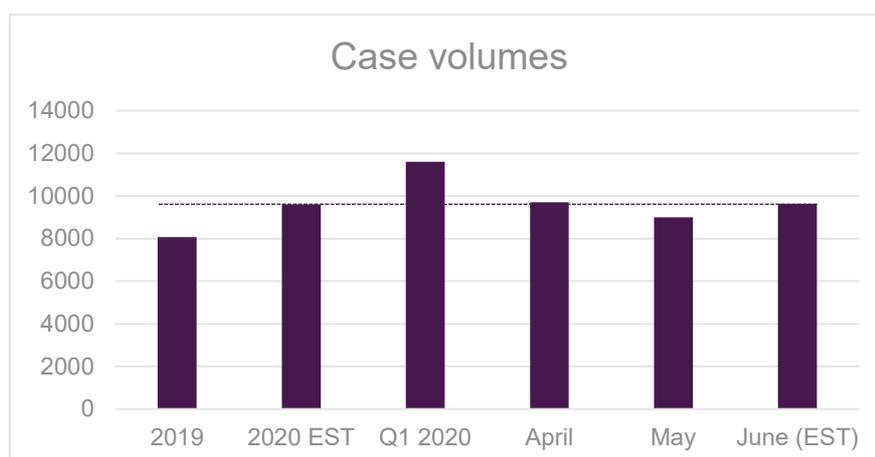


Premier Pensions COVID-19 Administration update

12th June 2020

Premier has now been working remotely for twelve weeks and what a journey it has been so far. We are extremely proud of the way our employees and IT team rallied around to make the transition to remote working seamless. We are continuing to work as normal, including delivering against projects and taking on new business. As such, we are in no rush to revert back to office-working and are focussed on formalising the current new normal. We have provided training internally to ensure that employees can continue to work comfortably from home, as well as have instructions on safety procedures for the dozen or so employees who prefer to work from the office. We are in constant discussions with the Pensions Regulator, other Third Party Administrators and our Clients, to ensure that our strategy is in line with the market approach.

After a sharp spike in Q1, case volumes have reverted to expectations in Q2, which is what we would have assumed. This has been a welcome relief to the team.



There have been minor changes to case types:

- Death-related correspondence has dropped back to mean (down from 13% of transactions in May 2020 to 10% first half June)
- Transfer-out Quotations have increased from 3.9% of transactions in May to 5.2%, but still lower than the 7.0% in 2019
- Transfer-out Settlements are flat at circa 3.0%
- Expression of Wish forms have increased by over 50%. This has been driven by a mix of COVID-19 concerns and ongoing de-risking projects.

Employee events this week were two Yoga sessions, two Personal Trainer sessions, two mental health drop-in sessions, Premier Bingo, Through the Keyhole and Lockdown Lotto.

In other news, we are preparing for our annual Disaster Recovery (DR) test at the end of June. This will focus on our systems and data, given that we are already within a DR situation in terms of location.

Inbound / Outbound post

No change. Inbound and outbound post is being processed as normal.

Telephone calls

Softphones and headsets have been rolled out across the administration team to enable the team to respond to member calls. We encourage members to contact us via our member web or email, as this will always be the most efficient process.

Pensioner payroll

No change. All payrolls are being run as normal.

Work volumes

No change. Case volume is under control. Do let us know if you expect any spikes in work due to activity on the part of the Trustees or Sponsor. We can then ensure that the teams are geared up accordingly.

Cash flow

No change. We are working closely with our clients to ensure adequate cash flow. Cash flow projections are reviewed at least daily and the investment / disinvestment processes are working well within a remote environment. We will continue working with you to ensure that we remain on track.

Projects

No change. Our Projects team is working as normal. Key projects on the go are data cleanse exercises, GMP Equalisation audits and preparation for buy-outs.

Sickness and absence

No change. Given the lockdown, unsurprisingly, we have not had any significant sickness on the team, including suspected COVID-19 cases. We are encouraging administrators to take their annual vacation as normal. They do need downtime to spend time with the family, switching off from work.

Premier impact

No change. We have not put any of our employees on furlough or made any redundancies. We continue to recruit administration staff as we have won two new clients during lockdown. As there is no war for talent at the present time, we have the pick of the crop. It is times like these that we can be thankful that we are privately owned and do not have to please the stock market. We are comfortable with both overall Premier revenue and profitability projections, as well as specifically for the administration team.

Key risks

We note, that there are always risks and the Premier Board and our Administration Leadership team are actively reviewing these and ensuring that we have adequate contingencies in place.

No change

- **Extension of the lockdown:** No change. We are more than comfortable continuing our current work arrangements for the foreseeable future. We have activated our back-to-office plan for employees who have a reasonable request to work from office.
- **COVID-19 second wave:** No change. Potentially, the biggest risk is a lifting of the lockdown causing a second wave of infections. We would rather have our administrators work safely from home, than unwell. Yet another reason not to be in any hurry to trigger back-to-office plans.
- **Changes in Schemes:** No change. We believe that the economic fallout will cause some Sponsors and Trustees to make changes to their benefit structures. Do keep us informed if

this becomes a possibility as we will need to plan our resources accordingly and feed into your timelines.

- **Mental health concerns:** No change. We are continuing our focus on our employee's mental health, with consistent messaging and educational modules from a team of psychologists at The Positive Group who have given us access to an online course "Managing Your Mind". We are running daily all-employee social events via Zoom, such as yoga, cardio workouts, cooking sessions, bingo and pub quizzes. Engagement and productivity appears high so far.
- **Financial Education:** No change. Trustees are concerned about members being made redundant, put on furlough and members reaching retirement. We are discussing options of sending out targeted communication or even offering IFA support to these members. Do speak to your Client Relationship Manager if this is of interest.
- **Transfers & Scams:** No change. The Pension Regulator and the FCA are concerned about a spike in Transfer and Transfer-related scams. We are not seeing any increased activity as yet in this area. We already have stringent processes in relation to Transfers & Scams and we will continue to keep this under review. We have added the Regulator's letter warning members about scams to our usual Transfer pack.
- **AVC providers:** No change. We understand that some Third Party Administrators have had issues getting information from AVC providers over the last couple of months. We have not experienced any critical delays. We will need to manage member expectations if we face any issues and will raise any issues with you as Trustees, when appropriate.

Do speak to your Client Relationship Manager if you would like to discuss any of this, if you have any concerns about our strategy or believe that we have missed opportunities or risks. Stay safe and we do hope that you and your families are doing well.

Kind regards,

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Further guidance:

The Pensions Regulator: <https://bit.ly/3dRuZJP>

The Pensions Ombudsman: <https://bit.ly/2UCxKqJ>

The Pensions Administration Standards Association: <https://bit.ly/2waXp0p>