

QUESTIONS & ANSWERS

WERE OTHER OPTIONS CONSIDERED?

Yes, as part of our comprehensive review, the company considered a number of potential options to change our pensions. We believe that the proposals we have outlined to you best meet our objectives.

WHO IS AFFECTED BY THE PROPOSED CHANGES?

The proposal affects all Clarks current and future employees in the UK because we are proposing to close all our existing pension arrangements to future accrual.

FROM WHAT DATE IS IT PROPOSED THAT THE CHANGES TAKE EFFECT?

Subject to the outcome of this consultation, the company's current pension schemes would close on 31 July 2018.

WHAT WILL THE CHANGES MEAN FOR ME PERSONALLY?

You're not currently paying into a Clarks pension. The new Clarks Flexible Savings Plan would provide higher company contributions and more flexibility than the current schemes available to you. We hope this may encourage you to start saving into a pension with Clarks.

CAN CLARKS LEGALLY CHANGE ITS PENSION ARRANGEMENTS?

Yes, under pension law, Clarks can propose changes relating to the way in which future pension benefits are built up. The law requires that we actively engage in consultation with affected employees, which is what we're doing now.

HAVE THE TRADE UNIONS BEEN INVOLVED IN THE PROCESS SO FAR?

We have made the appropriate trade unions aware of our proposals.

WHEN DOES THE CONSULTATION END?

The law says we must consult on the proposed changes for a minimum period of 60 days. Our consultation runs from 15 January to 15 March 2018.

WHEN WILL YOU BE ABLE TO TELL US WHAT ALTERNATIVE SAVINGS PRODUCTS WILL BE AVAILABLE FOR EMPLOYEES?

The final details on the alternative savings products are still to be agreed but we expect ISAs to be one of the options available.

WHAT TYPE OF PENSION ARRANGEMENT IS THE NEW CLARKS FLEXIBLE SAVINGS PLAN?

The new Clarks Flexible Savings Plan is a DC mastertrust, which is a trust-based defined contribution scheme designed for multiple employers. Membership is set up and administered separately for each participating employer. The governance of a mastertrust is often delegated to a corporate trustee independent of the employers.

WHO WOULD RUN THE NEW CLARKS FLEXIBLE SAVINGS PLAN?

Should the proposals go ahead, Clarks would appoint a trusted and well-known UK pension provider to run the Clarks Flexible Savings Plan. We expect to be able to make details available to you in the coming weeks.

DO I HAVE TO JOIN THE CLARKS FLEXIBLE SAVINGS PLAN?

No, but we expect that the Clarks Flexible Savings Plan would be our only pension arrangement, so you would be missing out on valuable company contributions, if you choose not to join. Note that under current legislation, we have to automatically enrol most of our employees into a pension scheme. Even if you choose not to join the Clarks Flexible Savings Plan, you may be automatically enrolled into it at a later date.

I WORK PART TIME. WHAT DOES THIS MEAN FOR ME?

You would be able to choose to pay a contribution as a percentage of your pay. Contributions are based on your actual part-time salary rather than full-time equivalent earnings.

WHO IS THE PENSIONS REGULATOR?

The Pensions Regulator (TPR) is the UK regulator of work-based pension schemes. It works with trustees, employers, pension specialists and business advisers, giving guidance on what is expected of them. If you have any concerns about this consultation process that you are unable to resolve by speaking to the Clarks Pensions Department first, you can contact TPR:

Napier House
Trafalgar Place
Brighton
BN1 4DW

Telephone: 0845 600 0707

Email: customersupport@tpr.gov.uk

HAVE A QUESTION?

We know that the proposed changes might raise a number of questions, so we will try to answer as many of these as possible in a set of questions and answers on the website. The questions and answers will be updated regularly in response to questions raised by employees during the consultation. If you can't find the answer to the question you are looking for, you can submit a question through the website, via email to pensionshelpdesk@Clarks.com or call us on 01458 842664.

PLEASE NOTE

This document and its contents are intended for consultation purposes only and do not confer any rights to benefits. This document is based on our understanding of current tax and pensions law at January 2018.