

PROPOSALS FOR PENSION CHANGE

This pack tells you about some exciting changes that Clarks wants to make to its pensions. Even though you are not currently saving into a Clarks pension, we wanted to make you aware of the changes we are proposing to make. After all, you may decide now or later on that you want to start saving for the future into a Clarks pension.

This communication marks the start of a formal 60-day consultation with employees, giving you time to consider the proposals and comment on them. The consultation period ends on 15 March 2018. The consultation is your opportunity to provide feedback on our proposals and we encourage you to ask questions and share feedback with us so that this can be considered in our final review of the proposed changes.

In brief, the company's proposals are to:

- Close all of our existing pension schemes on 31 July 2018. All the benefits built up to that date by members would not be affected.
- Launch a new defined contribution pension plan, with increased company contributions for the majority and full flexibility at retirement, which would be open to all our employees.
- Make available more flexible options to all our employees to build up savings and take benefits in a way that works best for them.
- Provide all employees with a death-in-service lump sum benefit of 8 x Basic Pay, if you join the new Clarks Flexible Savings Plan.

It's important to us that you understand these proposals, the reasons why we believe we need to change what we currently provide and the effect the proposed changes might have on you in the future. The enclosed booklet sets this out in detail.

We have also set up a dedicated section of our pensions website (www.clarkspensionsconsultation.co.uk) for this consultation. This site will include copies of all the information about our proposals. We will update the website regularly throughout the consultation period.

We have provided a Questions & Answers sheet as part of this pack but if you have any further questions (or you wish to make any representations), in the first instance you can email them to pensionshelpdesk@Clarks.com. If you don't have access to email or would prefer to speak to somebody, you can call our dedicated helpline on 01458 842664.

It's really important that you understand these proposed changes, so please read this pack and raise any questions or comments using the options above.

This consultation provides an opportunity for us to outline to you our proposals to put in place a new pension arrangement for all our employees that is modern, flexible and provides access to higher contributions for most employees. It's important that we get it right so please let us know if you have any feedback on the proposals. At the end of consultation, we will consider all the feedback before making any final decisions.

Yours sincerely

A handwritten signature in black ink that reads "GA McKenzie". The letters are cursive and somewhat stylized.

Geoff McKenzie
Director of Global Pensions