

Governance & Fiduciary Management

The Smurfit Kappa Experience

Kevin Goss, trustee

Investment Committee Objectives

- 1. Monitor the Investment Managers to insure that plan assets are managed in accordance with the Statements of Investment Principles and the mandates approved by the Trustee Boards.
- 2. Provide close monitoring of the Investment Managers, including AVC providers, performance and processes.
- 3. Be in a position to react quickly to changes which may be required.
- 4. Keep abreast of developments in the market.
- 5. Bring to the attention of the Trustee Boards issues which the Board might need to address.

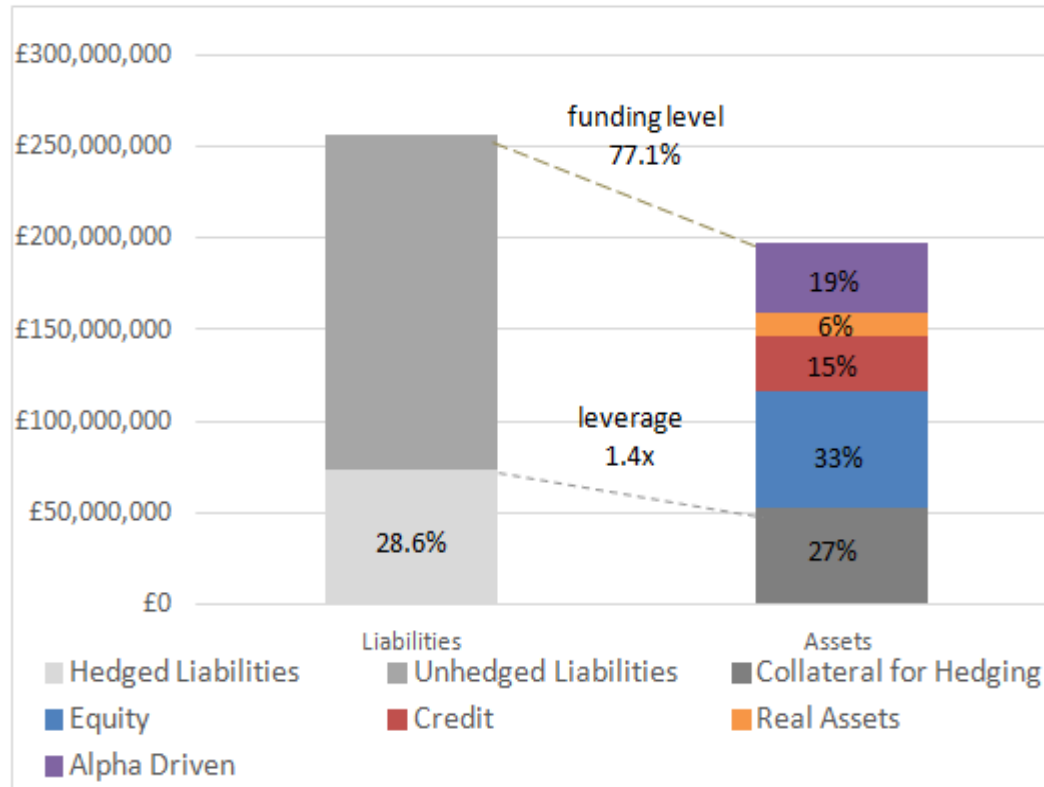
Challenges

- Size and volatility of funding gap
- Financial risk of the pension fund
- Current governance structure
- Trustee and Company need to continue to align their approach to decision making
- Too much management time is spent on pensions, particularly around operational issues
- Achieving consistency of policy and exploiting scale economies
- Keeping up with ever-changing pensions law

The Solution

- Better align the investment strategy with funding and manage the interrelationship between them on a dynamic basis
- Improve control over investments and outcomes through an enhanced governance structure,
- Increase pace of decision-making to avoid missed opportunities and maximise efficiency of implementing your investment strategy
- Reduce management time spent on operational pension issues
- Reduce volatility in funding or accounting numbers
- Enable common understanding between Trustees / Company of the risks and the reasons for them through better access to risk management information
- Introduce unambiguous accountability for overall investment performance

Fiduciary Management



Solution Features

- Enhanced governance
- Maximise likelihood of achieving objectives
- Ease of implementation
- Enhanced access to expertise
- Better information

Trustee / Investment Committee

On-going Role

- Maintain vigilance
- Constantly Challenge
- Research new ideas and options
- Have a Plan B