

OUTSOURCING POLICY



Outsourcing Policy

Introduction:

The National Federation of Voluntary Service Providers' Pension & Life Assurance Scheme (PB number 67866) (the "Scheme") is an occupational pension scheme established under the laws of the Republic of Ireland and regulated by the Pensions Authority.

The Trustees have approved the following outsourcing policy as part of the Scheme's overall governance and in compliance with the Pensions Authority Codes of Practice (Chapter 1).

Objectives and Policies:

The Trustees will outsource a number of activities and appoint service providers and advisors to assist them in the discharge of their duties. Where a service provider or advisor is appointed, the terms of the arrangement will be documented in a written contract which is legally enforceable.

The service providers and advisors will include:

- (a) The Registered Administrator
- (b) The Investment Manager
- (c) The Broker / Administrator of the death in service policy (the appointed entity will then identify the most competitive / suitable insurance company to underwrite the life cover)
- (d) Key Function Holders for (1) Risk management and (2) Internal Audit
- (e) External Auditor
- (f) Legal Advisors

Professional Trustee:

The Trustees consider that the Professional Trustee role warrants separate treatment, and the role will not be subject to the review process as outlined below.

It is acknowledged that James Skehan, in his role as Professional Trustee, which includes providing key support to the work of the Pension Scheme Manager, has a unique level of experience and expertise that would be extremely difficult to replicate. James also has a long service history and involvement in the Scheme.

The Trustees have entered into a contractual agreement with the Professional Trustee which details the service to be provided and which will operate on a rolling three-year basis.

The Professional Trustee's performance will be subject to annual review by the other Trustees and if the performance is considered to be unacceptable then a replacement Professional Trustee and support for the

Pension Scheme Manager will be sought. As a further protection for the Scheme, and to ensure continuity of the Professional Trustee role, the agreement requires a 12-month notice period from either party.

E-Tenders Advisor:

The Trustees have agreed to engage the services of Mr. Gavan McGirr, Managing Director, Purchasing Solutions, to assist them in their compliance requirements in respect of any tender competition required to be processed via the e-tenders website. Mr. McGirr's fees are relatively inexpensive and his expertise and prompt engagement in the Scheme is crucial for ensuring all requirements of tendering are adhered to in a compliant and timely fashion.

Contract Terms:

Each written agreement will include:

- (a) The commencement and end dates of the agreement.
- (b) A detailed description of the obligations of service providers/advisors including, where relevant, deadlines that must be met.
- (c) A description of the obligations of the Trustees.
- (d) Details of the information to be provided to the Trustees and when the information is to be provided.
- (e) Where required, details of submitting reports to the Pensions Authority.
- (f) Record keeping and procedures for data protection.
- (g) Details of any sub-contracting by service providers/advisors.
- (h) Business continuity arrangements.
- (i) Dispute handling.
- (j) Pricing and fees to be charged.
- (k) Review, termination and handover procedures.

Appointment of Service Providers and Advisors:

The process for selecting and appointing service providers or advisors will be determined by the Trustees, taking into account:

- (a) The particular activity or service.
- (b) The requirements set down by the Office of Government Procurement (e-tender). Where these requirements don't need to be followed the Trustees will normally seek three quotations / proposals. Each request will detail the information needed to be included in the proposal and will set out the criteria by which proposals will be assessed. Following the selection of a provider or advisor, the rationale for the appointment will be documented and recorded by the Trustees.

Term of Agreements:

The standard term for each appointment will be three years, with an option to extend the agreement for a further two years, if deemed appropriate.

In line with the Pensions Authority's Code of Practice, a critical review of the appointed Registered Administrator (RA) will be carried out every three years or sooner if the Trustees have concerns over the RAs performance. The Trustees note that the three-year review of the investment manager can be extended to

five years, if warranted. For both critical reviews the Trustee’s decision and underlying rationale will be documented.

Each agreement will include provision for the early termination of the service and the grounds for the decision.

Further detail on the selection, appointment and termination of agreements is detailed in related policies.

Approval and Next Review Date of this Outsourcing Policy:

This document was approved and came into effect as follows:

Document Control	
Approved By	Mr John McHugo Chair of the Trustees of The National Federation of Voluntary Service Providers’ Pension & Life Assurance Scheme
Date approved	25 th April, 2023
Next review date	25 th April, 2026
Previous versions	n/a



Signed: _____

**John McHugo,
Chairman.**

Date: 25th April, 2023