

# **INCAPACITY AND DEATH BENEFIT SUB-COMMITTEE**

## **Objectives**

- To operate in accordance with the Terms of Reference
  
- To ensure that the correct benefit is paid to the correct person as quickly as possible.

## **TERMS OF REFERENCE**

1. The Sub-Committee will comprise two trustee directors, the UK Pensions Manager and a Company representative, nominated by the UK People Director. Input will be sought from other areas such as the Company or third party advisers / administrators as deemed necessary. The Committee may take advice from external advisers as and when required. Guests may attend Committee meetings by invitation but they will not be included in the number necessary for a quorum and may not exercise voting rights. Any Trustee Director is entitled to attend a meeting of the Committee without invitation but will not be included in the number necessary for a quorum and may not exercise voting rights. The Trustee Board may change the composition of the Committee or amend the appropriate Terms of Reference at any time.
2. The Sub-Committee will make recommendations to the Trustee Board, or, as the Sub-Committee consider necessary, take relevant decisions for ratification at a subsequent board meeting
3. The Sub-Committee will meet regularly as deemed appropriate.
4. Any meeting will be quorate with two members, one of whom must be the AB InBev representative.
5. Any agenda will be published for the whole Trustee Board prior to any Sub-Committee meeting. The agenda and papers for any meeting must be issued at least 5 working days before the meeting.
6. The minutes of any Sub-Committee meeting will be attached as an item to the papers for the quarterly Trustee meetings. If requested to do so by the Trustee Board, a member of the Sub-Committee will give a presentation on its activities at the Trustee meeting. Minutes / action points must be prepared for any quarterly meeting / interim catch-up within 10 working days of the meeting.
7. Members of the Sub-Committee can communicate by e-mail and telephone in order to make decisions. Decisions can be made by a majority (i.e. by the agreement of two of the Sub-Committee members, one of whom must be the AB InBev UK Pensions Manager).
8. Each sub-committee will work within the boundaries as established through regulatory / legislative and compliance guidelines.
9. Each Sub-committee will be responsible for ensuring that all parties with whom they engage has appropriate disaster recovery / Business Continuity Programs in place which are regularly tested.
10. The Sub-Committee shall undertake an annual review of its objectives and terms of reference and will report back to every trustee meeting its progress against its annual objectives.
11. The Sub-Committee's delegated responsibilities include monitoring, making formal recommendations and some decision making as defined in this document. The Sub Committee is required to reference any business to the Trustee Board if a) In the Chair's

opinion a consensus cannot be reached in relation to any significant matter (e.g. member communication or IDRPCs) or a decision impacts on an area outside the remit of the Sub Committee. b) Concerns are expressed over the performance of an external adviser. c) Any changes are proposed to the Sub Committee's Terms of Reference.

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12. The Sub-Committee will review all appropriate entries in the risk register at least triennially and additionally will review individual risks in line with the risk register's agreed "Next Review Date" on a bi-annual basis.
13. The Sub-Committee's responsibilities are:
  - a. To maintain sufficient understanding of the operation of discretions process to properly carry out its duties;
  - b. To ensure that applications are dealt with in accordance with the Rules of the Plan and agreed policy from time to time
  - c. To ensure that applications are dealt with in a timely manner
  - d. To ensure that regular reviews are carried out
14. The Sub-Committee will make decisions on behalf of the Board and its decisions will be ratified at the next Board meeting.
15. The Sub-Committee has power to exercise the Board's discretion and make decisions in relation to:-
  - a. benefits arising on the death of a member; and
  - b. applications for incapacity pension.
16. Although it is desirable that decisions should be made without undue delay, no discretion will be exercised and no decision will be made until the members of the Sub-Committee are satisfied that it have sufficient information with which to make an informed decision. In particular:-
  - a. Any decisions will be taken in accordance with the Trustee's powers and duties under the Plan's trust documentation.
  - b. a decision in relation to an application for incapacity pension will only be taken after the receipt of medical advice from the plan's medical adviser and when the internal company People process has been followed in full;
  - c. a decision in relation to the disposal of death benefits will only be taken after reasonable enquiries have been made to identify matters such as:
    - i. whether the member was married or in a civil partnership and, if so, whether the member and his or her spouse or civil partner were living together when the member died;
    - ii. the children (if any) of the member including any adopted or illegitimate children and any other children regarded by the member as one of his or her family;
    - iii. which (if any) of those children were disabled or were financially dependent upon the member and the future arrangements which are being made for it;
    - iv. whether, if the member was not married (or was in a civil partnership) or was married but separated, the Member was living with anyone and, if so, the nature and duration of its relationship;
    - v. whether any other person was dependent upon the member;
    - vi. the member's parents and siblings;
    - vii. the date of any will of the member and the beneficiaries under it;
    - viii. the date of any expression of wish form completed by the member and the names of the person(s) nominated;

- ix. whether anything has happened since the expression of wish form was completed which might seriously call into question whether the nomination(s) made reflected the member's wishes when he or she died.
17. It is not intended that the enquiries should in the normal course be elaborate. The intention is to ensure so far as reasonably practicable that no one who ought to be considered is overlooked and that proper consideration is given to everyone who might be regarded as having a competing claim. Reasonable steps will be taken to check the veracity of any information provided.
18. In the event of a failure to reach a decision on a particular case or if, in the opinion of the sub-committee a case of particular significance, that case will be referred to the Board. The Sub-Committee may, as it sees fit, refer any particular case to the Board.
19. All Sub-committee decisions will be recorded at the next Board meeting. The Sub-Committee and Pensions Manager will, where appropriate, raise at the next Board meeting any issues of principle which arise in relation to the cases considered.

### **AB InBev UK Ltd Pension Plan**

#### **Delegated authority for payment of discretionary death benefits**

- All payments must be reported to the next Trustee's meeting, irrespective of size;
- Authority delegated to Pensions Manager where the following conditions are met:
  - The beneficiary is the spouse or civil partner of the member;
  - The beneficiary is the informant as stated on the death certificate;
  - The beneficiary was living at the same address as the member;
  - A notification of beneficiaries form shows spouse as beneficiary;
  - Cash benefit less than £50,000
- Authority delegated to Subcommittee where:
  - the above conditions are not met;
  - Prospects for dispute are judged to be low;
  - Cash benefit more than £50,000;
- Subcommittee to make recommendation to Trustee board where the cash benefit is more than £350,000 or where they judge that there is a possibility of a dispute.