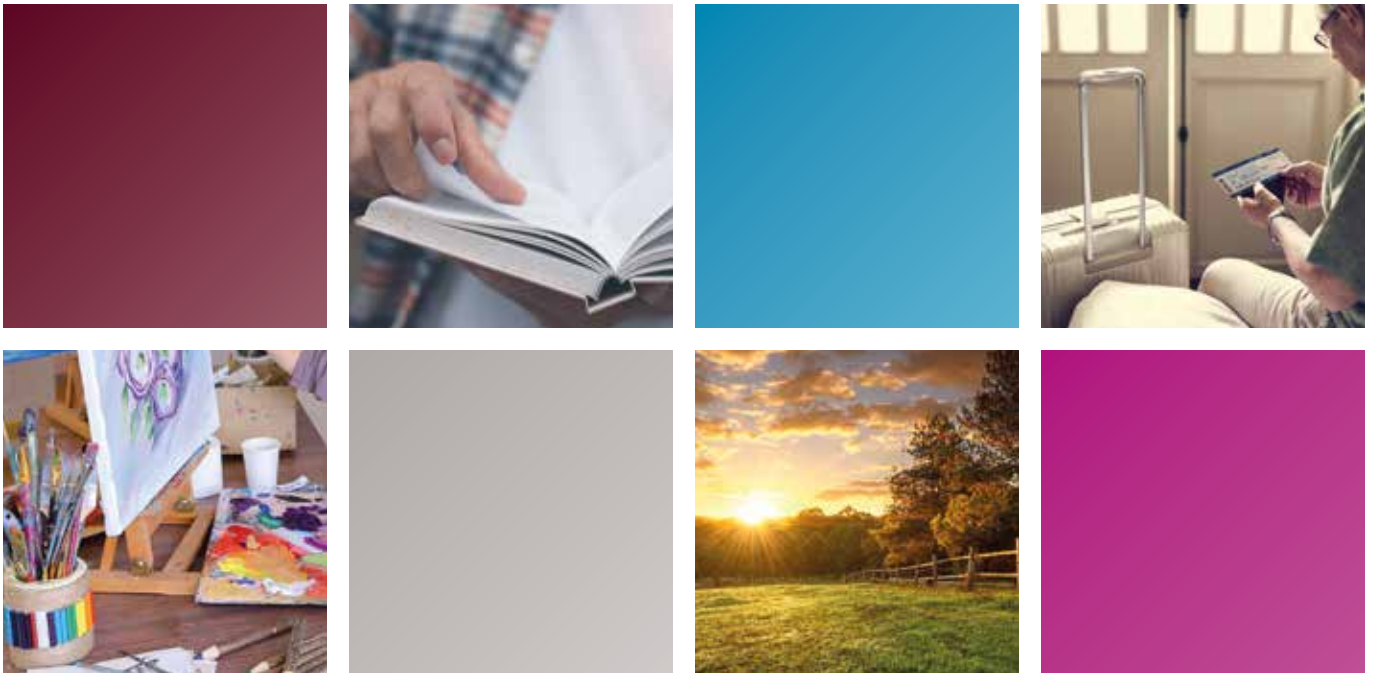


MAY 2021 MNTD ELECTION



The Trustee is currently seeking nominations for a Member Nominated Trustee Director (MNTD) from the Pensioner members of the Defined Benefit (DB) Section of the Scheme.



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Welcome to the Member Nominated Trustee Director (MNTD) Portal

The Trustee is currently seeking nominations for a Member Nominated Trustee Director (MNTD) from the Pensioner members of the Defined Benefit (DB) Section of the Scheme.

How to apply

To apply for the role of MNTD you will first need to be nominated. This online process is simple - to get started click the MNTD Selection button below.

You will be asked to provide the following information:

- A short (no more than 750 words) biography - this is broadly equivalent to 2 pages of A4;
- Your views on what are the most important things a Trustee Director needs to do (maximum 250 words); and
- The details of the three other Pensioner members of the Scheme who will support your nomination - the nominee will need to confirm their agreement to the nomination..

The deadline for receipt of applications is noon on 28 May 2021.

You can find information about the role of the Trustee, the current Trustee Directors and who can apply to be a MNTD in this document.

The Scheme adheres to the M&G plc key principles on diversity and inclusion. Further details can be found on page 6.

Through this website you will see reference to 'the Company'. Unless otherwise stated this means The Prudential Assurance Company Limited or any associated company / employer that offers you membership of the Scheme through your contract of employment.

The role of the Trustee

The Trustee, through the Trustee Directors, has overall responsibility for the day to day running of the Scheme.

Each Trustee Director, including an MNTD, has the same duties towards all beneficiaries of the Scheme. It is not correct to say that an MNTD is only responsible for safeguarding the interests of the members of the constituency who elected him or her – the same duties extend to all members whether Active, Deferred or Pensioner members.

The Trustee Directors' primary role is ensuring that the Scheme is run in accordance with the Trust Deed and Rules which govern it, so that members receive the benefits to which they are entitled.

The Rules of the Scheme clearly set out what benefits are to be provided to members and the powers the Trustee has in relation to the Scheme.

The Trustee must also meet legal requirements relating to the Scheme. These include ensuring that:

- Proper records are kept including detailed member records and minutes of relevant meetings;
- All contributions are received from both the Company and members in a timely manner – legislation is in place to ensure the Company meets its obligations to pay contributions and it is the Trustee who must closely monitor compliance with such obligations;
- Actuarial valuations of the DB Section of the Scheme are prepared within the statutory timeframe – currently such valuations are required every three years, with an actuarial update report each year in-between;
- Annual accounts are prepared and properly audited – the accounts are accompanied by an annual report from the Trustee;
- Members are kept up to date about matters relating to the Scheme and their benefits – as you know, the Trustee has a regular programme of communications with members; and
- Any other statutory requirements are met.

Duties of the Trustee Directors

A duty is something the Trustee Directors must do. Some duties are specific (such as those set out in the Trust Deed and Rules of the Scheme), others are more general in nature (such as those required under general trust law principles).

Examples of General Duties

- To act impartially between different classes of beneficiaries – the Trustee Directors must act fairly between different classes of beneficiary (for example, Pensioners, Actives and Deferred members) and must also act fairly between individuals;
- To act prudently – each Trustee Director has an obligation to act as a prudent person would, not only in the conduct of his or her own affairs but also in looking after the affairs of third parties;
- To seek appropriate professional advice – Trustee Directors are not required to be expert in all relevant areas but they may need specialist advice in a number of different contexts, including actuarial, investment and legal advice;
- To keep matters confidential – Trustee Directors are not able to discuss confidential matters relating to the Scheme with any third party. This includes both members of the Scheme and the Company without express authority from the Trustee Board.

Examples of Specific Duties

- The Trustee Directors are required by statute to be conversant with certain documentation relating to the Scheme and have sufficient knowledge and understanding to carry out their function as a Trustee Director;
- To formally appoint an auditor, scheme actuary, investment managers and legal advisers;
- Make and maintain a Statement of Investment Principles.

Although it is a lot to comply with, Trustee Directors are given support and guidance in their role, both from the Pensions Team and the Trustee's professional advisers.

The role requires considerable investment of time in preparing and attending meetings, and attaining and maintaining the required level of understanding. This is something to take into consideration and therefore we suggest that you discuss it with your line manager before applying. Being an MNTD of a large, respected pension scheme is an extremely rewarding and satisfying role, but you need to have a passion for pensions and a real feel for why they are so important.

If you put yourself forward as an MNTD you must be prepared to attend several Trustee meetings each year. You will also be expected to take an active role in the Trustee's various Committees and Working Parties and you will receive training to give you the required knowledge and understanding about the laws on trusts and pension schemes. The table below gives an indication of the amount of time you could expect to spend in the role in an average year (you should also bear in mind that you will need to allow additional time for travel as some meetings will be held in London):

In keeping with the current Government guidelines all meetings are currently held virtually, using video conference facilities. It is anticipated that, even after the Government guidelines permit face-to-face meeting, the Trustee will continue to hold some meetings virtually.

Responsibilities	Meetings per year (approximately)	Average time (Meetings and preparation)
Trustee Board Meetings	5	6+ hours each
Membership of Working Parties (average 3 Working Parties)	3 (per Working Party)	4+ hours each
Committee Meetings	4	5+ hours each
Training	2	4 hours each
Reading and research	Ongoing	4+ hours per month

Whilst the role of Trustee Director is unpaid, the Scheme will meet any reasonable travel expenses the Trustee Directors may incur attending meetings and/or training sessions.

What do you need to know?

The Pensions Act 2004 requires trustees to be conversant with documents in relation to the Scheme and have knowledge and understanding of the laws relating to trusts and pension schemes, the principles of funding and investment and such other matters as may be set out in legislation. Therefore, Trustee Directors must be willing to familiarise themselves with, for example, the Scheme's Trust Deed and Rules, and to take steps to gain sufficient knowledge and understanding as is required by the legislation.

Clearly, an amount of learning is involved when taking up the position as a Trustee Director. Formal training is provided to assist all new Trustee Directors – whether MNTDs or Trustee Directors appointed by M&G plc – which may include one to one sessions with advisers to the Trustee and attendance at external courses.

Additional training is also provided to all Trustee Directors on an ongoing basis. All Trustee Directors are required to keep themselves up to date with topical pension issues which will inevitably require setting aside time for personal study from time to time. The Pensions Team and the Trustee's professional advisers are available to lend support and guidance where necessary.

Who can apply

For the purpose of this exercise a member who is eligible to stand as an MNTD or support another member must be a Pensioner member of the DB Section.

Certain individuals may not act as Trustee Directors. For example, legal requirements prevent the following from becoming a director:

- An individual issued with a prohibition order by The Pensions Regulator;
- An individual disqualified from acting as a director, which would include:
 - o a person convicted of an offence involving dishonesty or deception; or
 - o an undischarged bankrupt.
- The individual must also be resident in the UK.

The Trustee

Prudential Staff Pensions Limited is responsible for ensuring that the Scheme is administered in accordance with the Trust Deed and Rules.

There are up to 10 directors - four of whom are Member Nominated Trustee Directors (MNTDs) of which three are appointed by employee members and one by Pensioner members. The remaining six are appointed by M&G plc with at least one Pensioner Trustee Director.

Company Trustee Directors

- Keith Bedell-Pearce CBE (Chairman)
- David Green
- Gillian Starkie
- Jo Waldron
- Simon Iversen
- Andrew Swan

Member Nominated Trustee Directors

- Wolfgang Bauer
- Stephen Cunningham
- John Paino
- William Rutherford

The Committees

The Trustee has also formally constituted four Committees and also uses Working Parties who either report directly to the Trustee or to a Committee. Working Parties tend to be established for a particular project and disbanded once that project has been completed.

Audit & Governance Committee

The key responsibilities of the Audit & Governance Committee are:

- Working with the external auditors to plan, scope, discuss and consider the auditor's findings and recommendations in connection with the annual audit of the Scheme;
- Ensuring that the Scheme's Annual Report & Accounts are prepared and finalised within the regulatory timescales;
- To maintain the Scheme's Risk Register, review the Scheme's framework and the effectiveness of the Scheme's internal controls;
- To review and seek assurance on the effectiveness of the Scheme's compliance framework and to review the Scheme's policies for ensuring compliance with relevant regulations, industry codes and legal requirements;
- To make recommendations to the Trustee in relation to the appointment, reappointment or removal of the external auditors;
- To review the annual communication of the Scheme's financial statements to members; and
- Ensuring that contributions are paid in accordance with the Schedule of Contributions and Payment Schedule

Disputes Committee

The key responsibility of the Disputes Committee is to consider and decide on any Stage 2 disputes received by the Trustee under the Internal Disputes Resolution Procedure.

Asset and Liability Committee

The key responsibilities of the Asset and Liability Committee are:

- Reviewing and recommending to the Trustee the funding strategy and investment policy for the Defined Benefit (DB) Section of the Scheme;
- Monitoring the investment performance of the DB Section's investment managers;
- Monitoring the DB Section's funding position;
- Appointing and removing the actuarial advisers, investment consultants, investment managers, custodians and performance measurers and overseeing any changes to their agreements;
- Maintaining and recommending to the Trustee changes required to the DB Section's Statement of Investment Principles;
- Working with the Scheme Actuary and the Company to recommend to the Trustee the Statement of Funding Principles, Recovery Plan (if required) and Schedule of Contributions in connection with the Scheme's valuations;
- Reviewing the DB Section's factor calculation principles and approving any changes to factors being used to calculate members' benefits;
- Reviewing and agreeing the recommendation from the Scheme Actuary regarding the bonus rate and conversion factors to be applied to the DB Section's in-house AVC arrangement; and
- Reviewing communications in connection with the DB Section's in-house AVC arrangement, the Summary Funding Statement and any other communications in relation to the DB Section's investment and funding.

DC Section Committee

The key responsibilities of the DC Section Committee are:

- Monitoring the performance of the investment funds available to DC Section members;
- Reviewing the investment funds available to members to ensure that they meet members' needs and making any necessary changes to the fund range;
- Maintaining and recommending to the Trustee changes required to the DC Section's Statement of Investment Principles;
- Monitoring the service standards and reviewing the overall operation of the DC Section's third party administrator;
- Ensuring that DC Section members receive or have access to detailed, clear, accurate, compliant information regarding their benefits from the Scheme; and
- Developing the communications strategy for the DC Section of the Scheme.

What happens next?

As part of the nomination process the three Pensioner members supporting your nomination will be contacted to confirm that they are eligible members. Please note that under the Rules your supporting members cannot simultaneously support another candidate.

Assuming we receive more than one nomination for this position the Trustee will undertake a selection process.

The process allows for two stages of interviews. A shortlist of candidates will be selected for interview under stage 1. From those interviewed under stage 1, three candidates will be chosen to progress to stage 2, which will involve a final interview with the Chairman, and other representatives of the Company and Trustee Board. If there are only three candidates, the process may move immediately to stage 2.

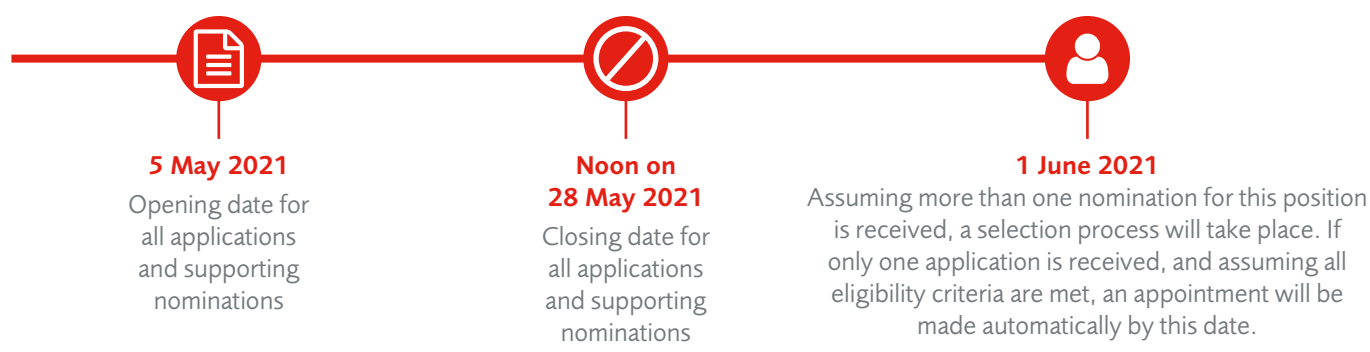
Due to the current Government guidelines surrounding social distancing, it is likely these interviews will be held virtually by video call.

As well as the principal criteria set out in the letter inviting nominations, the following factors will be considered when choosing the successful candidate:

- An aspiration to act in the interests of all of the Scheme's members;
- The ability to contribute to the effective and positive working of the Trustee Board;
- Experience as a director or trustee or any other governance role;
- Relevant professional qualifications, if any;
- Work experience and areas of relevant expertise such as pensions, pensions administration and investment; and
- Any particular requirements of the Trustee Board at the time of selection such as any specific areas of expertise and its policy on diversity.

If no one applies the role will remain vacant for a period of 12 months. After this time Pensioner members will again be invited to apply.

Each MNTD serves for a period of four years from the date of appointment (or earlier if they cease to be a member of the Scheme).



About the Scheme

The Prudential Staff Pension Scheme is set up under trust and is managed by Prudential Staff Pensions Limited (the Trustee). The Trustee Directors who sit on the Trustee Board are responsible for running the Scheme.

The Trustee holds, manages and invests assets for the benefit of members and their dependants. The trust structure is used for pension arrangements such as the Scheme and this means its assets are held separately from those of the Company.

As you may know, the Scheme comprises two main Sections:

- The Defined Benefit (DB) Section of the Scheme (sometimes known as 'final salary') providing benefits broadly based on a member's final salary and service with the Company; and
- The Defined Contribution (DC) Section of the Scheme (sometimes known as 'money purchase') under which amounts are allocated to notional Personal Accounts, invested and used to buy benefits on retirement.

Summaries of the two Sections are set out in Booklets available to members of each Section. These Booklets can be found in the 'Documents' section of the website www.prudentialstaffps.co.uk.

M&G Diversity and Inclusion Principles

Diversity and Inclusion (D&I) drives inspirational performance and innovation. M&G customers are all diverse, so having a team that reflects this diversity helps us better serve their needs and deliver results.

Here's an overview of how we foster D&I to become the best loved and most successful savings and investments business. This policy applies to all UK M&G plc employees and the ethos should be followed by anyone who works with us.

Our approach

Diversity & Inclusion is a strategic objective. At all levels of the business we recognise the benefits of having a diverse team that feels valued and listened to. It helps us think and act differently, adopt new ideas and better relate to the needs of our customers. An inclusive environment makes us more accessible and ensures we attract, engage, promote and retain the best talent. We embrace our differences and remove barriers to inclusivity to support you to become the most successful you.

Overview of Diversity and Inclusion

We have a dedicated D&I team who are passionate about making M&G plc a place where every colleague feels able to bring their true self to work every day. This ethos is embedded into all our people processes and helps us deliver our heartbeat and code.

Being inclusive is a team effort. We hope you get involved with the many employee networks and communities that exist across the business to support our colleagues. Search on the intranet for more information about M&G plc's employee networks, If you can't find one that suits you, we'll support you to create your own.

Raising awareness is a great way to ensure all our colleagues embrace and understand diversity and inclusion. We're proud of our learning offering in this area including regular digital training on unconscious bias and much more on the learning space around creating a fair and respectful workplace.

Measurement is important so we can assess how we're doing and monitor progress against our D&I commitments. That's why we ask you to provide us with your personal diversity data through on Workday. We'll always ask you how we're doing in this area via our one voice survey and regularly review management information that highlights the mix of talent we have across the business.

We hope you make use of the support on offer to help us build a more modern and inclusive workplace. Supporting maternity returners back to the workplace, developing mental health first aiders, assisting employees going through a transition at work and increasing diversity within our trainee and apprentice initiatives are just some examples of what we do.

Most importantly, we are transparent and base decisions on the merit of each individual. We do not tolerate any form of discrimination or harassment. See our disciplinary policy for more details on how we deal with bullying, harassment and any form of unfair treatment of our colleagues.



PRUDENTIAL

Staff Pension Scheme

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