

**UPDATE FROM THE TRUSTEES TO MEMBERS OF THE
ARCADIA GROUP PENSION SCHEME and
THE ARCADIA GROUP SENIOR EXECUTIVES PENSION SCHEME (the Schemes)**

8 February 2021

The Covid-19 pandemic has had a dramatic impact on all our lives. We are extremely saddened by its effects and, most recently, by the distressing impact that the latest store and business closures are having for staff and their families.

We also realise this is a hugely unsettling time for members of the Schemes. The high-profile nature of the Company means it is likely that there will be ongoing media speculation about the future of the Schemes. Please be assured that the Trustees continue to work very hard to ensure members' interests are protected and we will keep members updated with accurate information as quickly and effectively as we can, as further information becomes available.

At the same time, the Trustees are in ongoing discussions with Arcadia's Administrators, while also working closely with and being supported by the Pensions Regulator and the Pension Protection Fund (PPF).

As explained in our letter dated 4 January 2021, the Schemes are currently in PPF Assessment.

The PPF Assessment process is a detailed and essential exercise, which must be gone through in order to determine the Schemes' funding positions. As part of this process, the Schemes' assets and liabilities are being checked to see whether the Schemes will stay in PPF Assessment or if – as the Trustees are focussing on and hope will be the case - their assets are sufficient to enable better than PPF benefits to be secured for members. If this is the case, the Schemes will exit PPF Assessment and members' benefits will be secured by insurance company or buy-out arrangements at a level higher than PPF compensation levels.

We are also pleased to confirm some further, positive news for members of the Schemes: as you will recall, during the 2019 Company Voluntary Arrangement (CVA) settlement, the Schemes secured significant Security over various Company assets and this Security is now being recovered.

The £100m cash contribution due from Lady Green was paid in full by December 2020 and the Schemes have already received an initial distribution of £173m from the Company in respect of the Security granted over other assets agreed under the terms of the CVA.

As other assets are realised and recoveries are made during the Administration process, the Schemes will receive additional payments which will further improve their funding positions. The Trustees will continue to keep members updated as they collect these monies and while PPF Assessment continues.

As Trustees, our prime focus is on securing the best possible outcome for members through maximising recoveries to the Schemes. As the Administration process progresses and as soon as we have greater clarity on the Schemes' funding positions, we will communicate this to members first, as well as any impact on your benefits.

In the meantime, we would continue to reassure members who are currently receiving their pensions that your payments will continue to be made at their current levels.

Email is an effective and swift way of making contact with members, so we would also like to remind those who have not already done so to please confirm their email address via: ***Pensions_Helpline@arcadiagroup.co.uk***.

Member contacts

For questions related to the Pension Protection Fund (PPF) and the impact of being in PPF Assessment:

You can call the Barnett Waddingham support helpline on: 0345 646 0061

Lines are open Monday to Friday, 9am – 5pm, with voicemail operating outside of these times.

Calls to this number are charged at a local rate and as an '01' or '02' number would be on a mobile 'phone.

You can also email: Arcdiamembers@barnett-waddingham.co.uk.

For all general queries and updates to your Arcadia pension records – and to confirm your personal email address:

Email the Arcadia pensions team at: Pensions_Helpline@arcadiagroup.co.uk