Date

STRICTLY PRIVATE & CONFIDENTIAL
ADDRESSEE ONLY
Name
Address

Dear [Name]

The William Hill Pension Scheme (the "Scheme")
Proposed changes to the Retirement Plan Section of the Scheme

As you will know from our earlier letter, William Hill Organization Limited (the "Company") has agreed with the Scheme **Trustee** to insure benefits under the **Retirement Plan Section** of the Scheme with Rothesay Life PLC ("Rothesay"), a regulated UK life insurer. This is a positive step towards the long-term security of your benefits and is something both the Company and the **Trustee** are delighted to have been able to achieve.

Whilst this is a big step in the right direction, in order to eventually fully secure these benefits with Rothesay, we need to make some changes to the benefits which you would have otherwise received from the **Retirement Plan Section**.

The purpose of this pack is to provide you with further information about these changes and what this means for your benefits. We encourage you to please read all the documents in this pack to help you understand the proposed changes.

Please also be aware that some of the changes involve making top-up payments into your **Pension Savings Plan** (the **Defined Contribution** Section of the Scheme) pot. For some of you, this could have a tax impact, for example on your Annual Allowance and/ or Lifetime Allowance - more detail on the potential tax impact is included in this pack. We are not able to confirm if there would be any tax impact for you, but if you think you might be impacted please consider taking financial advice as you can opt-out of receiving all or part of these payments.

Telephone
+44 (0) 207 612 3000

Address
William Hill
1 Bedford Avenue
London
WC1B 3AU

Registered Office: 1 Bedford Avenue, London, WC1B 3AU. Reg No. 4212563 England and Wales

In this pack you will find:

Appendix 1: A letter from the Trustee

A letter from the **Trustee**, which:

- Explains changes that we need to make in order to insure your benefits; and
- Explains a top-up payment the Company has agreed to pay into your **Pension Savings Plan** pot to minimise the impact of these changes on your benefits.

Please note this letter from the Trustee is to inform you of changes that will be made to your benefits and is not part of the Company consultation process.

Appendix 2: A letter from the Company

A letter from the Company, which:

- Explains additional changes needed to some of your **Retirement Plan Section** benefits in order to be able to fully secure these benefits with Rothesay. This includes changes to how your benefits are linked to your salary and changes to benefits that you might get on certain events including death in service, incapacity and redundancy.
- Explains a further additional top-up payment the Company has agreed to pay into your **Pension Savings Plan** if the proposed changes are made.
- Marks the start of a formal consultation with you, which the Company is legally required to undertake. You will have the opportunity to have a full and two-way discussion with the Company on these proposals.

Please note this letter from the Company is to inform you of proposed changes to your benefits, additional to those covered in the Trustee letter in Appendix 1, and forms part of a consultation process.

Appendix 3: More detail on the proposed changes

Within the final document you will find more detailed information on the proposed changes, including:

- A table setting out:
  - the benefits currently payable under the **Retirement Plan Section**; and
  - how those benefits would change if the Company's proposals were implemented.
- An initial Question and Answer document;
- A fact sheet setting out more detail on the potential tax impact the payments into your Pensions Savings Plan pot could have on you; and
- A glossary of terms used throughout this document pack. Terms defined in this glossary are in bold throughout this pack.

In summary, we are delighted to be able to take this hugely positive step, with the Company working together with the **Trustee**, towards fully securing benefits for members of the **Retirement Plan Section**.

We encourage you to read all the enclosed documents and to actively engage in the Company's consultation process to help you understand the changes. We will also be hosting an informative webinar to further explain the changes and answer any questions, further details will follow on this.

Yours sincerely

Ed Airey
Employee Rewards Director
William Hill

Hugh Nolan
Chairman
William Hill Trustee Limited

William Hill Trustee Ltd
1 Bedford Avenue, London, WC1B 3AU

APPENDIX 1

Dear [Name],

For a number of years, the **Trustee** has been working closely with William Hill Organization Limited (the "Company") to ensure that your pension benefits under the **Retirement Plan Section** of the William Hill Pension Scheme ("the Scheme") are well protected. You may have read from the previous updates provided by the **Trustee**, the financial position of the Scheme has remained strong, helping the **Trustee** take actions to reduce the various risks to which the Scheme is exposed.

Improved security of your benefits

As a result, on the back of the acquisition of William Hill by Caesars Entertainment Inc. ("Caesars"), the **Trustee** has worked with the Company and Caesars to reduce these risks further and taken a very significant and positive step in protecting your benefits.

We are very pleased to announce that on 28th June 2021 the **Trustee** purchased a bulk annuity policy from Rothesay Life PLC ("Rothesay"), a leading and fully regulated UK life insurance company. This is a type of insurance policy (also known as a "buy-in" policy) and covers all of the remaining non-insured benefits under the **Retirement Plan Section** of the Scheme, and sits alongside a similar policy bought back in 2019 for the majority of pensioner members from Just Retirement Limited ("Just"). This latest policy greatly reduces the Scheme's reliance on the continued financial support of the Company.

A buy-in policy is seen by many as the "gold standard" approach in ensuring the security of members' pension benefits and as a result is often prohibitively expensive. To achieve our aims, we were pleased to work collaboratively with the Company and Caesars, who agreed to put in a further cash injection of almost £10m to enable the buy-in to go ahead.

What does this mean for you?

Aside from the increased protection of your pension benefits, in many respects there will be little immediate change for members. For example, the **Trustee** remains responsible for looking after the Scheme and the day to day administration of the Scheme will still be carried out by Capita.

However, there are some benefits currently provided by the Scheme which are not possible to insure with Rothesay. These benefits fall into two categories which are explained below.

Benefits conditional on your continued employment with the Company – Company consultation

As the Company explains in its letter (see Appendix 2), some of the **Retirement Plan Section** benefits which apply to you are both relatively complex and dependent on you remaining in employment with the Company. These are benefits which Rothesay is not able to insure as they are linked to future Company decisions over which Rothesay does not have any control (e.g. future levels of salary increases, to which your **Retirement Plan Section** pension is currently linked).

The Company is therefore proposing some changes to these benefits and has initiated a formal consultation process with you. More details are included in Appendix 2.

Benefits in the Pension Savings Plan – Trustee decision

Currently members like you, with benefits in both the **Retirement Plan Section** and the **Pension Savings Plan**, have some flexibility over the source of the tax-free cash option available to you upon retirement – something which was negotiated by the **Trustee** at the time of the closure of the **Retirement Plan Section** to future benefit accrual in March 2011. Under this arrangement, you are able to use some or all of your savings in the **Pension Savings Plan** (the **Defined Contribution** Section of the Scheme) to fund your tax-free cash lump sum, which leaves a higher level of pension from the **Retirement Plan Section** (the **Defined Benefit** Section). The maximum amount of **Pension Savings Plan** funds you can use to fund tax-free cash from the **Retirement Plan Section** is currently £131,000.

It was not possible to effectively insure the current link between the **Retirement Plan Section** benefits and the **Pension Savings Plan** benefits as part of the buy-in with Rothesay. This means that going forward, this option will no longer be available. If you have already received a retirement quote that allows for the link between the two benefits, the quote you received will still stand. As such, if you accept your quote before 31st October 2021 you would not receive the top-up payment set out in this letter as you are able to take your retirement benefits on the current basis and are therefore not impacted by this change.

For everyone else, as a result of the required changes we have been working closely with our advisers and the Company to see what we can give to members to make up for the loss of this flexibility. I am delighted to say that **the Company has agreed that a one-off contribution of £X will be made into your account under the Pension Savings Plan. This has been calculated as 20% of your capped Pension Savings Plan fund as at 12 May 2021.**

This top-up payment may have adverse tax consequences for some members. More detail is included in this pack. If you think you may experience adverse tax consequences as a result of receiving this top-up then please contact pensions2021@williamhill.co.uk by 31 August 2021. If we do not hear from you by this date, we will make the one-off contribution into your account on or around 31 October 2021.

The analysis we have carried out suggested that a relatively small number of members will require a slightly higher level of top-up to protect them against any adverse effect of the changes, so we will provide a slightly higher top-up for those members. This does mean however that even if you do not think you have a tax impact from the 20% top-up amount above, you could be impacted if this payment is slightly higher - if you think you might be impacted, please let us know per the above details.

What happens next?

As mentioned above, the policy with Rothesay will be held by the **Trustee** as an asset of the Scheme for the time being. This means that you will continue to receive pensions and benefit statements from the Scheme in the same way as before.

It is worth noting that the **Trustee** and the Company may decide at some point in the future to convert both the policy purchased from Rothesay and the previous policy held with Just (which covers the majority of the Scheme's current pensioners) into individual annuity policies, which will be assigned to each Scheme member.

This is known as a "buy-out" and would mean that responsibility for providing the benefits promised to members from the **Retirement Plan Section** of the Scheme would pass over to the chosen insurers and the **Retirement Plan Section** would eventually be wound up and discontinued. However, it is worth noting that there are a number of steps which need to be taken before a buy-out can be completed. If the **Trustee** and Company were planning to buy-out, we would write to you with further details at the time.

Who can I contact for further information?

If you have any questions about the contents of this letter, then please contact us at **pensions2021@williamhill.co.uk**.

Hugh Nolan
Chairman
William Hill Trustee Limited

APPENDIX 2

Dear [Name],

Introduction

As set out in our previous letter, the Company is delighted to have been able to meet the cost of insuring the benefits under the **Retirement Plan Section** of the Scheme with Rothesay Life PLC ("Rothesay"), a regulated UK life insurer specialising in securing these sorts of benefits. The Company and the **Trustee** see this as a hugely positive step as it increases the security of your pension benefits under the **Retirement Plan Section**.

To eventually fully secure the **Retirement Plan Section** benefits, changes to the shape of some of your specific benefits are required. For most of our members, these minor changes will not have a significant impact and the Company is planning to provide compensation where this is most needed. In particular, the Company is proposing to make a payment of [£XX] as a top-up to your **Pension Savings Plan** pot (more detail on this is provided in this letter and you should note that this payment is in addition to that set out in the **Trustee**'s letter).

This letter sets out the Company's proposed changes to your benefits in the **Retirement Plan Section** on which the Company would like your views. This consultation exercise is something we need to do by law and so we are carrying this process out in line with the legal requirements.

To be clear, the changes being made by the **Trustee** are not part of this consultation. The changes being made by the **Trustee** will automatically be applied.

You will receive separate letters from the Company and the **Trustee** if and when the **Retirement Plan Section** benefits have been fully secured with Rothesay, including what the next steps are for the Scheme. As part of this step the insurer would issue you with an individual policy in your name and your benefits would be completely transferred out of the Scheme and over to the insurer. It is this step that leads to the formal break in link between the Company and your benefits and why we are looking at these changes now.

The Consultation

This letter marks the start of a formal consultation with you on the Company's proposal to change some of the benefits currently payable under the **Retirement Plan Section**. The consultation will last for 60 days, ending on 26 September 2021. It is important to note that no decision has yet been made about this proposal. We will be using this consultation to help you fully understand the proposed changes. Please ask questions and share your views with us so we can take them into account before we make any final decisions.

The Company will be engaging with you in a number of ways during the consultation. Firstly, we will be holding a webinar to discuss the proposed changes and to give you the opportunity to ask any questions you have. We know that some of the proposed changes can be difficult to understand, and so we encourage you to join this webinar to help you better understand them. You will receive more details about how to join this webinar in due course.

As the consultation progresses, we will be collating comments and questions received and responding to these in a Q&A document. Initial Q&As are attached at Appendix 3 and this document will be updated periodically throughout the consultation and published on the pensions website **www.williamhillpensions.co.uk**.

You can contact **pensions2021@williamhill.co.uk** to provide comments and feedback on the proposed changes.

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Recap of previous benefit changes

Back in 2010, following a review of employee pension benefits, the Company held a consultation with employees and decided to close the **Retirement Plan Section** of the Scheme on 31 March 2011 ("the Closure Date") to the future build-up of pensionable service.

When the closure happened, the Company agreed that, while you remained an employee (and as long as you had not opted-out of the **Retirement Plan Section** of the Scheme), you would be treated favourably compared to employees who had already left or who later left the Company. More specifically, even though you no longer build up future pension in the **Retirement Plan Section**, you still get some benefits which are linked to your continued employment with the Company. These benefits are a continued link between your **Retirement Plan Section** pension and your salary, together with some beneficial ill-health retirement, early retirement on redundancy and death in service benefits. Further details of these benefits are set out in Appendix 3.

Proposed changes to benefits under the Retirement Plan Section

As mentioned above, the Company is working closely with the **Trustee** in relation to ultimately securing all benefits in the **Retirement Plan Section** with Rothesay.

As Rothesay and the Company are separate entities, some of the benefits payable under the **Retirement Plan Section** (as agreed at the Closure Date in 2011) are not the kind of benefits that any insurer will agree to be able to take on efficiently. This is mostly because of the link between members' benefits and their continued employment with the Company. These are benefits that are very complicated and costly for an insurer to manage and so it is not possible to keep providing these benefits if we wish to fully secure the **Retirement Plan Section** with Rothesay.

Therefore, the Company is proposing to make some benefit changes to the **Retirement Plan Section**. If the Company goes ahead with these proposals, they are expected to take effect on 1 November 2021.

There are three changes overall that potentially impact you. The first two changes form part of the Company's consultation:

1. Firstly, the impact of removing the link between your **Retirement Plan Section** pension and your future salary progression.
2. Secondly, a change will also be required to the amount and format of the benefits payable on death-in-service, ill-health retirement and early retirement on redundancy.

The third change does not form part of the Company's consultation and is being made by the Trustee. This is as set out previously in the letter from the Trustee in Appendix 1:

3. A technical change in relation to the source of your tax-free cash sum.

Appendix 3 sets out how your benefits from the **Retirement Plan Section** would be affected by the proposals. In essence, the proposals would result in your benefits from the **Retirement Plan Section** being calculated as if you had left employment with the Company on 31 October 2021.

The Company and **Trustee** have agreed to make one-off top-up payments to your **Pension Savings Plan** pot as described on the next page.

Top-up payments to your Pension Savings Plan pot

Top-up payment 1: If the Company's proposal goes ahead

Some members may be worse off under certain circumstances as a result of the proposed changes. Consequently, the Company is proposing to make the following payment if the changes go ahead:

- You will be provided with a top-up payment into your **Pension Savings Plan** pot of 2% of the value of your **Retirement Plan Section** pension. This amount will be calculated by the **Trustee**'s advisors and, for you, has been estimated to be £[x].

Top-up payment 2: Separation of the Retirement Plan from the Pension Savings Plan as a result of insuring the Retirement Plan Section benefits with Rothesay

The Company understands that the **Trustee**, having taken specialist advice, has decided to provide you with a one-off top-up payment of £[xxxx] into your **Pension Savings Plan** pot. As is explained in Appendix 1, this is because you will no longer be able to take your tax-free cash sum from the Scheme as a result of insuring your **Retirement Plan Section** benefits with Rothesay. The Company has agreed to cover the cost of this payment. This is explained in more detail in Appendix 1.

If the Company's proposal goes ahead, the intention is for both of the above two top-up payments to be made by 31 October 2021. Top-up payment 1 is subject to the outcome of the consultation whereas top-up payment 2 will be made regardless of the outcome of the consultation.

A top-up payment may have adverse tax consequences for some members. More detail is provided in this pack. If you think that you may incur some additional tax charges as a result of receiving these top-ups, please contact pensions2021@williamhill.co.uk by 31 August 2021. You can opt-out of receiving all or part of these payments if you think you might be impacted and may wish to speak to a financial adviser if you are unsure.

Summary of key benefit changes if the proposals go ahead

In the table on the next page, we have summarised the key proposed changes. In Appendix 3 we have set out more detail on your current benefits and how they would change going forward, if the proposals were to go ahead.

As you will see, for most members, we would expect the likelihood of most of these benefits being needed to be very small, but we understand they are still very important benefits to you. This is why the 2% top-up payment, as described above, would be paid to provide compensation for the loss of some of these benefits.

In addition, in most cases members do not currently benefit from the link to salary progression as inflation has been higher than their recent salary growth. As such, this change may not have much, if any, impact on the pension benefit for many members.

Benefit	Key changes
How your pension increases before retirement - link to salary progression	• Your pension will be calculated based on your pensionable earnings at 31 October 2021 and will no longer increase in line with your future salary increases whilst in employment with the Company • Your pension will instead increase from 1 November 2021 in line with inflation (capped at 5% pa) until you retire - for many members inflation has often been higher than salary increases and so this change may have little or no impact on your pension
Death-in-service i.e. benefits if you die whilst in employment with the Company	• A pension would still be paid to your surviving beneficiary and/or any eligible children, but it would be based on your pension at 31 October 2021 instead of what your pension would have been had you lived until retirement • The multiple of your salary that is used to calculate the lump sum that would be payable to your surviving beneficiary and/or any eligible children on death in service would double from what it currently is (unless you have opted for a higher level of benefits)
Ill-health early retirement i.e. if you fall seriously ill whilst in employment with the Company	• A pension would still be paid to you but would be reduced if you retired early, whereas currently if you are not eligible for Group Income Protection, you would be able to take it without a reduction, provided certain criteria are met. • You would continue to be eligible for Group Income Protection - as is currently the case for most members, this protection is expected to provide a higher benefit that the ill-health retirement pension

Early retirement on redundancy	• You would still be able to take a pension early from the Scheme on redundancy, if you were aged between 60 and 63 at the time, but it would be reduced to reflect how many years you are retiring early, whereas currently you would be able to take it without a reduction
	• In the event you were made redundant before 31 December 2022, and were aged between 60 and 63 at the time, the Company would make an additional redundancy payment to you that is broadly equal in value to the difference between:
	  ◦ the pension that you would have been eligible to take from the Scheme if no changes had been made, and
	  ◦ The reduced pension you would instead be eligible to receive on redundancy.
	• The idea here is you are broadly no worse off if you are made redundant before 31 December 2022 and aged between 60 and 63 at the time, although you will receive a larger cash payment, rather than a larger pension

How would these changes be implemented?

If the changes go ahead, a change to the Scheme's rules would be needed. This is something to which the **Trustee** would need to consent. The Company has discussed the terms of this proposal with the **Trustee**, and the **Trustee** has confirmed that it would make the changes to the Scheme's rules if the outcome of this consultation is to move forward with the Company's proposals.

Next steps

We encourage you to take part in this consultation and to provide your views on the proposals. Once the consultation has ended, the Company will take into account the feedback received by members before making any final decisions.

Once the Company has made its decision, you will then receive a further letter detailing the outcome and any next steps you need to take.

As noted above, you can contact **pensions2021@williamhill.co.uk** to provide comments and feedback on the proposed changes.

Ed Airey
Employee Rewards Director
William Hill

APPENDIX 3

SCHEDULE OF BENEFITS APPLICABLE TO YOU UNDER THE RETIREMENT PLAN BEFORE AND AFTER THE PROPOSAL (IF IT IS IMPLEMENTED)

Benefit	Current benefit as an employee of the Company	Proposed change
How your pension increases before retirement	The retirement pension is based on your pensionable service until 31 March 2011 multiplied by a 60th of your pensionable earnings and then increased in line with your annual rate of salary increase until the earlier of the date of leaving employment or date of retirement. The annual increases are subject to a cap of 5% a year. Once you leave the Company your benefits are increased until they come into payment in accordance with the **revaluation** requirements under the Scheme rules (broadly increased by CPI over the period subject to 5% a year). This is subject to your pension at retirement not being lower than it would have been had the **revaluation** requirements under the Scheme rules, applied to your pension between 31 March 2011 and the date you retire.	Your pension will be calculated based on your pensionable salary at 31 March 2011 and then increased in line with the higher of: • the salary increases between 31 March 2011 and 31 October 2021 (subject to the 5% cap), and • **revaluation** requirements under the Scheme rules during that period to give you your pension as at 1 November 2021. From 1 November 2021, your pension will no longer increase with future salary growth and instead will be increased in line with the **statutory revaluation** requirements, which is broadly in line with inflation.
Early retirement, in particular retirement between age 60 and age 63 and on redundancy	You can retire between the ages of 55 and 63, if the **Trustee** agrees, but unless the below paragraph applies to you, your pension would be reduced to account for early payment. You can retire between the ages of 60 and 63, if the Company agrees, without a reduction to your pension for early payment. (The Company does not need to agree if you retire as a result of redundancy or a Company reorganisation).	You can retire between the ages of 55 and 63, if the **Trustee** agrees, but your pension would be reduced to account for early payment. If you are made redundant by the Company on or before 31 December 2022, and you are between age 60 and 63, the Company would make a single cash payment to you that is broadly equal in value to the difference between: • the pension that you would have been eligible to take from the Scheme if no changes had been made, and • the reduced pension you would instead be eligible to receive on redundancy.

Benefit	Current benefit as an employee of the Company	Proposed change
Ill health early retirement i.e. if you fall seriously ill whilst in employment with the Company	If you are under age 63, and the Company and the **Trustee** agree that you meet the ill health criteria, you can ask the **Trustee** to retire early on grounds of ill health (if you are not entitled to any income under the Company's Group Income Protection policy). Your pension would be unreduced and calculated by reference to your current pensionable earnings (and as if your pensionable service ended on the Closure Date).	If you are under age 55 and the **Trustee** agrees you meet the ill health criteria you can ask the **Trustee** to retire early on grounds of ill health. Your pension would be in line with the current benefit but reduced to account for early payment. If you are over age 55, then you will be eligible to retire under the normal early retirement terms, with **Trustee** consent, as described in the row above. If you are eligible you may receive a benefit under the Company's Group Income Protection policy.
Death-in-service lump sum	There is an automatic death-in-service lump sum equal to a multiple of your salary at date of death, currently covered by a policy in the name of the Company.	The multiple of salary used to calculate the death-in-service lump sum benefit will be increased to be double the current multiple (unless you have opted for a higher level), whilst you are in employment with the Company. This will be covered via a standalone life assurance scheme.

Benefit	Current benefit as an employee of the Company	Proposed change
Death-in-service Spouse's pension	Your surviving spouse would be entitled to two thirds of your **Retirement Plan Section** pension for senior/board members or half of your **Retirement Plan Section** pension for all other members. For this purpose, your pension is calculated by reference to the pensionable service you would have completed had the **Retirement Plan Section** not closed on 31 March 2011 and had you remained in employment as an **active member** until age 63, and your pensionable earnings at date of death.	Your surviving spouse would be entitled to two thirds of your **Retirement Plan Section** pension for senior/ board members or half of your **Retirement Plan Section** pension for all other members but it would be calculated based on pensionable service up to 31 March 2011 and revalued until your date of death in line with increases in CPI over the period subject to a cap of 5% a year. As noted above, there will be an increase in your lump sum insurance covered via a standalone life assurance scheme.
Death-in-service Child's pension	Up to four of your children would be entitled to one-eighth of your **Retirement Plan Section** pension, to be paid in equal shares / double for senior/board members if no other survivor pension payable. For this purpose your pension is calculated by reference to the pensionable service you would have completed had the **Retirement Plan Section** not closed on 31 March 2011 and had you remained in employment as an **active member** until age 63, and your pensionable earnings at date of death.	Up to four of your children would be entitled to one-eighth of your **Retirement Plan Section** pension, to be paid in equal shares, but it would be calculated based on pensionable service up to 31 March 2011 and revalued until your date of death in line with increases in CPI over the period subject to a cap of 5% a year. As noted above, there will be an increase in your lump sum insurance covered via a standalone life assurance scheme.

Please note that the above table is only a brief description of some of the benefits provided under the **Retirement Plan Section** of the Scheme. The only document which definitively sets out your benefits is the Scheme's governing **Trust Deed and Rules** which can be found at **Home | William Hill Pension Plan** (**williamhillpensions.co.uk**) and, in the event of any conflict, the **Trust Deed and Rules** will apply.

Q&As

The purpose of these Q&As is to help you understand the Company's proposals.

Please read this document carefully. If you have any further questions or need more support on the consultation, you can contact pensions2021@williamhill.co.uk.

1. What are the key dates in relation to this consultation?

Date	What is going to happen	What do you need to do?
Week commencing 26 July	Start of formal 60-day consultation period	Consider the Company's proposal in Appendix 2 and direct any questions or feedback to the address above.
Early August	Member information webinar to explain the changes and the consultation in more detail (further details to follow)	
August and September	Q&As will be refreshed with additional questions answers based on your queries. These will be available on the pensions website	
26 September	End of the consultation period. Company to begin reflecting on feedback and comments received during consultation	
By the end of September	Consultation outcome communicated to you by the Company	
By 31 October	DC top-up payments are made to your Pensions Savings Plan pot (where applicable)	
1 November	If decided as appropriate based on the consultation, Company's proposed benefit changes are made	

2. What is the Company's proposal?

The Company is proposing that certain benefit changes are made so that all benefits under the **Retirement Plan Section** can, in time, be fully secured with Rothesay Life PLC, a regulated UK life insurer, through the purchase of individual policies.

3. Why are these changes being proposed?

Securing **defined benefit** pension liabilities (such as those provided under the **Retirement Plan Section**) with an insurer is the long-term target for many pension scheme employers and trustees. This is because moving **defined benefit** pension liabilities away from an employer means members are no longer dependent on the financial stability of the employer sponsoring that scheme. Insurance companies are subject to a highly regulated regime with various financial safeguards in place, thereby providing a high degree of financial security for pension benefits. Securing benefits with an insurance company is usually very costly, but the Company, supported by Caesars, has been able to fund the cost of securing the **Retirement Plan Section** benefits in this way.

As the insurer and the Company are separate, some of the benefits payable under the **Retirement Plan Section** (as agreed at the Closure Date in 2011) are not the kind of benefits that Rothesay, the chosen insurer, will agree to manage going forwards if we fully insure the **Retirement Plan Section** benefits with them. This is primarily due to the link between members' benefits and their salary increases while they continue in employment with the Company. In order for Rothesay to fully insure the benefits, those members who are still employed by the Company would need to become "deferred" members of the **Retirement Plan Section - deferred members'** benefits are not linked to continued employment with the Company.

4. Can I still take early retirement in relation to my benefits under the Retirement Plan Section?

Yes- you would be able to take early retirement subject to **Trustee** consent on eligibility and any appropriate reduction under the rules of the Scheme.

5. How do I raise a question or make a representation about the proposed changes?

You can raise questions in the forthcoming webinars or via the dedicated email address:
pensions2021@williamhill.co.uk

As the consultation progresses, the Company will be collating comments and questions received and will be adding new questions and answers to this Q&A document.

6. Where can I find a financial adviser?

You can find an Independent Financial Adviser (IFA) at **www.unbiased.co.uk**.

7. Where can I get independent information and support?

The Pensions Advisory Service ("TPAS"), who provide free, independent and impartial information and guidance about pensions	Money and Pensions Service 120 Holborn London EC1N 2TD **0800 011 3797** **www.pensionsadvisoryservice.org.uk**
The Pensions Regulator, who regulates UK workplace pensions	**www.thepensionsregulator.gov.uk**
Money Advice Service	**enquiries@maps.org.uk** **0800 138 7777** **www.moneyadviceservice.org.uk**
PensionWise	**contact@pensionwise.gov.uk** Pension Wise PO Box 10404 Ashby de la Zouch Leicestershire LE65 9EH **www.pensionwise.gov.uk**

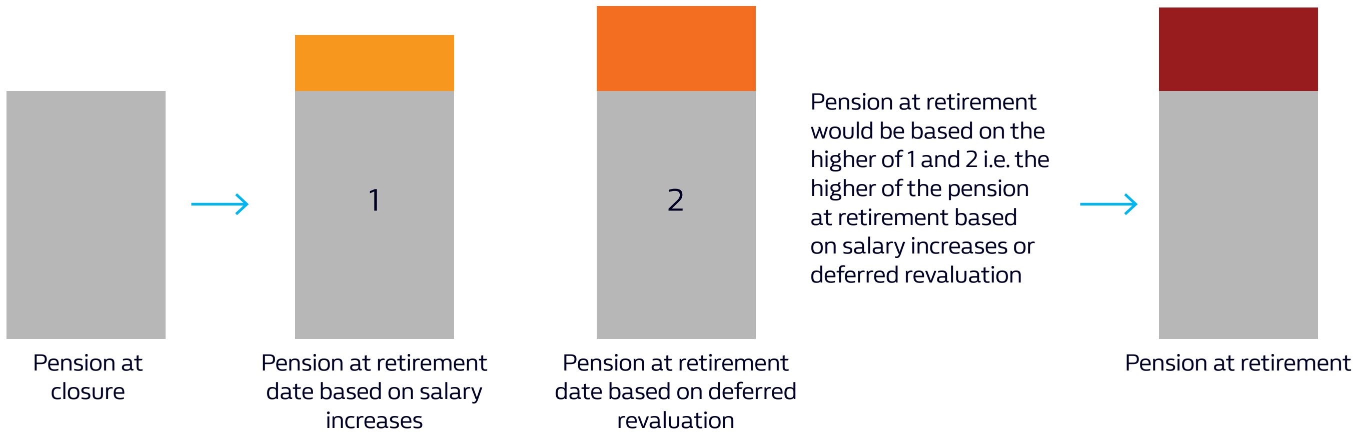
8. How will the change to the salary link affect me?

Current benefit

Currently, your pension is based on your service until 31 March 2011 and your pensionable earnings when you retire (or date of leaving employment, if earlier). The annual increases in your pensionable earnings are subject to a cap of 5% a year.

This is subject to your pension at retirement not being lower than it would have been had the **revaluation** requirements, as required under the Scheme rules, applied to your pension between 31 March 2011 and the date you retire (or the date on which you leave the Company's employment, if earlier). The illustration below summarises this.

If you leave employment, your pension increases in line with the **revaluation** requirements under the Scheme rules until the point at which you retire.

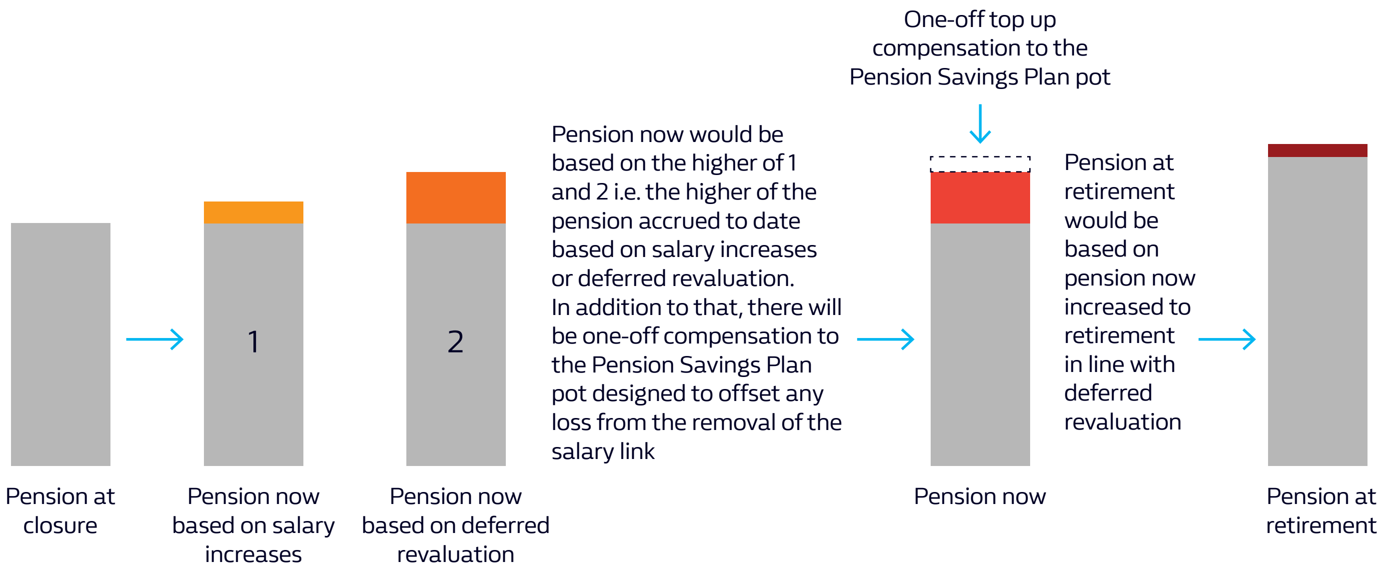


Benefit after change

Following the change, if it goes ahead, your pension as at 1 November 2021 will be calculated based on your pensionable earnings at 31 October 2021, or, if greater, your pension as at 1 November 2021 increased in line with **revaluation** requirements under the Scheme rules during that period from 31 March 2011 to 31 October 2021. In effect, your pension as at 1 November 2021 is calculated as though no changes have been made.

From 1 November 2021, your pension will no longer increase with future salary growth and instead will be increased in line with the **revaluation** requirements set out in the rules of the Scheme.

As a result of losing the link to future salary increases, the Company is proposing to provide a one-off DC top-up payment to your **Pension Savings Plan** pot. The illustration below summarises this.



FACTSHEET – PENSIONS TAX

This fact sheet sets out some further details relating to the current UK pensions tax regime. It will only be relevant to you if you:

- expect to breach the Annual Allowance in the 2021/22 tax year; or
- expect to breach the Money Purchase Annual Allowance in the 2021/22 tax year; or
- have total pension benefits in excess of the Lifetime Allowance; or
- have a protected Lifetime Allowance.

We are not permitted to provide you with tax advice and this fact sheet should not be considered as such. If you think you may need tax advice, then you are responsible for taking this separately yourself.

IN BRIEF

You may need to take action to protect your tax position if any of the following apply:

- Your pension savings this tax year (including top-ups) will exceed £40,000 (lower limits can apply for anyone with income over £200,000).
- You have already accessed some of your pension savings on a flexible basis since 2015.
- Your total pension savings are over £1,000,000.
- You have previously applied for Lifetime Allowance Protection from HMRC.

Background

The current UK pensions tax regime dates back to 6 April 2006, although it has been amended several times since then. Two key parts of the tax rules are the Annual Allowance and the Lifetime Allowance.

In broad terms, the Annual Allowance limits how much tax relief on pensions savings you can get in any given tax year and is measured annually, whereas the Lifetime Allowance limits the overall amount of pensions savings you can make with tax benefits and is assessed when you start taking your benefits. You can make pension savings above these limits but the tax relief on those extra savings is effectively reclaimed by HMRC through an additional tax charge.

Annual Allowance

The standard Annual Allowance is currently £40,000. However, there are some exceptions:

- A lower Tapered Annual Allowance may apply to people with a total UK taxable income (ignoring the value of any pension savings) of over £200,000 (for tax years 2020/21 onwards[1]). The Tapered Annual Allowance may be as low as £4,000 where total UK taxable income plus the value of any pension savings in the tax year exceeds £312,000;
- You can carry forward unused Annual Allowance from the previous three tax years and combine this with your Annual Allowance for the current tax year; and
- A separate and lower Money Purchase Annual Allowance of £4,000 will apply to the money purchase savings of people who have accessed their pensions savings on a flexible basis[2] since 5 April 2015.

[1] For tax years 2016/17 to 2019/20 inclusive the Tapered Annual Allowance might have applied to those with total UK taxable income of more than £110,000. The minimum Tapered Annual Allowance in these tax years could have been £10,000 if total UK taxable income plus the value of pension savings exceeded £210,000.

[2] For example, by commencing a flexible pension drawdown facility or cashing out a Money Purchase benefit for a single taxable lump sum.

The top-up to your **Pension Savings Plan** pot explained in our earlier letters will be included in the value of your total pensions savings for this tax year and will therefore be counted in the assessment against your Annual Allowance for the 2021/22 tax year.

If you believe you may breach the Annual Allowance (or Money Purchase / Tapered Annual Allowance if applicable) for the 2021/22 tax year as a result of the top-up and do not have sufficient carry forward, then please let us know so that we can work with you to help sort this out.

Lifetime Allowance

The top-up to your **Pension Savings Plan** pot will be included in the test against the Lifetime Allowance when you come to draw benefits from your **Pension Savings Plan** pot.

The standard Lifetime Allowance is currently £1,073,100. If your total pension savings exceed this amount, then you might end up paying additional tax. The check on whether this applies includes all your pension schemes and benefits (except the State Pension), with the value of any **Defined Benefit** pensions usually calculated as 20 times the amount of the pension.

Please let us know if you have total pension savings over the Lifetime Allowance.

Protected Lifetime Allowance

Some members may have a higher protected Lifetime Allowance if they have applied for, been granted and kept various **forms** of Lifetime Allowance protection in the past.

You will only have a protected Lifetime Allowance if you have specifically applied for it. If you have successfully applied for Lifetime Allowance protection, then you should have received confirmation from HMRC. Lifetime Allowance protection comes in various forms which are listed below:

- Primary Protection
- Enhanced Protection
- Fixed Protection 2012, 2014, 2016; and
- Individual Protection 2014, 2016.

Under HMRC rules, the top-up to your Pension Savings Plan pot explained in our earlier letters could have adverse tax implications for members with certain forms of Lifetime Allowance protection, specifically Enhanced Protection or any of the Fixed Protections.

If you have either Enhanced or one of the Fixed Lifetime Allowance protections, it is therefore very important that you respond to this letter so that we are aware of your pensions tax position and can take appropriate action to help ensure that the Lifetime Allowance protection you have obtained is not jeopardised.

When writing, please confirm the following details:

- The type of Lifetime Allowance protection you have been given;
- The value of your protected Lifetime Allowance;
- A protection notification number;
- A scheme administrator reference; and
- The application date.

Contact Details **pensions2021@williamhill.co.uk**

GLOSSARY

Term	Explanation
Active member	A member that retains an ongoing link between their pension benefits from the **Retirement Plan Section** and their continued employment with the Company. Members who were **active members** in the **Retirement Plan Section** on the Closure Date and remain employed by the Company after the Closure Date retained a continued link between their **Retirement Plan Pension** and their salary, together with some beneficial early retirement and death benefits.
Defined Benefit	An arrangement which promises members a defined level of benefit based on a percentage of the member's salary on death or retirement and how long the member has been an active member. Also referred to as final salary benefits.
Defined Contribution	An arrangement where the benefits payable to a member are calculated by reference to contributions paid into the scheme or arrangement in respect of that member, increased by the investment return achieved. Also referred to as money purchase benefits.
Deferred member	A member whose pension benefits have no link to continued employment with the Company. A **deferred member**'s pension benefit is calculated at the date of leaving employment and revalued (increased) between the date of leaving employment and the date the pension comes into payment.
Pension Savings Plan	The defined contribution section of the Scheme.
Retirement Plan Section	The defined benefit section of the Scheme.
Revaluation	The increase of member benefits between leaving service and drawing pension benefits.
Statutory revaluation	Statute requires pension schemes to revalue the deferred benefits of early leavers over the period of deferment by a minimum level when they draw their benefits. The aim is to provide some protection to members' deferred benefits from the impact of inflation over the period of deferment. The Scheme rules set out the rate of revaluation for the Scheme's benefits, which must be at least as much as the statutory minimum prescribed by the Government.
Trust Deed and Rules	A legal document setting out the rules of the Scheme including details of the Scheme's benefits and procedures the **Trustee** and/or Company must follow.
Trustee	William Hill **Trustee** Limited. The **Trustee** is legally responsible for holding and managing the assets of the Scheme and is legally bound by the Scheme's **Trust Deed and Rules** and by pensions legislation.

Rothesay

Privacy information

Rothesay Life Plc ("Rothesay") is an insurance company established in the UK with company registration number 06127279. We are authorised in the UK by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Our registered office address is The Post Building, 100 Museum Street, London WC1A 1PB.

Rothesay offers a range of insurance products to pension schemes and pension scheme members including bulk purchase annuity products and individual pension annuity policies.

The trustees of your pension scheme have an insurance agreement (the "Agreement") in place with Rothesay under which they have insured certain benefits payable to and in respect of you under your scheme. In order for us to fulfil our obligations under the Agreement, Rothesay and the trustees of your scheme will exchange personal data concerning you and your benefits under the scheme.

In some circumstances, we will control the processing of your personal data. In broad terms, these circumstances are where we process your personal data for the following purposes:

1. To ensure that we are paying the right amounts under the Agreement. This involves us sharing personal data with our service providers and professional advisers.
2. To manage our risks associated with the Agreement. In particular, we will provide information about the individuals insured under the Agreement to third party insurance companies who reinsure some of the risks associated with the benefits we have insured.
3. To fulfil our legal and regulatory obligations.
4. To operate our business. In particular, we provide personal data to third parties who collate such data from a wide variety of sources and publish reports on how long people in the UK live and other demographic trends which we use to understand our liabilities in respect of our current and future policyholders.
5. To prepare to issue an individual pension annuity policy directly to you in the event that the trustees of your scheme ask us to do so in the future.
6. To enable us to exercise our legal rights and defend ourselves against potential legal claims, should we need to do so.

Our privacy notice provides full details about how we process your personal data and your rights under data protection laws.

> rothesay.com/data-protection

If you have any queries about the Agreement or your benefits under your scheme, you should contact the trustees of your scheme in the first instance.

You can also contact the trustees of your scheme if you want to exercise any of your rights relating to our processing of your personal data. Alternatively, you can contact us directly using the contact information in our privacy notice.