THE YMCA PENSION AND ASSURANCE PLAN (THE "PENSION PLAN")

Participating Employer factsheet on events to notify to the Pension Trustee

Introduction

To enable the Pension Trustee to monitor Participating Employers' viability and financial health, Participating Employers should tell the Pension Trustee about events that may impact their viability and financial health in the short term.

Events to tell the Pension Trustee about

This factsheet sets out examples of events which Participating Employers should tell the Pension Trustee about. Broadly, the below events are those which can have an adverse impact on the Pension Trustee as a creditor of the Participating Employers. **If you are unclear about whether this affects your YMCA's position, we encourage you to seek advice. The Pension Trustee is also happy to answer queries wherever possible.**

- A decision to take action which will, or is intended to, result in a debt which is or may be due to the Pension Plan not being paid in full (for example applying to dissolve the YMCA entity without settling its obligations to the Pension Plan).
- A decision to cease business or charitable activities in the UK (or actually ceasing to do so).
- Breach of a covenant in the YMCA's banking or finance documents, except if the bank agrees not to enforce the covenant.
- If a YMCA is owned by another entity, a change in the entity that owns or controls the YMCA.
- The receipt of advice that the YMCA is trading wrongfully, or it becoming clear that the YMCA will have no choice but to go into liquidation.
- The conviction of a director of an offence involving dishonesty.
- The sale of a material proportion of the business or assets of the YMCA or any trading company. This is particularly the case where the sale is not at arm's length for fair value, where the sale proceeds are not retained, or where the whole or a substantial part of the operating business is sold.
- The grant of security on a debt to give it priority over a debt to the Pension Plan. For example, taking out a new mortgage on the property of a YMCA or its wider group.
- A change in the level or priority of an existing security given to creditors.
- A return of capital by any company in the YMCA's group. For example, any dividend payments or share buybacks.
- A group reorganisation or restructuring. This will include a change or partial change to the control structure of the YMCA or any parent company.
- A sale and leaseback transaction which leads to a reduction of assets or net cash.
- The grant or repayment of a loan to an entity within the YMCA's group.
- An arrangement resulting in the YMCA re-emerging as substantially the same entity following an insolvency event.

- A corporate event that would reduce sustainable cash flow cover for the YMCA's funding commitment to the Pension Plan, such as an increase in debt or a reallocation of debt.
- Transferring substantial assets out of the YMCA to a third party which has no legal connection to the Pension Plan.
- Taking on substantial debts or guaranteeing another entity's debt.
- Any other event which there is reasonable cause to believe will be of material significance to the Pension Trustee in the exercise of any of its functions.

If in doubt as to whether an event should be notified to the Pension Trustee, we encourage you to speak to the Pension Trustee to help decide whether further action needs to be taken.