

# **Conflicts Of Interest Policy Document**

**Reeves Oilfield Services Limited Pension Plan (Scheme 2)**

**Revised: June 2022**

## **Background**

Conflicts of interest have always existed for pension scheme trustees and their advisers. This simply reflects the fact that individual trustees and their advisers will have a variety of other roles and responsibilities, for example as members of the scheme or as senior managers of the sponsoring employer or as trade union officials. Trustees have a strict duty to act in the best interest of the beneficiaries, but this does not preclude a trustee from having other roles or responsibilities which may result in a conflict of interest. The trustees must be able to identify conflicts of interest and have procedures in place to manage them. This document outlines the policy the trustees follow to do this.

This document is owned by, and will be managed and reviewed by, the Trustees of the Reeves Oilfield Services Limited Pension Plan (Scheme 2) ("the Plan"), and relates to their policy for identifying and managing conflicts of interest. The Trustees must act in line with the Plan's governing documentation and overriding law, but conflicts can arise where, for instance:-

1. A Trustee is obliged to act in the best interests of beneficiaries, and at the same time may either have a separate personal interest, or another fiduciary duty to a different beneficiary which gives rise to a conflict, or
2. A Trustee stands to gain or lose financially or otherwise from a decision of the Trustees.

It is each Trustee's responsibility to identify and consider what he or she thinks may be a conflict. The Pensions Regulator expects scheme trustees to have sufficient knowledge and understanding to enable them to recognise and deal with conflicts of interest. Where a Trustee recognises a competing conflict he or she must act in accordance with, and as required by, this policy. The employer-appointed trustees may be particularly exposed to conflicts of interest, which should be given particular attention in accordance with this policy.

For the purposes of this policy, references to a conflict of interest are taken to include any potential conflicts of interest.

This policy also applies to conflicts that arise for the Trustees' advisors.

### **1. Identifying a conflict**

It is the responsibility of the individual Trustee to:-

- 1.1 Recognise when he or she has a conflict of interest;
- 1.2 Disclose the conflict to the relevant parties in accordance with this Policy; and
- 1.3 Reach agreement for managing the conflict in line with the principles set out in this policy.

Although each Trustee is responsible for identifying his own conflicts, there may be circumstances where a Trustee becomes aware, or is of the opinion, that another Trustee or the Chairman is in conflict. The Trustee will notify both the potentially conflicted Trustee and the Chairman of the Trustees of his opinion. The potentially conflicted Trustee and the Chairman will consider the matter and, where appropriate, resolve the conflict in accordance with this policy. If the Chairman is the Trustee in conflict, another Trustee will be notified, in addition to the Chairman.

## **2. Declarations of Potential Conflict**

Any Trustee who considers he or she may have an unresolved conflict of interest in relation to matters under consideration should discuss this with the Chairman of the Trustees.

The Chairman of the Trustees is responsible for considering each reported conflict and for determining whether a conflict exists in that circumstance. Where it is determined that a conflict or a possible conflict exists the Chairman will report the conflict to the Trustees. The Chairman will report his or her own conflicts to the Trustees.

## **3. Addressing the Conflict**

Having identified a conflict, the Trustees will decide how the conflict will be addressed, depending on the facts of each case. It may be appropriate to take one or more of the following actions:-

- Determining there is a conflict but no further action need be taken (where the conflict is trivial or will not be material to or prevent the Trustee from carrying out his or her duties);
- Appointing an independent Trustee for the duration of the particular matter in respect of which there was a conflict;
- Implementation of a confidentiality agreement with respect to the matter under conflict
- Allowing the conflicted Trustee to take part in discussions but not allowing him or her a vote;
- Excluding the conflicted Trustee from the Trustee meeting while the item is discussed and voted;
- Excluding the conflicted Trustee from the entire Trustee meeting;
- Setting up a sub-committee to deal with an issue where a Trustee is conflicted;
- Seeking independent legal advice;

- Implementing a confidentiality agreement for the duration of the conflict;
- Appointment of a temporary independent trustee for the duration of the conflict;
- Seeking the direction of the courts; or
- The Trustee stepping down as a Trustee by agreement. This may be a temporary or a permanent measure.

The Trustees may consider, in any case, that legal opinion should be obtained before deciding how the specific conflict will be addressed.

In particular, legal opinion should be sought on the requirements of the Companies Act 2006, and the obligation on a Trustee who is also a director of a participating company to avoid a situation where he or she may face a conflict.

#### **4. Meetings of the Trustees**

The agenda for each meeting of the Trustees will contain an item requiring the Trustees to declare a conflict of interest in relation to any of the agenda items for that meeting. This provision does not preclude a Trustee from disclosing a conflict that arises during the course of a meeting, and does not avoid the need for a Trustee to disclose a conflict that arises at any other time, in accordance with paragraph 1.

All reported conflicts of interest will be recorded in the Minutes of the meeting.

Company issues or proposals covered at trustee meetings are to be presented by a company representative who is not a Trustee.

Any Trustee wishing to speak from the Company's point of view is required to state this clearly at meetings, and have this recorded in the Minutes.

#### **5. Register of Conflicts**

A register of conflicts will be maintained and reviewed annually by the Trustees. The Chairman will report any conflicts among the Trustees and how they have been dealt with to the Trustees at each Trustee meeting.

The Trustees will also seek to identify conflicts of other parties (e.g. the Trustees' advisers).

In order to record the interests of various parties and any conflicts that may arise, the Trustees have adopted the following procedures:-

5.1 Maintain a register of Trustees including individual conflicts (see Appendix 1).

5.2 Maintain a register of conflicts of retired Trustees (see Appendix 2).

5.3 Maintain a register of Trustees' advisers (see Appendix 3).

The attached registers will be maintained and reviewed regularly by the Trustees. Where a Trustee is aware of a potential conflict, the Trustee and the Chairman will consider whether its inclusion in the register is appropriate.

## **6. Appointment of new Trustees**

Where a person is appointed as a new Trustee, this policy, and the guidance of the Pensions Regulator, will be brought to the new Trustee's attention. The new Trustee will be required to disclose any conflict of interest.

## **7. The Bribery Act 2010**

Bribery and facilitation payments are not permitted.

The trustees may, however, give and receive reasonable and proportionate hospitality, gifts, and other promotional expenditure (for example meals, tickets to events, travel costs and promotional gifts). They will declare to the trustees any corporate hospitality, gift or similar which is estimated to be worth £50 or more and will obtain the prior approval of the Trustees where it is estimated to be worth £100 or more.

Corporate hospitality or benefits may not be accepted where they are likely to be of influence and consideration must be given to the frequency of corporate hospitality offered to or by one individual or firm.

The risk register will include bribery risk.

## **8. Review of the Conflict of Interest Policy**

This policy will be reviewed annually by the Trustee Board.

## **Notes to conflict of interest policy**

### *Note 1 – TPR guidance*

The full notes and guidance provided by the Pensions regulator can be found on the Pensions Regulator's website at [www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)

### *Note 2 – Principal challenges*

The principal challenges for Trustees are in relation to conflicts of duty in two key areas.

1. Negotiations between the Trustees and the Company;
2. The management of confidential information.

A Trustee who could be involved in both sides of the negotiation is expected to consider their position carefully, and to manage the conflict in accordance with this Policy.

With regard to sharing confidential Trustee information with other parties e.g. company, unions, other members etc, each Trustee should bear in mind that he or she has a fundamental responsibility to act on behalf of the Plan. This duty should not be compromised by acting on behalf of other groups.

### *Note 3 - Advisers*

The Trustees appoint their own advisers. There may be circumstances where these advisers are asked to give advice to the Company in relation to pension matters, but only when any potential conflict of interest has been addressed. In most cases, the Company will appoint its own advisers. The Advisers will maintain their own conflict of interest policy document and shall advise the Trustees in writing of the detail of this policy insofar as it appertains to the Scheme.

All of the Trustees' advisers have a professional responsibility to advise the Trustees if any circumstances arise in which they feel they are conflicted. These responsibilities and guidelines for dealing with them are also covered by the respective professional bodies.

A summary of the position with regard to the Trustees' main advisers is set out below:-

- Scheme Advisers – Mercer Limited advises the Trustees. Mercer Limited also provides advice to the Company.

- Legal Advisers – Shoosmiths LLP provide legal advice to the Trustees. Burness Paul LLP provide legal advice to the Company.
- Investment Advisers – Mercer Limited provides investment consulting advice to the Trustees.
- Scheme Auditors – PricewaterhouseCoopers LLP is the Plan auditor.
- Scheme Administrators – Standard Life Aberdeen.

## Appendix 1 – Register of Trustees and conflicts

| Name of Trustee       | Date of Appointment            |
|-----------------------|--------------------------------|
| Ian Baxter (Chairman) | 14 <sup>th</sup> December 2015 |
| Maria Draicchio       | 1 <sup>st</sup> June 2009      |
| Sam Ash               | 22 <sup>nd</sup> March 2017    |

### Register of Conflicts

| Date identified                 | Name of trustee       | Details of conflict   | Trustee type       | How notified                                       | Action taken | Follow up required | Date resolved |
|---------------------------------|-----------------------|---|--------------------|--|--------------|--------------------|---------------|
| 17 <sup>th</sup> December 2015  | Ian Baxter (Chairman) | <ul style="list-style-type: none"> <li>Plan member</li> <li>Company employee</li> </ul>   | Member nominated   | Verbally at trustee meeting following appointment  | Noted        | -                  | -             |
| 16 <sup>th</sup> September 2015 | Maria Draicchio       | <ul style="list-style-type: none"> <li>Plan member</li> <li>Company HR Manager</li> </ul> | Company nominated  | Verbally, at trustee meeting following appointment | Noted        | -                  | -             |
| 14 <sup>th</sup> March 2022     | Stephen Plant         | <ul style="list-style-type: none"> <li>Plan member</li> <li>Company employee</li> </ul>   | Company nominated. | Verbally, at trustee meeting following appointment | Noted        | -                  | -             |



## Appendix 2 – Register of conflicts – retired trustees

| Date identified             | Name of trustee | Details of conflict  | Trustee Type      | How notified                                       | Action taken | Follow up required | Date resolved | Date resigned   |
|-----------------------------|-----------------|--|-------------------|--|--------------|--------------------|---------------|-----------------|
| 15 September 2009           | Ian Jones       | <ul style="list-style-type: none"> <li>Director of ROSL and RWSL, RWTL</li> <li>Plan Member</li> </ul> | Company nominated | Verbally at trustee meeting                        | Noted*       | -                  | -             | 22 March 2017   |
| 1 <sup>st</sup> April 2008  | Melvyn Mawer    | <ul style="list-style-type: none"> <li>Plan member</li> <li>Company employee</li> </ul>                | Member nominated  | Verbally, at trustee meeting following appointment | Noted        | -                  | -             | 26 October 2015 |
| June 1996                   | Richard Wroot   | <ul style="list-style-type: none"> <li>Plan member</li> <li>Company employee</li> </ul>                | Company nominated | Verbally, at trustee meeting following appointment | Noted        | -                  | -             | -               |
| 20 <sup>th</sup> March 2017 | Sam Ash         | <ul style="list-style-type: none"> <li>Plan member</li> <li>Company employee</li> </ul>                | Company nominated | Verbally, at trustee meeting following appointment | Noted        | -                  | -             |                 |

\* In addition, the Weatherford Group formally resolved to authorise Ian Jones to act as both a Group Director and a Trustee under Section 175 of the Companies Act 2006

### Appendix 3 - Register of Trustee's advisers

| <b>Name of adviser</b>     | <b>Details of Appointment</b>           | <b>Date appointed</b> | <b>Date appointment ceased</b> |
|----------------------------|---|-----------------------|--------------------------------|
| PriceWaterhouseCoopers LLP | Scheme auditors                         | 20 January 1998       | -                              |
| Mercer Limited             | Scheme advisers & benefits consultants* | 1 March 2007          | -                              |
| Shoosmiths LLP             | Legal advisers to the Trustees          | 1994                  | -                              |
| Standard Life              | Scheme administrators                   | 1994                  | -                              |
|                            |   |                       |                                |

\* Mercer provide their Conflict Of Interest Protocol to the Trustees