

WHY

might you be interested in Comet's offer?

There are a number of reasons...

- **You want more control over your pension.**

Transferring your pension benefits out of the Scheme is likely to give you more control over how your pension savings are invested, how you choose to receive your pension and the type of benefits you can provide at retirement. If you transfer your benefits out of the Scheme, you will most likely transfer them to a scheme which works on a money purchase or defined contribution basis. This will involve you taking more risk. Whilst you may be happy to take more risk if you think this will allow you to build up a bigger pension, it could also mean that you end up with a smaller pension. The Company will be providing financial advice to explain these risks and help you assess whether a transfer is appropriate for you.

- **You do not have anyone who is financially dependent on you.**

When you die, the Scheme will pay a pension to your financial dependants, based on the value of your own pension. When the transfer value is calculated, it includes an allowance for these dependants' benefits. If you do not have any financial dependants and transfer your pension out of the Scheme, you can choose to use all of your funds from the transfer to provide a pension just for you.

- **You are worried about the security of the Scheme.**

The Scheme is not in financial difficulty and Comet is committed to making sure the Scheme is secure and able to fund the benefits when they are due. However, your Scheme benefits are not guaranteed and as with any form of pension their payment depends on the Scheme's ability to pay your benefits and ultimately the Company's ability to meet the costs of funding the Scheme. The Pension Protection Fund (PPF) does provide you with some security were Comet unable to meet its obligations to the Scheme - see www.pensionprotectionfund.org.uk

Getting advice

To consider your ETV offer, you must take independent financial advice. We have appointed Origen to provide you with independent financial advice to help you understand your options. This will be paid for by the Company. Further information will be provided about Origen in the offer pack being sent in the coming weeks.

Can Comet withdraw the offer?

If financial, economic or legislative circumstances change significantly, Comet reserves the right to withdraw the offer.

I can't remember what benefits I've built up in the Scheme. What should I do?

Don't worry, the offer pack will include details of the pension that you built up in the Scheme.

What if I want to find out more?

The Comet Pensions website at www.comet-pensions.co.uk provides lots of useful information. We'll shortly be adding a question and answer document about the ETV offer to the website. We will continue to add further questions and answers to this document throughout the process based on the questions that members are asking most frequently.

You may also find the Pension Advisory Service (TPAS) a useful source of information. Their website is found at www.pensionsadvisoryservice.org.uk

If you can't find the information you need on these websites, or have a specific question about the offer, you can contact the Pensions Manager by emailing james.arnold@comet.co.uk

THE COMET PENSION SCHEME

ETV offer

This leaflet is produced by the Company and provides brief details of the Company's Enhanced Transfer Value (ETV) offer. More details will follow in the coming weeks.



comet

ABOUT

the Comet Pension Scheme (the Scheme)

The Scheme is a defined benefit (DB) arrangement that provides members with a specific (or defined) level of pension at retirement. It operates as a legal trust, separate from the Company, and is run by the Trustee. The Trustee is responsible for protecting members' benefits and aims to ensure there are sufficient funds in the Scheme to pay members' benefits when they fall due. At the same time, the Company bears the cost of supporting the Scheme including the risk of increasing costs and any funding shortfalls which may arise.

At present, there is a funding shortfall in the Scheme. In common with many other UK pension schemes, the Scheme has been affected by the increasing cost of funding pensions and the recent economic recession.

Comet reaffirms its willingness and ability to support the Scheme. It is committed to improving the Scheme's finances (£6.1m of deficit contributions are currently being paid each year) and taking actions to reduce risk to ensure that the Scheme remains affordable.

WHAT

is an ETV offer?

You have the option to transfer the monetary value of your pension benefits (called a 'transfer value') to another pension arrangement at any time, up to a year before your normal pension age. An ETV offer is a one-off opportunity to transfer your benefits out of the Scheme on an 'enhanced' basis - that is the amount of money that would be paid as a transfer value would be higher than you would otherwise be entitled to. This is known as an 'enhanced transfer value' (ETV).

We have discussed our intention to offer ETVs with the Trustee and will continue to involve them throughout this offer process.

WHY

are we making this offer?

This offer is part of a programme to reduce the level of risk in the Scheme by allowing members to transfer their Scheme benefits to another pension arrangement.

WHO

will be offered an ETV?

This offer is not applicable to pensioners. The majority of other Scheme members will be offered an ETV and will receive a personalised pack of information with details unless they have asked the Trustee not to release information to us. The ETV offer will not be applicable to everybody and if we decide not to make an offer to you, we will write to you to confirm this and let you know why.

HOW

will the offer work?

We will calculate the normal transfer value based on the benefits that you have built up in the Scheme. This is expressed as a monetary amount. This amount will then be increased by a percentage to produce your ETV.

You do not have to accept the offer. If you decide to go ahead with the offer and Comet accepts your request to receive an ETV, the Scheme will pay your ETV into an approved pension scheme of your choice.

If you take the ETV you will no longer be eligible for benefits from the Scheme and instead will build up a pension pot with your new provider; you will then use this to provide your pension benefits when you're ready. You should be aware that the benefits you receive as a result of your ETV could be lower than those you would have received had you not accepted the offer. This will be explained in more detail in the personalised offer pack being issued in a few weeks.

