>
Reporting and Escalation	<ul style="list-style-type: none"> • The Committee Chair will report to the Trustee Board after each Committee meeting. The report will cover: (i) key matters

	<p>discussed; (ii) decisions taken within its remit, and; (iii) items recommended for approval by the Trustee Board.</p> <ul style="list-style-type: none"> • Minutes of meetings will be issued to all Committee members and regular attendees and will be made available, on request, to members of the Trustee Board. • All activities listed below are undertaken under the delegated authority from the Trustee Board and must be: (i) in accordance with the USS Group business plan; (ii) in line with relevant regulatory and statutory requirements, and; (iii) consistent with the appropriate budget. Where these conditions are not satisfied, the Committee must escalate to the Trustee Board.
Notice of meetings	<ul style="list-style-type: none"> • Meetings of the Committee shall be called by the secretary of the Committee, at the request of the Committee chair or any of its members. • Unless otherwise agreed, notice of each meeting confirming the venue, time and date shall be sent to each member of the Committee and any other person required to attend before the date of the meeting. The agenda of items to be discussed and supporting papers shall be sent to Committee members and to other attendees as appropriate.
Scope of this Committee's responsibilities:	
This Committee is responsible for Approving:	<p><u>POLICY, STRATEGY AND STRUCTURE</u></p> <ol style="list-style-type: none"> 1. The USS remuneration policy, and any amendments to it, utilising work performed by the GCEO, USSIM Board, and on advice from external advisors and other inputs as the Committee shall consider appropriate, ensuring that it is aligned to the USS Group Business Plan, long-term strategic goals and USS's purpose, values and culture, and having regard to the relevant USS and USSIM risk appetites. In determining such policy, the Committee shall take into account all factors which it deems necessary including relevant legal and regulatory requirements. The objective of the remuneration policy shall be to support USS's strategy and promote long-term sustainable success. 2. Any material deviations from the remuneration policy for existing or proposed staff that are not covered by the discretionary pool, on recommendation from the GCEO or USSIM Board. 3. The design of, and targets for, any performance related remuneration for USS Group employees and the total annual payments made under such schemes, based on work performed by the GCEO. 4. The design of, and targets for, any performance related remuneration for USSIM employees and the total annual payments made under such schemes, on recommendation from the USSIM Board. 5. The design of all long-term incentive plans for the USS Group, on recommendation from GCEO. 6. The design of all long-term incentive plans for USSIM, on recommendation from USSIM Board. 7. Significant changes to the terms and conditions of employment for USS employees, on recommendation from the GCEO.

	<p><u>COST/BUDGET AND ALLOCATION</u></p> <p>8. The aggregate annual salary increases, bonus amounts, long-term performance incentive awards and discretionary pot for USS employees, in accordance with the remuneration policy and within the range of total compensation outcomes approved by the Trustee Board as part of the USS Group Business Plan and Budget.</p> <p>9. The aggregate annual salary increases, bonus amounts, long-term performance incentive awards and discretionary pot for USSIM employees, based on recommendation of the USSIM Board, and in accordance with the remuneration policy and within the range of total compensation outcomes approved by the Trustee Board as part of the USS Group Business Plan and Budget.</p> <p>10. The level and structure of remuneration for senior management (the GExCo and USSIM ExCo members) and the other top 10 paid employees of the USS Group, on recommendation from the GCEO and USSIM Board.</p> <p><u>EXCEPTIONALS</u></p> <p>11. Any salary increases or awards for the GCEO that are not in accordance with the remuneration policy, in conjunction with the Trustee Board Chair.</p> <p>12. Any salary increases or awards for the USSIM CEO that are not in accordance with the remuneration policy, in conjunction with the USSIM Chair and GCEO.</p> <p>13. Any bonus or severance payment over 100% of salary for USS Group staff, on recommendation from GCEO.</p> <p>14. Any bonus or severance payment over 100% of salary for USSIM that is not covered by the discretionary pool, on recommendation from the USSIM Board.</p> <p>15. Any severance payment or package and contractual terms for the GCEO, in conjunction with the Trustee Board Chair.</p> <p>16. Any severance payment or package and contractual terms for the USSIM CEO, on recommendation from the USSIM Board and advice from the GCEO.</p> <p><u>OTHER</u></p> <p>17. Exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of engagement for remuneration consultants who advise the Committee.</p> <p>18. The Committee report for inclusion in the USS annual Report and Accounts and a report of the USS Group's remuneration policy and practices in the company's annual report.</p> <p>19. Any immaterial changes to the Committee's TORs.</p>
<p>This Committee is responsible for Recommending for Approval:</p>	<p><u>POLICY, STRATEGY AND STRUCTURE</u></p> <p>1. To the Trustee Board, any amendments to the remuneration policy that are not in accordance with the USS Group Business Plan or strategy.</p> <p>2. To the Trustee Board, the USS Group strategy for recruitment, retention and motivation of its employees, on advice from the GCEO and USSIM Board.</p> <p><u>COST/BUDGET AND ALLOCATION</u></p>

	<ol style="list-style-type: none"> 3. To the Trustee Board, any increase to the total compensation pot that exceeds the range of total compensation outcomes approved by the Trustee Board as part of the USS Group Business Plan and Budget. 4. To the Trustee Board itself or, where required by the Rules and/or Articles of Association, the JNC, the fee structure for current and prospective Trustee Board directors and any changes following a review, at such time as determined appropriate. 5. To the Trustee Board, any changes to the USSIM Board non-executive directors' fees, following a review, at such time as determined appropriate. 6. To the Trustee Board and JNC, any changes to the fee structure for members of the JNC, Advisory Committee and IC, following a review, at such time as determined appropriate. 7. To the Trustee Board, the fee structure for members of any other committee of the Trustee Board. <p><u>OTHER</u></p> <ol style="list-style-type: none"> 8. To the Trustee Board, any material amendments to the Committee's TORs.
<p>This Committee is responsible for Overseeing:</p>	<p><u>POLICY, STRUCTURE AND STRATEGY</u></p> <ol style="list-style-type: none"> 1. Compliance with the remuneration policy for the Group, based on assurance provided by the GCEO and USSIM Board. 2. That the remuneration policy and strategy (for USS and USSIM) is in accordance with industry conditions and market best practice. 3. That the remuneration policy and strategy (for USS and USSIM) is in accordance with the USS Group risk appetite and aligned with the scheme's long term strategic objectives. 4. The effectiveness and implementation of the USS Group strategy for recruitment, retention and motivation of its employees, based on assurance provided by the GCEO and USSIM Board. <p><u>COST/BUDGET AND ALLOCATION</u></p> <ol style="list-style-type: none"> 5. The advice and information provided to the USSIM board to determine the compensation budget which the Committee recommends to the Trustee Board for approval as part of the Group Business Plan and Budget, and the basis and range of other assumptions which determine the outcome. 6. The mid-year review by the USSIM Board of the estimated variable compensation pot for USSIM. 7. The mid-year review of USSL staff and potential USSL compensation for year end. 8. The GCEO's distribution of the USS compensation pot (as approved by the Remcom). 9. The basis of any variance to the USSIM variable compensation pot from the ex-ante estimate included in the USS Group Business Plan and budget. 10. The process applied by USSIM to distribute the total compensation pot and how that correlates to performance assessment of relevant staff. 11. The market data used by USSIM to determine compensation rewards. <p><u>LEGAL/REGULATORY</u></p> <ol style="list-style-type: none"> 12. Compliance with legal and regulatory requirements relating to remuneration.

	13. That the principles of the FCA Remuneration Code are applied for all staff that would be determined as 'Code Staff' under the Code (acknowledging that the Code does not apply for USS or USSIM but represents best practice).
This Committee is responsible for Performing:	<ol style="list-style-type: none"> 1. Ongoing review of the appropriateness and relevance of the remuneration policy. 2. Periodic review of reliable and up to date remuneration benchmarking of USS Group, relative to its peer companies of comparable size and complexity, in conjunction with the USSIM Board. 3. Engagement of external advisers to obtain independent legal or professional advice (in conjunction with the USSIM Chair, as appropriate). 4. A retrospective review of any bonus-buyout payments for USS Group staff (including USSIM), as agreed by the Committee Chair in consultation with the GCEO or USSIM CEO, as appropriate. 5. Commissioning of any reports, surveys or investigations (in consultation with the GCEO or USSIM CEO, as appropriate) that it deems necessary to fulfil its obligations (either within the USS Group Business Plan, or pre-approved by the Trustee Board). 6. An annual assessment as to whether a review should be undertaken of Trustee Board directors' fees, USSIM Board non-executive directors' fees and/or fees for the members of the JNC, Advisory Committee and any other committees of the Trustee Board. 7. A review of Trustee Board directors' fees at such time as determined by an annual assessment, and recommend any changes to the Trustee Board and JNC (as noted above). 8. A review of USSIM Board non-executive directors' fees at such time as determined by an annual assessment, and recommend any changes to the Trustee Board (as noted above). 9. A review of the fee structure for members of the JNC, the Advisory Committee and any committees of the Trustee Board, at such time as determined by an annual assessment, and recommend any changes to the Trustee Board and JNC (as noted above). 10. At least once every two years, a review of the Committee's own effectiveness. 11. At least annually, a review of the Committee's constitution and TORs.
Terms of reference last approved	November 2019

TERMS OF REFERENCE

USS Investment Management Limited (“USSIM”) BOARD

Chair	<ul style="list-style-type: none"> • A non-executive director, with the requisite skills and experience. • Appointed by the Universities Superannuation Scheme Limited (“USSL”) Trustee Board
Directors	<ul style="list-style-type: none"> • Appointed by the USSL Trustee Board, and in accordance with the USSIM Articles. • A balance of USSIM executive directors, USSL Group non-executive directors and independent non-executive directors, with suitable skills and experience for a director of an FCA regulated company (including the appropriate Approved Persons / Senior Managers Certification Regime authorisation and maintenance thereof). • In carrying out all duties of the USSIM Board, the directors will act in accordance with all relevant and applicable law and regulation. In particular, they will take account of the directors’ duties contained in the Companies Act 2006.
Standard Attendees	<ul style="list-style-type: none"> • Group General Counsel (“GGC”) or Head of Governance • Chief Risk Officer (“CRO”) • Group Chief Financial Officer (“CFO”) • Representative from Governance and Company Secretariat team <i>(or an appointed delegate of each)</i>
Additional Attendees	<ul style="list-style-type: none"> • Other attendees as agreed by the Chair and USSIM Chief Executive Officer (“CEO”)
Quorum	<ul style="list-style-type: none"> • Three directors (one of whom must be an independent non-executive director) or • Two directors in certain circumstances as may be approved by the USSIM Board under the USSIM Articles.
Meeting Frequency	A minimum of four times per annum.
Secretary	A representative from the Governance and Company Secretariat team.
This Board receives authority from	<ul style="list-style-type: none"> • USSIM Articles • The USSIM Board operates under delegated authority from the Trustee Board.
Purpose of the Board	<ul style="list-style-type: none"> • Overall leadership, long-term strategy and oversight of USSIM (including oversight of day-to-day management and values and culture). • Delivery of Services <i>as agreed with the Trustee</i>. • Monitoring and oversight of: (i) USSIM’s FCA regulated activities; (ii) all ancillary services necessary (including shared services) for the delivery of the investment activities, and; (iii) delivery of the USSIM business plan and USS investment business plan. • Ensuring competent and prudent management, sound planning, proper procedures for the maintenance of adequate systems of internal control, and for compliance with statutory and regulatory obligations, and USS Group policies. <p><i>Pursuant to the power contained in Article 5 and excepting those matters set out below, day to day management of the company in accordance with the approved business plan and budget has been vested by the USSIM Board in the USSIM CEO, who allocates specific responsibilities to the senior</i></p>

	<p><i>members of his team. Where it is unclear whether a matter falls within those set out below, the USSIM CEO will discuss with the Chair whether such matter should be brought to the attention of the USSIM Board.</i></p> <p>Note: <i>The USSIM Board is authorised by the USSL Trustee Board to obtain external legal or independent professional advice, and secure the attendance of external parties with relevant experience and expertise if necessary (subject to USSL Trustee Board approval of the USS Group budget).</i></p>
Reporting and Escalation	<ul style="list-style-type: none"> • Minutes of meetings will be issued to all directors and regular attendees and will be made available, on request, to members of the USSL Trustee Board. • All activities listed below are undertaken under the delegated authority from the Trustee Board and must be: (i) in accordance with the USS Group business plan; (ii) in line with the relevant regulatory and statutory requirements; and (iii) included in the appropriate budget. Where these conditions are not met, the USSIM Board must escalate to the USSL Trustee Board. • The USSIM Board delegates certain audit, risk and compliance matters to the USSIM audit, risk and compliance committee ("ARCC"), as detailed in the USSIM ARCC's ToR. The USSIM ARCC provides assurance to the USSIM Board. The USSIM Board will, in turn and by delegation to the USSIM ARCC Chair, provide assurance to the Group audit committee ("AC") and Group risk committee on certain activities, as required under their respective ToR. • The USSIM Board delegates certain remuneration matters to the USSIM remuneration committee ("USSIM RemCom"), as detailed in the USSIM RemCom's ToR. The USSIM RemCom provides reporting to the USSIM Board. The USSIM Board will, in turn and by delegation to the USSIM Chair and /or USSIM CEO, provide reporting to the USSL remuneration committee ("USSL RemCo") on certain activities, as required under its respective ToR. • All committees and subsidiary boards that act on the direct delegated authority from the USSIM Board will provide a report following each meeting. The report will cover: (i) key matters discussed; (ii) decisions taken within its remit, and (iii) items recommended for approval by the USSIM Board.
Notice of meetings	<ul style="list-style-type: none"> • Meetings of the Board shall be called by the secretary of the Board at the request of the Chair or any of the Board members. • Unless otherwise agreed, notice of each meeting confirming the venue, time and date shall be sent to each member of the Board and any other person required to attend before the date of the meeting. The agenda of items to be discussed and supporting papers shall be sent to Board members and to other attendees as appropriate.
Scope of this Board's responsibilities:	

<p>The Board is responsible for Approving:</p>	<p>STRATEGY, BUSINESS PLANNING AND OPERATIONS</p> <ol style="list-style-type: none"> 1. The USSIM strategic objectives, having regard for the USS Group Business Plan. 2. The policies and plans to support USSIM values and culture, having regard for the USS Group values and culture. 3. Any matters relating to USSIM's capital structure, shares and distributions, in accordance with the USSIM Articles. 4. The Services Agreement and the scope of services to be provided in the Services Agreement (on recommendation from the USSIM CEO). 5. Material outsourcing arrangements and any material amendments to such arrangements (on recommendation of the USSIM CEO). 6. The assurance and reporting of performance as against the USSIM Business Plan and USSIM Budget, to be provided by the USSIM CEO to the Group CEO and USSL Trustee Board in respect of USSIM. 7. The assurance and reporting of performance as against the USS Investment Business Plan and Investment Budget, to be provided to both the USSL Trustee Board and investment committee ("IC"). 8. Any material communications to the FCA (and notifications to USS of any investigation by the FCA or any other competent regulatory or legal authority in accordance with clause 18.3 of the IMAA). <p>INVESTMENT</p> <ol style="list-style-type: none"> 9. The IMAA and any material changes to the IMAA (and accompanying instruction letters), on the recommendation of the USSIM CEO. 10. The reporting to be provided to the IC and/or USSL Trustee Board as required under the IMAA, on recommendation from the USSIM CEO. 11. The reporting on transaction costs to be provided to the IC on recommendation from the USSIM CEO. 12. Any investment completed via public markets which would take the Fund's holding to more than 20% of the market capitalisation of any company or which would increase the Fund's holding beyond pre-approved levels, where that was already more than 20%. 13. The Implemented Portfolio Benchmarks in the event of a disagreement over an appropriate benchmark and outperformance target between USSIM CEO and CRO, recommended by USSIM CEO and CRO. 14. Any significant new investment related service agreements. 15. Investments and dispositions above the size thresholds documented in the USSIM Signing mandate (including providing guidance to PMG in the early stages of investigations into such a transaction). 16. Any investment that, in the opinion of the USSIM CEO could materially increase the reputational risk for USSIM, the scheme or any member of the USS Group regardless of size (including providing guidance to PMG in the early stages of investigations into such a transaction). 17. Any public-to-private deal irrespective of size. 18. The advice to be provided by USSIM CEO to the IC where proposed changes may impact materially on USSIM's role, organisation and resourcing. 19. The advice to be provided by USSIM CEO to the IC or USSL Trustee Board (as required) in respect of the following:
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	<p>a. proposed changes to the DC Section that may impact materially on USSIM's role, organisation and resourcing.</p> <p>20. The USSIM Escalation Policy.</p> <p>21. The advice to be provided by the USSIM CEO to the IC in respect of the Securities Litigation Policy.</p> <p>GOVERNANCE AND APPOINTMENTS</p> <p>22. The appointment or removal of an alternate USSIM Board director.</p> <p>23. The Director Selection and Appointment Framework for USS Special Purpose Vehicles framework annually including the Pre-approved Directorship Candidates List.</p> <p>24. Immaterial changes to the USSIM Board ToR.</p> <p>25. The ToR of the Transaction Sub-Committee.</p> <p>26. Material changes to the ToR of the USSIM ARCC and USSIM RemCom and any other committees which the board may form from time to time.</p> <p>27. Any matters relating to the power of directors and decision making by directors as required under and subject to the USSIM Articles, applicable laws and regulations.</p> <p>28. The delegation of any of its powers to any person or any committee or sub-committee consisting of one or more directors, and such other persons, as the USSIM Board thinks fit.</p> <p>29. The removal of any delegation in whole or in part, or to alter its terms or conditions.</p> <p>30. Any necessary authorisations or terminations of a USSIM Board meeting matter for the purposes of section 175 Companies Act 2006 (<i>Duty to avoid conflicts of interest</i>).</p> <p>31. Any signing mandate, authorised signatories, power of attorney or authorities to bind USSIM, including the use of the common seal of USSIM and who shall sign any instrument to which the seal is affixed, (including as required for USSIM acting as agent of USS subject to Trustee Board approval of the USS Group signing mandate).</p> <p>32. Contracts above the thresholds set out in the USSIM signing mandates, as amended from time to time by the USSIM Board.</p> <p>33. The conflict of interest policy (or approval of the USS policy for USSIM's purposed) on recommendation from USSIM CEO.</p> <p>AUDIT, RISK AND COMPLIANCE</p> <p>34. The external audit engagement letter for USSIM (including terms of appointment and fee).</p> <p>35. The external audit management representation letter for USSIM for signing.</p> <p>36. The USSIM annual Report and Accounts, based on the recommendation from the USSIM ARCC.</p> <p>REMUNERATION</p> <p>37. The distribution of the USSIM total compensation pot, based on the recommendation of the USSIM CEO and external advice.</p> <p>38. Any material amendments to the terms and conditions of employment for USSIM employees, on recommendation from the USSIM CEO.</p>
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	<p>39. Any discretionary bonus award for existing staff beyond the incentive plan's ranges for qualitative or quantitative bonus scores, as long as it is within the overall compensation pot approved by the RemCom.</p>
<p>The Board is responsible for Recommending for Approval:</p>	<p>STRATEGY, BUSINESS PLANNING AND OPERATIONS</p> <p>To the USSL Trustee Board:</p> <ol style="list-style-type: none"> 1. The USSIM Budget and Business Plan and the USS Investment Segment Budget and Business Plan (as part of overall Group Budget and Group Business Plan). 2. Any decision to extend the company's activities or cease to operate any or any material part thereof, that is not in accordance with the USS Group Business Plan. 3. Any material deviations to the USSIM Business Plan and USSIM Budget. 4. Material changes to the USSIM Board TOR. <p>To the IC:</p> <ol style="list-style-type: none"> 5. Changes to services, Investment Restrictions (including additional investment limits) and Investment Objectives under the IMAA. <p>REMUNERATION</p> <p>To the Trustee Board:</p> <ol style="list-style-type: none"> 6. An estimated amount for USSIM total compensation (as part of the USSIM Business Plan and Budget), and a range of outcomes provided, based on stated assumptions, and having regard for the mandate which the USSL Trustee Board has given it and the services it has been asked to provide, including the resources needed to meet these challenges. <p>To the USSL RemCo:</p> <ol style="list-style-type: none"> 7. The USSIM remuneration policy, and any amendments to it, on advice from the USSIM CEO and external advisors, ensuring that it is consistent with the USSIM risk appetite, relevant regulatory requirements and USS Group Business Plan and long-term strategy. 8. Any material deviations from the remuneration policy for existing or proposed USSIM employees that are not covered by the discretionary pool, on advice from the USSIM CEO. 9. The design of, and targets for, any performance related remuneration for USSIM employees and the total annual payments made under such arrangements on advice from USSIM CEO and external advisors (as appropriate), and in accordance with the remuneration policy and within the range of total compensation outcomes approved by the Trustee Board as part of the USS Group Business Plan and Budget. 10. The design of all long-term incentive plans for USSIM employees, on advice from the USSIM CEO and external advisors (as appropriate). 11. The aggregate annual salary increases, bonus amounts, long-term performance incentive awards and discretionary pot for USSIM employees, based on work performed by the USSIM CEO, and in accordance with the remuneration policy and USSIM risk appetite, and subject to Trustee Board approval of the USS Group budget.

	<p>12. The total remuneration payable, and structure of package, for each of the top 20 paid employees of USSIM, based on work performed from the USSIM CEO.</p> <p>13. Any salary increases or awards for the USSIM CEO that are not in accordance with the remuneration policy, on advice from the Group CEO.</p> <p>14. Any bonus or severance payment over 100% of salary for USSIM employees that is not covered by the pool allocated for the USSIM CEO's discretion, on recommendation by the USSIM CEO.</p> <p>15. Any severance payment or package and contractual terms for the USSIM CEO, on advice from the Group CEO.</p>
<p>The Board is responsible for Overseeing:</p>	<p>STRATEGY, BUSINESS PLANNING AND OPERATIONS</p> <ol style="list-style-type: none"> 1. Management information from each business area, to oversee the day-to-day running of USSIM and implementation of the USSIM Business Plan, USS Investment Segment Business Plan and Budget. 2. USSIM CEO's strategy, planning and business development (including multi-year business plans). 3. Group CEO's performance and delivery of services in accordance with the Services Agreement. 4. USSIM CEO's performance of the USSIM Business Plan. 5. The organisational structure put in place by the USSIM CEO (in accordance with the USSIM Business Plan), and implementation of it. 6. USSIM CEO's implementation of USSIM's objectives, values and culture. 7. Indemnification arrangements of directors of USSIM, as required. <p>INVESTMENT</p> <ol style="list-style-type: none"> 8. The delivery of Services under and compliance with the IMAA by USSIM. 9. USSIM's compliance with the Responsible Investment Strategy and advice on shareholder engagement and its responsible investment services. 10. The implementation of the Reference Portfolio Framework (DB/DC) and reporting/advice provided by the USSIM CEO to the IC. 11. The implementation of the framework for establishment, operation and winding up/disposal of Investment Organisational Structures. 12. The operation of the benchmarking process, with requisite internal arrangements for diligence and challenge. 13. The construction, implementation and management of the Implemented Portfolio. 14. Implementation of the Journey Plan and monitoring and reporting of its implementation. 15. Delivery of the scheme's securities lending programme, in accordance with the framework approved by the IC. 16. The advice from the USSIM CEO to be given to the IC regarding the appointment or removal/replacement of professional custodians. 17. The reporting to be provided in respect of counterparty failure as requested by the IC or Trustee Board, prepared by the USSIM CEO. 18. Services with and reporting on Separate Account Managers. 19. Reports and activities of the Transaction Sub-Committee.

	<p>20. Implementation of the external manager selection process implemented by the USSIM CEO.</p> <p>21. The establishment and operation of the benchmarking process set out in the IMAA, as amended from time to time, with requisite internal arrangements for diligence and challenge</p> <p>22. The construction, implementation and management of the DC Implemented Portfolios' in respect of the DC Default Strategy and DC Ethical Strategy and provision of the DC Self Select Range.</p> <p>APPOINTMENTS</p> <p>23. The recruitment process undertaken by the USSIM CEO to appoint his/her executive team.</p> <p>24. USSIM executive team and senior management development and succession planning.</p> <p>REMUNERATION</p> <p>25. Compliance with the USS Group remuneration policy as it relates to USSIM, based on assurance provided by the USSIM CEO.</p> <p>26. The effectiveness and implementation of the USS Group strategy for recruitment, retention and motivation of USSIM employees.</p> <p>27. Reports and activities of the USSIM RemCom.</p> <p>AUDIT, RISK AND COMPLIANCE</p> <p>28. The activities delegated to the USSIM ARCC, through reporting received from the USSIM ARCC Chair.</p> <p>29. Compliance with all USSIM related policies, based on assurance provided by the USSIM ARCC. The USSIM Board will then provide assurance to the Group AC, via delegation to the USSIM ARCC Chair.</p> <p>30. Compliance with the FCA rules and other applicable laws and regulations, based on assurance provided by the USSIM ARCC (including FCA 'suitability' and 'best execution' obligations). The USSIM Board will then provide assurance to the Group AC, via delegation to the USSIM ARCC Chair.</p>
<p>The Board is responsible for Performing:</p>	<p>REMUNERATION</p> <p>1. A start of year and mid-year review of the estimated variable compensation pot for USSIM, and reporting to USSL RemCo on the outcomes from those reviews.</p> <p>2. Advice to the USSL RemCo on the USSIM strategy for recruitment, retention and motivation of its employees.</p> <p>3. Assurance to the USSL RemCo on compliance with the USS Group remuneration policy as it relates to USSIM.</p> <p>4. Assurance to the USSL RemCo on the effectiveness and implementation of the USS Group strategy for recruitment, retention and motivation of USSIM employees.</p> <p>5. Periodic review of remuneration benchmarking of USS Group, relative to its peer companies.</p> <p>6. Engagement with external advisers to obtain independent legal or professional advice (in conjunction with the USSL RemCo, as appropriate).</p>

	<p>7. A retrospective review of any bonus-buyout payments for USSIM staff, as agreed by the USSIM Board Chair in consultation with the USSL RemCo Chair.</p> <p>OTHER</p> <p>8. Review of the annual report from the Money Laundering Reporting Officer.</p> <p>9. Any changes to the USS Group Corporate Structure that impact USSIM (excluding any SPVs or entities formed or acquired as investments of the scheme), following approval by the Trustee Board.</p> <p>10. Participation in the recruitment process for appointment of the USSIM Chair, in conjunction with the Group CEO and GNC (and approved by the Trustee Board).</p> <p>11. Participation in the recruitment process for appointment of USSIM CEO's executive, in conjunction with USSIM CEO.</p> <p>12. The recruitment process for appointment of the USSIM CEO, in conjunction with the Group CEO (overseen by the GNC and approved by the Trustee Board).</p> <p>13. Reporting to the IC on USSIM CEO's performance and delivery of the Target Outperformance.</p> <p>14. Review of the USSIM CEO's performance.</p> <p>15. Review of the USSIM CEO's implementation of the USSIM's strategic aims, objectives, values and culture (and ensuring that any corrective action is taken).</p> <p>16. An annual review of the USSIM Board's own effectiveness (including individual directors).</p> <p>17. An annual review of the ToR.</p>
TOR last approved	4 March 2020

TERMS OF REFERENCE

GROUP EXECUTIVE COMMITTEE (“GExCo” or the “Committee”)

Chair	Group Chief Executive Officer (‘GCEO’)
Members	<ul style="list-style-type: none"> • Group Chief Financial Officer (‘CFO’) • Chief Investment Officer/USSIM CEO (‘CIO’) • Group General Counsel (‘GGC’) • Deputy USSIM CEO (‘Deputy CEO’) • Chief Risk Officer (‘CRO’) • Chief Pensions Officer (‘CPO’) • Chief HR Officer (‘CHRO’)
Optional Attendees	<ul style="list-style-type: none"> • Head of Governance • Head of Internal Audit • Head of Corporate Affairs
Additional Attendees	Other attendees as agreed by the Chair
Quorum	<ul style="list-style-type: none"> • Three members (one of whom must be the Chair or a nominee). • Any appointed alternate member will be counted as a member for a quorum.
Meeting Frequency	<ul style="list-style-type: none"> • The Committee will meet 8 times a year; 4 of the meetings will be held approximately 2 weeks prior to the trustee board meetings at which quarterly reporting is considered and the remaining meeting will be held approximately 2 weeks prior to other scheduled board meetings. • Ad hoc meetings will be scheduled as required, and can be called by any member of the Committee.
Secretary	A representative from the Governance and Company Secretariat team.
This Committee receives authority from	The GCEO, to assist the GCEO in exercising delegated authority from the TB.
Purpose of this Committee	<p>Advising and assisting the GCEO in performing his duties. In particular, the Committee will provide strategic direction, leadership and management of the USS Group. It will ensure that the executive members are appropriately coordinated to ensure effective delivery of the USS Group Business Plans (including the DC Business Plan).</p> <p><i>It is acknowledged that while the TB retains overall oversight of USS Group, day to day management of USSL in accordance with the approved business plans and budgets has been vested by the TB in the GCEO, who allocates specific responsibilities to the members of this Committee. Where it is unclear whether a matter falls within the scope of the TB’s TORs or the GCEO’s responsibilities, as set out in his job description, the GCEO will discuss with the Chair of the TB whether such matter should be brought to the attention of the TB.</i></p> <p><i>All decisions, obligations and powers of the Trustee under the Scheme Rules pertaining to the administration of the scheme are delegated to the GCEO except as expressly retained in the TORs of the TB and its standing committees.</i></p>

	<p><i>The GExCo is authorised by the TB to obtain external legal or professional independent advice, and secure the attendance of external parties with relevant experience and expertise if necessary (subject to TB approval of the Group budget).</i></p>
Reporting and Escalation	<ul style="list-style-type: none"> • The GCEO will report to the TB at each meeting and will highlight any material developments within the business. • Minutes of the committee's meetings will be issued to all members and regular attendees and will be made available, on request, to members of the TB. • All activities must be: (i) in accordance with the USS Group and DC business plans; (ii) in line with the relevant regulatory and statutory requirements, and; (iii) included in the appropriate budget. Where these conditions are not met, the GCEO must escalate to the TB. • The GCEO delegates various responsibilities to the Group Risk Committee, Project Governance Committee (PGC) and Pensions Operating Committee (POC), as detailed in each of the TOR for those committees. The GExCo will receive the minutes from meetings of PGC and POC. The GExCo will also receive the minutes of the DC Product Governance Forum. <p>Notwithstanding anything else in this TOR, to the extent that the GExCo would otherwise take any decision where the interests of GExCo (as a whole) are in conflict with the interests of scheme members, such decision will be escalated to the TB for approval (in its capacity as trustee of the USS Scheme).</p> <p><u>Note:</u> The Committee may delegate any of the activities listed below to working groups or sub-committees, as appropriate. Such working groups or sub-committees shall report to the GExCo on their activities and escalate matters that are beyond the scope of the specific delegated authority given to them.</p>
Scope of this Committee's responsibilities:	
The Committee assists the GCEO who is responsible for Approving:	<p>APPOINTMENTS</p> <ol style="list-style-type: none"> 1. The Application for External Appointments Policy and, pursuant to that policy, any new applications from USS employees for external appointments. 2. Substantial amendments to HR policies and the Employee Handbook. 3. Decisions as to resource and staffing levels (within the parameters of the USS Group business plans). <p>GOVERNANCE</p> <ol style="list-style-type: none"> 4. Material changes to the TOR for the Group Risk Committee, the PGC and POC. 5. Any changes to its TOR.

	<p>AUDIT</p> <ol style="list-style-type: none"> 6. Management responses to the external auditor's findings (as documented in the management representation letter). 7. Management actions in response to compliance monitoring reports for USS. <p>OPERATION OF THE GROUP</p> <ol style="list-style-type: none"> 8. The DC business plan and any revisions to it. 9. The Continuity Strategy and any revisions to it. 10. The scheme's strategic approach to delivering the required levels of service to Institutions and Members including sourcing strategy and cost/benefit decisions. 11. The allocation of responsibility for compliance with applicable law and regulation, as detailed in the Canon of Applicable Law. 12. The framework for establishment, operation and winding up/disposal of Investment Organisational Structures. 13. The Capital Expenditure Addition and Disposal Policy and applications for capital expenditure not included in the business plans, in accordance with the policy. 14. The following USS Group policies: (ii) business continuity management; (iii) SPV policy; (iv) travel and expenses policy; (v) records retention policy; (vi) investment valuations policy; (vii) information security policies; (ix) environment policy statement; (x) the procurement policy; (xi) modern slavery statement and such other policies as may be determined by the GCEO from time to time relevant to the authority delegated to the GCEO by TB. 15. In relation to the Securities Litigation Policy: <ol style="list-style-type: none"> a. USS involvement in active litigation proceedings following consideration of the factors set out in the Securities Litigation Policy (and recommend to the IC where involvement is particularly sensitive for USS). b. Settlement of a securities litigation case on recommendation from the GGC.
<p>The Committee assists the GCEO who is responsible for Recommending for Approval:</p>	<p>GOVERNANCE</p> <ol style="list-style-type: none"> 1. To the TB, significant contracts above any thresholds set out in the USS signing mandates from time to time. <p>INVESTMENT</p> <ol style="list-style-type: none"> 2. To the IC, the Securities Litigation Policy. <p>OPERATION OF THE GROUP</p> <ol style="list-style-type: none"> 3. To the TB, the USS Group and the DC business plans and budgets (including total estimated compensation) and any material deviations. 4. To the TB, group strategy, planning and business development (including multi-year business plans). 5. To the TB, USS Group strategic aims and objectives. This includes (but is not limited to): product, pricing and proposition.

	<ol style="list-style-type: none"> 6. To the TB, a Continuity Option and Implementation Strategy following a 'triggering event'¹. 7. To the TB, the USS Group Corporate Structure and any material amendments to it (excluding any SPVs or entities formed or acquired as investments of the scheme). 8. To the Remcom, any amendments to the remuneration policy for USS Group. 9. To the Remcom, any material amendments to the terms and conditions of employment for USS Group employees. 10. To the TB: <ol style="list-style-type: none"> a. Any signing mandate, authorised signatories, powers of attorney or authorities to bind USS (including delegation of authority to an entity authorised to act as agent of USS but excluding personnel of such entity when the delegation of authority has been made); and b. Who shall sign any instrument to which the USS common seal is affixed. 11. In relation to the Securities Litigation Policy: <ol style="list-style-type: none"> a. Refer to the IC, the decision for USS involvement in active securities litigation proceedings where involvement is deemed particularly sensitive for USS. b. Refer to the IC, the decision to settle a securities litigation case where appropriate in accordance with the Securities Litigation Policy. 12. To the TB, the appointment, replacement or removal of the MPAVC provider. 13. To the TB the appointment, replacement or removal of the DC Administrator. 14. To the TB, the appointment, replacement or removal of the DC Investment Platform Provider. 15. To the IC, the investment management cost envelope for the DC default strategy. 16. To the PC, member requirements based on the risk capacity and appetite of DC members. 17. To the PC, the assumptions, beliefs and preferences of members (that inform member requirements and form the Trustee policy beliefs) for the DC Investment Options and the DC Services and Flexibilities to be offered to members. 18. To the PC, substantive changes to the range of DC Investment Options and DC Services and Flexibilities to be offered to members. 19. To the PC, the DC member policy beliefs. 20. To the PC, the approach for conversion of DC funds or MPAVC funds or DB lump sum entitlements into DB funds/pension entitlement. <p>AUDIT</p> <ol style="list-style-type: none"> 21. To the Group AC, the external audit plan for USS and the scheme. 22. To the Group AC, the following policies: (i) Policy on Non-Audit Services by External Audit; (ii) Appointment, Remuneration and Rotation of External Auditors Policy; (iii) Taxation Policy; (iv)
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¹ As defined by the Pensions Schemes Act 2017

	Whistleblowing Policy; (v) Anti-Bribery and Corruption Policy; (vi) Anti-Fraud, and; (vii) Anti-Money Laundering, Counter-Terrorism and Financial Sanctions and such other policies as may be determined by the GCEO from time to time relevant to the authority delegated to the GCEO by TB.
The Committee assists the GCEO who is responsible for Overseeing:	<p>APPOINTMENTS</p> <ol style="list-style-type: none"> 1. USS senior management succession planning. <p>GOVERNANCE</p> <ol style="list-style-type: none"> 2. The activities carried out by PGC, POC and the DC Product Governance Committee. 3. Implementation of the governance arrangements for USS Group, in accordance with the Corporate Governance Framework Policy Document, as approved by the TB. <p>AUDIT</p> <ol style="list-style-type: none"> 4. The preparation of the annual Report and Accounts for USS and the scheme. 5. The preparation of the management representation letter for USS and the scheme. <p>OPERATIONS OF THE GROUP</p> <ol style="list-style-type: none"> 6. The delivery of all major 'in-flight' projects (within the parameters of the USS Group and DC business plans), through review of monthly reports from the project sponsors. 7. Group performance and implementation of the USS Group and DC business plans, through review of management information provided by each executive. 8. Executive accountability for delivery of scheme functions, to ensure that there is appropriate apportionment. 9. Implementation of and compliance with all USS Group policies. 10. The delivery of services provided by USSL to USSIM under the Services Agreement, and provision of assurance to the TB. 11. Effective cost control and value for money, through regular review and challenge of financial information and analytics. 12. Creating the USS Group strategy for recruitment, retention and motivation of its employees (which is ultimately approved by the TB), and advising the Remcom. 13. The remuneration policy for USS Group employees. 14. The USS conflicts of interest register. 10. Any filing (excluding in respect of securities litigation and HR matters) to be made at any court in any jurisdiction whether civil or criminal, or in relation to any arbitration or mediation process, and any settlement documentation, in relation to a claim made by or against USSL. 11. Compliance with all relevant regulatory notification and filing requirements applicable to USSL (including those under the Pensions Schemes Act 2017 and the Occupational Pension Schemes (Master Trust) Regulations 2018) and the

	implementation of an appropriate monitoring framework to support such compliance.
The Committee assists the GCEO who is responsible for Performing:	<ol style="list-style-type: none"> 1. Preparation, review and revision of the DC business plan. 2. Preparation, review and revision of the Continuity Strategy. 3. Preparation of an Implementation Strategy for the TB following a 'triggering event' (as defined in the Pension Schemes Act 2017) and then execution of any such Strategy in accordance with the delegated powers and reporting requirements approved by the TB at such time. 4. Delivery of effective operating model for the scheme and provision of assurance to the TB that the operating model is effectively structured, sourced and managed. 5. Review of, and provide challenge on, all significant recommendations that are being presented by executive members to the TB or any of its principal committees. 6. An annual review of its TOR.
TOR last approved	9 July 2019

TERMS OF REFERENCE

USSIM EXECUTIVE COMMITTEE (“USSIM ExCo” or the “Committee”)

Chair	USSIM CEO
Members	<ul style="list-style-type: none"> • Deputy CEO and COO (Deputy Chair) • Head of Equities • Chief Human Resources Officer • Head of Private Markets • Chief Finance Officer • Group General Counsel • Chief Risk Officer • Deputy Chief Operating Officer • Head of Investment Strategy and Advice • Head of Fixed Income and Treasury
Standard Attendees	<ul style="list-style-type: none"> • Representative from the Governance and Company Secretariat team • Head of Investment Product Management team • Head of USSIM Compliance <i>(or an appointed delegate)</i>
Additional Attendees	Other attendees as agreed by the Chair
Quorum	<ul style="list-style-type: none"> • Three members (one of whom must be the USSIM CEO, or his appointed delegate) • In the event that the USSIM CEO is not contactable, a USSIM executive director may act as his appointed delegate • Any appointed alternate member will not constitute a quorum
Meeting Frequency	<ul style="list-style-type: none"> • The Committee will meet on a monthly basis. • Ad hoc meetings will be scheduled as required, and can be called by any member of the Committee
Secretary	A representative from the Governance and Company Secretariat team.
This Committee receives authority from:	Established by the USSIM CEO, under delegated authority from the USSIM board.
Purpose of the Committee	<p>Advising and assisting the USSIM CEO in performing his duties. In particular, the Committee will provide strategic direction, day-to-day management and leadership of USSIM, including establishing and developing appropriate values and culture. It will ensure that the executive members are appropriately coordinated to ensure effective delivery of the USSIM business plan and USS investment business plan.</p> <p><i>Pursuant to the power contained in Article 5 and excepting those matters set out below, day to day management of the company in accordance with the approved business plan and budget has been vested by the USSIM board in the USSIM CEO, who allocates specific responsibilities to the senior members of his team. Where it is unclear whether a strategic matter falls within those set out below, the USSIM CEO may discuss with the Chair of the USSIM board whether such matter should be brought to the attention of the USSIM board.</i></p>

	<i>The USSIM ExCo is authorised to obtain external legal or professional independent advice, and secure the attendance of external parties with relevant experience and expertise if necessary (within USSIM's budget).</i>
Escalation and Reporting	<ul style="list-style-type: none"> • The USSIM CEO will report to the USSIM board at each meeting and will highlight any material developments within the business. • Minutes of the meeting will be issued to all members and regular attendees and will be made available, on request, to members of the USSIM board. • All activities listed below are undertaken under the authority delegated to the USSIM CEO from the USSIM board and, ultimately, the trustee board. All activities must therefore be: (i) in accordance with the USS Group and USSIM business plans; (ii) in line with the relevant regulatory and statutory requirements, and; (iii) included in the appropriate budget. Where these conditions are not met, the Committee must escalate to the USSIM board. <p><u>Note:</u> The Committee may delegate any of the activities listed below to working groups; sub-committees; or individuals, as appropriate. Such working groups; sub-committees or individuals shall report to the USSIM ExCo on their activities and escalate matters that are beyond the scope of the specific delegated authority given to them.</p>
Notice of meetings	<ul style="list-style-type: none"> • Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee Chair or any of its members. • Unless otherwise agreed, notice of each meeting confirming the venue, time and date shall be sent to each member of the Committee and any other person required to attend before the date of the meeting. The agenda of items to be discussed and supporting papers shall be sent to Committee members and to other attendees as appropriate.
Scope of this Committee's responsibilities:	
The Committee is responsible for Approving:	<p>OPERATIONS</p> <ol style="list-style-type: none"> 1. Implementation of the organisational structure for USSIM, and any changes, subject to the USS Group Budget and Business Plan. 2. The allocation of responsibility for compliance with applicable law and regulation, as detailed in the Canon of Applicable Law. 3. Any filing (excluding in respect of securities litigation and HR matters) to be made at any court in any jurisdiction whether civil or criminal, or in relation to any arbitration or mediation process, and any settlement documentation, in relation to a claim made by or against USSIM, USSL and any wholly-owned SPVs. 4. The USS DC Ethical Guidelines. <p>GOVERNANCE</p> <ol style="list-style-type: none"> 5. Any changes to its TOR.

	<p>AUDIT & COMPLIANCE</p> <ol style="list-style-type: none"> 6. Management responses to the external auditor's findings (as documented in the management representation letter). 7. Management actions in response to compliance monitoring reports for USSIM.
<p>The Committee is responsible for Overseeing:</p>	<p>OPERATIONS</p> <ol style="list-style-type: none"> 1. USSIM performance and implementation of the investment programme and USSIM Business Plan, through review of management information provided by each executive. 2. Effective cost control and demonstrated value for money, through regular review and challenge of financial information and analytics. 3. Executive accountability for delivery of all USSIM functions, to ensure that there is appropriate apportionment. 4. Implementation of and compliance with all USS Group policies. 5. The delivery of services provided by USSIM to USSL under the IMAA, and provision of assurance to the USSIM board. 6. The delivery of services provided by USSL to USSIM under the shared services agreement, and provision of assurance to the USSIM board. 7. The delivery of all major 'in-flight' projects, through review of monthly reports from the project sponsors. 8. The strategy for recruitment, retention and motivation of USSIM employees, and advising the USSL and USSIM Remcoms. 9. The remuneration policy and structures for USSIM employees. 10. The USSIM conflicts of interest register. 11. USSIM senior management succession planning. 12. That all relevant insurances are in place and maintained <p>INVESTMENT</p> <ol style="list-style-type: none"> 13. Compliance with the Investment Restrictions and Investment Objectives (as per the IMAA). 14. Performance targets and objectives, as approved by the USSIM board. <p>AUDIT</p> <ol style="list-style-type: none"> 15. The preparation of the annual Report and Accounts for USSIM. 16. The preparation of the management representation letter for USSIM.
<p>The Committee is responsible for Recommending for Approval (to the USSIM board, unless otherwise stated):</p>	<p>OPERATIONS</p> <ol style="list-style-type: none"> 23. The USSIM Business Plan and Budget (including total estimated compensation) and any material deviations. 24. Planning and business development (including multi-year business plans). 25. USSIM strategic aims and objectives. This includes (but is not limited to): product, pricing and proposition. 26. The policies and plans to support USSIM values and culture, having regard for the USS Group values and culture.

	<p>27. The Services Agreement and the scope of services to be provided in the Services Agreement.</p> <p>28. Material outsourcing arrangements.</p> <p>29. Any material amendments to the terms and conditions of employment for USSIM employees.</p> <p>30. Any amendments to the remuneration policy for USSIM.</p> <p>31. The purchase of insurances not accounted for in the Budget (if required).</p> <p>32. Any signing mandate, authorised signatories, powers of attorney or authorities to bind USSIM (including delegation of authority to an entity authorised to act as agent of USSIM but excluding personnel of such entity when the delegation of authority has been made); and</p> <p>33. Who shall sign any instrument to which the USSIM common seal is affixed.</p> <p>INVESTMENT</p> <p>34. To the IC and USSIM board, the USSIM Escalation policy.</p> <p>COMPLIANCE</p> <p>35. Any policies deemed to require board approval (if not going through review by the USSIM Risk Committee).</p> <p>GOVERNANCE</p> <p>36. The ToR of the Transaction Sub-Committee.</p> <p>37. The ToR of the USSIM Board</p> <p>38. The ToR of the USSIM Remuneration Committee</p>
The Committee is responsible for Performing:	<p>7. Day-to-day overall management of USSIM, including delivery of an effective operating model for USSIM and provision of assurance to the USSIM board that the operating model is effectively structured, sourced and managed.</p> <p>8. Review of, and providing challenge on, all significant recommendations with material organisational implications that are being presented by executive members to the trustee board or any of its principal committees.</p> <p>9. Periodic review of the following Trustee Approved Policies, and informing the IC of any changes required for practical implementation by USSIM:</p> <p>(i) Securities Litigation Policy;</p> <p>(ii) USS Permitted Assets and Derivatives Policy;</p> <p>10. A review of all non-standard and strategic papers to be presented to the USSIM board.</p> <p>11. Review of any reportable items that may have a regulatory impact.</p> <p>12. Review of material communications to the FCA where relevant and appropriate.</p> <p>13. An annual review of its TOR.</p>
TOR last approved	25 February 2020

TERMS OF REFERENCE
USSIM REMUNERATION COMMITTEE (“USSIM RemCom” or the “Committee”)

Chair	<ul style="list-style-type: none"> Chair of the USSIM board
Members	<ul style="list-style-type: none"> All USSIM directors <p>NOTE: USSIM executive directors will not participate in discussions and decisions regarding their own remuneration</p>
Standard Attendees	<ul style="list-style-type: none"> Chief HR Officer The USSL Remuneration Committee chair Representative from Governance and Company Secretariat team <p>(or an appointed delegate of each)</p>
Additional Attendees	Other attendees as agreed by the GCEO and Chairman.
Quorum	Three members (at least one of whom must be the Chair, or an appointed delegate)
Meeting Frequency	A minimum of three times per annum
Secretary	A representative from the Governance and Company Secretariat team.
This Committee receives authority from	The committee operates under delegated authority from the USSIM board.
Purpose of this Committee	<p>A sub-committee of the USSIM Board responsible for ensuring that remuneration arrangements for USSIM:</p> <ul style="list-style-type: none"> Support the USSIM Business Plan and long-term strategic objectives; Enable the appropriate motivation, retention and recruitment of quality staff; Establish a clear link between reward and performance; Comply with relevant legal and regulatory requirements and are consistent with industry standards and market best practice; and Are compliant with the USS Group remuneration policy as it relates to USSIM. <p>Note: The Committee is authorised by the board to obtain external legal or independent professional advice, and secure the attendance of external parties with relevant experience and expertise if necessary (subject to board approval of the USSIM budget).</p>
Reporting and Escalation	<ul style="list-style-type: none"> The committee will report to the board after each committee meeting. The report will cover: (i) key matters discussed; (ii) decisions taken within its remit, and; (iii) items recommended for approval by the board.

	<ul style="list-style-type: none"> Minutes of meetings will be issued to all committee members and regular attendees and will be made available, on request, to members of the board. All activities listed below are undertaken under the delegated authority from the USSIM Board and must be: (i) in accordance with the USS business plan; (ii) in line with relevant regulatory and statutory requirements, and; (iii) included in the appropriate budget. Where these conditions are not satisfied, the committee must escalate to the USSIM Board.
Scope of this Committee's responsibilities:	
This Committee is responsible for Approving:	9. Minor amendments to its terms of reference
This Committee is responsible for Recommending for Approval:	<p>To the USSIM board</p> <p>12. Any material amendments to its terms of reference</p> <p>13. An estimated amount for USSIM total compensation (as part of the USSIM Business Plan and Budget), and a range of outcomes provided, based on stated assumptions, and having regard for the mandate which the Trustee Board has given USSIM and the services it has been asked to provide, including the resources needed to meet these challenges.</p> <p>14. The USSIM remuneration policy, and any amendments to it, on advice from the USSIM CEO and external advisors, ensuring that it is consistent with the USSIM risk appetite, relevant regulatory requirements and USS Group Business Plan and long-term strategy.</p> <p>15. Any material deviations from the remuneration policy for existing or proposed USSIM employees that are not covered by the discretionary pool, on advice from the USSIM CEO.</p> <p>16. The design of, and targets for, any performance related remuneration for USSIM employees and the total annual payments made under such arrangements on advice from USSIM CEO and external advisors (as appropriate), and in accordance with the remuneration policy and within the range of total compensation outcomes approved by the Trustee Board as part of the USS Group Business Plan and Budget.</p> <p>17. The design of all long-term incentive plans for USSIM employees, on advice from the USSIM CEO and external advisors (as appropriate).</p> <p>18. The aggregate annual salary increases, bonus amounts, long-term performance incentive awards and discretionary pot for USSIM employees, based on work performed by the USSIM CEO, and in accordance with the remuneration policy and USSIM risk appetite, and subject to Trustee Board approval of the USS Group budget.</p> <p>19. The total remuneration payable, and structure of package, for each of the top 20 paid employees of USSIM, based on work performed from the USSIM CEO.</p> <p>20. Any salary increases or awards for the USSIM CEO that are not in accordance with the remuneration policy, on advice from the Group CEO.</p> <p>21. Any bonus or severance payment over 100% of salary for USSIM employees that is not covered by the pool allocated for the USSIM CEO's discretion, on recommendation by the USSIM CEO.</p>

	22. Any severance payment or package and contractual terms for the USSIM CEO, on advice from the Group CEO.
This Committee is responsible for Overseeing:	18. Compliance with the USS Group remuneration policy as it relates to USSIM, based on assurance provided by the USSIM CEO. 19. The effectiveness and implementation of the USS Group strategy for recruitment, retention and motivation of USSIM employees.
This Committee is responsible for Performing:	18. A start of year and mid-year review of the estimated variable compensation pot for USSIM, and reporting to the board on the outcomes from those reviews. 19. Advice to the board on the USSIM strategy for recruitment, retention and motivation of its employees. 20. Assurance to the board on compliance with the USS Group remuneration policy as it relates to USSIM. 21. Assurance to the board on the effectiveness and implementation of the USS Group strategy for recruitment, retention and motivation of USSIM employees. 22. Periodic review of remuneration benchmarking of USS Group, relative to its peer companies. 23. Engagement with external advisers to obtain independent legal or professional advice (in conjunction with the USSL Remcom, as appropriate). 24. A retrospective review of any bonus-buyout payments for USSIM staff, as agreed by the USSIM Board Chair in consultation with the USSL RemCo Chair. 25. A biennial review of the committee's own effectiveness. 26. An annual review of the committee's terms of reference.
TOR last approved	12 September 2019

TERMS OF REFERENCE**PENSIONS EXECUTIVE COMMITTEE (“Pensions ExCo” or the “Committee”)**

Chair	Chief Pensions Officer (CPO)
Members	<ul style="list-style-type: none"> • Pensions Strategy Executive • Group Transformation Executive • Pensions Engagement & Development Executive • Pensions Operations Executive • Senior HR Business Partner • Group Financial Controller • Chief Legal Officer • Head of Enterprise Risk
Standard Attendees	<ul style="list-style-type: none"> • Head of USSL Compliance • Head of Internal Audit • Head of Corporate Affairs • Head of IT <p><i>(or an appointed delegate)</i></p>
Additional Attendees	Other attendees as agreed by the Chair
Quorum	<ul style="list-style-type: none"> • Three members (one of whom must be the Chief Pensions Officer or his/ her delegate). • In the event that the CPO is not present, the GCEO or a member of the Pensions Executive may act as the CPO’s delegate. • Any appointed alternate member will not be counted for the purposes of establishing if a quorum is present.
Meeting Frequency	<ul style="list-style-type: none"> • The Committee will meet on a monthly basis. • Ad hoc meetings will be scheduled as required, and can be called by any member of the Committee
Secretary	A representative from the Governance and Company Secretariat team.
This Committee receives authority from:	Established by the CPO, under delegated authority from the Group Executive Committee (Group ExCo).
Purpose of the Committee	<p>Advising and assisting the CPO in performing his/her duties. In particular, the Committee will provide strategic direction, day-to day management and leadership of the Pensions Business, including establishing and developing appropriate values and culture. It will ensure that the executive members of the Pensions Business are appropriately coordinated to ensure effective delivery of the USS strategy and business plan for the Pensions Segment.</p> <p><i>While the TB retains overall oversight of USS Group, day to day management of USSL in accordance with the approved business plans and budgets has been vested by the TB in the GCEO, who allocates specific responsibilities to members of the Group Exco. All decisions, obligations and powers of the trustee under the Scheme Rules pertaining to the administration of the scheme are delegated to the</i></p>

	<p><i>GCEO except as expressly retained in the TORs of the TB and its standing committees.</i></p> <p><i>The GCEO has allocated responsibility to the CPO for the day to day management of the Pensions Segment and has delegated authority to this Committee to carry out the specific responsibilities set out in these TOR. Where it is unclear whether a matter falls within the scope of CPO's responsibilities, as set out in his/her job description, the GCEO will make a determination.</i></p>
Escalation and Reporting	<ul style="list-style-type: none"> • The CPO will report to (i) the PC on the management and performance of the Pensions Business, and regulatory, policy and pension related matters and (ii) Group ExCo on pension strategy, people, culture and business function matters at each respective meeting. The report will cover: (i) key matters discussed; (ii) decisions taken within its remit, and (iii) items recommended for approval by PC/Group ExCo. • Minutes of the meeting will be issued to all members and regular attendees and will be made available, on request, to members of the PC/Group ExCo. • All activities listed below are undertaken under the authority delegated to the CPO from the GCEO and, ultimately, the TB. All activities must therefore be: (i) in accordance with the USS Group business plans; (ii) in line with the relevant regulatory and statutory requirements, and; (iii) included in the appropriate budget. Where these conditions are not met, the Committee must escalate to Group ExCo. <p><u>Note:</u> The Committee may delegate any of the activities listed below to working groups; sub-committees; or individuals, as appropriate. Such working groups; sub-committees or individuals shall report to the Pensions ExCo on their activities and escalate matters that are beyond the scope of the specific delegated authority given to them.</p>
Scope of this Committee's responsibilities:	
The Committee is responsible for Approving:	<p>OPERATIONS</p> <ol style="list-style-type: none"> 8. The organisational structure for the Pensions Business, and any changes, provided it is in accordance with the USS Group Budget and Business Plan. 9. Allocation of ownership and accountabilities within the Pensions Business for new product development and/or a change in responsibility for a current delivery area. 10. The channel strategy and any changes thereto. 11. The framework for the communication, education and engagement of Institutions and Members. 12. Such employer participation matters as are delegated to it from time to time, including those delegated to it under the Employer

	<p>Participation Delegations Framework approved by the TB from time to time¹.</p> <p>13. The Complaints and Service Comments Policy.</p> <p>GOVERNANCE</p> <p>14. Any immaterial changes to its TOR.</p> <p>15. Any material changes to the Pensions Operating Group TOR.</p> <p>AUDIT & COMPLIANCE</p> <p>16. Management actions in response to compliance monitoring and internal audit reports for the Pensions Business.</p>
<p>The Committee is responsible for</p> <p>Overseeing through:</p>	<p>OPERATIONS</p> <p>17. Monitoring the Pensions Business performance and implementation of the Pensions Business Plan and strategic priorities, including pension elements of group projects, through review of management information provided by each executive.</p> <p>18. Monitoring and evaluating the effectiveness of the Pensions Business cost controls and assessing value for money, through regular review and challenge of financial information and analytics, and review and challenge of the financial reporting of the Pensions Segment.</p> <p>19. Monitoring and assessing the delivery of pension related services to Institutions and Members.</p> <p>20. Monitoring and reviewing data quality and security in the Pensions Business.</p> <p>21. Monitoring delivery of services to the Pensions Business under arrangements with third party providers of services.</p> <p>22. Monitoring the delivery of all major “in-flight” projects within the Pensions Business and pension elements of group projects.</p> <p>23. Reviewing and assessing the adequacy of resourcing within the Pensions Business.</p> <p>24. Reviewing and assessing the adequacy of compliance of the Pensions Business with regulatory and legislative requirements as detailed in the Canon of Applicable Law.</p> <p>25. Monitoring implementation of agreed management actions in response to compliance monitoring and internal audit reports relating to the Pensions Business.</p> <p>26. Evaluating the operation and adequacy of the key non-investment processes.</p> <p>27. Monitoring implementation and the effectiveness of the framework for the communication, education and engagement of Institutions and Members (including oversight of the efficacy of modelling tools).</p> <p>28. Monitoring implementation and effectiveness of the channel strategy.</p> <p>29. Monitoring implementation and effectiveness of the Trustee’s general strategic approach to corporate affairs as applied to the Pensions Business.</p>

¹ See Annex for the current Employer Participation Delegations Framework approved by the TB on 10 September 2020.

	<p>30. Reviewing the responses to and corrective action taken in connection with items raised as complaints and service comments and compliance with The Complaints and Service Comments Policy.</p> <p>31. Receiving regular reports on implementation of decisions made by the executive, TB, PC and/or JNC that impact upon the Pensions Business.</p> <p>32. Developing and overseeing emerging policy issues that are likely to have a material impact on the Pensions Business.</p> <p>33. Monitoring the appropriateness of participation terms and monitor employers' compliance with their agreed terms.</p> <p>34. Evaluating the adequacy of the GCEO's implementation of the process around bulk transfers in.</p> <p>35. Evaluating the integrity of the frameworks for:</p> <ul style="list-style-type: none"> (a) Admission of employers (b) Management of ongoing employer participation (c) Withdrawal of employers (including certain decisions)
<p>The Committee is responsible for Recommending for Approval:</p>	<p>OPERATIONS</p> <p>39. To the Group ExCo, the key objectives, strategic priorities and KPIs in respect of the Pensions Segment in any Business Plan including the Annual Business Plan, 3 Year Plan and/ or DC Business Plan).</p> <p>40. To the Group ExCo, material outsourcing arrangements in relation to the Pensions Business.</p> <p>41. To the Group ExCo, material changes to Pensions ExCo's TOR.</p> <p>INSTITUTION AND MEMBER ENGAGEMENT</p> <p>42. To the Group ExCo, the channel strategy and key communications objectives and plans.</p> <p>PRODUCT AND SERVICE DEVELOPMENT INITIATIVES</p> <p>43. To the PC, material changes to the Member Journey.</p> <p>44. To the PC, assumptions, beliefs and preferences of members (for the DC Investment Options, the DC Services and Flexibilities to be offered to members).</p> <p>45. To the PC, the range of investment options under money purchase additional voluntary contributions ("MPAVCs").</p> <p>46. To the PC, the principles for conversion of defined benefit ("DB") lump sum entitlements into DB pension (and vice versa) as per Rule 21 or the conversion of MPAVC funds (Rule 36) or a member's defined contribution ("DC") account (Rule 22) into DB benefits.</p>

	<p>47. To the PC, any proposals that will have a material impact on member benefits/ experience/ offering (employer service levels and/ or the cost of operation the Pensions Segment).</p> <p>EMPLOYER PARTICIPATION</p> <p>48. To the PC, changes to the Employer Participation Delegations Framework.</p> <p>49. To the PC, the admission of employers or modification of the Scheme Rules in relation to an institution following amalgamation or where an institution contributes to or participates in any other pensions scheme.</p> <p>50. To the PC, the framework for admission, participation and withdrawal/ exit of participating employers.</p> <p>51. To the PC, removal/withdrawal of an institution from the scheme for persistent late payment of contributions.</p>
The Committee is responsible for Performing:	<p>14. Strategic management of the pensions business, including delivery of an effective operating model and provision of assurance to the TB that the operating model is effectively structured, sourced and managed.</p> <p>15. Review of, and providing challenge on, all significant recommendations with material organisational implications for the Pensions Segment that are being presented by executive members to the TB or any of its principal committees.</p> <p>16. Review of any items potentially requiring notification to a regulator and that may have a regulatory impact.</p> <p>17. Review of the proposed internal audit and compliance monitoring plans in respect of the Pensions Business.</p> <p>18. Review of the annual Report and Accounts for USS and the scheme.</p> <p>19. Provide input as requested to: (i) the strategy for recruitment, retention and motivation of USSL employees and (ii) the remuneration policy and structures for USSL employees.</p> <p>20. Review of forthcoming agendas for PC and JNC, including a review of all key proposals that are to be made to the PC and JNC in relation to scheme policy, strategy or operations.</p> <p>21. An annual review of its TOR.</p>
TOR last approved	2 September 2020

“Pensions Business”	Comprises (i) Pension Executive, (ii) Pension Operations, (iii) Group Transformation, (iv) Pension Engagement and Development and (v) Pension Strategy
“Pensions Segment”	The financial reporting segment comprising Pensions Business, together with (i) Funding Strategy, (ii) Pensions element of group projects, (iii) Payroll and (iv) Pensions Allocation of Group costs
“DC Services and Flexibilities”	The range of services and flexibilities made available to members (including but not limited to the DC Benefit Options, the provision of member guidance and advice services and the signposting of third-party providers of annuity and drawdown).
“DC Benefit Options”	Shall have the meaning given to it in the Scheme Rules. In effect it is the benefit options made available to members of the scheme under Rule 22 of the Scheme Rules.
“DC Investment Options”	The investment options made available to members in the Investment Builder.
“Member Journey”	The set of agreed pathways that members travel in their relationship with the scheme through which they access member facing options, services and flexibilities.

UNIVERSITIES SUPERANNUATION SCHEME LIMITED (“USSL” OR “TRUSTEE”) DIRECTOR JOB DESCRIPTION

Position: Director of USSL board (“board”) and member of USSL

Responsible to: Chair of the board

USSL is the corporate Trustee of the Universities Superannuation Scheme (“USS” or the “scheme”). The role of the board (and therefore its directors) is to provide the overall leadership, strategy and oversight of USS and the subsidiaries that help run and invest its assets. This role includes monitoring and oversight of USSL’s operations, ensuring competent and prudent management, sound planning, proper procedures for the integrity of financial information and the maintenance of adequate systems of internal control, and for compliance with statutory and regulatory obligations.

Key responsibilities include overall oversight of the administration of the scheme to ensure that:

- (i) USS is adequately funded;
- (ii) the assets of the scheme are properly invested in line with the scheme’s investment principles and relevant law;
- (iii) benefits are paid when they fall due;
- (iv) the scheme is effectively administered in line with objectives and relevant legislation, regulation and regulatory guidance including that issued by the Pensions Regulator (TPR);
- (v) the scheme and its administration continue to meet the needs of the UK higher education sector; and
- (vi) there is appropriate oversight of USSL’s wholly owned FCA authorised subsidiary investment management company USS Investment Management Limited (“USSIM”)

The board is composed of ten to twelve directors comprising¹:

- Four directors appointed by Universities UK (“UUK”);
- Three directors appointed by University and College Union (“UCU”)²; and
- Between three and five independent directors appointed by USSL.

There is no distinction in terms of powers and duties between directors appointed by UCU and UUK and those appointed by USSL.

Duties and powers

As a director of the Trustee the principles of trusteeship impose certain fiduciary duties and responsibilities on the board and each individual director. TPR’s Trustee guidance provides a general overview of the duties and responsibilities. These are broadly summarised below:

- To act within the framework of the law and the regulatory requirements and in accordance with the Scheme Rules and other documents that govern the scheme;
- To act in the best interests of members and beneficiaries. A duty to balance fairly the interests of different groups, to act impartially between different classes of beneficiaries (not necessarily to act equally) and to not act with any sense of “constituencies”. Once appointed, all directors share the same responsibilities to the entire membership;

¹ The maximum number of directors has temporarily been increased from twelve to thirteen (and the maximum number of independent directors from five to six) in order to enable an additional independent director to be appointed as chair elect and to have a period of induction/handover before the current chair retires in August 2020.

² At least one of whom must be a pensioner member, as defined in the Scheme Rules.

- To pay benefits on time and correctly;
- To act prudently, honestly and conscientiously, with the utmost good faith;
- To take advice on technical matters and on any other matters with which the director is not fully familiar. Decisions should be taken only by persons with the right skills, information and resources needed to take them effectively;
- To derive no personal gain from the scheme (other than as a member or where payments have been authorised by the board, such interest having been declared where known);
- To invest and ensure the safe custody of the scheme's assets; and
- To ensure that proper records and accounts are kept and that information is communicated and disclosed as legally required.

Directors' responsibilities

All directors of USSL are required to comply with the director responsibilities and duties set out in the Companies Act 2006 and any other relevant legislation. In order to carry out the principles outlined above, directors are expected:

- To adhere to the principles of trusteeship;
- To understand and be committed to the aims of the scheme;
- To devote sufficient time to undertake the role, including preparation for meetings, board meetings and committee meetings of which they are a member;
- To review all documents required to be approved by the board;
- To constructively challenge, debate intelligently and test recommendations from committees (where applicable), the Group Executive and USSIM and to challenge advisers to ensure sound decisions are made;
- To ensure they have sufficient knowledge and understanding to undertake the role (both at commencement of their tenure and at all relevant times), including undergoing training and improving knowledge and understanding (on an ongoing basis) in accordance with the Trustee Knowledge and Understanding requirements of the Pensions Act 2004, any other relevant legislation and specific requirements of the scheme;
- To reflect annually on board performance and individual performance and carry out identified actions for improvement, including undertaking appropriate training and education to develop and refresh knowledge and skills;
- To disclose any conflicts of interest;
- Not to use, directly or indirectly, or disclose any confidential information relating to the USSL Group or the scheme for any purpose other than the proper fulfilment of their duties (in order to discharge this responsibility, it is essential for directors to separate this role from any other positions/commitments);
- To meet all legal and regulatory requirements in relation to fitness and propriety including (but not limited to) honesty, integrity, financial soundness, competence and conduct; and
- To submit to and satisfy the requirements of any appropriate criminal record, financial or other checks and provide any information or evidence reasonably required to establish a director's fitness and propriety or to satisfy any other regulatory requirements.

In addition to fulfilling their duties as a director, each USSL director becomes a member of USSL (a company limited by guarantee) on appointment.

Technical and behavioural skills / competencies

The law requires that trustees and directors have knowledge and understanding in a number of specified areas. Although training is provided and the Trustee has the benefit of the skills of the Group Executive and the assistance of professional advisers, directors of the board are required to have the skills and competencies listed below at an appropriate level to enable them to discharge their functions as non-executive directors.

USS is the largest private pension fund in the UK by assets. Enabled by its relative scale, USS chooses to perform many pensions administration and investment management activities in-house. This reduces agency issues, and overall costs. The USS Group has therefore has significant responsibilities for the management and execution of complex operational and advisory functions at scale, and would in its own right be a sizable pensions administration or investment management business. The experience, expertise and capabilities required below should be seen as proportionate to the oversight and governance of an organisation of this nature. All directors are therefore required to have the general technical and behavioural competencies set out below.

Technical competencies³

- **Strategic thinking:** Focus on strategic issues and a willingness to share responsibility for USS's strategic vision; impact of legislative requirements; link between strategy and daily running of the scheme.
- **Pension Technical:** Legal and regulatory framework; trust, pensions and tax law as applied to both defined benefit and defined contribution schemes.
- **Numeracy:** strong mathematical skills, ability to understand and analyse complex numerical information and to make the right conclusions and decisions.
- **Funding:** Principles for funding of the scheme and valuing of liabilities; the impact of the employers' financial position; impact of the scheme's investment policy.
- **Investment:** Legal and regulatory framework; investment principles, practices and options; the nature of risk and reward; asset classes and strategic asset allocation.
- **Administration:** Administration and audit requirements, application of the Scheme Rules, operational risks and risk management.

Behavioural competencies

- **Communication and influence:** Demonstrable good communication skills including the ability to transfer thoughts and express ideas; engage and influence others and gaining their support.
- **Planning and organising:** Establish courses of action to achieve objectives; determine priorities; allocate resources effectively.
- **Teamwork:** Cooperate and work with others toward solutions that accomplish objectives; engaging with the executive, where appropriate, outside of formal board and committee meetings in relation to the director's areas of specific expertise (including by the provision of guidance, advice and support whilst recognising the delineation of executive and non-executive activities).
- **Decision-making:** Make rational and realistic decisions, using relevant knowledge and experience.
- **Leadership:** Create a shared vision and sense of direction; clarify means of achievement; generate enthusiasm, commitment and trust to the vision and purpose of the Trustee company; commitment to the board code of conduct. At all times, role model the values of the Trustee company in interactions with other directors and members of the executive team.

TPR's Scope Guidance document and Code of Practice: 07: Trustee Knowledge and Understanding 15: Authorisation and supervision of master trusts and 13: Governance and administration of occupational trust-based schemes providing money purchase benefits should be consulted for more details on technical competencies.

³ An appropriate level of numerical skills is key to fulfilling the 'funding' and 'investment' technical competencies.

Specific Skills and Experience

The following knowledge, skills and experience are essential for fulfillment of this role:

- [ADD DETAILS OF ESSENTIAL SKILLS KNOWLEDGE, SKILLS AND/OR EXPERIENCE]

It would be beneficial if the successful candidate also has knowledge, skills and experience as a practitioner at a senior level in a substantial organisation or as an adviser to such an organisation, in one or more of the following areas):

- [ADD DETAILS OF DESIRABLE KNOWLEDGE, SKILLS AND/OR EXPERIENCE]

Time Commitment and term of initial appointment

In addition to being members of the USSL board, it is anticipated that directors will be available to join the board's sub-committees and will make themselves available to do so. They may also be asked to chair a committee.

Overall, we anticipate the director will devote a minimum of 30 days to Board and committee work, and ad hoc work related to staff events, member/institution events, sub committees and the annual Board Strategic Offsite meeting. As with all Board roles, the time commitment could increase during periods of heightened activity and also during the initial induction period.

Directors are expected to attend all (or almost all) meetings. The USSL board typically meets 8 times a year in person (and additional meetings are arranged where necessary). Directors are also required to attend the annual Institutions Meeting and the additional training and strategy sessions arranged for the USSL board throughout the year. The board's sub-committees typically meet 4-8 times per year. In addition, directors are encouraged to participate in other events for stakeholders or staff e.g. Investment Team Open Day. Meetings are held at USSL's offices in London or Liverpool. Directors must ensure that they can make sufficient time available to discharge their responsibilities effectively.

USSL is committed to ensuring that its board has all of the necessary knowledge and understanding to run the scheme. For this reason, prior to commencement of their appointment to the board, USSL directors are required to complete the TPR toolkit (or evidence their completion of an equivalent programme). On appointment they will also be expected to complete an induction programme (leading to an enhanced time commitment during their initial few months on the board). Thereafter, USSL directors are expected to take opportunities to develop and refresh their knowledge and skills throughout the course of their appointment, including familiarising themselves with the key challenges and areas of risk facing the UK higher education sector and changes in the pensions landscape.

The selected candidate will be appointed to the board for an initial four year term of office (although there is the possibility in certain circumstances to renew or extend this term, by mutual agreement). At the end of an initial term of office there may be an opportunity for the successful candidate to apply for reappointment.

UNIVERSITIES SUPERANNUATION SCHEME LIMITED (TRUSTEE COMPANY) TRUSTEE COMPANY BOARD (BOARD) CHAIR JOB DESCRIPTION

Position: Chair of the board

Responsible to: The board

Role: To act as leader and spokesperson for the board as well as ensuring that board business is conducted effectively and board membership is appropriately balanced, skilled and competent.

Duties:

In addition to fulfilling the general director responsibilities, the chair is specifically responsible for:

Strategic leadership

- Strong, effective and inclusive leadership of the USSL board
- Leading the creation of USSL's strategy; creating a shared vision and sense of direction; inspiring the whole organisation to enthusiastically commit to fulfillment of that vision including the chairs of the board's committees and executive management team.
- Leading USSL through all major strategic initiatives and projects, including valuations.
- Furthering an understanding of the role of the scheme in relation to the Higher Education sector and striving to maintain and enhance trust and confidence in the scheme.
- Setting clear expectations as to USSL's culture, values and behaviour and the style and tone of board meetings / other discussions.
- Fostering a culture that reflects that USSL is an equal opportunity employer, celebrates diversity and is committed to creating an inclusive environment for all employees

Development of key relationships

- Develop productive relationships with USSL's stakeholders (including UUK, UCU, the scheme's institutions, relevant regulators and the joint negotiating committee ("JNC")).
- Regular high-level engagement and liaison with key stakeholders and regulators (including the Pensions Regulator) and regular dialogue with both the chair of the JNC and the UUK and UCU representatives on the JNC.
- Work with USSL's executive to promote its high level engagement with Governmental departments and policy makers in relation to pension policy issues and other issues impacting USS and the sector.
- Develop a close working relationship with the chair of the USSIM board and ensuring there is an effective working relationship between both boards.
- Foster excellent working relationships between all USSL board members including meeting informally with directors and driving a collaborative board environment.
- Develop strong working relationships with all of the group's executives, and the Group Chief Executive Officer ("GCEO") in particular; providing an appropriate level of challenge, support and advice whilst respecting the executive responsibilities. Devoting time, particularly with the GCEO, to meet with the executives between board meetings to allow views to be shared and developed outside of formal meetings.

Board composition and director succession planning

- Have a clear vision of the optimal board composition through working with the Governance and Nominations Committee (“GNC”) and appointing bodies.
- Ensure that the board has appropriate succession and training and development plans in place so as to ensure that the skills, knowledge and composition of the USSL board are fit for purpose and meet all regulatory requirements.
- Ensure that there is an effective and comprehensive induction programme for all newly appointed directors.
- Undertake regular (at least annual) reviews of the performance and skills of USSL’s other directors, and the chair of the USSIM board; set appropriate developmental objectives for all directors, ensure all directors continually updates their skills, knowledge and understanding.

Executive oversight and succession planning

Line management of the GCEO, to include responsibility for recruitment, development, appraisal and remuneration, in particular:

- Regular engagement on scheme and company developments and issues, provision of sounding board.
- Assist the CEO with recruitment and replacement of the executive team, as required
- Conduct annual and mid-year appraisals of the GCEO’s performance.
- Recommend the GCEO’s remuneration to the board
- Engage in clear and forward looking GCEO and executive team succession planning

Promoting Good Governance

Ensure that the board operates in accordance with good governance standards including:

- Set strategically focused board agendas and ensure that high quality and timely minutes are produced and circulated following each USSL board meeting.
- Encourage all directors to contribute positively to board discussions. Facilitate the board making rational, realistic and effective decisions and ensure and that the trustees (as a whole) apply sufficient challenge to material proposals and considers the nature and extent of significant risks inherent in strategic initiatives.
- Ensure a timely flow of high quality and accurate information to the USSL board and that meetings are of sufficient frequency and duration.
- Ensure that the USSL board accesses appropriate advice from the executive (or external advisers) when appropriate, and work constructively with the Group General Counsel, the Head of Governance and other members of the Governance team.
- Ensure that the USSL board complies with its terms of reference; and working with the committee chairs to ensure that the USSL sub-committees comply with their own terms of reference. Adhering to the terms of USSL’s Corporate Governance Framework Policy and ensure that the members of the board adhere to the board code of conduct and other relevant standards of fitness and probity, intervening where appropriate.
- Lead the annual effectiveness review of the USSL board

Chair’s Statement

- Sign the annual chair’s statement in relation to the DC section of the scheme and, if introduced as a regulatory requirement, a chair’s statement in relation to the DB section.
- Provide input into the narrative of such chair statement(s)

Other requirements of the role

The expected time commitment of the role is approximately 90 days per annum. This will include the following activities:

- Chairing board meetings and board pre-meetings;
 - Chairing meetings of the committee chairs and attending the subsequent chair's dinner (twice yearly);
 - Serving as a committee member on the governance and nominations committee;
 - Serving as a committee member of the investment commitment (including attending a 2-day investment away-day annually);
 - Conducting the appraisal of the group chief executive officer (GCEO);
 - Leading the annual board appraisals;
 - Attending meetings with the GCEO at least monthly;
 - Representing USS at meetings with stakeholders, the regulator and other bodies as required; and
 - Host the USS's Institutions' meeting.
 - Participate in other events for stakeholders or staff e.g. Investment Team Open Day.
-

UNIVERSITIES SUPERANNUATION SCHEME LIMITED (TRUSTEE COMPANY) USSL BOARD SENIOR INDEPENDENT DIRECTOR (SID) AND DEPUTY CHAIR

Position: Board SID and Deputy Chair

Responsible to: the board

Role: To act as a sounding board for the chair; providing support in the delivery of his or her objectives and as an intermediary for other directors where necessary as the lead independent director. To also, in the absence of the chair, to act as leader and spokesperson for the board and ensure that board business is conducted effectively and board membership is appropriately balanced, skilled and competent.

Key Responsibilities:

The responsibilities below are undertaken in addition to the SID's duties and responsibilities as a director. The SID will:

- 1 Meet regularly with the board chair, acting as a sounding board for ideas and/or concerns and presenting the independent point of view;
- 2 Be available for discussion with any member of the board;
- 3 Act as the lead independent director;
- 4 Ensure that the annual performance evaluation of the chair is effectively conducted and that the outcome, where appropriate, is acted upon;
- 5 Be available to directors if they have concerns which have not or cannot be resolved through contact with the chair, the group chief executive officer (GCEO) or the company secretary, or for which such contact is inappropriate; and
- 6 Although the SID is expected to work with the chair and other directors to resolve significant issues, there is an additional responsibility to intervene in order to maintain board and trustee company stability if the board undergoes a period of stress such as:
 - (a) a dispute between the chair and GCEO;
 - (b) the strategy being followed by the chair and GCEO is not supported by the entire board;
 - (c) the relationship between the chair and GCEO is particularly close and decisions are being made without the approval of the full board; or
 - (d) succession planning is being ignored;
- 7 Convene and chair any meeting of the board or part of a board meeting at which matters concerning the chair are considered;
- 8 Deputise for the chair by the exercise of the powers, duties and rights of the chair in their absence. The full implication of this responsibility can be seen in the job description for board chair; and

- 9 Act as chair of appropriate working groups or undertake other tasks as requested by the chair.
-

Person Specification

The following personal attributes, skills and experience are required by the senior independent director.

- Willingness and ability to commit time to the responsibilities of the senior independent director.
- Independence of judgement.
- Highly developed interpersonal communication skills including public speaking.
- Diplomatic skills including experience of conflict resolution.
- The ability to lead, inspire and motivate.
- Personal integrity including honesty and a commitment to confidentiality.
- Demonstrated commitment to continuous learning and self-development in areas of skills and expertise required by the board.
- Highly developed knowledge and understanding of the structure and operation of the scheme and the trustee company

UNIVERSITIES SUPERANNUATION SCHEME LIMITED

USSL BOARD (BOARD) COMMITTEE CHAIR JOB DESCRIPTION

Position: Chair of a committee of the board

Responsible to: The board

Role: To act as leader and spokesperson for the committee as well as ensuring that committee business is conducted effectively and membership is appropriately balanced, skilled and competent.

Key Responsibilities:

The responsibilities below are undertaken in addition to the chair's duties and responsibilities as a director.

The committee chair will:

- 1 Prepare for, attend and chair committee meetings, ensuring that they are conducted in an atmosphere of respect, support and inclusion;
- 2 Ensure that the highest level of conduct, integrity, probity and confidentiality is observed;
- 3 Ensure that the responsibilities of the committee are effectively discharged and that the objectives set out by the board are met;
- 4 Ensure that meetings are effectively administered and that the committee is receiving the appropriate support to discharge its responsibilities, including receiving high quality information in a timely manner;
- 5 Consider and approve, where appropriate, applications for the submission of late items;
- 6 Approve the agenda, ensuring that it is in line with the committee's terms of reference (ToR) and approve the draft minutes of the previous meeting, ensuring that they are an accurate record of the meeting and that decisions are properly recorded;
- 7 Ensure that meeting arrangements are conducive to the effective conduct of committee business, including venue, date and time, frequency of meetings and length of meetings;
- 8 Ensure that actions arising from committee meetings are recorded and monitor implementation;
- 9 Encourage all members to engage at meetings by drawing on their skills, experience, knowledge and, where appropriate independence;
- 10 Report to the board on behalf of the committee making recommendations as appropriate, providing assurance that the committee has discharged its responsibilities in line with the committee ToR via reports following each committee meeting and including an annual report in the Report and Accounts;

- 11 Lead the recruitment of committee members in conjunction with the governance and nominations committee according to the guidelines set out in the governance policy;
 - 12 Lead the appraisal process for the committee including conducting review meetings with individual committee members and ensuring that any outcomes are acted upon;
 - 13 Ensure that the committee receives appropriate professional advice if required and sufficient information on all relevant matters to make properly informed decisions;
 - 14 Act on behalf of the committee between meetings and report any significant action at the next meeting of the committee; and
 - 15 Carry out tasks delegated by the board.
-

Person Specification

The following personal attributes, skills and experience are required by the chair:

- Willingness and ability to commit time to the responsibilities of chair
 - Demonstrated commitment to the principles of governance and board accountability
 - Interest and experience in the work of committees
 - Highly developed interpersonal communication skills including public speaking
 - Diplomatic skills including experience of conflict resolution
 - The ability to lead, inspire and motivate
 - Personal integrity including honesty and a commitment to confidentiality
 - Demonstrated commitment to continuous learning and self-development in areas of skills and expertise required by the board
 - Highly developed knowledge and understanding of the structure and operation of the scheme and the trustee company
 - Understanding and experience of administrative processes, in particular how they relate to internal governance
-