

Corporate Governance Framework Policy

Updated December 2018

DISTRIBUTION

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USSL and USSIM directors and committee members	Boardpacks
Public	USS website

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VERSION HISTORY

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Approved	1	Jul 2012	Approved by USSL board on 19 July 2012	
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Approved	3	Mar 2014	Annual review	AMO
Approved	4	Feb 2015	Annual review	AMO
Approved	5	Dec 2018	Updates to reflect Master Trust Regulations requirements Updates to TB, IC, GNC, Audit and GExCo TOR	NM

1 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, 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.

2 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.

3 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 submitting it to the USSL board at least annually 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.

4 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 Code.

5 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.

6 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.

7 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 (“DC”) investment policy implementation document (“IPID”), and
- USSL’s Director appointment, removal, evaluation and training policy.

8 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.

9 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 14 December 2018.

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.

Policy Committee

A policy committee escalation policy has been established, by the policy committee to allow the policy committee to gain approval for certain matters which ordinarily fall within the remit of the policy committee outside of the normal policy 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 policy committee.

Policy committee escalation policy

The policy committee established an escalation policy to gain approval for proposals outside of formal policy committee meetings. To use this policy a representative of the GExCo will send an email to all of the policy committee members outlining a proposal for approval. The members of the policy 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 policy committee) will be deemed to be a quorum sufficient for the approval.

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

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

The DC IPID sets out how the investment principles in the SIP will be implemented for the DC section of the scheme. The DC IPID is reviewed and approved annually by the USSL board.

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.

10 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.

10.1 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 non-executive members comprising:

- Four UUK directors;
- Three UCU directors (one of whom is the pensioner member); and
- Between three and five independent directors.

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.

10.2 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 those persons respectively appointed by UUK and UCU to make decisions about the appointment of UUK and UCU directors to the USSL board.

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.

10.3 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.

10.4 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 following criteria are applied for all directors

- The term of office for directors is three years with a maximum of two reappointments resulting in a maximum tenure of nine 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.
- Terms of office of four years duration with one reappointment to a maximum tenure of eight years are also deemed acceptable.
- 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 ten years. 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.
- Following their maximum tenure of nine years (or 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.

10.5 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.

11 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.

11.1 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.

11.2 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.

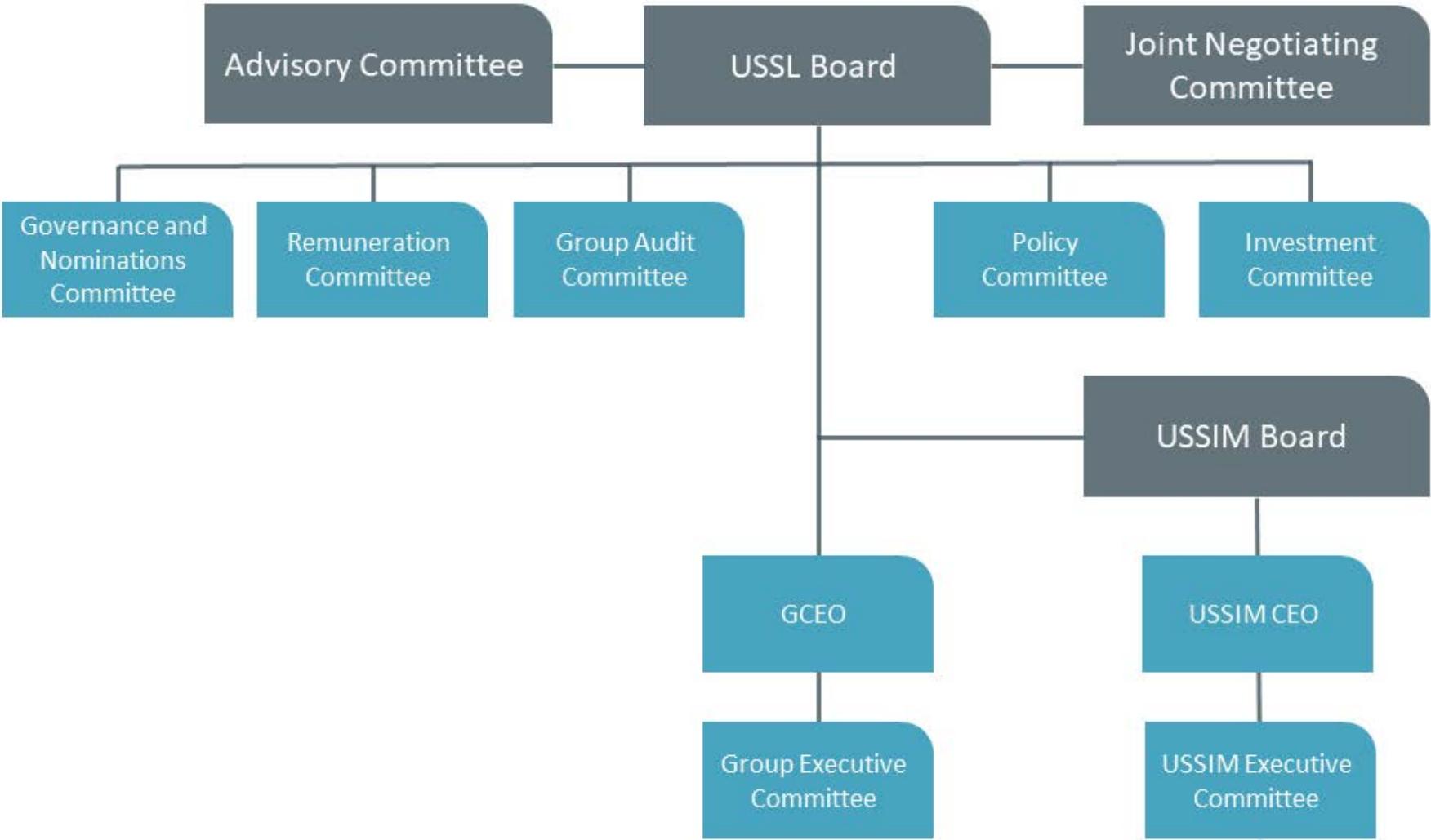
12 ANNUAL REVIEW

This policy will be reviewed annually by the Governance team.

CONTENT

SECTION	CONTENT	
1	USS Group Corporate Governance Structure	
2	Annex A Annex B Annex C Annex D Annex E Annex F Annex G Annex H Annex I	Terms of reference Trustee Board Policy Committee Investment Committee Group Audit Committee Governance & Nominations Committee Remuneration Committee USSIM Board Group Executive Committee USSIM Executive Committee
3	Annex J Annex K Annex L Annex M Annex N	Job descriptions USSL Director USSL Board Chair USSL Deputy Board Chair Committee Chair Senior Independent Director

USS Group Corporate Governance Structure



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 independent 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 administrated in line with objectives; and (iv) the Scheme and its administration continue to meet the needs of the UK higher education sector. <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</i></p>

	<p><i>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>
<p>Reporting and Escalation</p>	<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.
<p>Scope of this Board's responsibilities:</p>	
<p>The Board is responsible for Approving:</p>	<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 by one year beyond the maximum term (nine years), on recommendation from GNC. 10. Appointment or removal/replacement of the Scheme's actuary, on recommendation from the GCEO. <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 conflicts of interest policy on recommendation from the GCEO.</p> <p>24. The director appointment, removal, evaluation and training policy, on recommendation from the GNC.</p> <p>25. 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>26. Material pension increases under Scheme Rule 17, on recommendation of the GCEO.</p> <p>27. The financial monitoring plan (FMP) for the Scheme and any amendments (to be reviewed at least triennially).</p> <p>28. 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>).</p> <p>29. 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 the policy committee.</p> <p>30. The Scheme's funding and benefits position and allocations, acting on actuarial advice and in consultation with the JNC where required.</p> <p>31. The statement of funding principles and schedules of contributions.</p>
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	<p>32. The triennial valuation and process (including assumptions, methodology and outcomes).</p> <p>33. The principal employer contribution rate in accordance with the Scheme Rules.</p> <p>34. 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>35. New or significant non-investment strategy and policy strategy changes, on recommendation from the policy committee.</p> <p>36. The Scheme's approach to dealing with policy issues that have a substantial impact on cost, member benefits/experience or employer service levels, on recommendation from the GCEO and/or policy committee.</p> <p>37. Changes to the framework for admission, participation and exit of participating employers, on recommendation from the policy committee.</p> <p>38. The framework for admission of a participating employer on recommendation from the GCEO, and where required within that framework, the admission of a participating employer.</p> <p>39. The framework for withdrawal of Institutions, on recommendation from the GCEO and, where required within that framework, the withdrawal of Institutions.</p> <p>40. Removal/withdrawal of an Institution from the Scheme for persistent late payment of contributions, on recommendation from the GCEO and/or policy committee.</p> <p>41. Bulk transfer in arrangements under Scheme Rule 48, on recommendation from the policy committee.</p> <p>42. Wind-up of the Scheme or cessation to be the administrator (in conjunction with approval by the JNC).</p> <p>43. The Continuity Strategy and any revisions to it.</p> <p>44. The Continuity Option (following a Trigger Event³).</p> <p>45. The Implementation Strategy (including any delegations and matters reserved for the TB within the Implementation Strategy) on recommendation from the GCEO.</p> <p>46. The USS dispute resolution policies and procedures for member issues, on recommendation from the GCEO.</p> <p>47. Significant service development strategies and proposals, on recommendation from the policy committee.</p> <p>48. The purchase of insurance (in a buy-out situation).</p> <p>49. Scheme Rule amendments on recommendation from the JNC, in accordance with Scheme Rule 79.</p> <p>50. The appointment or removal/replacement of the provider or offering of the Schemes MPAVCs, on recommendation from the policy committee.</p> <p>51. The principles for implementation of the subsidy of DC management charges, on recommendation from the policy committee.</p> <p>52. The members' requirements for DC investment options and DC services and flexibilities, on recommendation from the policy committee.</p> <p>53. The range of DC Benefit Options, on recommendation from the policy committee.</p>
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³ As defined by the [Pension Schemes Act 2017](#)

	<p>54. The appointment, or removal/replacement of the DC Administrator, on recommendation from the GCEO.</p> <p>55. The appointment, or removal/replacement of the DC Investment Platform Provider, on recommendation from the GCEO.</p> <p>56. The value for money principles and framework, and the Chair’s statement, on recommendation from the GCEO.</p> <p>INVESTMENT</p> <p>57. 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>58. 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>59. Amendments to the IMAA (as required), on recommendation from the IC.</p> <p>60. 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>61. 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>62. Appointment or removal/replacement of professional custodians on recommendation from the IC.</p> <p>63. 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>64. The DB Return Objective for the DB Reference Portfolio, with advice from the USSIM CEO (as appropriate) on recommendation from the IC.</p> <p>65. The Liability Benchmark for the DB Reference Portfolio, with advice from the USSIM CEO (as appropriate) on recommendation from the IC.</p> <p>66. 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>67. The overall investment policy, beliefs and DC Investment Objectives for the DC Section, on recommendation from the IC.</p> <p>68. 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>69. In respect of the DC Self Select Funds, on recommendation from the IC (and with advice from USSIM):</p> <ol style="list-style-type: none"> a. The DC Investment Solutions for the DC Self Select Range; b. The DC Self Select Range outperformance targets and benchmarks (where applicable); and c. The Risk Tolerances and Risk Limits of the DC Self Select Funds (where applicable). <p>70. The DC investment policy implementation document (‘IPID’).</p> <p>71. The DC default statement of investment principles.</p> <p>72. Engagement of USSIM to commence direct management of DC assets.</p>
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	<p>73. The investment management cost envelope for the DC default strategy.</p> <p>74. The investment return assumptions to be used for the purposes of Statutory Money Purchase Illustrations.</p> <p>75. The terms and limits proposed by USSIM in any DC Notification letter under the IMAA.</p> <p>OPERATION OF THE GROUP/REMUNERATION</p> <p>76. 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).</p> <p>77. 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>78. The USS Group's strategic aims and objectives.</p> <p>79. 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>80. USSIM Board non-executive directors' fees and expenses and changes, recommended by Remcom.</p> <p>81. 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>82. The USS Group strategy for recruitment, retention and motivation of its employees, on recommendation from the Remcom.</p> <p>83. 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>84. The Risk Governance Policy, on recommendation from the Group AC and IC.</p> <p>85. The USS Group risk appetite statements.</p> <p>AUDIT</p> <p>86. 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>87. The external audit engagement letter for the Scheme and USS (including the terms of appointment and audit fees for the Group), on the recommendation of the Group AC.</p> <p>88. The external audit management representation letter for USS and the Scheme, on the recommendation of the Group AC.</p> <p>89. The USS and Scheme annual report and accounts for signing and publication, on recommendation from the Group AC.</p>
<p>The Board is responsible for Recommending for Approval:</p>	<p>1. To the JNC, Scheme Rule amendments, in accordance with Scheme Rule 79.</p> <p>2. 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>3. 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 Overseeing:</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>1. The recruitment process undertaken by the GCEO to appoint his/her executive team.</p> <p>GOVERNANCE</p> <p>2. Material breaches/issues of compliance with the Corporate Governance Framework Policy, which have been reported by the GNC.</p> <p>3. Advice provided by Advisory Committee, under its TOR.</p> <p>4. Compliance with the conflicts of interest policy.</p> <p>OPERATION OF THE SCHEME</p> <p>5. The triennial actuarial valuation/investigation activities, performed by GCEO on the request of the TB.</p> <p>6. Statutory increases to pension benefits, acting on actuarial advice.</p> <p>7. 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>8. Policies and arrangements for employers joining and leaving the Scheme.</p> <p>9. Strategic approach to delivering the required levels of service to Institutions and Members, including sourcing strategy and cost/benefit decisions.</p> <p>10. Risk management and security controls for the protection of Member's and Institution's data and personal information.</p> <p>11. 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 the policy committee.</p> <p>12. 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>13. The framework for member and employer communication and engagement.</p> <p>14. That the DC Section offers value for money for its members.</p> <p>INVESTMENT</p> <p>15. 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>16. USSIM's performance and the reporting provided by USSIM Board and USSIM CEO as required under the IMAA.</p> <p>17. USSIM's Target Outperformance, based on reporting from the IC.</p> <p>RISK</p> <p>18. 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>19. The process to identify, manage, monitor and report (relative to risk appetite/risk tolerances) the risks to which USS is or might be exposed.</p> <p>20. Reporting on errors that may lead to material losses or gains, and management's response to them.</p> <p>21. 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>22. The implementation of the USS Group Business Plans and Budgets (including the DC Business Plan) by the GCEO.</p> <p>23. The execution of the Implementation Strategy by the GCEO.</p> <p>24. 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>25. The effectiveness of the USS Group's operating structure, put in place by the GCEO.</p> <p>26. Management information from the GCEO and each business area, to oversee the implementation of the USS Group Business Plan.</p> <p>27. Assurance and reporting of performance of USSIM, against the USSIM Business Plan and Budget, as approved by the USSIM Board.</p> <p>28. Assurance and reporting of performance against the USS Investment Business Plan, as provided by the IC.</p> <p>29. Assurance and reporting from the USSIM Board on the services provided by USSIM under the IMAA.</p> <p>30. Material communications with the Pensions Regulator.</p> <p>31. The bi-annual review of the USSIM Board non-executive directors' fee and expenses structure as performed by Remcom</p>
<p>The Board is responsible for Performing:</p>	<p>1. The recruitment of the GCEO in conjunction with the GNC.</p> <p>2. The convening of a USS General Meeting, in accordance with the USS Articles and the Companies Act 2006.</p> <p>3. The convening of a USSIM General Meeting, as sole shareholder, in accordance with the USSIM Articles and the Companies Act 2006.</p> <p>4. 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>5. Review of the GCEO's implementation of USS Group's objectives, values and culture (and ensuring that any corrective action is taken).</p>

	6. An annual review of the TB's own effectiveness (including individual directors).An annual review of these TOR.
TOR last approved	13 December 2018

TERMS OF REFERENCE (“TOR”)

POLICY COMMITTEE (the “PC” or the “Committee”)

Chair	<ul style="list-style-type: none"> • A 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	<ul style="list-style-type: none"> • Minimum of four members.
Standard Attendees	<ul style="list-style-type: none"> • Group Chief Executive Officer (“GCEO”) • Chief Pensions Officer • Chief Risk Officer (“CRO”) • Pension Strategy Executive • Head of Policy, Proposition and Stakeholder Engagement • Head of Legal (Group and Pensions) <p><i>(or an appointed delegate of each)</i></p>
Additional Attendees	Others attendees as agreed by the Pension Strategy Executive and Chair.
Quorum	Three committee members
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"> • Oversight of significant policy related issues. • Providing support to the TB on the administration of the Scheme and implementation of the Scheme Rules relating to policy. • Oversight of the Scheme Rule amendment process, and providing support to the TB on proposed rule amendments. <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 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 the meetings will be issued to all Committee members and regular attendees and will be made available, on request, to members of the TB.

	<ul style="list-style-type: none"> • All activities listed below are undertaken under the delegated authority from the TB 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 met, the Committee must escalate to the TB. • The PC oversees the work of the rules working group (an executive led forum) (the “Rules Group”) – the PC will receive a report after each Rules Group meeting, which will cover the key matters discussed and considered within its remit.
Scope of this Committee’s responsibilities:	
<p>This Committee is responsible for Approving:</p>	<p><u>Rule Amendments</u></p> <ol style="list-style-type: none"> 1. Amendments to the Scheme Rules (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), when the substance of those amendments has been approved previously by the TB, and the TB has delegated authority to the PC to finalise those amendments. <p><u>Employer Participation</u></p> <ol style="list-style-type: none"> 2. In relation to the exclusivity provisions under Scheme Rule 45, the admission or participation of an Institution that contributes to or participates in any other pension scheme (but excluding decisions as to whether or not to grant authorised scheme status it being acknowledged that right of approval is delegated to the GCEO). 3. On such terms and conditions as it finds are appropriate including any necessary modification to the Scheme Rules for that Institution (and where applicable with the consent of the joint negotiating committee (“JNC”)) that any class of specified employee is or is not eligible for membership having regard to Scheme Rule 44. 4. The admission of employers or modification of the Scheme Rules in relation to an Institution following amalgamation, on recommendation from the GCEO under Scheme Rule 49. 5. Policies that determine arrangements for employers joining, participating in, and leaving the Scheme. 6. Deferred Debt Arrangements (“DDAs”) with an Institution with a section 75 debt (using the most recent valuation data) of less than £300m. 7. Flexible Apportionment Arrangements (“FAAs”) and/or Scheme Apportionment Arrangements (“SAAs”) with an Institution. <p><u>General</u></p> <ol style="list-style-type: none"> 8. The framework for purchase of insurance on recommendation from the GCEO under Scheme Rule 20. 9. Payments to compromise claims under the Scheme Rules or relevant pensions legislation and regulations in excess of £5 million, on recommendation from the GCEO (excluding any compromise of claim regarding section 75 of the Pensions Act (“PA”) 1995 except as authorised by legislation). 10. The reports prepared by the GCEO that are to be provided to the JNC regarding elections under the enhanced opt out provisions and

	<p>employee specific voluntary salary cap under schedules 14 and 15 of the Scheme Rules.</p> <ol style="list-style-type: none"> 11. The range of investment options under money purchase additional voluntary contributions (“MPAVCs”). 12. USS commutation policies and procedures. 13. The Rules Group TOR. 14. Any immaterial changes to the Committee’s TOR. 15. The annual report from the Committee for inclusion in the USS annual report and accounts. 16. 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. 17. The DC errors and omissions framework. 18. Amendments to the Policy Committee escalation policy. <p><u>Member Options and Service Developments</u></p> <ol style="list-style-type: none"> 19. 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. 20. Substantive changes to the range of DC Investment Options and the DC Services and Flexibilities to be offered to members. 21. Material changes to the Member Journey.
<p>This Committee is responsible for Overseeing:</p>	<p><u>General</u></p> <ol style="list-style-type: none"> 1. The GCEO’s recommendations to the TB for material supplementary and/or discretionary pension increases under Scheme Rule 17. 2. The GCEO’s implementation of the framework for purchase of insurance under Scheme Rule 20. 3. The GCEO’s decisions and approach to compromise of claims under the Scheme Rules or relevant pension’s legislation and regulations that are £5 million or less (excluding any compromise of claim regarding section 75 of the PA 1995 except as authorised by legislation). 4. The effectiveness and appropriateness of communication, education and engagement with Scheme members, as performed by GCEO. 5. The GCEO’s implementation of the Policy Strategy and any changes, including: (i) public relations (“PR”) and communication and engagement, and; (ii) future legislative, regulatory and higher education sector changes (such as Pension Protection Fund (“PPF”) levy, European matters and potential employer debt changes, pension tax regime and workforce demographics). 6. 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). 7. The GCEO’s review of member demographics (pursuant to regulatory guidance). 8. Member and policy issues raised by the group executive committee (“GExCo”).

	<p><u>Employer Participation</u></p> <p>9. The GCEO’s framework and implementation of the framework for admission of a participating employer.</p> <p>10. The GCEO’s framework and implementation of the framework for the management of ongoing employer participation</p> <p>11. The GCEO’s framework and implementation of the framework for withdrawal of Institutions (and management of employer debt) and including decisions regarding:</p> <ol style="list-style-type: none"> a. whether a withdrawing Institution can continue to participate in the Scheme and the period of participation; b. any debt payments or liability for employer contributions (including additional employer contributions); and c. any decisions regarding employees of a withdrawing Institution. <p>12. The GCEO’s implementation of the process around bulk transfers in.</p> <p>13. The monitoring of payment status of Institutions, implemented by the GCEO.</p> <p>14. The monitoring of participation terms and the compliance of Institutions with their agreed terms.</p> <p>15. The GCEO’s recommendation to the TB on removal of an Institution from the Scheme for persistent late payment of contributions.</p> <p><u>DC Services and Flexibilities</u></p> <p>16. The GCEO’s implementation of DC Services and Flexibilities.</p>
<p>This Committee is responsible for Recommending for Approval:</p>	<p><u>Scheme Rule Amendments</u></p> <ol style="list-style-type: none"> 1. To the TB, new or significant Policy Strategy changes. 2. To the TB, amendments to the Scheme Rules (including simplifications), following analysis and proposals of the GCEO and the Rules Group (excluding in circumstances where the PC are given delegated authority to approve amendments to the Scheme Rules). 3. To the TB, that any permissive statutory override be used in relation to the Scheme Rules (including any decision to apply such an override retrospectively). <p><u>General</u></p> <ol style="list-style-type: none"> 4. To the TB, the approach to dealing with policy issues that have a substantial impact on cost, member benefits/experience or employer service levels. 5. To the TB, the appointment or removal/replacement of the provider or offering of the Schemes MPAVCs. 6. To the TB, material changes to the Committee’s TOR. 7. To the TB, 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><u>Employer Participation</u></p> <ol style="list-style-type: none"> 8. To the TB, that an Institution withdraws/is removed from the Scheme for persistent late payment of contributions. 9. To the TB, changes to the frameworks for admission, participation and exit of participating employers. 10. To the TB, bulk transfer in arrangements, under Scheme Rule 48.

	<p><u>Member Options and Service Developments</u></p> <p>11. To the TB, significant service development strategies and proposals, following analysis by the GCEO (save to the extent that such strategies/proposals are expressly covered by other provisions of the TOR).</p> <p>12. To the TB, the member requirements for DC Investment Options and DC Services and Flexibilities</p> <p>13. To the TB, the range of DC Benefit Options</p> <p>14. To the TB, the principles for the implementation of the subsidy of DC management charges.</p>
This Committee is responsible for Performing:	<p>1. Review and scrutiny of proposed amendments to the Scheme Rules.</p> <p>2. Provision of advice to the GCEO on frameworks and policies developed to implement Scheme administration, as requested by the GCEO.</p> <p>3. Analysis of significant Policy Strategy changes, including: (i) PR and communication and engagement, and; (ii) future legislative, regulatory and higher education sector changes (such as Pension Protection Fund levy changes, European matters and potential employer debt changes), on request of the GCEO.</p> <p>4. Review of member behaviour and the ongoing suitability of:</p> <p style="padding-left: 40px;">a. The range of DC Investment Options to be offered to members (and providing an annual report to the IC); and</p> <p style="padding-left: 40px;">b. The DC Services and Flexibilities.</p> <p>5. A biennial review of the Committee’s own effectiveness.</p> <p>6. Annual review of the TOR.</p>
TOR last approved	18 July 2018

Definitions

The following definitions are used in these terms of reference:

Phrase	Meaning
“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 USS 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"> • A 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>
<p>Reporting and Escalation</p>	<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.
<p>Scope of this Committee's Responsibilities:</p>	
<p>The Committee is responsible for Approving:</p>	<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). 14. Settlement of a securities litigation case (where a referral is made under the Securities Litigation Policy). 15. The Securities Litigation Policy. 16. The USSIM Escalation Policy (included in the corporate governance framework policy).
<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

	<p>12. To the TB, the terms and limits proposed by USSIM in any DC Notification letter under the IMAA.</p> <p>13. To the TB, the DC Default Statement of Investment Principles</p> <p>14. To the TB, the overall investment policy, DC Investment Objectives and beliefs for the DC Section.</p> <p>OTHER</p> <p>15. To the TB, the investment policy of the Scheme and the SIP, on receipt of analysis from USSIM Board.</p> <p>16. To the TB, the investment related assumptions to be considered for use in actuarial valuations.</p> <p>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.</p> <p>18. To the TB, amendments to the IMAA (as required).</p> <p>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).</p> <p>20. To the TB, the appointment or removal/replacement of professional custodians (with advice from USSIM Board, as appropriate).</p> <p>21. To the TB, the Risk Governance Policy in relation to investment-related risks.</p> <p>22. To the TB the USS Investment Annual Business Plan/budget (as part of the USS Group Business Plan) and DC Business Plan/budget.</p> <p>23. To the TB, the apportionment rate of investment management costs, on receipt of analysis from the GCEO.</p> <p>24. To the TB, any material changes to the Committee's TOR.</p>
<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;

	<ul style="list-style-type: none"> 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. <p>12. Receipt and review of:</p> <ul style="list-style-type: none"> a. USSIM’s adoption of appropriate policies (consistent with the Trustee Approved Policies). 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.
<p>The Committee is responsible for Performing:</p>	<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 policy committee 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.
<p>TOR last approved</p>	<p>13 December 2018</p>

TERMS OF REFERENCE

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

Chair	<ul style="list-style-type: none"> • An independent director, with the requisite skills and experience (other than the chair of the TB). • Should not be a member of the PC or the IC. • Appointed by the TB, on recommendation from the GNC. In the absence of the Committee Chairman and/or an appointed deputy at a committee meeting, the remaining members present shall elect one of themselves to chair the meeting.
Members	<ul style="list-style-type: none"> • Not fewer than four nor more than six members. • At least one member should have recent and relevant financial experience and a professional qualification from one of the professional accountancy bodies. • At least three members must be independent directors of USS. • At least one member shall be an independent director of USSIM.
Standard Attendees	<p>The Committee may request the attendance of the following individuals from time to time, as required:</p> <ul style="list-style-type: none"> • GCEO • CFO • GGC • CRO • COO • Chief Service Delivery Officer • USSIM CEO • Head of Internal Audit • External Audit Engagement Partner • Head of Governance <p><i>(or an appointed delegate of each)</i></p> <ul style="list-style-type: none"> • Other attendees as agreed by the GCEO and Committee Chairman • A representative/s of the external auditors will be invited to attend where relevant business is to be discussed (and at least twice per annum).
Quorum	<ul style="list-style-type: none"> • Three members, including a minimum of two directors of USS. • Must include a member with recent and relevant financial experience.
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 representative from 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 Group internal control framework, through review of the three lines of defence model and assurance provided by the USSIM Board. • 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><i>Note: 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 Committee, be issued to all Group AC members and regular 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 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. 2. The Group internal audit charter, on recommendation from GCEO and USSIM Board. 3. The Group annual internal audit plan, on recommendation from 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 USSIM). 6. The annual external audit plan for USS and the Scheme, on recommendation from GCEO and external auditor.

	<ol style="list-style-type: none"> 7. Corrective action in relation to the performance and effectiveness of the external auditor. 8. The USS compliance monitoring plan. 9. The appointment of the external auditor for non-audit services requiring pre-approval by the Group AC (as defined in the Non-Audit Services provided by the External Auditor Policy). 10. Amendments to accounting policy for USS, the Scheme and USSIM, on recommendation from GCEO and external auditor. 11. The Group AC report for inclusion in the USS annual report and accounts. 12. The FVC TOR. 13. Any immaterial changes to the Group AC's TOR. 14. The following USS Group polices: (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. 15. The USS compliance manual.
<p>The Committee is responsible for Recommending for Approval:</p>	<ol style="list-style-type: none"> 1. To the TB, the appointment, re-appointment and removal of external auditor for USS, the Scheme and USSIM. 2. To the TB, approval of the external audit engagement letter (including terms of appointment and audit fee) for the Scheme and USS. 3. To the TB, the management representation letter for USS and the Scheme. 4. To the TB, the approval of the USS and Scheme annual report and accounts. 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, any material amendments to the Committee's TOR.
<p>The Committee is responsible for Overseeing:</p>	<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. USS's internal controls or risk management framework. 3. The compliance of internal controls with regulatory and statutory requirements. 4. Performance of the internal audit function and the effectiveness of arrangements including ensuring that the Head of Internal Audit has direct access to the Chair of the TB and to the Committee Chairman, providing independence from the executive and accountability to the Committee.

	<ol style="list-style-type: none"> 5. The appropriateness of resolutions to internal audit findings and recommendations for USS; and the completion of resolutions within agreed timescales. 6. Implementation of the USS compliance monitoring plan and completion of actions arising. 7. Relationship with the external auditor and performance and effectiveness of the external auditor. 8. The completion of management's responses to the external auditor's findings (as documented in the management representation letter) for USS within agreed timescales. 9. Implementation of external audit annual plan for USS and the Scheme. 10. The independence and objectivity of the external auditor. 11. The purchase of non-audit services (in accordance with the Non-Audit Services provided by the External Auditor Policy). 12. The production of the annual report and accounts for USS and the Scheme and provide advice 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 USS and the Scheme's position and performance, business model and strategy. 13. The integrity of the annual report and accounts for USS 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 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. 14. Compliance with applicable laws and regulations, based on assurance provided by GCEO and USSIM Board. 15. 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. 16. Compliance with the following USS Group policies: (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. 17. The responsibilities of the FVC (as fully detailed in the FVC TOR). 18. The identification of reportable and notifiable events under the Regulator's code of practice/regulation, and management's response to them.
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	19. The annual report from the MLRO for USSIM and corresponding report on financial crime controls at USS.
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 GCEO. 2. A competitive external audit tendering process undertaken at least every seven years by a panel made up of AC members (supported by GCEO). 3. An annual review of the appropriateness of the external audit firm's engagement partner (audit firm's engagement partner to change every seven years). 4. An annual review of the effectiveness of the internal audit function. 5. An annual review of the Committee's TOR. 6. A biennial review of the Committee's own effectiveness.
TOR last approved	1 November 2018

TERMS OF REFERENCE

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

Chair	<ul style="list-style-type: none"> • A non-executive director, with the requisite skills and experience (other than 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 <p>When discussing matters relating to the membership of a committee, the relevant committee chair will be a co-opted member of the Committee for the purposes of that discussion.</p>
Standard Attendees	<ul style="list-style-type: none"> • GGC • Head of Governance • Representative from the Governance and Company Secretariat team <i>(or an appointed delegate of each)</i>
Additional Attendees	Other attendees as agreed by the GCEO and Chair.
Quorum	Three members, including the Chair of the Committee.
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. • Oversight of the composition of the TB and USSIM board (including the fitness and 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 directors, committee members, GCEO, USSIM CEO and other executives. • 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 directors and committee members, and overseeing their implementation. <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 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.

	<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 TB. • All activities listed below are undertaken under delegated authority from the TB and must be: (i) in accordance with the USS 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:	
<p>This Committee is responsible for Approving:</p>	<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 TB's Senior independent director (SID); d. Deputy chair of the TB e. Committee members and chairs; f. GCEO; g. 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 USS annual report and accounts. 8. Immaterial changes to the Committee's TOR.
<p>This Committee is responsible for Recommending for Approval:</p>	<ol style="list-style-type: none"> 1. To the TB, the appointment, reappointment 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; d. Suitable candidates for the TB's Senior independent director (SID); and e. 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 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. 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.

	<ol style="list-style-type: none"> 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.
<p>This Committee is responsible for Overseeing:</p>	<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 with the Governance Framework Document. 7. Compliance with the TB Board Code of Conduct. 8. Completion of annual effectiveness reviews of TB and USSIM board (including appraisals of individual directors) 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. The implementation of the training programme for all TB and USSIM directors and standing committee members. 11. The completion of induction programmes by all new TB or USSIM board directors and/or special committee members. 12. Review of the results of the TB board evaluation process that relate to the composition of the TB. 13. Review of the status of USS 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. MNT requirements. Any breaches/issues should be reported to the TB. 14. The framework around the establishment, operation, monitoring winding up/disposal and appointment of directors to USS's special purpose vehicles (SPVs). 15. 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>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.

	<ol style="list-style-type: none"> 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 with participation by the GCEO as required (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 Governance Framework Document: <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 the number of external directorships held by each TB and USSIM non-executive director 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 Governance Framework Document or USS's status in relation to the exemption from the requirements of s242 of the Pensions Act 2004. 14. A biennial review of the Committee's own effectiveness. 15. An annual review of the Committee's TOR.
TOR last approved	13 December 2018

TERMS OF REFERENCE

REMUNERATION COMMITTEE (“Remcom” or the “Committee”)

Chair	<ul style="list-style-type: none"> • Appointment approved by the Trustee Board, on recommendation from the 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 the following individuals from time to time:</p> <ul style="list-style-type: none"> • GCEO • CFO • USSIM CEO • COO • Chief HR Officer • Representative from Governance and Company Secretariat team <p><i>(or an appointed delegate of each)</i></p>
Additional Attendees	Other attendees as agreed by the GCEO and the Chair.
Quorum	Three members.
Meeting Frequency	A minimum of four times per annum.
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; • 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. <p>Note: <i>The Committee is authorised by the 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 Trustee Board approval of the USS Group budget).</i></p>
Reporting and Escalation	<ul style="list-style-type: none"> • The Committee will report to the Trustee 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 Trustee 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 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 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.
Scope of this Committee’s responsibilities:	
<p>This Committee is responsible for Approving:</p>	<p><u>POLICY, STRATEGY AND STRUCTURE</u></p> <ol style="list-style-type: none"> 1. The 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 consistent with the USS Group Business Plan and long-term strategy, and having regard for the relevant USS and USSIM risk appetites. 2. Any material deviations from the remuneration policy for existing or proposed staff that aren’t 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 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> <ol style="list-style-type: none"> 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. 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. 10. The total remuneration payable, and structure of package, for the GExCo and USSIM ExCo members, and the other top 10 paid employees of USS Group, on recommendation from the GCEO and USSIM Board.

	<p><u>EXCEPTIONALS</u></p> <ol style="list-style-type: none"> 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. 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. 13. Any bonus or severance payment over 100% of salary for USS Group staff, on recommendation from GCEO. 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. 15. Any severance payment or package and contractual terms for the GCEO, in conjunction with the Trustee Board Chair. 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><u>OTHER</u></p> <ol style="list-style-type: none"> 17. The appointment and terms of engagement for any independent professional advisers who will advise the Committee. 18. The Remcom report for inclusion in the USS annual report and accounts. 19. Any immaterial changes to the Remcom’s terms of reference.
<p>This Committee is responsible for Recommending for Approval:</p>	<p><u>POLICY, STRATEGY AND STRUCTURE</u></p> <ol style="list-style-type: none"> 1. To the Trustee Board, any amendments to the remuneration policy that are not in accordance with the USS Group Business Plan or strategy. 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><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 and 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 Remcom terms of reference.

<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 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 it recommended 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).
<p>This Committee is responsible for Performing:</p>	<ol style="list-style-type: none"> 1. Periodic review of the appropriateness of the remuneration policy 2. Periodic review of remuneration benchmarking of USS Group, relative to its peer companies, 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 RemCom 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 Budget, or pre-approved by the Trustee Board).

	<ol style="list-style-type: none"> 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. A biennial review of the Committee's own effectiveness; 11. An annual review of the Committee's terms of reference.
TOR last approved	15 March 2018

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 Trustee Board
Directors	<ul style="list-style-type: none"> • Appointed by the TB, and in accordance with the USSIM Articles. • A balance of USSIM executive directors, Universities Superannuation Scheme Limited (“USS”) 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”) • 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 under the Investment Management and Advisory Agreement (“IMAA”) with USS. • 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 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 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 Trustee Board approval of the USS Group budget).</i></p>
<p>Reporting and Escalation</p>	<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 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 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. • 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.
<p>Scope of this Board’s responsibilities:</p>	
<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 Trustee Board in respect of USSIM.

	<p>7. The assurance and reporting of performance as against the USS Investment Business Plan and Investment Budget, to be provided to both the Trustee Board and investment committee (“IC”).</p> <p>8. The annual report from the Money Laundering Reporting Officer.</p> <p>9. 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> <p>INVESTMENT</p> <p>10. The IMAA and any material changes to the IMAA, on the recommendation of the USSIM CEO.</p> <p>11. The reporting to be provided to the IC and/or TB as required under the IMAA, on recommendation from the USSIM CEO.</p> <p>12. The reporting on transaction costs to be provided to the IC on recommendation from the USSIM CEO.</p> <p>13. 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%.</p> <p>14. 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.</p> <p>15. Any significant new investment related service agreements.</p> <p>16. Investments and dispositions above the size thresholds documented in the USSIM Signing mandate.</p> <p>17. 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.</p> <p>18. Any public-to-private deal irrespective of size.</p> <p>19. The advice to be provided by USSIM CEO to the IC in respect of the following:</p> <ol style="list-style-type: none"> a. The Reference Portfolio Framework Document and any amendments to incorporate the Financial Management Plan (“FMP”) and Journey Plan to achieve the FMP’s return objectives and risk tolerances. b. The Reference Portfolio (including composition) and any amendments including pre-approvals for future adjustments based on the Journey Plan (at least annually). c. The Target Outperformance (being the target return objective by which the Implemented Portfolio is to outperform the Reference Portfolio). d. The Allocation Limits (regarding disposable assets, hedging, diversification and external managers to which the Implemented Portfolio must adhere); e. the investment policy of the Scheme and the Statement of Investment Principles (“SIP”); and f. for a., b., d. and e. where proposed changes may impact materially on USSIM’s role, organisation and resourcing. <p>20. The advice to be provided by USSIM CEO to the IC or Trustee Board (as required) in respect of the following:</p>
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	<p>a. The Investment Restrictions to which the Defined Contribution (“DC”) Implemented Portfolio and DC Self Select Range must adhere);</p> <p>b. proposed changes to the DC Section that may impact materially on USSIM’s role, organisation and resourcing.</p> <p>21. The USSIM Escalation Policy.</p> <p>22. 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>23. The appointment or removal of an alternate USSIM Board director.</p> <p>24. The Director Selection and Appointment Framework for USS Special Purpose Vehicles framework annually including the Pre-approved Directorship Candidates List.</p> <p>25. Immaterial changes to the USSIM Board TOR.</p> <p>26. The ToR of the Transaction Sub-Committee.</p> <p>27. Material changes to the ToR of the USSIM ARCC.</p> <p>28. 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>29. 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>30. The removal of any delegation in whole or in part, or to alter its terms or conditions.</p> <p>31. 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>32. 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>33. Contracts above the thresholds set out in the USSIM signing mandates, as amended from time to time by the USSIM Board.</p> <p>34. The conflict of interest policy (or approval of the USS policy for USSIM’s purposes) on recommendation from USSIM CEO.</p> <p>AUDIT, RISK AND COMPLIANCE</p> <p>35. The external audit engagement letter for USSIM (including terms of appointment and fee).</p> <p>36. The external audit management representation letter for USSIM for signing.</p> <p>37. The USSIM annual report and accounts, based on the recommendation from the USSIM ARCC.</p> <p>REMUNERATION</p> <p>38. The distribution of the USSIM total compensation pot, based on the recommendation of the USSIM CEO and external advice.</p>
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	<p>39. Any material amendments to the terms and conditions of employment for USSIM employees, on recommendation from the USSIM CEO.</p> <p>40. 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 Trustee Board:</p> <ol style="list-style-type: none"> 1. The USSIM Budget and USSIM Business Plan and the USS Investment Budget and USS Investment 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 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 Remcom:</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

	<p>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>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 areas, to oversee the day-to-day running of USSIM and implementation of the USSIM Business Plan and USS Investment 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 Document 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 Organisation Structures. 12. Establishing and operating the benchmarking process set out in the Reference Portfolio Framework Document, as amended from time to time, with requisite internal arrangements for diligence and challenge. 13. Constructing, implementing and managing 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.

	<p>16. The advice from the USSIM CEO to be given to the IC regarding the appointment or removal/replacement of professional custodians.</p> <p>17. The reporting to be provided in respect of counterparty failure as requested by the IC or Trustee Board, prepared by the USSIM CEO.</p> <p>18. Services with a reporting on Separate Account Managers.</p> <p>19. Reports and activities of the Transaction Sub-Committee.</p> <p>20. Implementation of the external manager selection process implemented by the USSIM CEO.</p> <p>21. Implementation of the DC IPID and reporting/advice provided by the USSIM CEO to the IC</p> <p>22. The establishment and operation of the benchmarking process set out in DC IPID and IMAA, as amended from time to time, with requisite internal arrangements for diligence and challenge</p> <p>23. 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>24. The recruitment process undertaken by the USSIM CEO to appoint his/her executive team.</p> <p>25. USSIM executive team and senior management development and succession planning.</p> <p>REMUNERATION</p> <p>26. Compliance with the USS Group remuneration policy as it relates to USSIM, based on assurance provided by the USSIM CEO.</p> <p>27. The effectiveness and implementation of the USS Group strategy for recruitment, retention and motivation of USSIM employees.</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 Remcom on the outcomes from those reviews.</p> <p>2. Advice to the Remcom on the USSIM strategy for recruitment, retention and motivation of its employees.</p> <p>3. Assurance to the Remcom on compliance with the USS Group remuneration policy as it relates to USSIM.</p>

	<ol style="list-style-type: none"> 4. Assurance to the Remcom on the effectiveness and implementation of the USS Group strategy for recruitment, retention and motivation of USSIM employees. 5. Periodic review of remuneration benchmarking of USS Group, relative to its peer companies. 6. Engagement with external advisers to obtain independent legal or professional advice (in conjunction with the Remcom, as appropriate). 7. A retrospective review of any bonus-buyout payments for USSIM staff, as agreed by the USSIM Board Chair in consultation with the RemCom Chair. <p>OTHER</p> <ol style="list-style-type: none"> 8. 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. 9. 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). 10. Participation in the recruitment process for appointment of USSIM CEO's executive, in conjunction with USSIM CEO. 11. The recruitment process for appointment of the USSIM CEO, in conjunction with the GCEO (overseen by the GNC and approved by the TB). 12. Reporting to the IC on USSIM CEO's performance and delivery of the Target Outperformance. 13. Review of the USSIM CEO's performance. 14. 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). 15. An annual review of the USSIM Board's own effectiveness (including individual directors). 16. An annual review of the ToR.
TOR last approved	30 January 2018

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 on a monthly basis via videoconference. • 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>

<p>Reporting and Escalation</p>	<ul style="list-style-type: none"> • The GCEO will report to the TB at each 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 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>
<p>Scope of this Committee’s responsibilities:</p>	
<p>The Committee assists the GCEO who is responsible for Approving:</p>	<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 communications framework for member and employer engagement. 12. The allocation of responsibility for compliance with applicable law and regulation, as detailed in the Canon of Applicable Law. 13. The framework for establishment, operation and winding up/disposal of Investment Organisational Structures. 14. The Capital Expenditure Addition and Disposal Policy and applications for capital expenditure not included in the business plans, in accordance with the policy. 15. The following USS Group policies: (i) conflicts of interest; (ii) business continuity management; (iii) SPV policy; (iv) expenses and benefits policy; (v) records retention policy; (vi) accounting for investment income and expenditure; (vii) information security; (viii) market rumours; (ix) environment policy statement; (x) the procurement policy; (xi) modern slavery statement; (xii) policy governance 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. 16. 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 the thresholds set out in the USS signing mandates, as amended 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. 6. To the TB, a Continuity Option and Implementation Strategy following a ‘triggering event’⁴.

⁴ As defined by the Pensions Schemes Act 2017

	<p>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).</p> <p>8. To the Remcom, any amendments to the remuneration policy for USS Group.</p> <p>9. To the Remcom, any material amendments to the terms and conditions of employment for USS Group employees.</p> <p>10. To the TB:</p> <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. <p>11. In relation to the Securities Litigation Policy:</p> <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. <p>12. To the TB, the appointment, replacement or removal of the MPAVC provider.</p> <p>13. To the TB the appointment, replacement or removal of the DC Administrator.</p> <p>14. To the TB, the appointment, replacement or removal of the DC Investment Platform Provider.</p> <p>15. To the IC, the investment management cost envelope for the DC default strategy.</p> <p>16. To the PC, member requirements based on the risk capacity and appetite of DC members.</p> <p>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.</p> <p>18. To the PC, substantive changes to the range of DC Investment Options and DC Services and Flexibilities to be offered to members.</p> <p>19. To the PC, the DC member policy beliefs.</p> <p>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> <p>AUDIT</p> <p>21. To the Group AC, the external audit plan for USS and the Scheme.</p> <p>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) 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</p>
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	determined by the GCEO from time to time relevant to the authority delegated to the GCEO by TB.
<p>The Committee assists the GCEO who is responsible for Overseeing:</p>	<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.

<p>The Committee assists the GCEO who is responsible for Performing:</p>	<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.
<p>TOR last approved</p>	<p>December 2018</p>

TERMS OF REFERENCE

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

Chair	USSIM CEO
Members	<ul style="list-style-type: none"> • Deputy CEO (Deputy Chair) • Head of Equities • Head of HR • Head of Private Markets • Head of Strategy Coordination • CFO • GGC • CRO • Head of Compliance
Standard Attendees	<ul style="list-style-type: none"> • Representative from the Governance and Company Secretariat team <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>

	<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></p>
<p>Escalation and Reporting</p>	<ul style="list-style-type: none"> • The USSIM CEO will report to the USSIM board at 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. • 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>
<p>Scope of this Committee’s responsibilities:</p>	
<p>The Committee is responsible for Approving:</p>	<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 USS under the IMAA, and provision of assurance to the USSIM board. 6. The delivery of services provided by USS 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 Remcom. 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"> 1. The USSIM Business Plan and Budget (including total estimated compensation) and any material deviations. 2. Planning and business development (including multi-year business plans). 3. USSIM strategic aims and objectives. This includes (but is not limited to): product, pricing and proposition. 4. The policies and plans to support USSIM values and culture, having regard for the USS Group values and culture. 5. The Services Agreement and the scope of services to be provided in the Services Agreement. 6. Material outsourcing arrangements. 7. Any material amendments to the terms and conditions of employment for USSIM employees. 8. Any amendments to the remuneration policy for USSIM.

	<p>9. The purchase of insurances not accounted for in the Budget (if required).</p> <p>10. 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>11. Who shall sign any instrument to which the USSIM common seal is affixed.</p> <p>INVESTMENT</p> <p>12. To the IC and USSIM board, the USSIM Escalation policy.</p> <p>COMPLIANCE</p> <p>13. Any policies deemed to require board approval (if not going through review by the USSIM Risk Committee).</p> <p>GOVERNANCE</p> <p>14. The ToR of the Transaction Sub-Committee.</p> <p>15. The ToR of the USSIM Board</p>
<p>The Committee is responsible for Performing:</p>	<p>1. 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>2. 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>3. Periodic review of the following Trustee Approved Policies, and informing the IC of any changes required for practical implementation by USSIM:</p> <ul style="list-style-type: none"> (i) Securities Litigation Policy; (ii) USS Permitted Assets and Derivatives Policy; <p>4. A review of all non-standard and strategic papers to be presented to the USSIM board.</p> <p>5. Review of any reportable items that may have a regulatory impact.</p> <p>6. Review of any matters that may impact a registered persons' registration.</p> <p>7. Review of notifications of suspicious transactions reports for any suspected market abuse.</p> <p>8. Review of any material communications to the FCA (including matters under Principle 11).</p> <p>9. An annual review of its TOR.</p>
<p>TOR last approved</p>	<p>January 2018</p>

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 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) 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 comprising:

- Four directors appointed by Universities UK (“UUK”);
- Three directors appointed by University and College Union (“UCU”)⁵; and
- Between three and five independent directors.

There is no distinction in terms of powers and duties between directors appointed by stakeholders or the company.

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;
- 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;

⁵ At least one of whom must be a pensioner member, as defined in the Scheme Rules.

- 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 undertake the following:

- 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 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 USSL or the Scheme (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) 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, very significantly. USS Group has therefore 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.

Technical competencies⁶

- **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.
- **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:** Transfer of thoughts and expression of ideas; influencing 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 for Trustee Knowledge, Understanding and Conversance should be consulted for more details on 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):

⁶ An appropriate level of numerical skills is key to fulfilling the 'funding' and 'investment' technical competencies.

- [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. 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 [3]-year term of office (although there is the possibility in certain circumstances to renew or extend this term, by mutual agreement).

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:

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

The chair, with the assistance of the company secretary and/or others, as appropriate, will:

Meetings

- 1 Lead, guide and direct the governance process ensuring that the work of the board is focussed on USS's mission, vision and strategic direction;
- 2 Set the board's agenda ensuring that it is strategically focused and in line with the responsibilities of the board as detailed in the matters reserved;
- 3 Chair board meetings in a manner that encourages openness and debate, participation and information sharing while ensuring that sufficient time and challenge is applied to substantive issues;
- 4 Ensure that administrative arrangements and decision-making processes are fit for purpose and allow the effective conduct of board business, including ensuring that:
 - meetings are of sufficient frequency to manage the business of the board;
 - requirements for the conduct of meetings are in place and observed;
 - minutes of meetings are recorded and distributed appropriately and in good time;
 - actions arising from board and committee meetings are recorded, appropriately allocated and promptly carried out;
 - directors and advisers receive accurate, clear and effective information in a timely manner; and
 - applications for the submission of late items are considered and if appropriate approved.
- 5 Ensure that the directors have appropriate professional advice and sufficient information on all relevant matters to make properly informed decisions;

Director and board effectiveness and conduct

- 6 Ensure that structures and procedures are in place for effective recruitment, induction, training and development and evaluation of board members, leading an annual appraisal of director performance;
- 7 Ensure that directors observe the highest standards of probity in line with the director code of conduct, the Articles and policies, intervening when necessary in instances involving conflict of interest, confidentiality or other matters of conduct;

Committees

- 8 Work with committee chairs to ensure that the work of the committee is aligned to its terms of reference and the strategic vision;
- 9 Lead the recruitment of committee chairs according to the guidelines set out in the agreed governance policies;

Relationships

- 10 Develop productive working relationships with directors, in particular the deputy chair and the senior independent director (SID);
 - 11 Develop productive working relationships with members of the group executive committee in particular the group chief executive officer (GCEO), holding the GCEO to account, providing guidance and challenge while respecting executive responsibility; and
 - 12 Lead the process of GCEO goal-setting, performance evaluation and compensation review consistent with board policy.
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Qualities and experience

The successful candidate will:

- Be able to lead, inspire and motivate;
- Be committed to USS and its objectives;
- Have experience of leading an organisation through a period of significant change;
- Have a profound understanding of and insight into the priorities, concerns and challenges of institutions and members in the higher education sector;
- Be a respected individual of good standing within the HE sector with established and effective relationships with institutions;
- Have an understanding and experience of the principles and practices of governance and board accountability;
- Have an understanding of the legal responsibilities and liabilities of a trustee;
- Have highly developed interpersonal communication skills including public speaking;
- Possess diplomatic skills including experience of conflict resolution;
- Have integrity, strategic vision and excellent/independent judgement; and
- Have highly developed knowledge and understanding of the structure and operation of the scheme and the trustee company.

Other requirements of the role

The expected time commitment of the role is approximately 50 days per annum. This will include the following activities:

- Chairing board meetings and board pre-meetings;
 - Chairing meetings of the 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 appraisal;
 - Attending meetings with the GCEO at least monthly;
 - Representing USS at meetings with stakeholders, the regulator and other bodies as required; and
 - Speaking at the annual UUK conference and USS's Institutions' meeting.
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UNIVERSITIES SUPERANNUATION SCHEME LIMITED (COMPANY) BOARD DEPUTY CHAIR JOB DESCRIPTION

Position: Deputy chair of the board

Responsible to: the board

Role: 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 deputy chairman's duties and responsibilities as a director. The deputy chair will:

- 1 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;
- 2 Support the chair in the leadership role they provide to the board;
- 3 Act as chair of appropriate working groups or undertake other tasks as requested by the chair; and
- 4 Convene and chair any meeting of the board or part of a board meeting at which matters concerning the chair are considered;

Person Specification

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

- Willingness and ability to commit time to the responsibilities of deputy chair;
- Demonstrated commitment to the principles of governance and board accountability;
- Interest and experience in the work of committees;
- Highly developed interpersonal communication skills;
- 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; and
- Understanding and experience of administrative processes in particular how they relate to internal governance.

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.
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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
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UNIVERSITIES SUPERANNUATION SCHEME LIMITED (TRUSTEE COMPANY) USSL BOARD SENIOR INDEPENDENT DIRECTOR (SID)

Position: Board SID

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.

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, deputy 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 CE is not supported by the entire board;
 - (c) the relationship between the chair and CE is particularly close and decisions are being made without the approval of the full board; or
 - (d) succession planning is being ignored.

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.
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- 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