
Dated: 2023

- (1) PEOPLE'S PARTNERSHIP LIMITED
- (2) THE PEOPLE'S PENSION TRUSTEE LIMITED

**Deed of amendment
(to facilitate pre-funding)**

The People's Pension Scheme

BY

- (1) **PEOPLE'S PARTNERSHIP LIMITED** a company registered in England & Wales with company number 10267951 whose registered office is at Manor Royal, Crawley, West Sussex, England RH10 9QP (the "**Founder**");
- (2) **THE PEOPLE'S PENSION TRUSTEE LIMITED** a company registered in England & Wales with company number 8089267 whose registered office is at Manor Royal, Crawley, West Sussex, England RH10 9QP (the "**Trustee**").

BACKGROUND

- (A) The Trustee is the sole trustee and the Founder is the current Founder of The People's Pension ("**TPP**"), a multi-employer defined contribution occupational pension scheme which is authorised by the Pensions Regulator as a master trust.
- (B) TPP is governed by a set of rules dated 30 May 2022 between the Founder, the Trustee and People's Administration Services Limited (the "**Rules**").
- (C) Rule 72.1 of the Rules provides that the Founder may by deed, with the written consent of the Trustee, amend all or any part of the Rules whether retrospectively or otherwise subject to the restrictions set out in Rules 72.2 to 72.5.
- (D) The Founder, with the consent of the Trustee (as evidenced by its execution of this deed), wishes to amend the Rules to make the changes set out below in this deed to enable the Trustee to borrow and invest funds for the purpose of facilitating the pre-funding and purchase of investments to assist with the transfer of assets to TPP by reducing the out of market exposure for transferring members.
- (E) The Trustee has received legal advice confirming that the changes set out in this deed are not "regulated modifications" as defined in section 67 of the Pensions Act 1995.

OPERATIVE PROVISIONS

1. **EXERCISE OF AMENDMENT POWER**

In accordance with **Rule 72.1** of the Rules (and any other relevant power), the Founder with the written consent of the Trustee (as evidenced by its execution of this deed) amends the Rules in the manner set out in the following provisions of this deed, with effect on and from the date of this deed.

2. **AMENDMENT TO RULE 4 (CONSTITUTION OF THE SCHEME)**

Rule 4 is amended by deleting the existing **Rule 4.4** and replacing it with the following new Rule:

"4.4 The Scheme also comprises Reserve Accounts to which any surplus assets which arise in relation to an Employer's Section can be allocated in accordance with the Rules, a Trustee's Reserve Account and also a Trustee's Pre-Funding Account to which certain other surplus assets may be allocated in accordance with the Rules."

3. **AMENDMENT TO RULE 38 (EXPENSES OF ADMINISTRATION, MANAGEMENT AND INVESTMENT)**

Rule 38 (expenses of administration, management and investment) is amended by deleting the existing **Rule 38.3** and replacing it with the following new Rule:

"38.3 Liabilities, costs, levies and expenses may also be met out of the Reserve Accounts of the Employers, the Trustee's Pre-Funding Account or the Trustee's Reserve Account where permissible under the Rules."

4. **AMENDMENT TO RULE 51 (POWER OF INVESTMENT)**

Rule 51 (Power of Investment) is amended by inserting the following provision as a new **Rule 51.6** immediately after the existing **Rule 51.5**.

"51.6 The Trustee may invest money (including money borrowed under Rule 53) for the purpose of pre-funding investments to facilitate a transfer in respect of a group of individuals from an Other Scheme in accordance with Rule 67.3. Any money invested under this Rule 51.6 shall form part of the Trustee's Pre-Funding Account. In accordance with the Pre-funding Arrangement and the transfer documentation entered into in connection with such transfer, if the transfer completes, the appropriate monies invested under this Rule 51.6 (including any investment returns, as applicable) shall then be treated as forming part of the relevant Members' Personal Accounts, and the corresponding proportion of the assets received from the Other Scheme shall be treated as forming part of the Trustee's Pre-Funding Account."

5. **AMENDMENT TO RULE 67 (TRANSFERS IN)**

Rule 67 (Transfers in) is amended by deleting the existing **Rule 67.3** and replacing it with the following new Rule:

"67.3 The Trustee may, with the consent of the Founder, accept a transfer payment to the Fund from an Other Scheme (or from any other arrangement where the Revenue confirm their approval to acceptance of the transfer payment to the Fund) in respect of any Member(s) and/or a group of individuals who are to be admitted to membership of the Scheme *provided that*, at any time when an Employer participates in the Scheme, the Trustee shall at the direction of the Founder accept a transfer payment from an Other Scheme in which any employee or previous employee of that Employer has previously been a member (unless the Trustee determines, acting reasonably, that to accept such a transfer would not be consistent with its fiduciary duties or would otherwise prejudice the existing Beneficiaries). The transfer payment may comprise the transfer of all or part of the assets of the Other Scheme or other arrangement. The transfer payment shall be allocated within the Fund in such manner as determined by the Trustee with the consent of the Founder, which may include allocation to the Personal Accounts of Members in an Employer's Section or Sections, the General Deferred Members Section, the Connected Persons Section, or to an Employer's Reserve Account or Reserve Accounts or to the Trustee's Pre-Funding Account. The consents of the individuals concerned shall not be required to the making of such a transfer where either:

- (a) such a transfer without consent is permissible under the Preservation Requirements; or
- (b) such a transfer is not prohibited by legislation applicable to the Other Scheme or other arrangement from which the transfer is to be made."

6. **AMENDMENTS TO RULE 76 (DEFINITIONS)**

(a) The definition of "**Fund**" in **Rule 76** (Definitions) is deleted and replaced with the following definition:

"**Fund**" means the Personal Accounts, the Reserve Accounts, the Trustee's Pre-Funding Account and the Trustee's Reserve Account."

- (b) The definition of "**Personal Account**" in **Rule 76** (Definitions) is deleted and replaced with the following definition:

""**Personal Account**" means an account maintained by the Trustee in relation to a Member which at any time shall consist of an amount equal to the aggregate of the following:

- (a) the contributions paid by or in respect of that Member in accordance with Rules 13 to 15 (Contributions) or otherwise;
- (b) any transfer payment received in respect of the Member in accordance with Rule 67 (Transfers in) or otherwise;
- (c) any other amount as may be credited to a Member's Personal Account in accordance with the Rules; and
- (d) any investment profit or loss in respect of paragraphs (a), (b) and (c) of this definition, reduced by the amount of any payments made by the Trustee under the Rules to secure pensions and other benefits for and/or in respect of the Member (including any payments made to provide the Member with benefits in the form of income withdrawal where the Member's Personal Account comprises or contains a flexi-access drawdown fund designated under Rule 21A) and any administration or management expenses or tax charges or other amounts attributable to that Personal Account under the Rules and any charges arising from investments attributable to that Personal Account.

If a Member has more than one Personal Account in the Scheme, the Trustee may consolidate one or more Personal Accounts at its discretion or upon the request of the Founder.

For the avoidance of doubt, where a bulk transfer takes place in respect of a group of individuals from an Other Scheme in accordance with Rule 67.3 (Transfers in), if such transfer includes a Pre-funding Arrangement, any pre-funded amounts (including investment returns, as applicable) shall not be credited to, or form part of a Member's Personal Account for the purposes of these Rules, unless and until such amounts become transfer payments received in respect of the Member in accordance with paragraph (b) above, the Pre-funding Arrangement and the transfer documentation."

- (c) A new definition of "**Pre-funding Arrangement**" is inserted in Rule 76 (Definitions) immediately after the definition of "**Personal Data**" as follows:

""**Pre-funding Arrangement**" means a legally binding agreement (or agreements) entered into in connection with a bulk transfer of a group of individuals from an Other Scheme pursuant to which an amount is paid to the Trustee for the purpose of assisting with the transfer of assets from that Other Scheme by reducing out-of-market exposure in respect of the relevant group of individuals by pre-funding the purchase of investments."

- (d) A new definition of "**Pre-Funding Surplus**" is inserted in **Rule 76** (Definitions) immediately after the definition of "**Pre-funding Arrangement**" as follows:

""**Pre-Funding Surplus**" means any funds held in the Trustee's Pre-Funding Account in accordance with paragraphs (b) and/or (c) of the definition of Trustee's Pre-Funding Account."

- (e) A new definition of "**Trustee's Pre-Funding Account**" is inserted in **Rule 76** (Definitions) following the definition of "**Trustee**" as follows:

"**Trustee's Pre-Funding Account**" means the account maintained by the Trustee which is credited with surplus funds resulting from any amounts held by the Trustee in connection with the pre-funding of investments to facilitate a transfer in respect of a group of individuals from an Other Scheme in accordance with Rule 67.3 (Transfers in) which shall include:

- (a) any investments purchased under Rule 51 and held separately from Members' Personal Accounts prior to the completion of the transfer;
- (b) any excess funds which derive from investment returns on the pre-funding investments, and which remain after any pre-funding investment is repaid to the entity which provides the funds for the pre-funding investment and which form part of the Pre-Funding Surplus; and
- (c) any funds resulting from cancellation of investments held under (a) above which are not credited to any Member's Personal Account following a bulk transfer from an Other Scheme and which form part of the Pre-Funding Surplus.

The Trustee shall use any Pre-Funding Surplus for the payment of expenses and liabilities otherwise payable under Rule 38 (Expenses of administration and management) as the Founder shall direct (unless the Trustee determines, acting reasonably, that to follow such a direction would be inconsistent with its fiduciary duties)."

- (f) The definition of "**Trustee's Reserve Account**" in **Rule 76** (Definitions) is deleted and replaced with the following definition:

"**Trustee's Reserve Account**" means the account or accounts maintained by the Trustee which is/are credited with surplus funds resulting from the inability to identify any Beneficiaries to whom lump sum death benefits can be paid under Rule 30 (Payment of lump sum death benefits), unclaimed benefits under Rule 33 (Unclaimed benefits) and any other amounts that are allocated to the Trustee's Reserve Account in accordance with the Rules. The Trustee may hold such funds in the Trustee's Reserve Account until such time as it determines that no statutory next of kin of the Member can be identified under Rule 30 (Payment of lump sum death benefits), that a Member has ceased to be entitled to a benefit under Rule 33.2, or until such other time as the Trustee considers appropriate. The Trustee's Reserve Account may comprise one or more accounts which together shall form the Trustee's Reserve Account.

In relation to any surplus funds mentioned in this definition that are derived from Personal Accounts comprised in an Employer's Section, the Trustee shall have discretion to transfer such surplus funds to the Reserve Account relating to the Employer concerned to be used accordingly.

If the Trustee does not exercise its discretion as set out in the paragraph above, or in relation to any other section, the Trustee may use such surplus funds in any way it determines including payment of expenses and liabilities otherwise payable under Rule 38 (Expenses of administration and management)."

7. **SUCCESSORS**

This deed will bind the respective successors in office to the Trustee and the Founder, and any references in this deed to the Trustee or to the Founder will be treated as including a reference to their respective successors in office and not just to the specific signatories to this deed.

8. **SEVERABILITY**

If any provision of this deed is found by any court, tribunal, administrative or regulatory body or authority of competent jurisdiction to be illegal, invalid or unenforceable then that provision will, to the extent required, be severed from this deed and will be ineffective, but (as far as is possible) without modifying any other provision of this deed, which will remain in full force and effect.

9. **COUNTERPARTS**

This deed may be executed in any number of counterparts, each of which will constitute an original, but which will together constitute one agreement. This deed will not be effective until each party has executed at least one counterpart. The term "counterpart" includes a facsimile or scanned copy of this deed.

10. **GOVERNING LAW AND JURISDICTION**

This deed and any non-contractual obligations arising out of or in connection with it will be governed by the law of England and Wales, and the courts of England and Wales have exclusive jurisdiction to determine any dispute arising out of or in connection with this deed (including in relation to any non-contractual obligations).

11. **RIGHTS OF THIRD PARTIES**

The parties do not intend that any term of this deed will be enforceable under the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to it.

EXECUTED as a deed and delivered on the date stated at the beginning of this deed.

EXECUTED as a deed by **PEOPLE'S PARTNERSHIP LIMITED** acting by two directors or by a director and its company secretary

Director signature:

DocuSigned by:
Susan Hunter
.....A93A20AE1968470.....

Name:

.....

Director / secretary signature:

DocuSigned by:
Veronica Pak
.....37037AC82FA248B.....

Name:

.....

EXECUTED as a deed by **THE PEOPLE'S PENSION TRUSTEE LIMITED** acting by two directors or by a director and its company secretary

Director signature:

DocuSigned by:
David Maddison
.....6D3B20092382484.....

Name:

.....

Director / secretary signature:

DocuSigned by:
Paul G...
.....01CBB83183DC44E.....

Name:

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