

## **Thales UK Pension Scheme:**

### **Update relating to Member-Nominated Directors**

As the Trustee now works towards the buy-out and wind-up of the Scheme, the Trustee continues to consider whether its existing member-nominated director arrangements remain appropriate. Following a further review, the Trustee has decided to make some changes.

As background, the Trustee of the Scheme is made up of a board of directors, half of which are selected by Thales and half of which are selected by members. In respect of those selected by members, it is currently in-service deferred members (i.e. those deferred members who are employed by a Thales group company) and pensioners who can take up these positions. The term of office for a member-nominated director has, for some time, been 4 years.

The Trustee has decided to update its member-nominated director policy further so that:

- a member-nominated director who is a deferred member and ceases to be employed by a Thales group company (and who doesn't become a pensioner) may continue in office where specific consent from both Thales and the Trustee board is obtained;
- a deferred member who does not work for a Thales group company may be nominated as a member-nominated director where consent from both Thales and the Trustee board is obtained;
- the term of office for member-nominated directors, including those currently in office, is increased to 6 years; and
- for any vacant member-nominated post in the future, a panel selection process will be carried out rather than a ballot process.

This means that the terms for the current section 1 member-nominated directors will be extended to October 2026 and those for the current section 2 member-nominated directors will be extended to October 2027.

Updating the policy as set out above has the effect of retaining all member-nominated directors on the board throughout buy-out and wind up (subject to any resignation or removal). As the Scheme goes through this transition process, the Trustee board believes that it is important to retain continuity on the Trustee board, given the board's understanding of the detail involved in the recent buy-in transaction and the whole process to date, and their participation in relevant training. This in turn helps to ensure that the Trustee board is aligned to the interests of the Scheme and its members during this important part of the Scheme's journey plan.

The Trustee will contact members should any vacancy for a member-nominated director role arise.

Philip Cameron

**Trustee Director and Secretary to the Trustee**

14 May 2024