ARUP

Q&As: Proposal to extend one of Arup's owning trusts

General

Are you changing Arup's ownership model?

No. This action allows us to continue the Ove Arup Partnership Employee Trust (the "**Employee Trust**") and to retain the current ownership model.

Does this impact pay or day-to-day work?

No. The steps being taken will have no impact whatsoever on pay, benefits, Profit Share, or day-to-day work. They are simply designed to extend the Employee Trust so as to ensure that Arup's benefit provisions for past, present and future employees, and Arup's stable and independent ownership model of which it is an integral part, does not change in 2046.

Why are you going to the UK Parliament for this?

Arup has determined on the basis of independent legal advice that a Private Act of Parliament route presents the best means of extending the Employee Trust.

Is there anything I should do?

You are not required to do anything. If you have any further questions or feedback on what is proposed, you are welcome to get in touch at: ArupPrivateAct@arup.com or via the feedback form as explained in the *Engagement process and feedback* section of these Q&As.

When will I hear more?

This Parliamentary process may take several years, and we are starting it now in order to have plenty of time to see it through. We will provide updates on material developments as the Parliamentary process progresses, consistent with the principles of transparency and good governance to which Arup is committed.

Trusts and Our Trust Ownership

What is the purpose of our trust ownership?

What Ove Arup and his partners envisaged when the 1966 Trust was initially created was that, by having the equity shares in (what has now become) Arup Group Limited vested in an employee benefit trust, Arup's employees, officers and others would benefit not merely economically, but also through the provision of an arrangement designed for the future to:

- secure the stable and independent ownership of Arup;
- safeguard the aims, unity and identity of Arup; and
- enable Arup to grow and flourish for the benefit of all its members and the public at large.

What is a trust / discretionary trust / employee trust?

A *trust* is a legal arrangement where a person or entity (the trustee(s)) legally owns and manages assets on behalf of and for the benefit of others (the beneficiaries).

A *discretionary trust* is a type of trust where no individual beneficiary (or group of beneficiaries) has a fixed right to the income or capital while the trust is ongoing. Instead, trustees have discretion over to whom, when, and how much (if at all) they are to provide benefits to any given individual beneficiary or beneficiaries. Such beneficiaries are known as discretionary beneficiaries as a result.

An *employee trust* is a specific type of trust established by a company to hold assets for the benefit of its employees. Employee trusts are usually discretionary trusts, as is the Trust in this case.

Who are the discretionary beneficiaries of the Trust?

The discretionary beneficiaries of the Employee Trust are made up of current and former employees (and officeholders) of Arup Group (referred to as "members"), their respective spouses (or widows/widowers), descendants and dependants.

Is the Employee Trust connected to my Profit Share?

Indirectly yes, although your Profit Share does not come directly from the Employee Trust. The Employee Trust holds the majority of the equity shares in Arup Group Limited, for the benefit of the discretionary beneficiaries. The Profit Share arrangements, operated by Arup Group Limited with oversight from the Trustees, provide assurance to the Trustees that the results of Arup's success are being shared appropriately with those discretionary beneficiaries who have contributed to it.

What is a perpetuity period?

The Employee Trust which was established in 1998 is a successor to an employee benefit trust made in 1966 by Ove Arup and his partners in the UK under English law. At that time English law required trusts of its kind to include a defined lifespan (a *perpetuity period*) which could not exceed 80 years.

The creators of the 1966 trust accordingly adopted as its *perpetuity period* the maximum 80-year period then available, even though they had at that point no reason to believe that that employee trust would cease to be relevant to the carrying out of its purpose when that period expired. The same perpetuity period has carried over to the current Employee Trust.

There is a general consensus in the employee-ownership sector that it would be beneficial for perpetuity periods not to apply to employee benefit trusts, but that would require a change in English law which we cannot assume or anticipate.

Why not just create a new trust with a new time period?

If the trustee of trust that is subject to a perpetuity period under English Law transfers the trust assets to another trust, irrespective of the fact that that trust may be a newly created trust, the original perpetuity period under the pre-existing trust will continue to apply to the property which is transferred. So, creating a new trust would not be a solution.

What if the Private Bill procedure is not successful?

If the Trust is not extended, it will expire in 2046, and its assets would need to be distributed, undermining the intended ownership structure. This would dilute the benefits and stability for employees and could disrupt the firm's unity and identity.

How are the Trustees involved in the process?

The Trustees have been fully briefed on these proposals; they are also being formally consulted as key stakeholders now and will continue to be engaged throughout this process.

Parliamentary process

What is the UK Parliament?

The UK Parliament is the supreme legislative body of the United Kingdom which is responsible for (amongst other things) making and changing laws.

What is a Private Bill?

A Private Bill in the UK is a proposed law that affects only specific individuals, organisations or localities, rather than the general public. If a Private Bill moves successfully through the various Parliamentary stages, it will eventually become a Private Act of Parliament.

What is the UK Parliamentary Private Bill procedure?

The Private Bill procedure in the UK has four key stages: consultation with stakeholders; deposit of the Bill in Parliament, at which point it is publicised; passage through Parliament, with debate and opposition stages; and finally Royal Assent, at which point it becomes an Act of Parliament.

Has something like this been done before?

Private Bills are of their nature very rare, no more than five or so a year, across an extremely diverse range of subject-matter. There is however one known example of a Private Bill being promoted in relation to an employee benefit trust that included (among other matters) the removal of the perpetuity period which was granted by Parliament. The trust concerned now operates free of its previous perpetuity period.

Will the Private Bill in this case be successful?

This is a matter for Parliament, but Arup's independent legal advice is that the case for the removal of the perpetuity period from the Employee Trust is compelling: it respects Ove Arup and his partners' objectives in establishing an ownership structure of an undertaking (the Arup business) not inherently limited in time, and the continuing purpose of having the Employee Trust in place to underpin the provision of benefits to employees and officers going forward, for which 2046 is an entirely arbitrary date.

When will you know the outcome?

The process to take a Private Bill through Parliament may be lengthy and can take several years. As such we don't have a set timeline for when it will receive Royal Assent and become a Private Act of Parliament.

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Engagement process and feedback (including procedures)

How do I provide feedback?

If you have any queries, please contact us at ArupPrivateAct@arup.com

If you have any comments in response to this consultation, please provide them via the feedback form no later than 3 September 2026.

Is this confidential?

The Private Bill process is generally public and the Bill, once submitted, may be debated in Parliament. At this point details about the Private Bill as submitted to Parliament will be in the public domain.

For now, please ensure that communications between you and Arup as part of this consultation process, and any further communications that do not become public documents as part of the Parliamentary process, remain confidential. Please direct any questions on to this to the project team using the contact details provided.

Where can I find out more information about the process?

These Q&As, together with the communication from Jerome and the detailed Technical Briefing provide the core information for this consultation process.

If you have any remaining questions that have not been addressed, please contact us at: ArupPrivateAct@arup.com.

What are the next steps?

Further to engagement on our proposal, we will be working with Parliamentary Agents to draft the Private Bill and to ensure that all other relevant steps are complete.

Is this proposal connected to Arup's 'Our World in 2046' initiative?

No, the campaign to explore what the firm may look like in 2046 is a separate initiative and unconnected to the Employee Trust perpetuity period. The coincidence is simply because the original trust was established 20 years after Arup, so its 80-year perpetuity period is in the same year as Arup's 100th birthday.