

January 2012

WHAT COULD YOU BRING TO THE BOARD?



*Challenge
Yourself*

2012 MND ELECTIONS



IBMPENSIONSTRUST

We're looking for three Directors to join the Trustee Board in May this year. Whether you want to become a Director or not, you play an important part in the process to find the right people for these roles.

The IBM pension plans are overseen by a trustee company called IBM United Kingdom Pensions Trust Limited, referred to as the Trustee. Like an ordinary company, the trustee company has a board of directors. This board is made up of nine Trustee Directors who are appointed to ensure that the purpose of the plans is fulfilled – which is to provide pension benefits for IBM employees.

By law, a third of the Trustee Directors must be nominated by the membership.
This is where you get involved.

On 1 May, the term of office for the current Member Nominated Directors will come to an end, creating three vacancies on the Trustee Board – two to be filled by active members and one by a retiree member. This leaflet starts the process to find and select the right people to fill those vacancies.

You play an important part in this process and can get involved in three ways:

1. STAND

If you're interested in standing for election as a Member Nominated Director, turn to page 4 for more information on the role.

2. SUPPORT

If you know someone who wants to stand for election, turn to page 9 to find out how you can support their nomination.

3. VOTE

To have your say in the February elections, turn to page 9 to find out how to vote.

Make sure you take part and vote in the February elections. The successful candidates will directly influence how your pension benefits are managed over the next four years.

Our Trustee Directors
have skill, experience
and passion for their role.

What could you bring
to the Board?



*I'm dedicated to
protecting the interests
of members.*

**James Lamb –
Chairman**

WHAT DOES A MEMBER NOMINATED DIRECTOR DO?

Member Nominated Directors (MNDs) are Directors of the Trustee Board, which is responsible for the administration of the Defined Benefit and Defined Contribution sections of the IBM Pension Plan, and the IBM IT Solutions Pension Scheme.

They attend Trustee meetings five times a year, are appointed to at least one of the Trustee Committees (such as the Investment Committee) and are involved in decision making. MNDs will be involved in areas such as:

- Finances and funding;
- Investment; and
- Payment of benefits.

MNDs need to understand the IBM pension plans and their role in the plans' administration in order to make informed and proper decisions and be able to safeguard the plans. They need to have a good understanding of plan documents (such as the Trust Deed and Rules), of pensions and trust law and of the principles of funding and investment within pension schemes – all this knowledge can be gained through training.

Thorough preparation is required for all meetings and sometimes the issues to be considered are quite complex. However, decision making is supported by advice from experts, including the Scheme Actuary, legal and investment advisers and pension experts.

Most importantly, MNDs represent the interests of all members and they must always act in members' best interests.

As a Board, we spent over 70 hours last year making decisions for your benefit, excluding all the preparation and training required!

The Trustee Board

WHAT EXPERIENCE IS NEEDED FOR THE ROLE?

None, although relevant experience is helpful – for example, in pensions, investment, finance or governance.

Our MNDs are given plenty of support and training to help them undertake their duties effectively. Training programmes are tailored to their individual needs.

MNDs are expected to complete the Trustee Toolkit on the Pensions Regulator’s website (for this reason, access to the internet is essential). They are also encouraged to sit the examination for the “Award in Pensions Trusteeship”, which provides a good grounding for new Trustee Directors and is sponsored by the Pensions Management Institute.

WHO CAN BE A MEMBER NOMINATED DIRECTOR?

Employees (who are members of either M Plan or I Plan), Hybrid Deferred and Retiree members of the IBM pension plans are eligible to be nominated to become MNDs. Deferred members are not eligible.

Employees must have been a plan member for two years (including service transferred in and any service as a Hybrid Deferred member). Retirees are members who are receiving an IBM pension, which includes active members who are receiving an IBM pension.

In certain situations, members may not be eligible to become MNDs – for example, if they are under age 18 or an undischarged bankrupt. Full details can be found in the Arrangements on our website.

WHAT WOULD I GET FROM THE ROLE?

The role of a Trustee Director is a challenging one, with the opportunity to gain new skills, while giving something back. You can gain knowledge and experience of areas such as finance, investment, governance and legislation. The role requires commitment and dedication, but is hugely rewarding, as it directly influences the lives of plan members.



ARE MEMBER NOMINATED DIRECTORS PAID?

MNDs are paid fees as follows:

- Retiree MNDs are paid a fee of £6,000 a year and travelling expenses are reimbursed.
- Employee MNDs are paid a fee of £6,000 a year and travelling expenses are reimbursed. They are also given time during the working day to attend training programmes and to prepare for and attend Trustee meetings.

In recognition of the time and skill needed in the role and to record the contribution made to the work of the Trustee during the year, the Trustee Chairman will write to the manager of each Employee MND each year, emphasising their contribution.

My background is in finance and risk management – I've been IBM Assistant Treasurer for two years.

Evaristus Mainsah – Trustee Director

HOW LONG IS THE TERM OF OFFICE?

MNDs are appointed for a four year term of office. At the end of that period, a new election process is run and MNDs can stand for re-election if they wish to do so.

WHERE CAN I GET MORE INFORMATION?

You can find full details of the MND Arrangements and the role of an MND on our website.

You can also find information about the role of a trustee on the Pensions Regulator's website, www.thepensionsregulator.gov.uk.



WHAT COULD THE BOARD DO FOR YOU?

The role of a Trustee Director is a challenging one, with the opportunity to gain new skills, while giving something back.

The successful candidates will directly influence how your pension benefits are managed over the next four years. So, whether you want to become a Trustee Director or not, it's important that you take the opportunity to have your say on who joins the Trustee Board.



HOW DO I PLAY MY PART IN THE PROCESS?

You don't have to stand for election to make your voice heard. You can get involved in three ways:

I. STAND

If you want to stand for election as a Member Nominated Director, you should:

- ✔ Check that you meet the eligibility criteria (available on our website) and are able to devote the time required to perform the role.
- ✔ Download a nomination form from our website, www.smartpensionsuk.co.uk. You can also call or email us at mndelect@uk.ibm.com.
- ✔ Attend one of the information sessions to find out more:

Southbank	17 January	To register for an information session, email mndelect@uk.ibm.com giving your name, Employee Serial Number, contact number and the session you wish to attend. Pensions Trust will try to accommodate requests for sessions at other venues.
Bedfont	18 January	
Warwick	19 January	
North Harbour	24 January	
Greenock	26 January	

- ✔ Complete the nomination form, providing brief personal details, a short career history and other relevant information.
- ✔ Obtain the support of five other IBM pension plan members and ask them to complete the required information on your nomination form. Active candidates should obtain the support of active members and retiree candidates should obtain the support of retiree members.
- ✔ Send your completed nomination form to Electoral Reform Services by 5:00pm on 30 January 2012.

You can post it to **Ruth Dunlop, Electoral Reform Services, The Election Centre, 33 Clarendon Road, London N8 0NW** or email it to ruth.dunlop@electoralreform.co.uk.

2. SUPPORT

To support someone who wants to stand for election, complete the required information on their nomination form in a timely manner so that they can meet the nomination deadline (30 January 2012).

3. VOTE

To have your say on who will join the Board, vote in the February elections.

Voting opens on 20 February 2012 and closes at 12:00 midnight on 18 March 2012.

In this year's elections, there are three vacancies – two to be filled by active members and one by a retiree member. Active members will only be able to vote for active candidates and will cast their vote online. Retiree members will only be able to vote for retiree candidates and will be able to vote by post or online.

Electoral Reform Services will write to you in February to provide you with information about all the candidates and full details on how to vote.

RESULTS

In the week commencing 26 March you will be notified of the results of the election.

The successful candidates will start their training programme in April and will be officially appointed to the Trustee Board on 1 May 2012.



ANY QUESTIONS?

Visit our website, www.smartpensionsuk.co.uk,
for full details of the MND Arrangements or you can:

- Email mndelect@uk.ibm.com
(Lotus Notes: IBM Pensions Trust MND Elections/UK/IBM@IBMGB);
- Write to IBM UK Pensions Trust Limited, Mailpoint CIA,
PO Box 41, North Harbour, Portsmouth PO6 3AU; or
- Phone us on 023 9256 8164 (Internal 3725 8164).



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