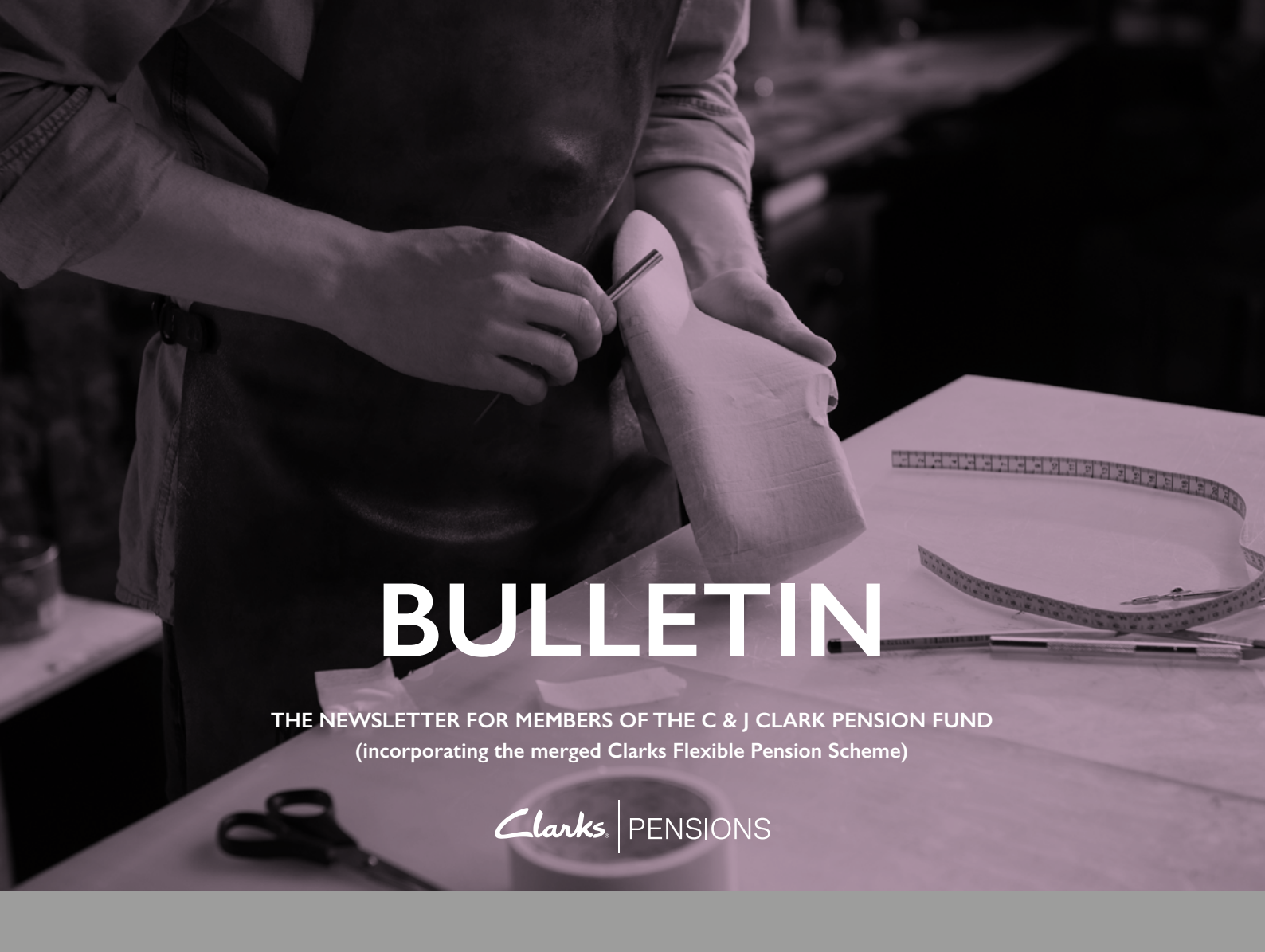




BULLETIN

THE NEWSLETTER FOR MEMBERS OF THE C & J CLARK PENSION FUND
(incorporating the merged Clarks Flexible Pension Scheme)

Clarks | PENSIONS

Welcome

to the 2025/26 newsletter for members of the C&J Clark Pension Fund.

Since we last wrote to you in December 2024, the Trustee's ongoing strategy has centred on reducing risk and ensuring the long-term security of your pension benefits. In 2022, we completed an initial buy-in transaction with Pension Insurance Corporation (PIC), followed last year by a second buy-in. This means that nearly all of the Fund's liabilities are now insured.

Earlier this year, we formally communicated to you that the wind-up of the C & J Clark Pension Fund has been triggered. This is a planned and carefully managed step, following on from our insurance transactions. We want to reassure you that your pension remains safe: as part of the wind-up, your benefits will be secured with PIC. You do not need to take any action, and further communications will be sent to you as the wind-up progresses.

We recognise that the cost of living and ongoing economic pressures may still be affecting some members. If you are looking for guidance on managing your finances or have questions about

your pension, MoneyHelper (moneyhelper.org.uk) remains a reliable, free resource for impartial money and pensions advice. Its services are updated regularly to reflect the latest financial guidance, so do consider making use of this support if you need it.

Don't forget that our member website, launched in 2023, continues to be a valuable resource. The site is regularly updated with the latest news, guidance and tools to help you manage your pension. Once registered, you can log in securely to access your personal pension details at any time, update your contact details and find answers to frequently asked questions. Please use this service to protect yourself from the risk of scams.

I hope you find this newsletter informative and helpful.

With my best wishes

Libby
Chair of Trustee

Inside



FUND FINANCES

Overview

The Trustee produces a full set of financial accounts each year to show how much money has been paid into and out of the Fund. The accounts are audited by S&W Partners Group Limited.

Value of the Fund* on 6 April 2024	£794.9m
Money coming into the Fund	£21.2m
Money going out of the Fund	£65.8m
Value of the Fund* on 5 April 2025	£750.3m

* this includes both the CJC and Flexible Sections

A new Schedule of Contributions and Recovery Plan were completed with the Company in February 2024. Following the closure of the CJC and Flexible Sections on 31 July 2018, both Sections no longer have any active members. Consequently, there are no member or Employer contributions required for new benefits under this Schedule. As the Trustee has purchased two insurance policies that secure most of the Fund's liabilities, Company deficit reduction contributions are no longer being paid into the Fund. However, an Escrow Account was established in January 2023, and deficit-reduction contributions are being paid to this account. As at 5 April 2025, the balance in the Escrow Account was £8.1m.

Detail

MONEY COMING INTO THE FUND	£'000
Employer contributions	21,150
Member contributions	-
Transfers from other plans	86
Other income	6
Increase in value of investments	-
Total	21,242

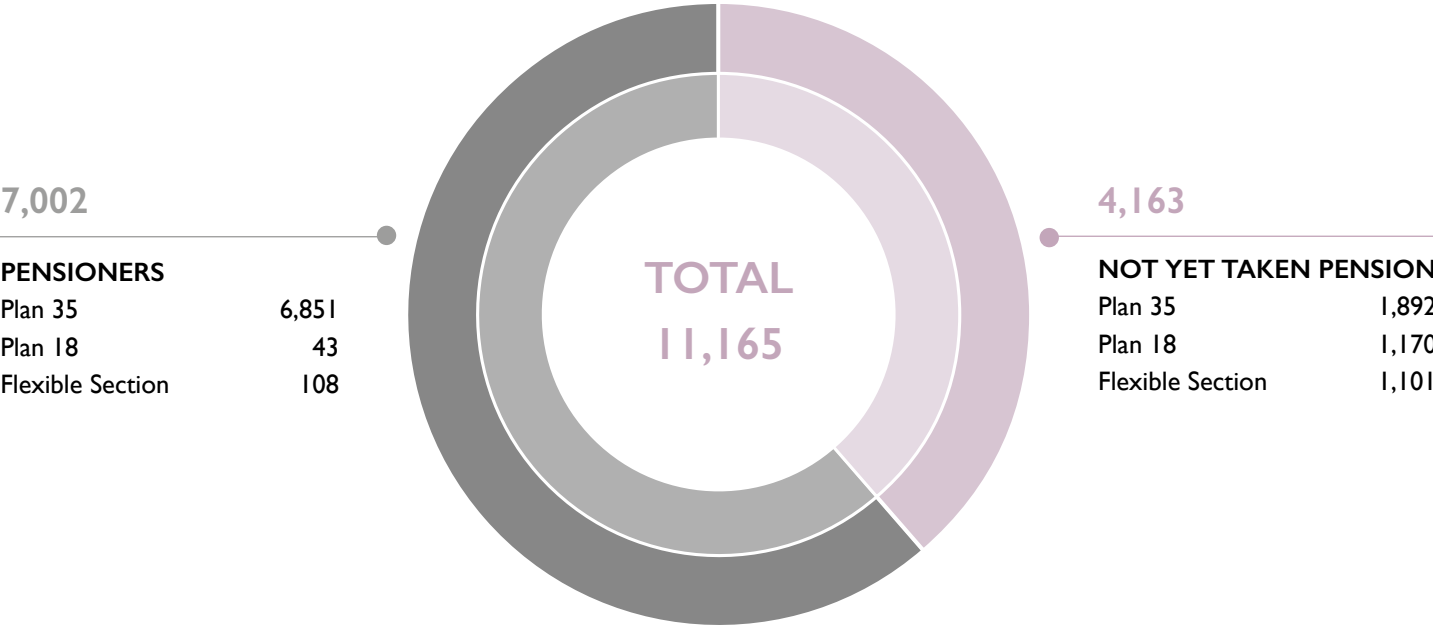
MONEY GOING OUT OF THE FUND	£'000
Benefits payable	46,725
Administration expenses	5,630
Decrease in value of investments	13,167
Transfers out	305
Total	65,827

You can find the full Report & Accounts, on which this summary is based, on the pensions website: clarkspensions.co.uk

MEMBERSHIP

The Fund closed to future accrual on 31 July 2018, so the Fund’s membership now comprises entirely of pensioners and deferred members.

On 6 April 2020 (after the year-end), 1,262 members of the Clarks Flexible Pension Scheme transferred into the Flexible Section of the Fund. The figures below are for both CJC and Flexible Sections.



SPOTLIGHT ON... PLAN 35 *investments*

As at 5 April 2025, Plan 35's assets were valued at approximately £709.3 million. The assets are made up of insurance policies, gilts and cash. Residual assets are held with BlackRock Investment Management and are invested in gilts and cash to help meet Fund expenses.

Asset	Allocation (%)
Gilts and cash	2.2
Insurance policies	97.8

SECOND BUY-IN WITH PIC

As already mentioned, the Fund was formally triggered for wind-up on 31 July 2025, and the Trustee is now working towards full buyout. Once final data checks and GMP equalisation are complete, the Trustee intends to convert the policies into individual insurance contracts for members – a process expected to conclude by 2027. Following this process, the responsibility for paying and managing members' benefits will transfer to PIC.

We'd like to emphasise that, as is our standard practice, you will **not** be contacted by the Fund, Hymans Robertson or PIC and asked to provide personal details about yourself, your bank account or any other items. The information to enable PIC to pay your pension will be securely transmitted from the computer administration files at Hymans Robertson to PIC.

PIC's privacy notice explains how PIC processes your personal information. You can read it online at: pensioncorporation.com – search for 'buy-in privacy notice'.



SCAN ME

SPOTLIGHT ON... PLAN 18 AND AVC *investments*

Most members with Plan 18 or Plan 35 AVC investments use funds held with Legal & General Asset Management.

As part of the Fund's wind-up preparation, members with Plan 18 investments have been contacted individually with details about their options. Depending on your circumstances, the following options may be available to you:

- A cash lump sum (not all Plan 18 members are eligible for this)
- A transfer to another pension arrangement
- Use your savings to secure a pension with Pension Insurance Corporation (PIC).

These options are designed to give flexibility while ensuring your benefits remain secure. The letter explaining your options included details of what you need to do and by when.

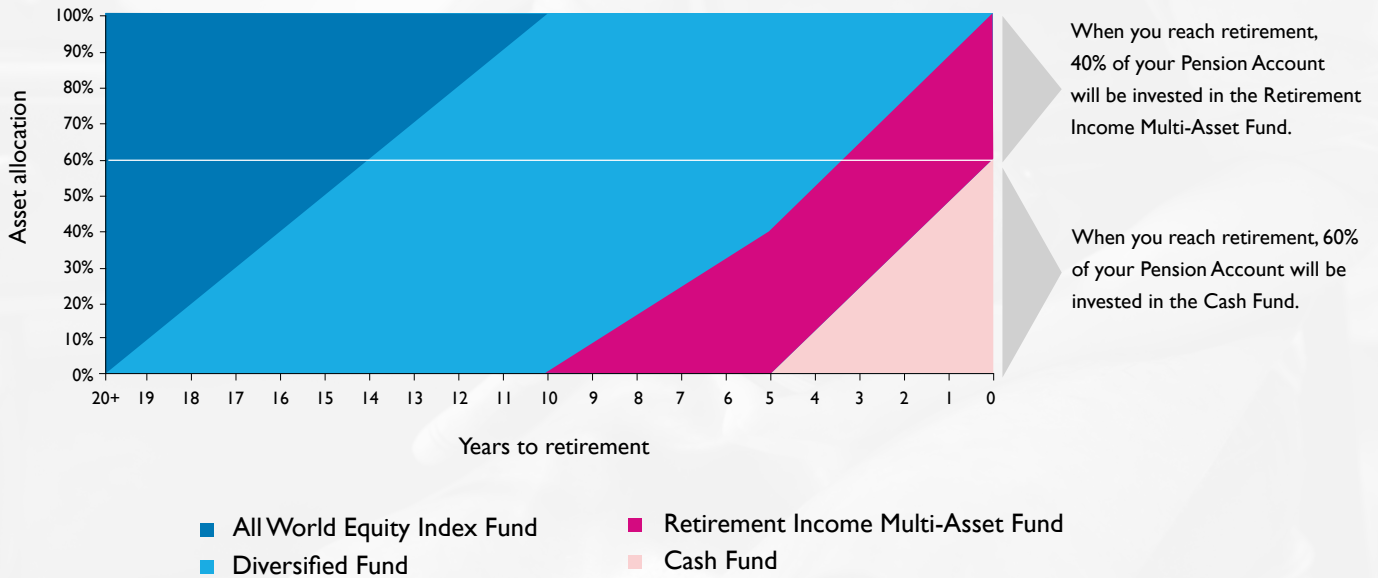
As part of the wind-up process, to protect the capital value of members' Plan 18 investments, the Trustee transferred all Plan 18 investments to a cash-like investment.

If you hold Plan 35 AVC investments, these remain invested in the fund range held with Legal & General. The fund range includes:

- A lifestyle for members who prefer a hands-off approach to investing. The lifestyle assumes members plan to use some or all of their AVCs as cash at retirement (see the chart on the next page).
- A range of self-select funds for members who want control over how their AVCs are invested up to the point of retirement.



HOW THE LIFESTYLE FUND WORKS



SUMMARY FUNDING STATEMENT

The Trustee of the C & J Clark Pension Fund issues this statement once a year to tell you about the financial security of the Fund. This statement relates to the funding position as it stood in April 2025 (for both the CJC and Flexible Sections).

We recommend you take some time to read it, since the Fund's financial security could affect the benefits you will ultimately receive. We will send you a similar statement each year to update you on this important issue. Note: if you are a member of Plan 18 only, this statement does not apply to you.

HOW IS THE FUND'S FINANCIAL SECURITY MEASURED?

The estimated cost of providing the benefits you and other members have earned to date is known as the Fund's 'liabilities'. This includes the benefits of members who have left the Company or retired.

Monies that have been paid into the Fund in past years, historical investment returns and any new contributions from the Company are invested in a general fund, known as the Fund's 'assets', to provide your benefits. Past contributions to Plan 18 are now held in a cash-like investment, and AVCs are held in individual accounts with insurance companies and invested in accordance with their wishes. All other contributions are held in a general fund.

To check the Fund's financial security, we look at its financial position and compare the value of its liabilities with its assets. If the Fund has fewer assets than liabilities, it is said to have a 'shortfall'. If the assets are more than the liabilities, there is said to be a 'surplus'.

We carry out an in-depth look at the Fund's finances at least once every three years. This is called an actuarial valuation. We ask a qualified, independent professional, known as an actuary, to do this. The last completed valuations were carried out as at 5 April 2023. Given the Fund has now triggered wind-up, we do not expect there to be another actuarial valuation as all the benefits are secured with an insurer.

Between the formal valuations, the actuary is required to check the financial security of the Fund more regularly. These are at least annual updates and are less detailed than the full valuation and are only estimates of the position. The table on the next page shows the results of the 2025 update.

HOW HAS THE FUND'S FINANCIAL POSITION CHANGED SINCE THE LAST SUMMARY FUNDING STATEMENT?

At the 5 April 2023 valuation, the funding position for each section was as follows:

	CJC Section (2023)	Flexible Section (2023)
Assets	£854m	£17.2m
Liabilities	(£843m)	(£19.2m)
Surplus/(shortfall)	£10m	(£2m)
Funding level	101%	90%

As of 5 April 2025, the funding position for each section was as follows:

	CJC Section (2025)	Flexible Section (2025)
Assets	£709m	£19.5m
Liabilities	(£694m)	(£15.0m)
Surplus/(shortfall)	£15m	£4.5m
Funding level	102%	130%

We are pleased to confirm that the Fund has taken a decisive step in the process of securing all members' benefits. By purchasing 'buy-in' contracts with specialist insurers, the Fund has now locked in the assets required to meet its liabilities.

This means that your pension is now backed by highly secure insurance contracts. Insurers are required by regulators to hold significant capital to ensure they can meet their long-term obligations, making the funding position of the Fund strong and stable. This action allows the Trustee to progress with the final plans to insure all obligations and formally wind up the Fund. We wrote to you in August about this process and what it means for you.

The positive financial impact of this is reflected in the updated funding levels as of 5 April 2025:

- CJC Section: increased from 101% to 102%. The small surplus was created by assets remaining after the policy was purchased.
- Flexible Section: increased significantly from 90% to 130%. This was a direct result of securing the policy at a very favourable price.

Please note that these figures exclude Plan 18, as its assets and liabilities are equal and therefore do not affect the Fund's overall funding position.

HOW MUCH MONEY IS PAID INTO THE FUND EACH YEAR?

Until 31 July 2018, active members and the Company paid contributions to the Fund. Following the Fund's closure to future accrual, the Company continued to pay deficit contributions into the Fund (as required and agreed with the Trustee), to meet the cost of the benefits that have been promised to members. Now that members' benefits are fully secured by the new insurance policies, the Company's regular contributions are no longer needed and have therefore ceased. The Company's only remaining financial commitment is to cover the administrative costs required to formally wind up the Fund.

WHAT IS BEING DONE ABOUT THE SHORTFALL? – FLEXIBLE SECTION

Following the 2023 valuation, a plan was agreed for the Company to make regular contributions to eliminate a funding shortfall by the end of 2026. However, the Trustee was able to accelerate this process significantly. In late 2024, the Company made final contributions to allow the Trustee to purchase a buy-in insurance policy that secures all members' pensions. Because this policy now guarantees all future benefit payments, the original funding shortfall is fully resolved, and all deficit-reduction contributions from the Company have now stopped being paid directly into the Fund. However, contributions for the Fund's expenses continue to be paid into the Escrow Account, and the obligation to fund any future deficits remains with the Company.

IS MY PLAN 35/FLEXIBLE SECTION PENSION GUARANTEED?

Our aim is for there to be enough money in the Fund to pay pensions now and in the future, but this depends on the Company carrying on in business and paying into the Fund if required, due to unforeseen circumstances during the winding-up process. The Trustee is in the process of securing all benefits with an insurance company, which will then mean that there is no future reliance on the Company.

If the Company were to become insolvent or decide to stop paying into the Fund, it is expected that the Company would then be required (to the extent it could, from the assets available to satisfy its obligations to the Fund) to pay the Fund enough money to buy all the benefits built up by members from an insurance company. As noted previously, the Fund is already in the process of winding up. The Company and the Trustee regularly forecast the assets and liabilities to ensure that sufficient funds are available. If they're not, the Company will be required to pay any extra into the Fund.

The comparison of the Fund's assets with the cost of buying the benefits from an insurance company is known as the 'solvency position'.

WHAT HAPPENS IF THE FUND IS WOUND UP AND THERE IS NOT ENOUGH MONEY TO PAY FOR ALL MY BENEFITS?

If the Fund is wound up without enough money to complete our planned buyout of all the benefits with an insurer then, unless the Employer can afford to pay the difference, you are unlikely to receive the full pension you were expecting. To help members in this situation, the government set up the Pension Protection Fund (PPF).

If the Fund were to be wound up and go into the PPF following an insolvency of Clarks, the value of the benefits you would receive from the PPF may be less than the full value of the benefits you have earned in the Fund (and the amount of the pension you would receive from the PPF may depend, in particular, on your age and when your benefits were earned).

The inclusion of this explanation is a regulatory requirement, and further information and guidance are available on the PPF website at ppf.co.uk or you can write to the Pension Protection Fund, PO Box 254, Wymondham NR18 8DN.

IS THERE ENOUGH MONEY IN THE FUND TO PROVIDE MY FULL BENEFITS IF THE FUND WAS WOUND UP?

For the CJC Section, the actuarial valuation at 5 April 2023 indicated that there would be a shortfall of £33m – equivalent to a solvency funding level of 96% if the Fund had wound up at that date, and the benefits of members had to be purchased from an insurance company. For the Flexible Section, the shortfall was £3m and the solvency funding level was 85%. However, the Fund is in the process of securing its obligations with an insurance company and our expectation is that members will receive all the benefits to which they are entitled.

By law, we are also required to tell you if any payments have been made from the C & J Clark Pension Fund (other than in respect of administration expenses) to the Company over the past year. We can confirm that no such payments have been made, and there is no history of such payments. We can also confirm that the Fund has not been modified or made subject to directions or a schedule of contributions by the Pensions Regulator under section 231 of the Pensions Act 2004.





If you would like copies of any of the documents listed below, you can download them from the Clarks pensions website or contact the Hymans Pensions Team:

- The Statement of Investment Principles
- The Schedule of Contributions
- The Annual Report and Accounts of the C & J Clark Pension Fund (including the Chair's statement)
- The formal Actuarial Valuation Reports as at 5 April 2023
- The C & J Clark Pension Fund member booklets.

FUND NOTICEBOARD

REGISTER FOR THE CLARKS PENSIONS WEBSITE: YOUR ONE-STOP SHOP FOR FUND INFORMATION

If you've not already done so, please take a couple of minutes to register online – and you'll have instant access to all your pension information.

Go to clarkspensions.co.uk and select the section of the fund you are a member of:

- C&J Clark Pension Fund, or
- Clarks Flexible Pension Scheme
- You'll need to enter the following information: your surname, date of birth, national insurance number, personal mobile telephone number (if you don't have a mobile phone number you can enter a landline number instead) and personal email address.

Once you register and log in, you can:

-  View and update your contact details
-  View and update your expression of wish form
-  View basic information about your pension
-  View payslips and P60s (pensioners only)
-  Tell us how you prefer us to contact you
-  Submit general enquiries online.

The pensions website also has lots of useful information about the Fund, which you can access without needing to log in. Simply click on the icon with three bars at the top right of the home page and choose 'Resources' from the list displayed. You can find:

- The Statement of Investment Principles, which sets out the principles the Trustee applies when choosing investments
- The Implementation Statement, which shows how these principles are applied in practice
- The Annual Report and Accounts of the C & J Clark Pension Fund (including the Chair's statement)
- The formal Actuarial Valuation Report as at 5 April 2023
The Schedules of Contributions
- Explanatory leaflets, which explain how the Fund works
- Internal Disputes Resolution Procedure, which explains what to do if you have a complaint
- Climate Change report.

FIXED PROTECTION NOTICE (PRE-RETIREMENT MEMBERS ONLY)

In order to maintain our records and ensure that we are providing you with the correct benefit entitlement, we need to know if any pre-retirement members have previously applied for Fixed Protection. If you have applied for this, please get in touch with our administration team using the contact details on page 20.

STATEMENT OF INVESTMENT PRINCIPLES (SIP)

The SIP is a written statement which sets out the Trustee's investment policy for the Fund. The Trustee is required to publish the SIP on a public website and, as such, it is available on the Clarks pensions website.

The Trustee also has to include certain information in the SIP about how it considers environmental, social and governance (ESG) issues when choosing investments, among other things. The Trustee reviews the SIP regularly, to make sure that the investment strategy is still helping the Fund achieve its objectives.

GUARANTEED MINIMUM PENSION (GMP) EQUALISATION AND WHAT IT MEANS FOR YOU

The Trustee has made significant progress this year on GMP equalisation. This is a statutory requirement to address historic disparities in pension benefits between men and women that occurred between 17 May 1990 and 5 April 1997. The Trustee has adopted a 'no reduction' policy and is committed to ensuring that future pension increases are in line with equalised and rectified entitlements, thereby offsetting any potential reductions. We will write to you if this affects you. If you are eligible for a top-up payment, it will be processed automatically. We're expecting the equalisation project to be completed in the new year. We appreciate your patience as we finalise this important work.

DISCOUNT CARDS

From time to time, we are contacted by members asking about Discount Cards. We would like to emphasise that these are issued at the discretion of the Company and not the Trustee, so if you do have any questions about these, please contact the Company at HRSupportcentre@clarks.com. There have been no changes to Discount Cards since the last communication from the Company.

PENSIONS NEWS

TAX ALLOWANCES

As communicated in last year's Bulletin, the Lifetime Allowance (LTA) was abolished on 6 April 2024. All pension arrangements are now subject to standard income tax regulations. A limit on the maximum amount of tax-free cash withdrawals remains in place; for most members, this is 25% of the benefit value, up to a maximum of £268,275 across all pension schemes. If you hold a Lifetime Allowance protection under earlier HMRC provisions, you might be eligible for a higher limit.

If the standard lump sum allowance is used up and you qualify to receive additional benefits from the Fund as a lump sum, this payment – referred to as a Pension Commencement Excess Lump Sum – may be made, subject to tax requirements. For further information, please contact the administration team, using the details on page 20.

The Annual Allowance (AA) remains at £60,000 for the 2025/26 tax year, unchanged from the previous year. This is the maximum amount of tax-relieved pension savings you can make each year. If your adjusted income exceeds £260,000, your AA may be reduced to a minimum of £10,000. You may carry forward unused AA from the previous three tax years, provided you were a member of a registered pension scheme during those years.

PENSIONS DASHBOARDS

The Pensions Dashboards, currently in development, are backed by the UK Government and will be a free-to-use online platform. The Dashboards will enable people to view information about their unclaimed state, private and workplace pensions in one secure place. They will help reunite people with forgotten funds and allow people to plan their retirement with greater confidence. The Fund is working closely with Hymans Robertson to ensure we will be connected to the Dashboards when the full roll-out to the public starts.

To ensure the best chance of being able to see all your unclaimed pension information once the Dashboards are available, you should make sure that all your pension schemes hold up-to-date information for you. You can review and update the personal data held for you by the Fund on our website at clarkspensions.co.uk

BEWARE OF PENSION SCAMS

Pension scams continue to evolve, becoming more sophisticated and harder to detect. Scammers can be articulate and financially knowledgeable, with credible websites, testimonials and materials that are hard to distinguish from the real thing. Scammers often pose as legitimate advisers and use high-pressure tactics or promises of guaranteed returns to lure victims. Your pension is your future – stay vigilant and stay informed. Use this checklist to help you stay safe from scammers:

- **Is the offer unexpected?**

Cold calling about pensions is illegal, and no legitimate pension provider would ever contact you out of the blue. Be wary of free pension reviews or promises of high or guaranteed returns.

- **Have you checked who you're dealing with?**

Scammers operate using clone firms. You can check if anyone offering you advice is authorised to do so by using the Financial Conduct Authority's (FCA) register at register.fca.org.uk

- **Stop and think – are you being rushed or pressured?**

Pressure to act quickly is a warning sign – take your time to make all the checks you need. If it sounds too good to be true, it probably is.

- **Trusted guidance** – use MoneyHelper to get free and impartial information and guidance or to find a regulated financial adviser at moneyhelper.org.uk
- **Take the FCA quiz** – could you spot an investment scam? ScamSmart at fca.org.uk/scamsmart

What to do if you think you're being targeted:

1. Contact your pension provider straight away. They might be able to stop a transfer that hasn't taken place yet.
2. Report it to Action Fraud on 0300 123 2040 or at actionfraud.police.uk/reportscam. You can report a regulated financial adviser or unauthorised adviser to the FCA on 0800 111 6768 or at fca.org.uk/consumers/report-scam

LOOKING AFTER *the Fund*

CURRENT TRUSTEE DIRECTORS

The C & J Clark Pension Fund is looked after by a Board of Trustee Directors, who have a legal duty to protect the benefits payable from the Fund. The Trustee Directors are:

Elizabeth Moss (Libby Edwards) (Chair)

Dr John Keeling (Independent Director)

Peter Drew

Richard Forde

Andrew Mundy

Richard Shave

Deirdre Kane (Member-Nominated Trustee Director)

Mike Metcalfe (Pensioner-Nominated Trustee Director)

Paul Stacey (Pensioner-Nominated Trustee Director)

The terms of Mike Metcalfe and Paul Stacey, which were set to end this year, have been extended due to ongoing and significant projects. Their terms have been extended for four more years although it is anticipated that the Fund will be wound up before then.

FUND GOVERNANCE

The Trustee has made good progress in continuing to align with the governance standards outlined in the Pension Regulator's new General Code. A comprehensive review of current policies and procedures has ensured that all aspects of Fund governance reflect the latest regulatory expectations, with a strong focus on risk management and cyber-security measures.

Looking ahead, we're already preparing for the Fund's required Own Risk Assessment in 2026. This will involve a thorough evaluation of the Fund's risk profile, governance arrangements and internal controls, enabling us to ensure ongoing compliance with regulatory requirements.



OUR ADVISERS

The Trustee Directors have appointed the following professional advisers to help them run the Fund:

Administrator	Hymans Robertson LLP
Actuary	Richard Shackleton, Hymans Robertson LLP
Auditors	S&W Partners Group Limited
Investment advisers	WTW
Investment managers	AXA Investment Managers (until 5 November 2024)
	BlackRock Advisors (UK) Ltd
	Legal & General Assurance (Pensions Management) Ltd
	Towers Watson Investment Management (until 3 October 2024)
Legal adviser	Travers Smith LLP
Covenant advisers	Penfida LLP
Scheme secretary & pensions manager	WTW

GET IN TOUCH

If you have any general questions, or would like any further information, you can contact the Administration Team.

Call: 0121 212 8122

(phone lines are open from 9am to 5pm)

Write to:

C & J Clark Pension Fund

Hymans Robertson LLP

PO Box 27169

Glasgow

G2 9NE

Email: clarks@hymans.co.uk

Go online to download forms and find out more about Clarks pensions: clarkspensions.co.uk

THE C&J CLARK 1922 EMPLOYEES TRUST

The C&J Clark 1922 Employees Trust is a charity set up to support employees and ex-employees with the cost of further education and in cases of hardship and sickness.

The Trust gives grants to Clarks pensioners to fund such things as mobility aids, stairlifts and small adaptations like walk-in showers to make daily living easier following illness or disability. It also provides grants to the children of pensioners who are attending university to study for a first degree.

So, if you need financial assistance to take part in continuing education, to keep you mobile and independent or have another need that we may be able to help with, do please get in touch. And if you know someone else who used to work at Clarks who may need help, do pass this on.

You can obtain an application form by emailing trustgrants@Clarks.com, speaking to Trust Manager, Susie Mercer, on 0117 240 5583 or by writing to: C&J Clark 1922 Employees Trust, 40 High Street, Street, Somerset BA16 0EQ.

HELP US TO HELP YOU

To run the Fund efficiently and pay your pension on time, the Administration Team needs to keep accurate records. If you've moved, please remember to tell us your new address, or if you've changed your bank account details, please let us know as soon as possible. Please note: we can only accept change of address or bank details in writing.