

QUESTIONS & ANSWERS

We have set out below some answers to questions which you may have regarding the transfer (**Transfer**) to Countrywide Assured plc (**Countrywide Assured**) of the business of CASLP Ltd (formerly known as Sanlam Life & Pensions UK Limited and before that Merchant Investors Assurance Company Limited) (**CASLP**).

The Transfer is being implemented by way of a scheme under Part VII of the Financial Services and Markets Act 2000 (as amended) (**Act**) (**Scheme**).

1 Who are Countrywide Assured plc, CASLP Ltd. and Chesnara plc?

Countrywide Assured was established in 1988. Countrywide Assured is closed to new business, except for the increments that existing customers can invest into their policies (where permitted by existing terms and conditions). Countrywide Assured manages a portfolio of approximately 197,695 in-force policies and has assets of around £1,875,000,000 (as at 31 March 2023). Countrywide Assured is a subsidiary of Chesnara. Countrywide Assured is the vehicle used to consolidate the businesses of UK life assurance companies that have been acquired by Chesnara plc (**Chesnara**).

CASLP was established in 1970 and is a provider of linked and non-linked, non-profit life assurance products, predominantly unit-linked pensions and self-invested personal pensions with approximately 65,511 in-force policies and assets of around £2,626,000,000 (as at 31 March 2023). It has no with-profits business. CASLP is a subsidiary of Chesnara, having been acquired on 28 April 2022.

Chesnara is listed on the London Stock Exchange and was formed in 2004. Chesnara's strategy is to acquire and manage life assurance companies in the UK and Western Europe. Chesnara has previously acquired (through Countrywide Assured) the City of Westminster Assurance Company Limited, Save & Prosper Insurance Limited, Save & Prosper Pensions Limited and Direct Line Insurance Group Plc. Chesnara has also grown through acquisitions of Dutch companies including Legal & General Nederland Levensverzekering Maatschappij N.V. (renamed Scildon) in 2017, the Waard Group in 2020 and Robein Leven in 2022. In 2009, it also acquired Movestic Livförsäkring AB, formerly known as Moderna Life, a Swedish life assurance company.

Further information about Countrywide Assured, CASLP and Chesnara can be found at countrywideassured.co.uk, sanlamlifeandpensions.co.uk and chesnara.co.uk.

2 What is an insurance business transfer scheme?

An insurance business transfer scheme is a legal mechanism set out in the Act and approved by a UK court by which an insurance company, such as CASLP, can transfer all or part of its insurance business into another insurance company, such as Countrywide Assured.

This process allows for the transfer of a large number of separate legal relationships with customers to be made under a scheme, rather than requiring individual customer consent. The Scheme is subject to regulatory and court scrutiny intended to make sure that any potential adverse effects of the Scheme are identified and those adversely affected are given the opportunity to make representations.

Countrywide Assured adopted this process in 2006 to transfer all the insurance business of City of Westminster Assurance Company Limited into Countrywide Assured; in 2011 to transfer all the insurance business of Save & Prosper Insurance Limited and Save & Prosper Pensions Limited into Countrywide Assured; and in 2014 to transfer all the insurance business of Protection Life Company Limited (formerly known as Direct Line Insurance Group Plc) into Countrywide Assured.

3 What is the legal procedure?

The Scheme will require the approval of the Court and there are two Court hearings.

The first Court hearing took place on 26 July 2023. The Court sanctioned the publication of notices relating to the Transfer and also formally set a date for the second Court hearing (**Sanction Hearing**).

A formal notice of the proposed Transfer was published in the London, Edinburgh and Belfast Gazettes and in The Financial Times, The Times, The Daily Mail and the Daily Mirror shortly after the first Court hearing.

The Sanction Hearing will now take place on 21 December 2023 (previously arranged for 29 November 2023). This is where CASLP and CA will ask for approval of the Transfer, and anyone who thinks that the Transfer would adversely affect them has a right to object. Any updates in relation to the Sanction Hearing will be published at chesnara.co.uk/investor-relations/transfer-of-caslp, countrywideassured.co.uk/important-information-about-caslp/ and sanlamlifeandpensions.co.uk/important-information-about-caslp/.

A copy of the Scheme, as well as a summary of it, can be found at chesnara.co.uk/investor-relations/transfer-of-caslp, countrywideassured.co.uk/important-information-about-caslp/ and sanlamlifeandpensions.co.uk/important-information-about-caslp/. Alternatively, the documents related to the Scheme can be requested by post, email or telephone from the address, email address or telephone number shown in question 23 below; these are available free of charge.

4 Why are you making the Scheme proposal?

Chesnara believes that, if implemented, the Scheme will enable it to manage its UK insurance businesses more efficiently. In particular, the Scheme is expected to achieve the following benefits for Countrywide Assured:

- (a) to rationalise two similar businesses into a single insurance company;
- (b) to achieve operational efficiencies and economies of scale through a simpler company structure requiring a single set of financial reports and regulatory returns (i.e. reducing operational risk, improving management efficiency and unifying regulatory oversight); and
- (c) to strengthen the position of Countrywide Assured as a consolidator in the UK insurance market.

5 When will the Transfer take place?

If approved by the Court, we expect that the Transfer will take place on 31 December 2023.

6 What effect will the Scheme have on me? Will my policy terms and conditions change?

If you are a CASLP policyholder, the effect of the Scheme (if implemented) is that you will become a policyholder of Countrywide Assured. Apart from the change in the identity of your insurer, your policy terms and conditions will remain unchanged as a result of the Scheme. Countrywide Assured will be obliged, after the Transfer, to comply with those terms and conditions and to treat its customers (including CASLP policyholders) fairly in exactly the same way as CASLP was obliged to do prior to the Transfer.

If you are a Countrywide Assured policyholder, you will remain a Countrywide Assured policyholder. There will be no changes to your policy terms and conditions.

7 Will CASLP unit-linked policies be invested in the same way?

Yes. If your CASLP policy invests in unit-linked funds, the Transfer will not change the number of units allocated to your policy or the value of those units. The unit-linked funds will invest in the same assets, have the same charges and will be priced on the same basis immediately after the Transfer as before the Transfer. Similarly, CA unit-linked policyholders will not experience any changes in the number of units allocated to them, the value of those units, or the assets invested in or their pricing.

8 What should I do next?

If you are a CASLP policyholder, we recommend that you read the letter and the Policyholder Circular that have been mailed to you. Copies of these documents, as well as additional information regarding the Transfer, can be found at sanlamlifeandpensions.co.uk/important-information-about-caslp/. You don't need to take any action in order to maintain your policy. CASLP will continue to manage your policy until the time of the Transfer.

If you are a Countrywide Assured policyholder, you can review information regarding the Transfer at countrywideassured.co.uk/important-information-about-caslp/. You don't need to take any action in order to maintain your policy. Countrywide Assured will continue to manage your policy both before and after the Transfer.

If you represent someone, or if there is anyone else with an interest in, or entitlement to, the benefits under your policy, please make them aware of these proposals.

Unless you want to raise an objection, you do not need to take any other action. However, if you think that the Transfer would adversely affect you, you have a right to object. Please see question 20 below.

9 As a CASLP policyholder, can I opt out of the Transfer?

The legal process we are following does not allow individual policyholders to be given the option to opt out. However, the process is designed to ensure that any changes we are proposing are not unfair in terms of either the security of your policy benefits or the value of the benefits you expect to receive in the future.

10 How are my interests being protected?

If the Transfer takes place, Countrywide Assured will continue to be required by law to honour all of the contractual and other obligations to its policyholders (including, after the Scheme takes effect, all former CASLP policyholders).

In addition, an independent expert (Mr Stephen Makin, a Fellow of the Institute and Faculty of Actuaries) (**Independent Expert**), has been appointed to provide a report to the Court on the likely effects of the Scheme on the policyholders of CASLP and Countrywide Assured. The Independent Expert's appointment was approved by the Prudential Regulation Authority (**PRA**) after consultation with the Financial Conduct Authority (**FCA**).

The Court will only approve the Scheme if it considers it is appropriate taking account of the effect on policyholders. The documents submitted to the Court will also be reviewed by the FCA and PRA, the industry regulators, and they may submit their own reports on the Scheme to the Court.

In addition, if you think that the Transfer would adversely affect you, you have a right to object. Please see question 20 below.

11 What is the view of the Independent Expert?

The Independent Expert has concluded that, in his opinion, the Scheme is not expected to have a material adverse effect on the benefit security of any group of CASLP's or Countrywide Assured's policies; have a material adverse effect on the benefit expectations of any group of CASLP's or Countrywide Assured's policyholders; or result in any changes to the standards of service for, or the management and governance of, any group of CASLP's or Countrywide Assured's policies.

A copy of the Independent Expert's report, as well as a summary of it, can be found at chesnara.co.uk/investor-relations/transfer-of-caslp, countrywideassured.co.uk/important-information-about-caslp/ and sanlamlifeandpensions.co.uk/important-information-about-caslp/.

The Independent Expert's report is based on the material supplied to him by CASLP and Countrywide Assured, including financial balance sheets and other information, as at 31 December 2022. Since the proposed date for the Transfer is 31 December 2023, updated supplementary reports will be prepared to reflect any material changes, including the financial balance sheets and other information as at 30 June 2023, that could affect the conclusions in the original report.

The supplementary reports will be made available at chesnara.co.uk/investor-relations/transfer-of-caslp, countrywideassured.co.uk/important-information-about-caslp/ and sanlamlifeandpensions.co.uk/important-information-about-caslp/ at least one week before the Sanction Hearing.

12 What changes will I notice?

If you are a CASLP policyholder, there will be no changes to your policy terms and conditions. If you make payments by direct debit or standing order, you will not need to complete a new instruction.

You may notice the following small changes:

- (a) The Countrywide Assured name and logo will start to appear on any letters or documents we send you.
- (b) Information that is currently available on sanlamlifeandpensions.co.uk will instead be available on countrywideassured.co.uk.
- (c) If you are a member of a pension scheme of which CASLP is the provider and/or administrator, you will remain a member of that pension scheme but Countrywide Assured will replace CASLP as the provider and/or administrator (as applicable).

If you have a unit-linked policy, the Scheme will not change the way the unit-linked funds are managed, the fund manager, the charges that apply or the way the units are priced.

If you are a Countrywide Assured policyholder, you will see no changes to either your policy terms and conditions or the administration of your policy as a consequence of the Scheme.

13 Will my policy benefits still be secure?

After the Scheme takes effect, Countrywide Assured will assume responsibility for the payment of benefits on a CASLP policy.

The Independent Expert has concluded that, in his opinion, the Scheme is not expected to have a material adverse effect on the benefit security of any group of CASLP's or Countrywide Assured's policies.

Countrywide Assured is regulated by the PRA. The PRA's rules require authorised firms to hold a minimum level of capital to provide security for policies. In addition, Countrywide Assured holds capital above the level required by regulation to provide security for policies in extreme financial circumstances.

14 Will the Scheme have any tax implications for me?

Both Countrywide Assured and CASLP are residents in the United Kingdom for tax purposes. The Scheme will not affect the UK tax status of policies. If you are a resident for tax purposes in an overseas territory, you may wish to take advice to confirm that your tax position is not affected.

If you are in any doubt as to your tax position or your tax reporting requirements, please consult your professional financial advisers regarding any possible tax consequences of the Transfer.

15 Will the quality of service I receive be affected?

Chesnara has entered into an outsourcing agreement with SS&C Technologies (**SS&C**) to ultimately provide outsourced administration for all CASLP policies and certain books of Countrywide Assured policies. Countrywide Assured and CASLP are in the process of planning the migration of policy administration to SS&C's systems, which will proceed regardless of the outcome of the Scheme.

Countrywide Assured and CASLP invested a significant amount of management time into the selection of SS&C as the new long-term outsourced service provider, with no material concerns identified in the due diligence process. There is also a contractual commitment from SS&C to deliver the same level of service as currently provided in-house for CASLP policyholders. In his report, the Independent Expert has concluded that it is reasonable to expect that service standards will not deteriorate as a result of the change in policy administration.

16 What will happen to my personal details?

Your rights in relation to any personal data held by CASLP will be unchanged and will transfer to Countrywide Assured. Countrywide Assured will be the new controller of your personal data and will have the same obligations of confidentiality in respect of your personal data under applicable data protection laws as CASLP had prior to the Scheme becoming effective.

For more information about how Countrywide Assured will use your personal data, please review their privacy notice here countrywideassured.co.uk/privacy-policy/.

17 Will policyholders get the chance to vote on approving the Scheme?

No. Policyholders are not entitled to vote on the terms of the Scheme. If you think that the Transfer would adversely affect you, you have a right to object. Please see question 20 below.

18 Are policyholders bearing the costs of the Scheme?

No. Policyholders will not pay for any of the costs of the Scheme. These will be borne by the shareholders of Chesnara.

19 Will I receive any windfall payments as a result of the Scheme?

No. There will be no distribution of profit or other direct financial benefit as a result of the proposed Scheme.

20 How do I raise my concerns or objections with the Court?

If you think that the Transfer would adversely affect you, you are entitled to object or make representations. You can contact us by email, phone or post, using the contact details set out in question 23 below, or by writing to or emailing our solicitors at Addleshaw Goddard LLP, 60 Chiswell Street, London EC1Y 4AG (Reference 330099-35) or CASLP.PARTVII@addleshawgoddard.com. We will pass your objection or representations to all relevant parties including the Court, the PRA, the FCA and the Independent Expert.

You also have a right to be heard at the Sanction Hearing in person. Alternatively, a representative can come to the Sanction Hearing on your behalf. Your representative does not need legal training and could be a friend or relative.

If you intend to object or make representations in any of the above ways, we would ask that you contact us, outlining your objections or representations, as soon as possible and preferably before 14 December 2023. This is not a requirement, but it will allow us to make a note of your representations and share these with the Court, the PRA, the FCA and the Independent Expert before the Sanction Hearing. We may also be able to deal directly with any objections or concerns you have.

21 How will I find out if the Scheme has been approved?

An announcement will be published and available from the following websites: chesnara.co.uk/investor-relations/transfer-of-caslp, countrywideassured.co.uk/important-information-about-caslp/ and sanlamlifeandpensions.co.uk/important-information-about-caslp/ following the Sanction Hearing. Or you can contact us by telephone or in writing to find out. Please see question 23 below for contact details.

22 What would happen if the Court decides not to approve the Scheme?

Nothing would change. The Transfer would not proceed. The Scheme would not be effective and the business of each of Countrywide Assured and CASLP would remain separate. Chesnara may seek to make another Scheme proposal at a future date.

23 How can I find out more?

If you'd like to know more about the proposal, please visit chesnara.co.uk/investor-relations/transfer-of-caslp, countrywideassured.co.uk/important-information-about-caslp/ and sanlamlifeandpensions.co.uk/important-information-about-caslp/. Alternatively, a copy of all documents (including in an alternative format such as large print, braille or audio) can be requested by post, email or telephone from the address, email address or telephone number shown below; these are available free of charge.

If you have any questions unanswered by the information enclosed or on our websites, please write to us at:

Part VII Team
CASLP
One Temple Quay
1 Temple Back East
Bristol, England, BS1 6DZ

Alternatively, you may also get in touch by email at enq@sanlamlifeandpensions.co.uk or by calling the Part VII team on 0333 015 5600, selecting option 1. This team is available from 9 am to 5.00pm, Monday to Friday. Your calls may be monitored or recorded.