



The Board of the Pension Protection Fund

**Statement of Operating Principles
&
Delegation of the Board's Powers**

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Defined terms and interpretation

Capitalised defined terms used in this document will have the following meanings:

2004 Act	the <i>Pensions Act 2004 (c. 35)</i>
2008 Act	the <i>Pensions Act 2008 (c. 30)</i>
2011 Act	the <i>Pensions Act 2011 (c. 19)</i>
Administration Levy	the 'administration levy' provided for under s.117 of the 2004 Act
Board	the <i>Board of the Pension Protection Fund</i> , the statutory body corporate established under s.107 of the 2004 Act
Board Committees	has the meaning given in paragraph 6.4 of Part A (<i>Statement of Operating Principles</i>)
Cost Centre Manager	a member of Board staff approved as a Cost Centre Manager by an ExCo Member and notified to the Finance Team
ExCo Direct Report	a member of Board staff performing a management role who is directly line-managed by an ExCo Member
ExCo Member	any member of the Board's Executive Committee
Executive Board Member	an member of Board staff who is also appointed as an ordinary member of the Board in accordance with Schedule 5 to the 2004 Act, including the Chief Executive
FAS	the <i>Financial Assistance Scheme</i> provided for under s.286 of the 2004 Act and established under the FAS Regs
FAS Regs	the <i>Financial Assistance Scheme Regulations 2005</i>
FCF	the <i>Fraud Compensation Fund</i> , the statutory fund referred to in s.110(1)(b) of the 2004 Act
Framework Document	The <i>Framework Document</i> agreed by the Board and the <i>Department for Work and Pensions</i> , as applicable from time to time
Fraud Compensation Levy	the 'fraud compensation levy' provided for under s.189 of the 2004 Act
Initial Levy	the 'initial levy' provided for under s.174 of the 2004 Act

Managing Public Money	the <i>Managing Public Money</i> guidance published by <i>HM Treasury</i> , as applicable from time to time
Pension Protection Levies	the 'risk-based pension protection levy' and 'scheme-based pension protection levy' provided for under s.175 of the 2004 Act
PPF	the <i>Pension Protection Fund</i> , the statutory fund referred to in s.110(1)(a) of the 2004 Act

Part A: Statement of Operating Principles

1. Introduction

- 1.1. The Board is a body corporate established under s.107 of the 2004 Act. The Board's primary functions are set out in the 2004 Act and the 2008 Act and in regulations made under those laws.
- 1.2. This **Statement of Operating Principles** sets out the way in which the Board will discharge its functions.
- 1.3. Where the Board has elected to delegate its functions to its committees, sub-committees, executive members or staff, those delegations are set out in Part B (*Delegation of the Board's Powers*). Part B also sets out the powers and responsibilities that the Board has reserved to itself.

2. Membership of the Board

- 2.1. The composition of the Board is governed by Schedule 5 of the 2004 Act.
- 2.2. The members of the Board comprise the Chair, the Chief Executive and at least five ordinary members, of whom at least two must be appointed from the Board's staff. The Chair must not be a member of Board staff.
- 2.3. The Chief Executive and the members appointed from the Board's staff are 'executive members'. The other members are 'non-executive members'. The majority of the members must be non-executive members.

3. Meetings

- 3.1. The members will meet as frequently as is needed to discharge the functions of the Board, normally six or seven times each year.
- 3.2. The dates, times and locations of meetings will be determined by the Chair and notified to the members. If the Chair does not give notice of meetings, the Chief Executive may do so instead.
- 3.3. Members may take part in a meeting by means of a conference telephone or other communication equipment that allows all participants in the meeting to speak to and hear each other. A person participating in a meeting in this way will be treated as being present at the meeting and is entitled to vote and be counted in the quorum. Such a meeting will be treated as taking place where most of the participants are or, if there is no such place, at the place where the Chair is.

4. Decision-making

- 4.1. A minimum of four members, the majority of whom must be non-executive members are required for a meeting to be quorate. This number does not include any non-voting executive members (see 4.2 below) or members who have withdrawn (see 5.4 below).
- 4.2. If, at any time, there is not a majority of non-executive members, one or more executive members may be declared non-voting for the purposes of that meeting (or specific matter

within the meeting) so there is a majority of non-executive members who may vote on a particular matter. A non-voting executive member is entitled to remain at the meeting and speak on any matter under discussion, but may not vote.

- 4.3. Decisions shall be taken by a majority of those members who are present and voting on the relevant matter. The Chair shall have the casting vote in the event that a vote is tied. Any member may require the Board Secretary to record their specific vote in the record of the meeting.

5. Attendance at meetings

- 5.1. All members (other than in the circumstances described in 4.1 or 5.4 shall be entitled to attend, speak and vote on any matter at all meetings.
- 5.2. The Chair may invite other people to attend meetings, either for the duration of the meeting or particular items of business. Such attendees may speak on any matter but are not entitled to vote.
- 5.3. The Chair will preside at each meeting. In the Chair's absence a non-executive member will be elected at the meeting to preside in the Chair's place.
- 5.4. If a member has a personal interest in any subject matter under discussion at a meeting, they must disclose their interest before the matter is considered or as soon as their interest becomes apparent. If required to do so by the Chair, the member shall then withdraw from the meeting.
- 5.5. If a member has an interest that a member of the public, informed of the facts, might reasonably conclude would reasonably affect the member's perception of the public interest, then that member must:
- (a) withdraw from the meeting during consideration of that matter;
 - (b) not vote on the matter; and
 - (c) not seek to affect the determination of the matter.
- 5.6. Any member who has withdrawn from a meeting shall not be counted in the quorum present in that meeting for the relevant matter.
- 5.7. No determination of any matter shall be liable to be avoided on the ground of a personal interest which has not been disclosed.

6. Committees and Sub-Committees

- 6.1. The Board is required to establish a *Non-Executive Committee* and a *Reconsideration Committee*, and may establish such additional committees as it considers appropriate for the discharge of its functions.
- 6.2. Any Board committee (other than the *Reconsideration Committee* and *Decision Committee*) may establish such sub-committees as it considers appropriate for the discharge of its functions.

- 6.3. At the date of this Statement:

- (a) the Board has established:

- (i) an *Investment Committee*;
- (ii) a *Reconsideration Committee*;
- (iii) a *Decision Committee*;
- (iv) a *Nomination Committee*; and
- (v) a *Non-Executive Committee*; and

- (b) The *Non-Executive Committee* has established two sub-committees:

- (i) a *Risk and Audit Committee*; and
- (ii) a *Remuneration Committee*,

together, referred to as the “**Board Committees**”.

- 6.4. The Board will determine the terms of reference (including requirements as to procedure and quorum) for any Board Committee, except where a committee discharges the non-executive functions listed under s.112 of the 2004 Act, in which case the terms of reference will be determined by the *Non-Executive Committee*. Paragraph 3.3 above (meetings by telephone etc.) shall in any case apply to all meetings of all Board Committees in the same way it applies to meetings of the Board’s members.

7. The power to delegate

- 7.1. The 2004 Act specifically grants certain functions to the *Reconsideration Committee* and the *Non-Executive Committee*. The *Non-Executive Committee* may authorise any sub-committee which it establishes to discharge any of its functions on the committee’s behalf.
- 7.2. The Board may arrange for the exercise of any of its functions (other than those specifically granted to the *Reconsideration Committee* and *Non-Executive Committee*) to be undertaken on its behalf by:

- (a) a committee (other than the *Reconsideration Committee* or *Non-Executive Committee*);

- (b) a sub-committee;
 - (c) any Executive Board Member; or
 - (d) any member of the Board's staff, which, by virtue of paragraph 11 of Schedule 5 to the 2004 Act, includes government secondees.
- 7.3. Where the Board has authorised the *Investment Committee* to exercise any functions on its behalf, the Board also hereby authorises:
- (a) any sub-committee of the *Investment Committee* to exercise on the Board's behalf such of those functions as the *Investment Committee* may assign to that sub-committee; and
 - (b) each of the executive members, and all members of staff, to exercise on the Board's behalf such functions as the *Investment Committee* or its sub-committees assign to them.
- 7.4. The Board's intention is that (unless otherwise stated) functions delegated to executive members shall be performed by such members of Board staff as may be required to discharge those functions in the normal course of their duties. Accordingly, the Board authorises the discharge of functions expressed to be delegated to executive members by any members of staff to whom those functions may be assigned, whether directly by or under the authority of the appropriate executive member.
- 7.5. The Board may also arrange for a limited range of its functions to be exercised on its behalf by a member or staff or by a third party on the Board's behalf, as provided for in paragraph 18 to Schedule 5 of the 2004 Act (as amended by s.123 of the 2008 Act).

Part B:

Delegation of the Board's powers

1. Principles for delegation

- 1.1. These delegations supplement the rules set out in the 2004 Act, 2008 Act and regulations about how the Board undertakes its functions. They are not intended to override those rules and, in the event of any conflict, it is the rules contained in the legislation that take precedence.
- 1.2. While the Board remains responsible for the determination of its strategic direction and for securing the proper and effective discharge of its functions, it has determined that the most appropriate way to discharge most of those functions is to delegate them to committees, sub-committees, executive members and Board staff.
- 1.3. The Board has also determined that it is appropriate for the identity of members of staff authorised to perform functions stated to be delegated to the Chief Executive under the list of current delegations in paragraph 4 (*Delegations*) below to be determined by senior managers responsible under the authority of the Chief Executive for the effective discharge of those functions.
- 1.4. The current delegations made by the Board are set out in paragraph 4 (*Delegations*) below. The Board will regularly review these delegations and may amend them from time-to-time. The chair of the relevant delegating committee or sub-committee, or the Chief Executive for executive matters, is responsible for maintaining an up-to-date list of such delegations.
- 1.5. All delegated powers are to be exercised within the policies, procedures and budget approved by the Board. Only the Board may change such policies, procedures and budgets.
- 1.6. Where a delegated matter falls to be decided upon by a committee, sub-committee, executive member or member of Board staff, the decision-taker must consider whether their proposed decision on the matter:
 - (a) is contrary to, or not wholly in accordance with, any policy, procedure or budget approved by the Board; or
 - (b) raises any new issue of policy which it is appropriate for the Board to determine, andin either case the decision-taker will refer the matter to the delegator, who will report the matter for determination by the Board.
- 1.7. When considering any delegated matter which falls to be decided by a committee, sub-committee, executive member or member of Board staff, the decision-taker may at any stage decide that it is more appropriate for the matter to be determined at a higher level (for example where the matter might be controversial or relates to public interest factors). In such cases the decision maker will refer the matter to the appropriate higher level for decision.
- 1.8. Where a matter is delegated, whether directly by the Board or indirectly by a committee, sub-committee or executive member, the delegator may at any time before the delegatee has taken their decision, notify the delegatee that the delegation has been withdrawn and

that the decision is now to be taken by the delegator. A decision shall be deemed to have been taken by a delegatee when it is first recorded in writing.

- 1.9. The appropriate executive member will report to the Board on the principles by which authority is assigned to members of staff under 1.3 above by that executive member.
- 1.10. The Chief Executive is responsible for maintaining a record of any decisions by members of staff in relation to executive matters.

2. Reporting and recording of delegated decisions

- 2.1. The chair of each committee (or, in their absence, a member of the committee) shall report the record of decisions of the committee to a meeting of the Board's members.
- 2.2. The chair of each sub-committee (or, in their absence, a member of the sub-committee) shall report the record of decisions of the sub-committee to the parent committee.
- 2.3. The Chair, or a chair of a committee or sub-committee (or, in their absence, a member of the committee or sub-committee) shall be responsible for maintaining a record of any decisions of a Board meeting, committee or sub-committee.
- 2.4. Where the chair of a committee or sub-committee, or the Chief Executive, considers that a decision which has been taken will be of interest to the members of the Board, or of a committee or sub-committee, they shall be responsible for ensuring that the decision is notified to the members of the Board, or to the members of the relevant committee or sub-committee. The notification may be by means of a formal written report or another appropriate communication in writing.

3. Matters which are the direct responsibility of the Board

- 3.1. The Board is directly responsible for certain matters, including the appointment of Board members, the establishment of Board Committees and the appointment of members of those committees. Details of the Board's Reserved Matters are set out in section 5 (*Matters Reserved to the Board*) below.
- 3.2. The members of the Board will also approve the Strategic Framework within which the Board will operate. Delegated and/or authorised decision makers may implement further operational policies to support the day-to-day implementation of the Strategic Framework.

4. Delegation of functions under amended or supplementary legislation

Where the Board has delegated a matter and legislation is introduced that supplements or varies the legislation governing that matter, then the committee, sub-committee, executive member or member of Board staff to whom the original delegation was granted will also be entitled to exercise any amended functions or powers relating to the delegated matter and any new supplementary powers or functions connected to it.

5. Matters reserved to the Board

STRATEGY

Setting priorities for the organisation

Area	On the recommendation of	Notes
Approving the strategic direction of the organisation (including ratification of the Strategic Plan and the Business Plan), which will include high level communications, HR and ESG strategy	Executive to draft strategy with input from Board Members	
Approving the funding strategy of the organisation	Executive	
Approving the risk appetite of the organisation	Executive	

GOVERNANCE

Defining and monitoring the organisation's responsibilities and performance

Area	On the recommendation of	Notes
Scrutinising the performance of the organisation against the objectives set by the Board	N/A	

Area	On the recommendation of	Notes
Approving operating budgets and plans for recommendation to the Secretary of State	Executive	
Responding to the Secretary of State's consultation on Grants, Administration Levy and Fees	<i>Department for Work and Pensions</i>	
Approval of any proposed extension of the organisation's remit	Government/Executive	The Board must ensure that no decision is ultra vires.
Approving the <i>Annual Report & Accounts</i> for submission to the Secretary of State	<i>Risk & Audit Committee</i>	
Ratification of any major capital contracts	Executive	
Board succession planning	<i>Non-Executive Committee</i>	The Secretary of State is responsible for appointing the Chair of the Board
Changes to the structure of the Board	<i>Non-executive Committee</i> and/or Executive	

Area	On the recommendation of	Notes
Appointments to the Board	<i>Nomination Committee</i>	<p>Appointments of “ordinary” members and the Chief Executive are made by the Board. The Chair is responsible for determining the terms and conditions of Non-Executive Members at appointment subject to the approval of the Secretary of State; who determines the remuneration of Non-Executive Members.</p> <p>The Non-Executive Committee (or a sub-committee of this committee) is responsible for determining the terms and conditions for the Chief Executive in relation to remuneration subject to the approval of the Secretary of State. The Secretary of State determines other terms and conditions for the Chief Executive. The <i>Non-Executive Committee</i> (or a sub-committee of this committee) and the Chief Executive are responsible for setting the terms and conditions of other Executive Board Members subject to the approval of the Secretary of State.</p> <p>The Secretary of State has the right to appoint “ordinary” members if there are fewer than five in post.</p>
Appointment of the Senior Independent Director	Chair	
Appointment of Board Committee Chairs/ Committee Membership	Chair	

Area	On the recommendation of	Notes
Approval of the terms of reference of Committees of the Board	Currently: <ul style="list-style-type: none"> ▪ <i>Investment Committee</i> ▪ <i>Decision Committee</i> ▪ <i>Reconsideration Committee</i> ▪ <i>Nomination Committee</i> 	
Annual Board performance evaluation	Chair/ Chief Executive	
Approving any changes to corporate governance arrangements for the Board and its Committees	<i>Non-Executive Committee</i>	
<i>Statement of Operating Principles and Schedule of Delegations</i>	Executive	
Determining the <i>Matters Reserved to the Board</i>	Chair/Chief Executive	

APPROVAL OF HIGH-LEVEL DECISIONS

Taking key decisions for the organisation

The table below is non-exhaustive, setting out examples of types of high-level decisions taken by the Board.

Area	On the recommendation of	Notes
<i>Statement of Investment Principles</i> (Where material changes are proposed)	<i>Investment Committee</i>	Non-material changes may be approved by the <i>Investment Committee</i> , subject to the <i>Investment Committee</i> referring the <i>Statement of Investment Principles</i> to the Board every three years if no material changes have been accepted during that period;
Approving the levy quantum annually, including approval of the principles for making the Levy Determination	Executive	The Chief Executive has delegated authority to make the final Determination (see section 6.7 (<i>Levies</i>) below)
Approving any decision to vary rates of indexation and revaluation for compensation payments	Executive	

6. Delegations

ESTABLISHMENT

Chapter 1, 2004 Act

6.1. Establishment and general provisions about functions

Legislative provisions	Delegatee	Delegated power	Exceptions
Ss.107-111, 2004 Act	Chief Executive	General power to do anything which, in their opinion, is calculated to facilitate the exercise of the Board's functions or which is incidental or conducive to their exercise.	Any functions reserved to the Board or specifically delegated to a committee or sub-committee.
	Chief Executive	Power to commence, join, pursue, defend, settle or otherwise participate in legal proceedings on the Board's behalf where they are of the opinion that it is appropriate to do so in order to protect the Board's interests or to secure the effective discharge of its functions.	
Para. 13(1), Sched. 5, 2004 Act	Chief Executive	Power to appoint employees of the Board.	
Paras. 18/19, Sched. 5, 2004 Act	Chief Executive	<p>Power to make arrangements for the exercise of the functions contained in paragraph 18 of Schedule 5 to the 2004 Act and the delegation of review functions under paragraph 19 of Schedule 5 to the 2004 Act (as amended by s.123 of the 2008 Act).</p> <p>The arrangements that the Chief Executive approves may provide that any person, not necessarily being a member of staff, may exercise these functions.</p>	

Legislative provisions	Delegatee	Delegated power	Exceptions
Para. 20, Sched. 5, 2004 Act	Executive member of the Board OR Member of the Executive Committee	General power to authenticate the fixing of the common seal of the Board.	No other member of Board staff (or other person) may be authorised to exercise this function under paragraph 1.3.

6.2. Non-executive functions

Legislative provisions	Delegatee	Delegated power	Exceptions
S.112, 2004 Act	Non-Executive Committee	All non-executive functions under s.112	

6.3. Financial matters

Legislative provisions	Delegatee	Delegated power	Exceptions
S.113(1)-(3), 2004 Act	Investment Committee	Exercise of Board's investment powers in relation to matters identified as responsibilities of the committee in the Statement of Investment Principles and the Investment Committee Terms of Reference	

Legislative provisions	Delegatee	Delegated power	Exceptions
	Chief Executive	Exercise of Board's investment powers for any other purposes within framework set in Statement of Investment Principles and decisions made by Board and <i>Investment Committee</i>	Functions reserved to Investment Committee and ALCo in Statement of Investment Principles
S.113(4)-(6), 2004 Act	Investment Committee	Functions relating to the framework and processes for the appointment of fund managers identified in the Statement of Investment Principles and the Investment Committee Terms of Reference	
	Chief Executive	All other functions relating to appointment of fund managers	Functions reserved to Investment Committee and ALCo in Statement of Investment Principles
S.114, 2004 Act	Investment Committee	Preparation and recommendation of Statements of Investment Principles and approval on non-material changes.	Approval of material changes reserved to the Board. Statement of Investment Principles must be referred to the Board every three years if no material changes have been made during that period. Board responsible for approval of first Statement of Investment Principles.
S.115, s.115A, 2004 Act	Chief Executive	Borrowing powers	

Legislative provisions	Delegatee	Delegated power	Exceptions
Ss.116-118, 2004 Act	Chief Executive	Powers relating to grants, Administration Levy and fees	Board will respond to the Secretary of State's consultation

6.4. Annual reports to the Secretary of State

Legislative provisions	Delegatee	Delegated power	Exceptions
S.119, 2004 Act	Non-Executive Committee	All functions under this section	

INFORMATION RELATING TO EMPLOYERS' INSOLVENCY

Chapter 2, 2004 Act

6.5. Information relating to employers' insolvency

Legislative provisions	Delegatee	Delegated power	Exceptions
Ss.120-125, 2004 Act	Chief Executive	All functions under these sections	

PENSION PROTECTION

Chapter 3, 2004 Act

6.6. Eligible schemes and valuation

Legislative provisions	Delegatee	Delegated power	Exceptions
Ss.126-173, 2004 Act	Chief Executive	<p>All functions under these sections</p> <p>Includes:</p> <ul style="list-style-type: none"> - Changes to Schedule 7 of the 2004 Act set out in ss.101 and 122, and Schedules 2 and 8, of the 2008 Act; - Changes to s.173 of the 2004 Act set out in s.123 of the 2008 Act; - Changes to the 2004 Act set out in s.22 and Schedule 4 of the 2011 Act; and - Changes to Schedule 7 of the 2004 Act set out in s.50 and Schedule 20 of the 2014 Act. 	<p>(a) Delegation is subject to the general principles set by the Board within which the Chief Executive is to act.</p> <p>(b) Certain schemes may be nominated by the Board for closer scrutiny. For these nominated schemes the Chief Executive is responsible for securing the undertaking of all preparatory work required for presentation of a report to a Board meeting or appropriate committee for final decision.</p> <p>(c) The Chief Executive is to recommend any variance to indexation and revaluation rates for final approval by the Board.</p>

6.7. Levies

Legislative provisions	Delegatee	Delegated power	Exceptions
S.174, 2004 Act	Chief Executive	Functions under this section relating to the Initial Levy	
Ss.175-181, 2004 Act	Chief Executive	<p>Chief Executive is instructed to undertake all preparatory work, including the maintenance of up-to-date scheme data and to prepare a report recommending the principles upon which the statutory determinations are to be made for approval by the Board.</p> <p>Subject to the Board's approval of those principles, the Chief Executive shall approve the final form of the statutory determination for publication on or before 31 March preceding the levy year to which it relates.</p>	Board to approve principles for making the statutory determination under s.175 of the 2004 Act.

FRAUD COMPENSATIONChapter 4, 2004 Act6.8. Fraud compensation

Legislative provisions	Delegatee	Delegated power	Exceptions
Ss.182-187 & 189 2004 Act	Chief Executive	Functions under these sections relating to the FCF	
S.188, 2004 Act	Investment Committee	Functions under this section relating to the FCF	

GATHERING INFORMATION

Chapter 5, 2004 Act

6.9. Gathering, use, disclosure of information and the publication of reports

Legislative provisions	Delegatee	Delegated power	Exceptions
Ss.190-205, 2004 Act	Chief Executive	All functions in these sections.	Only an executive member of the Board may be authorised to exercise the power to appoint a person for the purposes of s.194(7) (<i>Warrants</i>).

REVIEWS, APPEALS AND MALADMINISTRATION

Chapter 6, 2004 Act

6.10. Reviews, appeals and maladministration

Legislative provisions	Delegatee	Delegated power	Exceptions
Ss. 206-218, 2004 Act	Chief Executive	All functions in these sections	The specified exceptions below

Legislative provisions	Delegatee	Delegated power	Exceptions
	Decision Committee OR Executive member of the Board	Where an original decision on a reviewable matter has been taken by an executive member of the Board, the first stage review shall be undertaken by an executive member or the Decision Committee.	
	Decision Committee OR Committee/sub-committee	Where an original decision on a reviewable matter has been taken by a committee or a sub-committee, the first stage review shall be undertaken by the committee or sub-committee, or the Decision Committee.	
	Decision Committee	Decisions which the Chief Executive considers to be of strategic importance.	
	Decision Committee OR Executive member of the Board	Where a complaint of maladministration has been made in respect of the actions of an Executive Board Member (including the Chief Executive), the investigation and decision shall be undertaken by an executive member or the Decision Committee.	The Executive Board Member concerned in the matter which is the subject of the complaint must not be involved in the investigation or decision in respect of the complaint.

Legislative provisions	Delegatee	Delegated power	Exceptions
	Decision Committee	Where a complaint of maladministration has been made in respect of the actions of a committee or sub-committee, the investigation and decision shall be undertaken by the Decision Committee.	The Decision Committee must not include any member of the committee or sub-committee concerned with the complaint when considering the matter.
Ss. 207(1)(b) and 208(3)(b)	Reconsideration Committee	The functions under these sections are granted to the Reconsideration Committee directly by the 2004 Act.	

MISCELLANEOUS

Chapter 7, 2004 Act

6.11. Pension sharing

Legislative provisions	Delegatee	Delegated power	Exceptions
S.220, 2004 Act	Chief Executive	All functions relating to pension sharing under this section and associated regulations	

6.12. Financial Assistance Scheme

The *Financial Assistance Scheme (Miscellaneous Amendments) Regulations 2009*, brought into force on 10 July 2009, conferred on the Board the function of scheme manager to the Financial Assistance Scheme ("**FAS**").

Legislative provisions	Delegatee	Delegated power	Exceptions
S.286, 2004 Act	Chief Executive	Functions under this section, as amended by s.124 of the 2008 Act.	To the extent that provisions under section 286 apply (with or without modification) provisions of Part 2 of the Act delegated or reserved elsewhere in this Schedule, those delegations/reservations shall apply equally for the purposes of FAS.

PENSION COMPENSATION ON DIVORCE ETC.

Chapter 1, 2008 Act

6.13. Pension compensation sharing

Legislative provisions	Delegatee	Delegated power	Exceptions
Ss.107-120, 2008 Act	Chief Executive	Functions under these sections that relate to the Board, including changes to Schedule 5 of the 2008 Act set out in s.22 and Schedule 4 of the 2011 Act.	

OTHER PROVISION ABOUT PENSION COMPENSATION

Chapter 2, 2008 Act

6.14. Charges in respect of pension sharing etc.

Legislative provisions	Delegatee	Delegated power	Exceptions
S.121, 2008 Act	Chief Executive	Functions under this section (in addition to functions under s.168 of the 2004 Act relating to administration of compensation)	

6.15. Interest on late payments of levies

Legislative provisions	Delegatee	Delegated power	Exceptions
S.129 and Schedule 10, 2008 Act	Chief Executive	All functions relating to charging of interest on late payment of levies	

OTHER LEGISLATION

6.16. Other matters not delegated above

Legislative provisions	Delegatee	Delegated power	Exceptions
Pensions Act 2011 (Transitional and Consequential Provisions) Regulations 2014	Chief Executive	All functions relating to the Board under this legislation	
Pensions Act 2014	Chief Executive	All functions relating to the Board under this legislation	
General Data Protection Regulation	Data Protection Officer	Discharge of the functions associated with the role of Data Protection Officer under the regulation	
2004 Act	Chief Executive	All functions arising under the 2004 Act not specifically named in this section 4 or otherwise reserved to the Board that relate to or are exercisable on behalf of the Board.	
2008 Act	Chief Executive	All functions arising under the 2008 Act not specifically named in this section 4 or otherwise reserved to the Board that relate to or are exercisable on behalf of the Board.	
Any other legislation	Chief Executive	All functions arising under primary and subordinate legislation not specifically named in this section 4 that relate to or are exercisable on behalf of the Board.	

OTHER FUNCTIONS

Board's Risk Functions

Delegatee	Delegated power	Exceptions
Risk & Audit Committee	Review and approval of Risk Mandate	
Risk & Audit Committee	Review and approval of Compliance & Ethics Mandate	
Risk & Audit Committee	Recommendation of appointment or removal of Chief Risk Officer	
Chief Risk Officer	Responsibility for designing, implementing and supporting a risk management framework for the Board and for providing independent risk oversight	Subject to Risk Mandate approved by the Risk & Audit Committee
Chief Risk Officer	Access to all information, premises and personnel relevant to carrying out the risk management and oversight functions delegated to the Risk Directorate	
Chief Risk Officer	Authority to follow up on all actions taken by management in response to identified issues and related recommendations irrespective of how the issues were first identified	
Chief Risk Officer	Authority to escalate concerns to the Chief Executive and/or the Risk & Audit Committee including, when required, to do so on a private basis	

DIRECT REPORTING LINES TO BOARD AND BOARD COMMITTEES

Reporting role	Reporting to	Subject of reports
Director of Legal, Compliance and Ethics	Risk & Audit Committee AND The Board	Adequacy of, and compliance with, policies and procedures in place to mitigate compliance, financial crime and money laundering risks and actions taken to meet compliance obligations.
Head of Internal Audit	Risk & Audit Committee	Functional direct reporting line to Chair of the Risk & Audit Committee Delivery of annual audit opinion to Risk & Audit Committee on the overall adequacy and effectiveness of PPF's framework of governance, risk management and control.

Version information

Part A: Statement of Operating Principles

No.	Date	Version information
1.0	1 April 2020	Continuation from V16 of previous <i>Statement of Operating Principles and Scheme of Delegations</i> document
2.0	15 September 2021	Insertion of reference to Board's Reserved Matters

Part B: Scheme of Delegations

No.	Date	Version information
1.0	1 April 2020	Continuation from V16 of previous <i>Statement of Operating Principles and Scheme of Delegations</i> document
2.0	15 September 2021	Insertion of Board's Reserved Matters, FCF borrowing powers, general delegations for new/revised legislation