

# PSC Freyssinet Limited Retirement Benefits Scheme

## Statement of Investment Principles

August 2020

# Preface

## **Scheme background**

This Statement of Investment Principles (the 'SIP') details the principles governing investment decisions for the PSC Freyssinet Limited Retirement Benefits Scheme (the 'Scheme').

The Scheme operates for the exclusive purpose of providing retirement and death benefits to eligible participants and beneficiaries, and provides benefits calculated on a defined benefit (DB) basis. The Scheme is closed to future accrual with effect from 31 December 2016.

## **Regulatory requirements and considerations**

Under the Pensions Act 1995 (the 'Act') and subsequent legislation, principally the Occupational Pension Schemes (Investment) Regulations 2005 (the 'Investment Regulations'), the Trustees must secure that a written statement of the principles governing investment decisions is prepared and maintained for the Scheme.

This SIP also reflects the Myners principles for institutional investment decision-making, which require trustee boards to act in a transparent and responsible manner.

The Trustees are responsible for all aspects of the operation of the Scheme including this SIP.

In agreeing their investment strategy, the Trustees have had regard to:

- The requirements of the Act concerning suitability and diversification of investments and the Trustees will consider those requirements on any review of this SIP or any change in the investment policy.
- The requirement of the Investment Regulations: in particular that assets held to cover the Scheme's technical provisions must also be invested in a manner appropriate to the nature and duration of the expected future retirement benefits payable under the Scheme.
- In respect of the additional voluntary contribution (AVC) arrangements provided on a money-purchase basis, the Trustees have taken into account the requirements and recommendations within the Pensions Regulator's code of practice 13: Governance and administration of occupational trust-based schemes providing money purchase benefits and regulatory guidance. Information on the Trustees' approach to investment matters within the AVC arrangements is included within this SIP.

## **Responsibilities and appointments**

Only persons or organisations with the necessary skills, information and resources are actively involved in taking investment decisions affecting the Scheme. The Trustees draw on the expertise of external persons and organisations including the investment consultant, investment managers and the Scheme Actuary. Full details are set out in this SIP.

## **Consultation**

In accordance with the Act, the Trustees have obtained and considered written advice from Buck Consultants (Administration & Investment) Limited (the investment consultant) prior to the preparation (or revision) of this SIP and have consulted Freyssinet Limited ('the Sponsoring Employer'). However, it should be noted that neither the Trustees (nor any investment manager to whom they have delegated any discretion to make decisions about investments) shall require the consent of the Sponsoring Employer to exercise any investment power.

**History and review**

The Trustees will review this SIP at least every three years and without delay after each significant change in investment policy, taking note of any changes in the Scheme's liabilities. Once agreed, and after consultation with the Sponsoring Employer, a copy of this SIP will be given to the Scheme Actuary and will be made available to Scheme members on request.

Previous versions of this SIP are dated:

SIP dated December 2019

SIP dated July 2017

# Contents

<b>Statement of Investment Principles .....</b>	<b>1</b>
Investment governance structure.....	1
Investment strategy and objectives.....	1
The Trustees' policy in relation to the kinds of investments to be held .....	2
The Trustees' policy in relation to the balance between different kinds of investments .....	3
The Trustees' policy in relation to the expected return on investments.....	3
The Trustees' policy in relation to the realisation of investments .....	3
The Trustees' policy in relation to financially material considerations .....	3
The Trustees' policy in relation to the extent to which non-financial matters are taken into account.....	3
Risk capacity and risk appetite .....	3
The Trustees' policy in relation to risks .....	4
Stewardship in relation to the Scheme's assets .....	4
The Trustees' policy in relation to engagement and monitoring (including peer to peer engagement) .....	5
The Trustees' policy in relation to voting rights .....	5
Investment management monitoring.....	5
The Trustees' policy in relation to their investment manager .....	5
Employer-related investments .....	7
Additional voluntary contributions (AVCs).....	7
<b>Appointments and responsibilities .....</b>	<b>8</b>
<b>Compliance.....</b>	<b>10</b>
<b>Appendix 1 – Strategic benchmark and objectives .....</b>	<b>11</b>
<b>Appendix 2 – Fees .....</b>	<b>13</b>

# Statement of Investment Principles

## Investment governance structure

All investment decisions are taken by the Trustee Board as a whole. The Trustees believe that collective responsibility is the appropriate structure, given the size of the board, except for specific projects when an investment sub-committee may be set up. The Trustees will undertake training where appropriate to ensure they have the necessary expertise to take the decisions required and to evaluate critically the advice received.

All investment decisions relating to the Scheme are under the control of the Trustee Board without constraint by the Sponsoring Employer. The Trustees will consult with the Sponsoring Employer when changing this SIP.

All day-to-day investment decisions are delegated to properly qualified and authorised investment managers of pension scheme portfolios. Investment management agreements and/or an insurance contract have been exchanged with the investment managers and are reviewed from time-to-time to ensure that the manner in which they make investments on behalf of the Trustee Board is suitable for the Scheme, and appropriately diversified.

## Investment strategy and objectives

The Scheme's investment strategy has been agreed by the Trustees having taken advice from the investment consultant in relation to the suitability of investments and the need to diversify and takes due account of the Scheme's liability profile along with the level of disclosed surplus or deficit.

The agreed investment strategy is based on an analysis of the Scheme's liability profile, the required investment return and the returns expected from the various asset classes over the long-term. Long-term returns from equities are expected to exceed the returns from bonds and cash, although returns and capital values may demonstrate higher volatility. The Trustees are prepared to accept this higher volatility in order to aim to achieve the overall investment objectives.

The Trustees' primary objectives are:

- To provide appropriate security for all beneficiaries.
- To achieve long-term growth sufficient to provide the benefits from the Scheme.
- To achieve an appropriate balance between risk and return with regards to the cost of the Scheme and the security of the benefits.

The Trustees have translated their objectives into a suitable strategic asset allocation benchmark for the Scheme, details of which are included in the appendices of this SIP.

In accordance with the Financial Services & Markets Act 2000, the Trustees are responsible for setting the general investment policy, but the responsibility for all day-to-day investment management decisions has been delegated to an investment manager authorised under the Act. Details are included in the appendices of this SIP.

The Trustees are responsible for reviewing both the Scheme's asset allocation and investment strategy as part of each actuarial valuation in consultation with the Scheme's investment consultant. The Trustees may also reconsider the asset allocation and the investment strategy outside the triennial valuation period where necessary.

The Trustees consider the Scheme's current strategic asset allocation to be consistent with the current financial position of the Scheme. This assessment will be updated with reference to the Technical Provisions set out in the Scheme's Statement of Funding Principles once the 1 January 2020 actuarial valuation has been completed. "Technical provisions" is the value of the Scheme's liabilities for funding purposes as at the latest available Scheme-specific actuarial valuation date, being 1 January 2017.

### **The Trustees' policy in relation to the kinds of investments to be held**

The Trustees have full regard to their investment powers as set out in Clause 4 of the Third Definitive Trust Deed dated 7 August 1997.

The Scheme may invest in quoted and unquoted securities of UK and overseas markets including:

- Equities.
- Fixed interest and index-linked bonds.
- Cash.
- Property.
- Private equity.
- Hedge funds and pooled investment vehicles considered appropriate for tax-exempt registered occupational pension schemes.

The Trustees have considered the attributes of the various asset classes (including derivative instruments), these attributes being:

- Security (or quality) of the investment.
- Yield (expected long-term return).
- Spread (or volatility) of returns.
- Term (or duration) of the investment.
- Exchange rate risk.
- Marketability/liquidity (i.e. the tradability on regulated markets).
- Taxation.

The Trustees consider all of the stated classes of investment to be suitable to the circumstances of the Scheme. The Scheme invests in pooled funds, other collective investment vehicles and cash. The Trustees have made the decision to invest the assets in pooled funds because:

- The Scheme is not large enough to justify direct investment on a cost-effective basis.
- Pooled funds allow the Trustees to invest in a wider range of assets, which serves to reduce risk.
- Pooled funds provide a more liquid form of investment than certain types of direct investment.

### **The Trustees' policy in relation to the balance between different kinds of investments**

The appointed investment manager will hold a diversified mix of investments in line with their agreed benchmark and within their discretion to diverge from the benchmark. Within each major market each manager will maintain a diversified portfolio of securities. Full details are set out in Appendix 1 of this SIP.

### **The Trustees' policy in relation to the expected return on investments**

The investment strategy is believed to be capable of exceeding, in the long run, the overall required rate of return assumed in the Scheme Actuary's published actuarial valuation report in order to reach / maintain a fully funded status under the agreed assumptions.

### **The Trustees' policy in relation to the realisation of investments**

In the event of an unexpected need to realise all or part of the assets of the portfolio, the Trustees require the investment manager to be able to realise the Scheme's investments in a reasonable timescale by reference to the market conditions existing at the time the disposal is required and subject to the best interests of the Scheme. The majority of the assets are not expected to take an undue time to liquidate.

### **The Trustees' policy in relation to financially material considerations**

The Trustees expect their investment manager, where appropriate, to have taken account of financially material considerations, including environmental, social and governance (ESG) factors as part of its investment analysis and decision-making process.

The Trustees review, from time to time, the investment manager's policies in respect of financially material considerations.

### **The Trustees' policy in relation to the extent to which non-financial matters are taken into account**

The Trustees' objective is that the financial interests of the Scheme members is their first priority when choosing investments. The Trustees will take members' preferences into account if they consider it appropriate to do so.

Non-financial matters may be taken into account if the Trustee has good reason to think that the members would share the concern; and that the decision does not involve a risk of significant detriment to members' financial interests.

## **Risk capacity and risk appetite**

The Trustees, after seeking appropriate investment advice, have selected a strategic asset allocation benchmark for the Scheme including control ranges for each asset class and or geographic region (see Appendix 1).

Subject to its respective benchmarks and guidelines (shown in Appendix 1) the investment manager is given full discretion over the choice of stocks and is expected to maintain diversified portfolios.

The Trustees are satisfied that the investments selected are consistent with their investment objectives, particularly in relation to diversification, risk, expected return and liquidity.

### **The Trustees' policy in relation to risks**

The Trustees considers the main risk to be that of the assets being insufficient to meet the Scheme's liabilities as they fall due. The Trustees have assessed the likelihood of undesirable financial outcomes arising in the future.

Investment policies are set with the aim of having sufficient and appropriate assets to cover the Scheme's Technical Provisions, and with the need to avoid undue contribution rate volatility.

In determining their investment strategy, the Trustees received advice from the investment consultant as to the likely range of funding levels for strategies with differing levels of investment risk relative to the Scheme's liability profile. Taking this into account, along with the expected returns underlying the most recent actuarial valuation, the strategy outlined in Appendix 1 of this SIP has been adopted.

Although the Trustees acknowledge that the main risk is that the Scheme will have insufficient assets to meet its liabilities, the Trustees recognise other contributory risks, including the following. Namely the risk:

- Associated with the differences in the sensitivity of asset and liability values to changes in financial and demographic factors.
- Of the Scheme having insufficient liquid assets to meet its immediate liabilities.
- Of the investment manager failing to achieve the required rate of return.
- Due to the lack of diversification of investments.
- Of failure of the Scheme's Sponsoring Employer to meet its obligations.

The Trustees manage and measure these risks on a regular basis via actuarial and Investment reviews, and in the setting of investment objectives and strategy.

The Trustees undertake monitoring of the investment manager's performance against their targets and objectives on a regular basis.

Each fund in which the Trustees invest has a stated performance objective against which investment performance will be measured. These are shown in Appendix 1. Within each asset class, the investment manager is expected to maintain a portfolio of securities (or funds), which ensures that the risk being accepted in each market is broadly diversified.

The divergence of the actual distribution of the investments from the benchmark weighting will be monitored by the Scheme's investment manager. Any deviation from the target asset allocation will be discussed periodically with the investment consultant.

### **Stewardship in relation to the Scheme's assets**

The Trustees have a fiduciary duty to consider their approach to the stewardship of the investments, to maximise financial returns for the benefit of members and beneficiaries over the long term. The Trustees can promote an investment's long term success through monitoring, engagement and/or voting, either directly or through their investment manager.



### **The Trustees' policy in relation to engagement and monitoring (including peer to peer engagement)**

The Trustees' policy is to delegate responsibility for engaging and monitoring investee companies to the investment manager and they expect the investment manager to use its discretion to maximise financial returns for members and others over the long term.

As all of the investments are held in pooled vehicles, the Trustees do not envisage being directly involved with peer to peer engagement in investee companies.

### **The Trustees' policy in relation to voting rights**

The Trustees' policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment manager and to encourage the manager to exercise those rights. The investment manager is expected to provide regular reports for the Trustees detailing their voting activity.

## **Investment management monitoring**

The Trustees will assess the performance, processes and cost effectiveness of the investment manager by means of regular, but not less than annual, reviews of the results and other information, in consultation with the investment consultant.

All investment decisions, and the overall performance of the investment manager, are monitored by the Trustees with the assistance of the investment consultant.

The investment manager will provide the Trustees with quarterly statements of the assets held along with a quarterly performance report. The investment manager will also report orally on request to the Trustees.

The investment manager will inform the Trustees of any changes in the internal performance objective and guidelines of any pooled funds used by the Scheme as and when they occur.

The Trustees will assess the quality of the performance and processes of the investment manager by means of a review at least once every three years in consultation with the investment consultant.

Appropriate written advice will be taken from the investment consultant before the review, appointment or removal of the investment manager.

### **The Trustees' policy in relation to their investment manager**

In detailing below the policies on the investment manager arrangements, the over-riding approach of the Trustees is to select investment manager that meet the primary objectives of the Trustees. As part of the selection process and the ongoing review of the investment manager, the Trustees consider how well each investment manager meets the Trustees' policies and provides value for money over a suitable timeframe.

- **How the arrangement incentivises the investment manager to align its investment strategy and decisions with the trustees' policies**

The Trustees have delegated the day to day management of the Scheme's assets to an investment manager. The Scheme's assets are invested in pooled funds which have their own policies and objectives and charge a fee, agreed with the investment manager, for their services. Such fees incentivise the investment manager to adhere to their stated policies and objectives.

- **How the arrangement incentivises the investment manager to engage and take into account financial and non-financial matters over the medium to long-term**

The Trustees, in conjunction with their investment consultant, appoint their investment manager and choose the specific pooled fund to use in order to meet specific Scheme policies. They expect that their investment manager makes decisions based on assessments about the financial and non-financial performance of underlying investments, and that they engage with issuers of debt or equity to improve their performance (and thereby the Scheme's performance) over an appropriate time horizon.

The Trustees also expect their investment manager to take non-financial matters into account as long as the decision does not involve a risk of significant detriment to members' financial interests.

- **How the method (and time horizon) of the evaluation of the investment manager's performance and the remuneration for asset management services are in line with the trustees' investment policies**

The Trustees expect their investment manager to invest the assets within their portfolio in a manner that is consistent with the guidelines and constraints set out in their appointment documentation. The Trustees review the investment manager periodically. These reviews incorporate benchmarking of performance and fees. Reviews of performance focus on longer-term performance (to the extent that is relevant), e.g. looking at five years of performance.

If the Trustees determine that the investment manager is no longer managing the assets in line with the Trustees policies they will make their concerns known to the investment manager and may ultimately disinvest.

The Trustees pay their investment manager a management fee which is a fixed percentage of assets under management.

Prior to agreeing a fee structure, the Trustees, in conjunction with their investment consultant, consider the appropriateness of this structure, both in terms of the fee level compared to that of other similar products and in terms of the degree to which it will incentivise the investment manager.

- **How the trustees monitor portfolio turnover costs incurred by the investment manager, and how they define and monitor targeted portfolio turnover or turnover range**

The Trustees, in conjunction with their investment consultant, have processes in place to review investment turnover costs incurred by the Scheme on an annual basis. The Trustees receive a report which includes the turnover costs incurred by the investment manager used by the Scheme.

The Trustees expect turnover costs of the investment manager to be in line with their peers, taking into account the style adopted by the investment manager, the asset class invested in and prevailing market conditions.

The Trustees do not explicitly monitor turnover, set target turnover or turnover ranges. The Trustees believe that the investment manager should follow their stated approach with a focus on risk and net return, rather than on turnover. In addition, the individual mandates

are unique and bespoke in nature and there is the potential for markets to change significantly over a short period of time.

- **The duration of arrangements with investment managers**

The Trustees do not in general enter into fixed long-term agreements with their investment managers and instead retain the ability to change investment manager should the performance and processes of the investment manager deviate from the Trustees' policies. However, the Trustees expect their manager appointments to have a relatively long duration, subject to the manager adhering to its stated policies, and the continued positive assessment of its ability to meet its performance objective.

## **Employer-related investments**

The Trustees will not make direct investments in the Sponsoring Employer's own securities. The amount of the Sponsoring Employer's securities owned by pooled investment vehicles invested in, is monitored. The Trustees have delegated the responsibility for the exercising of any voting rights attached to any Sponsoring Employer investment held to the investment manager.

## **Additional voluntary contributions (AVCs)**

The Trustees have full discretion as to the appropriate investment vehicles made available to members of the Scheme for their voluntary contributions. Only investment vehicles normally considered suitable for voluntary contributions will be considered by the Trustees, having taken appropriate written advice from their investment advisers.

The Scheme has a number of members that have AVC investments with Scottish Widows Investment Partnership ("SWIP"); however, no members are actively contributing to AVCs at present.

In selecting the range of funds offered the Trustees have taken advice from their professional advisers on:

- The risks faced by members in investing on a money purchase basis.
- The Trustees' responsibilities in the selection and monitoring of the investment options offered.
- The Trustees will continue to manage the AVC arrangements having taken professional advice on these matters.
- The Trustees will monitor the performance of AVC providers periodically.
- Members are directed to seek independent financial advice when considering their AVC arrangements.

## Appointments and responsibilities

This section sets out the key appointments and responsibilities with respect to the investment aspects of the Scheme.

A full list of the Scheme's advisers is provided at the front of the Scheme's Annual Report and Financial Statements. However, at the time of writing this SIP:

- The investment consultants are Buck Consultants (Administration & Investment) Limited.
- The investment manager is detailed in the Appendices to this SIP.
- For pooled funds, custodial duties are undertaken by the relevant investment manager and, therefore, are not detailed in this SIP.
- The Scheme Actuary is Mike Whittaker of Buck.

### Trustees

The Trustees' primary responsibilities include:

- The preparation of this SIP, reviewing its contents and modifying it if deemed appropriate, in consultation with the Sponsoring Employer and the investment consultant, at least every three years. The SIP will also be reviewed following a significant change to investment strategy and/or the investment manager.
- Appointing investment consultants and investment managers as necessary for the good stewardship of the Scheme's assets.
- Reviewing the investment strategy as part of each triennial actuarial valuation, and/or asset liability modelling exercise, and/or significant changes to the Scheme's liabilities, taking advice from the investment consultant.
- Assessing the processes and the performance of the investment managers by means of regular, but not less than annual, reviews of information obtained (including investment performance).
- Monitoring compliance of the investment arrangements with this SIP and with the relevant sections of the Act, the Investment Regulations and any regulatory guidance on a regular basis.
- Monitoring risk and the way in which the investment manager(s) have cast votes on behalf of the Trustees in respect of the Scheme's equity holdings.

### Investment consultant

The main responsibilities of the investment consultant include:

- Assisting the Trustees in the preparation and periodic review of this SIP in consultation with the Sponsoring Employer.
- Undertaking project work including the development and review of investment strategy, investment performance and manager structure as required by the Trustees.
- Advising the Trustees on the selection and review of the investment manager.
- Providing training or education on any investment related matter as and when the Trustees see fit.

- Monitoring and advising upon where contributions should be invested or disinvested on a periodic basis.

### **Investment manager**

The investment manager's main responsibilities include:

- Investing the assets within their portfolio in a manner that is consistent with the guidelines and constraints set out in their appointment documentation.
- Ensuring that the investment of the assets within their portfolio is compliant with prevailing legislation.
- Providing the Trustees with quarterly reports and a review of the investment performance of their portfolio.
- Meetings with the Trustees as and when required.
- Informing the Trustees of any changes in the fee structure, internal performance objectives and guidelines of any pooled fund within their portfolio as and when they occur.
- Considering financially material risks affecting investments within their portfolio.
- Exercising voting rights on shareholdings within their portfolio in accordance with their general policy.

### **Scheme Actuary**

The Scheme Actuary's main responsibilities in respect of investment policy include:

- Commenting on the suitability of the Scheme's investment strategy given the financial characteristics of the Scheme.
- Performing the triennial (or more frequently as required) actuarial valuation and advising on the Scheme's funding level and therefore the appropriate level of contributions in order to aid the Trustees in balancing short-term and long-term investment objectives.

# Compliance

The Scheme's SIP is available to members on request.

A copy of the Scheme's current SIP is also supplied to the Sponsoring Employer, the Scheme's auditors and the Scheme Actuary.

This SIP, taken as a whole with the Appendices, supersedes all others and was approved by the Trustees on 9 September 2020.

## Appendix 1 – Strategic benchmark and objectives

### Scheme's target asset allocation

The Scheme's target asset allocation is tabulated below:

Asset Type	Investment Style	Allocation (%)	Control Range (%)
UK Equities	Passive	5.0	4.5-5.5
World (ex-UK) Equity	Passive	3.5	3.0-4.0
World (ex-UK) Equity (GBP Hedged)	Passive	3.5	3.0-4.0
Diversified	Passive	25.0	22.5-27.5
Emerging Market Equities	Passive	3.0	2.5-3.5
Property	Active	10.0	8.0-12.0
<b>Return enhancing</b>		<b>50.0</b>	
Gilts – All stocks	Passive	16.0	14.0-18.0
Gilts – Index Linked	Passive	4.0	3.5–4.5
UK Corporate – All stocks	Passive	20.0	18.0-22.0
UK Corporate – Long bond	Passive	10.0	9.0-11.0
<b>Risk reducing</b>		<b>50.0</b>	
<b>Total</b>		<b>100.0</b>	

Should the allocations fall outside of the control ranges Legal & General Investment Management will rebalance the allocations as close as practicable to the benchmark allocations on a quarterly basis.

## Benchmark and performance objectives

Benchmark indices and relative performance objectives for each of the funds in which the Scheme's assets are invested are outlined below. All performance targets are gross of fees and relate to rolling three-year periods.

Manager	Fund	Benchmark Index	Objective % p.a.
LGIM	UK Equity Index	FTSE All Share	±0.25
	World (ex-UK) Equity	FTSE World (ex-UK) Index	±0.50
	World (ex-UK) Equity (GBP Hedged)	FTSE World (ex-UK) Index (GBP Hedged)	±0.50
	Diversified	BoE Base Rate	+3.75
	Global Emerging Markets Equity Index	S&P/IFC Composite Global Emerging Markets Index	±1.50
	Managed Property	AREF/IPD UK Quarterly Property All Balanced Funds Index	Outperform the benchmark over 3 and 5 year periods
	All Stocks Gilt Index	FTSE A Governments (All Stocks)	±0.25
	Over 5 Years Index Linked Gilts Index	FTSE A Index-Linked Gilts Index (Over 5 Year)	±0.25
	Investment Grade Corporate Bond - All Stocks - Index	Markit iBoxx £ Non – Gilt	±0.50
	Investment Grade Corporate Bond – Over 15 Years - Index	Markit iBoxx £ Non – Gilt Over 15 Year	±0.50



## Appendix 2 – Fees

### Investment manager fees

Manager	Fund	Management Fee % p.a.	
LGIM	UK Equity Index	AUM £0-£10m	0.100%
		AUM £10m-£20m	0.075%
	World (ex-UK) Equity Index	AUM £0-£5m	0.220%
		AUM £5m-£15m	0.190%
	World (ex-UK) Equity Index (GBP Hedged)	AUM £0-£5m	0.243%
		AUM £5m-£15m	0.213%
	Diversified	AUM £0-£25m	0.300%
	Global Emerging Markets Equity Index	AUM £0-£5m	0.450%
		AUM £5m-£10m	0.350%
	Managed Property	AUM £0-£2.5m	0.700%
		AUM £2.5m-£5m	0.650%
	All Stocks Gilt Index	AUM £0-£5m	0.100%
		AUM £5m-£10m	0.075%
	Over 5 Years Index Linked Gilts Index	AUM £0-£5m	0.100%
		AUM £5m-£10m	0.075%
	Investment Grade Corporate Bond - All Stocks - Index	AUM £0-£5m	0.150%
AUM £5m-£10m		0.125%	
Investment Grade Corporate Bond – Over 15 Years - Index	AUM £0-£5m	0.150%	
	AUM £5m-£10m	0.125%	

In addition, an annual fee of £1,000 is paid to LGIM.

### Investment consultancy fees

The investment consultancy services are provided by Buck which is remunerated on a time cost basis. This is considered the most appropriate basis as the services required fluctuate year on year. The basis of remuneration is kept under review.