

The Secretary to the Code Committee  
The Takeover Panel  
10 Paternoster Square  
London  
EC4M 7DY

7 September 2012

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**PENSION SCHEME TRUSTEE ISSUES**

The NAPF warmly welcomes the proposed changes to the Takeover Code as set out in PCP 2012/2.

As you will be aware, the NAPF is the leading voice of workplace pensions in the UK. We speak for 1,300 pension schemes with some 16 million members and assets of around £900 billion. NAPF members also include over 400 businesses providing essential services to the pensions sector.

In our response to PCP 2011/1 we argued that the Pension Fund Trustees are a relevant representative of employees and the future of the fund is a relevant interest of the employees. As such we suggested that the position of these employees financial interests would be materially strengthened by extending the provisions of the Code which relate to the employee representatives of the offeree company to the trustees of the offeree company's pension scheme(s).

We therefore fully support the proposed changes to require the details of a bidder's intentions in relation to the target company's pension scheme to be provided to the trustees of the target company's pension scheme. We also fully support the proposal to require the board of the target company to circulate a separate opinion from the trustees on the effects of the offer on the pension scheme.

These are important reforms to the Code, and will significantly increase the transparency of a bid and its' potential ramifications on a target company's pension's scheme. The prompt provision of information will empower them to ask the right questions and more effectively represent the interests of those in the company scheme, both savers and pensioners. In addition, the inclusion of the trustees' opinion will ensure that any issues which might arise as a consequence of the potential change of control of the company can be considered by shareholders in the offeree company and others when assessing the merits of the offer.

Yours sincerely

David Paterson  
Head of Corporate Governance