

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF
ENGLAND AND WALES
COMPANIES COURT (ChD)

DATED [•] 2025

IN THE MATTER OF CANADA LIFE LIMITED

and

IN THE MATTER OF COUNTRYWIDE ASSURED PLC

and

IN THE MATTER OF PART VII OF THE FINANCIAL SERVICES AND MARKETS ACT 2000

SCHEME
for the transfer of part of the
business of Canada Life Limited
pursuant to Part VII of the Financial
Services and Markets Act 2000



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PART A

DEFINITIONS AND INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Scheme, unless the subject or context requires otherwise, the following expressions bear the meanings respectively set opposite them:

"Actuary" means the person appointed by the relevant insurer from time to time to perform the "Chief Actuary function (SMF 20)" in accordance with the Insurance - Senior Management Functions part of the PRA Rulebook;

"Administration" means the management, administration and performance of all obligations required to be performed in connection with the Transferring Business (or, as the context requires, part thereof) (and **"Administer"** and **"Administered"** shall be construed accordingly);

"Applicable Law and Regulation" means, in relation to a relevant matter or party, any and all:

- (a) legislation (including statutes, statutory instruments, treaties, regulations, orders, directives, by-laws and decrees), common law and equitable principles which are binding on the relevant party or otherwise applicable in respect of the relevant matter;
- (b) rules, regulations, requirements, guidance or published practice of any Regulatory Authority which are binding on the relevant party or otherwise applicable in respect of the relevant matter;
- (c) binding judgments, resolutions, decisions, orders, notices or demands of a competent court, tribunal or Regulatory Authority where applicable to the relevant party or otherwise applicable in respect of the relevant matter; and
- (d) industry guidance, codes and standards which are mandatory or endorsed by any Regulatory Authority where applicable to the relevant party or otherwise applicable in respect of the relevant matter;

"Board" means, in relation to a company, the board of directors from time to time of that company;

"Bonus Unit Cost Reserve Assets" means the units actually held by the Transferor as at the Valuation Date to manage exposure to future bonus units payable under the Transferring Policies less any units that have been released by the Transferor in the ordinary course as contemplated by the reinsurance agreement between the Transferor and Transferee dated 20 December 2024;

"Business Day" means a day (other than a Saturday or a Sunday) on which banks are generally open in London for normal business;

"Business Information" means:

- (a) the Records; and
- (b) such other information or data as the parties have agreed is reasonably necessary for the Transferee and/or its service provider to receive from the Transferor on the Effective Date;

"Canada Life Brand" means any name or trade mark or trade name, business name, design, device, logo or domain name used or owned by the Transferor or any other member of the Transferor Group:

- (a) including the name "Canada Life" and any associated logo or device; and
- (b) excluding the Transferring Intellectual Property Rights;

"CanRetire Personal Pension Scheme" means the contract based personal pension scheme established by the Transferor by deed poll dated 4 March 2015;

"Change in Interpretation" means either:

- (a) when implemented, a binding change made by the PRA or FCA to a previously prevailing general interpretation of Applicable Law and Regulation that has retrospective effect; or
- (b) when published in final form, guidance published by the PRA or FCA that is of general application to the UK life assurance and pensions industry as a whole (which also applies retrospectively);

"CLOAS System" means the Computations Life Office Administration System operated by the Transferor Group;

"Commission Liabilities" means the payment obligations of the Transferor or any member of the Transferor Group pursuant to the terms of the Distribution Agreements (whether express or implied) to pay to Intermediaries trail commission in respect of the Transferring Policies, where such payment obligations:

- (a) include any payment obligations that first become payable to an Intermediary after the Valuation Date (including any payment obligations that first become payable to an Intermediary after the Effective Date); and
- (b) exclude any payment obligations that first become payable to an Intermediary prior to the Valuation Date;

"Court" means the High Court of Justice in England and Wales;

"Coutts Contract" means the fund link agreement dated 30 June 2017 between (1) the Transferor and (2) Coutts & Co, as amended and restated on 26 October 2022;

"Data Protection Laws" means any applicable law relating to the protection of individuals with regards to the processing of personal data and privacy (as applicable to each party), including:

- (a) the Data Protection Act 2018;
- (b) the Privacy and Electronic Communications (EC Directive) Regulations 2003;
- (c) the UK GDPR; and
- (d) any applicable rules, requirements, directions, guidelines and codes of practice issued by a competent authority in respect of the processing of personal data, in each case where legally binding;

"Distribution Agreements" means the terms of business (excluding, for the avoidance of doubt, the Coutts Contract) entered into between the Transferor (or any other member of the Transferor Group) and certain Intermediaries to (among other matters):

- (a) facilitate the sale of insurance Policies (including, in the case of each such agreement, at least some Transferring Policies) by the Transferor; and
- (b) provide for arrangements in respect of any related commission or facilitated adviser charges due to the Intermediaries, including any collateral or side agreements to those agreements, whether or not they are in writing;

"Effective Date" means the time and date on which this Scheme shall become effective in accordance with paragraph 13;

"Encumbrance" means any encumbrance or security interest of any kind whatsoever including a mortgage, charge, pledge, lien, hypothecation, restriction, right to acquire, right of pre-emption, option, conversion right, third party right or interest, right of set-off or counterclaim, equities, trust arrangement or any other type of preferential agreement (such as a retention of title arrangement) having similar effect or any other rights exercisable by or claims by third parties;

"Excluded Assets" means all assets other than the Transferring Assets, including for the avoidance of doubt:

- (a) the rights of the Transferor under or relating to this Scheme or the Residual Policies Reassurance Arrangement;
- (b) all and any cash or non-cash assets held as, or in support of, the regulatory capital provisions imposed or required by any Regulatory Authority;
- (c) the Excluded Contracts;
- (d) the Excluded Deferred Tax Attributes;
- (e) all Intellectual Property other than the Transferring Intellectual Property Rights;
- (f) all Information Technology and all manuals or other documents relating thereto;
- (g) any Transferor Group Insurance Policy;
- (h) any property of the Transferor that would be comprised in the Transferring Assets but which the parties agree in writing prior to the date of the Scheme shall not be transferred to the Transferee; and
- (i) the rights of the Transferor to any defence, claim, counterclaim, defence to counterclaim or right of set-off in respect of any of the rights referred to in paragraphs (a) to (h) inclusive above or in respect of any of the Excluded Liabilities;

"Excluded Contracts" means any legally binding contract, agreement, arrangement or commitment (other than the Coutts Contract and the Transferring Policies), whether conditional or unconditional and whether by deed, under hand, oral or otherwise;

"Excluded Deferred Tax Attributes" means the net value of deferred tax attributes relating to the Transferring Business other than the Transferring Deferred Tax Attributes;

"Excluded Liabilities" means Liabilities in connection with or arising from the Transferring Business (including all Liabilities of any member of the Transferor Group), including:

- (a) any Liabilities for or in relation to Mis-selling in respect of the period on or prior to the Effective Date;
- (b) any Liability to make a payment of, or in respect of, Tax in connection with the Transferring Business in respect of the period on or prior to the Valuation Date;
- (c) any Liabilities for or in relation to commission due and payable in respect of the period on or prior to the Valuation Date;
- (d) any Liabilities of the Transferor under or relating to this Scheme, the Excluded Policies, the Residual Policies, or the Residual Policies Reassurance Arrangement;
- (e) any Liability of the Transferor that would be comprised in the Transferring Liabilities but which the parties agree in writing prior to the date of the Scheme shall not be transferred to the Transferee; and
- (f) to the extent not otherwise an "Excluded Liability", any Liabilities of the Transferor arising from an application in respect of a Policy that never inceptioned (including due to an application for cover not having been accepted) but which, if it had inceptioned and if it was still in force on the Effective Date, would have been a Transferring Policy,

but excluding in all cases the Transferring Liabilities;

"Excluded Policies" means any Policies which are not Transferring Policies, including the Permanently Lapsed Policies;

"FCA" means the Financial Conduct Authority of the United Kingdom and any successor or replacement body from time to time (as the context may require);

"FCA Handbook" means the rules and guidance from time to time adopted or made, and any direction from time to time made, by the FCA so far as applicable to the Transferor or the Transferee (as the case may be);

"FDP Policy" means any Transferring Policy which has been written on the terms of the product named CanRetire Flexible Drawdown Plan and which constitutes an arrangement between the Transferor and an individual to provide pension and lump sum benefits for and in respect of the individual in accordance with the governing provisions of the CanRetire Personal Pension Scheme (and **"FDP Policyholder"** shall, correspondingly, refer to the relevant individual);

"FSMA" means the Financial Services and Markets Act 2000;

"Information Technology" means any and all computer systems, communications systems, software, hardware, firmware, networks, devices, connecting media and websites or similar information technology systems which are owned or used by the Transferor Group including, for the avoidance of doubt, the CLOAS System;

"Intellectual Property" means any and all rights in patents, trade marks, service marks, logos, get-up, trade names, internet domain names, rights in designs, copyright (including rights in computer software), database rights, semi-conductor topography rights, utility models and rights in know-how, rights to use, and protect the confidentiality of, confidential information, know-how and Trade Secrets, in each case whether registered or unregistered

and including applications for registration and all other rights or forms of protection having equivalent or similar effect anywhere in the world;

"Intermediary" means any broker, agent, employee benefit consultant, independent financial adviser, independent financial adviser network, direct sales force or other intermediary that has entered into a Distribution Agreement with any member of the Transferor Group;

"Investment Assets" means the Linked Assets issued to the Transferor in respect of the Transferring Policies;

"Liabilities" means any liabilities, claims, damages, proceedings, demands, orders, suits, losses, costs, payments or other forms of compensation, including any fines or penalties, statutory levies, ex gratia payments and settlements or compromises, in each case whether deriving (whether directly or indirectly or vicariously) from contract, common law, statute, regulation or otherwise;

"Linked Assets" has the meaning given in the FCA Handbook;

"Long-Term Insurance Business" means the business of effecting or carrying out long-term insurance contracts as principal, being contracts falling within Part II of Schedule 1 to the RAO;

"Mis-selling" means any act or omission by the Transferor, any member of the Transferor Group, any Intermediary, or any other third party on behalf of the Transferor or any member of the Transferor Group, in relation to the sale or Administration of a Transferring Policy which constituted:

- (a) a breach of, or failure to comply with, Applicable Law and Regulation (to the extent in force at that time or as a result of any change in, or Change in Interpretation of, Applicable Law and Regulation on or prior to the Effective Date) by (or on behalf of) the Transferor prior to the Effective Date;
- (b) a breach of any contract with the relevant Policyholder by (or on behalf of) the Transferor on or prior to the Effective Date;
- (c) fraud and/or fraudulent misrepresentation by (or on behalf of) the Transferor or any member of the Transferor Group; and/or
- (d) negligence of (or on behalf of) the Transferor or any member of the Transferor Group on or prior to the Effective Date; and reference to "mis-sold" shall be construed accordingly;

"Ombudsman" means the Financial Ombudsman Service as established under Part XVI and Schedule 17 of FSMA;

"Order" means an order made by the Court pursuant to section 111 of FSMA sanctioning the Scheme and any order (including, without limitation, any subsequent order) in relation to the Scheme made by the Court pursuant to section 112 of FSMA;

"Permanently Lapsed Policies" means any Policy or Policies which are listed in the Schedule of Policies which are not Transferring Policies because, before the date on which such Policy or Policies would otherwise have transferred to the Transferee pursuant to this Scheme, they had lapsed, closed, surrendered, cancelled or otherwise terminated and, in each case, are incapable (whether under law, equity or otherwise) of:

- (a) being revived, reopened, or reconstituted; or

- (b) resulting in any further Liability to the Transferor or its successors in title to such Policy;

"Policy" and **"Policyholder"** shall have the meanings ascribed to them by the Financial Services and Markets Act 2000 (Meaning of "Policy" and "Policyholder") Order 2000 (SI 2001/2361);

"PRA" means the Prudential Regulation Authority of the United Kingdom and any successor or replacement body from time to time (as the context may require);

"PRA Rulebook" means the rules contained in the PRA Rulebook for Solvency II firms, issued by the PRA;

"Proceedings" has the meaning given to it in paragraph 6.1;

"RAO" means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544);

"Records" means the notices, correspondence, data, records and documents in any media or format which relate to, or otherwise concern, the Transferring Policies (including, but not limited to, for each such Policy a full withdrawals history, including full withdrawal records, full commission records for commissions in payment, all Transferring Policy documentation, complaints data and claims (including for compensation) and commission agreements), but excluding in each case full call records relating to, or otherwise concerning, the Transferring Policies;

"Regulatory Authority" means any national or state governmental bodies, authorities, courts or judicial authority, arbitrators and public and industry regulatory authorities, political subdivision thereof, national or supranational body or any person or body exercising executive, legislative, judicial, regulatory, taxing or administrative functions on behalf of any of them and includes all relevant securities commissions, stock exchange authorities, foreign exchange authorities, foreign investment authorities, competition and anti-trust authorities, financial and insurance regulatory authorities (including, in particular, the FCA and the PRA, the UK Information Commissioner, the Ombudsman, Tax Authorities, the London Stock Exchange, the Panel on Takeovers and Mergers and similar entities or authorities);

"Replica Distribution Agreements" has the meaning given to it in paragraph 12.1;

"Residual Assets" means:

- (a) any property of the Transferor that would be comprised in the Transferring Business (including any right, benefit or power under any Transferring Policy) but in respect of which the Court has declined to order the transfer to the Transferee under section 112(2) of FSMA at the Effective Date;
- (b) any property of the Transferor that would be comprised in the Transferring Business (including any right, benefit or power under a Transferring Policy) but where the Transferor and the Transferee agree in writing prior to the Effective Date that its transfer should be delayed;
- (c) any property of the Transferor that would be comprised in the Transferring Business but which is outside the jurisdiction of the Court or in respect of which the transfer pursuant to an order of the Court is not recognised by the laws of the jurisdiction in which the property is situated or in respect of which further steps are necessary to effect the transfer pursuant to the laws of the jurisdiction in which such property is situated;

- (d) any property of the Transferor that would be comprised in the Transferring Business but which cannot be transferred to or vested in the Transferee on the Effective Date for any other reason; and
- (e) any proceeds of sale or income or other accrual or return whatsoever, whether or not in any case in the form of cash, or any other property or rights earned or received from time to time after the Effective Date but prior to any relevant Subsequent Transfer Date in respect of any property referred to in paragraphs (a) to (d) inclusive of this definition;

"Residual Liability" means any Liability of the Transferor:

- (a) that would be comprised in the Transferring Liabilities but in respect of which the Court has declined to order the transfer to the Transferee under section 112(2) of FSMA at the Effective Date; or
- (b) that would be comprised in the Transferring Liabilities but where the Transferor and the Transferee agree in writing prior to the Effective Date that its transfer should be delayed; or
- (c) that would be comprised in the Transferring Liabilities but which is outside the jurisdiction of the Court or in respect of which the transfer pursuant to an order of the Court is not recognised by the laws of any applicable jurisdiction or in respect of which further steps are necessary to effect the transfer pursuant to the laws of any applicable jurisdiction; or
- (d) that would be comprised in the Transferring Liabilities but which cannot be transferred to or vested in the Transferee on the Effective Date for any other reason; or
- (e) in respect of a Residual Asset or any Liability arising from any Liabilities referred to in paragraphs (a) to (d) inclusive of this definition, including any Liability to Taxation, except to the extent such Liability is an Excluded Liability;

"Residual Policies Reassurance Arrangement" means the reassurance arrangement entered into between the Transferor and the Transferee described in paragraph 9 under which the Transferee will provide reassurance to the Transferor in respect of the Residual Policies (if any, and excluding any Residual Policies that are Sanctioned Policies);

"Residual Policy" means any Policy which is listed in the Schedule of Policies (excluding any Permanently Lapsed Policy), but which:

- (a) is not capable of being transferred pursuant to FSMA at the Effective Date;
- (b) the Court for any reason determines not to transfer by the Order;
- (c) the Order specifies certain steps to be taken before such Policy can be transferred and such steps have not been completed on or before the Effective Date; or
- (d) is a Sanctioned Policy;

but only until, in respect of each such Policy, the Subsequent Transfer Date applicable to such Policy occurs, at which point such Policy will become a Transferring Policy;

"Sanctioned Policy" means any Policy which is listed in the Schedule of Policies which has a positive match on the Sanctions List;

"Sanctions List" means the lists of designated sanctions targets maintained by the United Nations, the United Kingdom, European Union and United States, in each case as amended, supplemented or substituted from time to time, including the UK Sanctions List, the Consolidated List of Financial Sanctions Targets in the UK, the Consolidated United Nations Security Council Sanctions List, the US Specially Designated Nationals and Blocked Persons List and the Consolidated Sanctions List and in the case of the European Union, the Consolidated List of Persons, Groups and Entities Subject to EU Financial Sanctions;

"Schedule of Policies" means the list of Policies agreed between the Transferor and Transferee as being the Schedule of Policies as at the Effective Date;

"Scheme" means this scheme in its original form or with or subject to any modification, addition, condition or provision which may be approved or imposed in accordance with paragraph 14;

"Subsequent Transfer Date" means, in relation to any Residual Policy, Residual Asset or Residual Liability, the date (and each date) after the Effective Date on which such Residual Policy, Residual Asset or Residual Liability is to be transferred to the Transferee, namely:

- (a) in respect of any Residual Asset falling within paragraphs (a), (c) or (d) of the definition thereof and of any Residual Liability falling within paragraphs (a), (c) or (d) of the definition thereof, the date on which any impediment to its transfer shall have been removed or overcome;
- (b) in respect of any Residual Asset falling within paragraph (b) of the definition thereof and of any Residual Liability falling within paragraph (b) of the definition thereof, the date on which the parties agree that the transfer should take effect;
- (c) in the case of any Residual Asset falling within paragraph (e) of the definition thereof and of any Residual Liability falling within paragraph (e) of the definition thereof, the Business Day agreed between the Transferor and the Transferee and to be no later than 5 Business Days from the date on which such Residual Asset or Residual Liability is received, earned or incurred (as applicable) by the Transferor; and
- (d) in the case of any Residual Policy, the date on which all consents, orders, permissions or other requirements for the transfer or novation of such Residual Policy are obtained (and, without prejudice to the generality of the foregoing, in respect of a Residual Policy that is a Sanctioned Policy, the date on which there is no longer a positive match in respect of such Policy on the Sanctions List);

"Tax" or "Taxation" means all forms of taxes, levies, duties, social security contributions, customs duties and imposts and any charges, deductions or withholdings in the nature of tax, whether in the United Kingdom or elsewhere in the world, together with all penalties, fines, charges, surcharges and interest relating to any of them or to any failure to file any return required for the purposes of any of them, whether or not directly or primarily chargeable and regardless of any right of reimbursement against any other person;

"Tax Authority" means any government, state or municipality or any local, state, federal or other fiscal, revenue, customs or excise authority, body or official competent to impose, administer, levy, assess or collect Tax in the UK or any other jurisdiction;

"Trade Secrets" means any and all information existing in any form and which meets all of the following requirements:

- (a) is secret in the sense that it is not, as a body or in the precise configuration and assembly of its components, generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question;
- (b) has commercial value because it is secret; and
- (c) has been subject to reasonable steps under the circumstances by the person lawfully in control of the information to keep it secret;

"Transferee" means Countrywide Assured Plc, a company incorporated and registered in England and Wales with company registration number 02261746 whose registered office is at 2nd Floor, Building 4 West Strand, West Strand Road, Preston, Lancashire, England, PR1 8UY;

"Transferee Actuary" means the Actuary of the Transferee;

"Transferee Board" means the Board of the Transferee;

"Transferee Group" means the Transferee, any subsidiary or subsidiary undertaking or parent undertaking of the Transferee for the time being and any subsidiary or subsidiary undertaking for the time being of any such parent undertaking of the Transferee, and a reference to a **"member of the Transferee Group"** shall be construed accordingly;

"Transferee Non-Profit Fund" means the non-profit fund of the Transferee comprising the property and liability of the Transferee which the Transferee Board shall determine from time to time as being:

- (a) attributable to, arising from and held in connection with the Long-Term Insurance Business of the Transferee; or
- (b) required for the management of the Long-Term Insurance Business of the Transferee,

but excluding property and liabilities of the Transferee that the Transferee Board from time to time determines are attributable to a with-profit fund of the Transferee;

"Transferee's Personal Pension Scheme" means the Countrywide Assured Personal Pension Scheme originally established by CASLP Ltd (formerly Sanlam Life & Pensions UK Limited) as provider by a trust deed dated 8 June 1988 and in respect of which the Transferee was appointed as provider on 31 December 2023;

"Transferee's Scheme Administrator" means the scheme administrator of the Transferee's Personal Pension Scheme from time to time, being CASFS Ltd as at the date of the scheme;

"Transferor" means Canada Life Limited, a company incorporated in England and Wales under registered number 973271 whose registered office is at Canada Life Place, Potters Bar, Hertfordshire, England, EN6 5BA;

"Transferor Actuary" means the Actuary of the Transferor;

"Transferor Board" means the Board of the Transferor;

"Transferor Group" means the Transferor, any subsidiary or subsidiary undertaking or parent undertaking of the Transferor for the time being and any subsidiary or subsidiary

undertaking for the time being of any such parent undertaking of the Transferor, and a reference to a **"member of the Transferor Group"** shall be construed accordingly;

"Transferor Group Insurance Policy" means any insurance Policy pursuant to which any member of the Transferor Group is insured;

"Transferring Assets" means all of the following whatsoever and wheresoever situated as at the Effective Date:

- (a) the rights, benefit and property of the Transferor under or by virtue of, or otherwise arising in connection with, the Transferring Policies;
- (b) the rights, benefit and property of the Transferor and any other member of the Transferor Group under or by virtue of, or otherwise arising in connection with, the Coutts Contract;
- (c) the Investment Assets;
- (d) the Transferring Deferred Tax Attributes;
- (e) the Bonus Unit Cost Reserve Assets;
- (f) the Transferring Intellectual Property Rights;
- (g) the Business Information, including all rights, title and interest of the Transferor in the Business Information;
- (h) all rights and claims (present, future, actual or contingent) against any third party in relation to the Transferring Policies or arising as a result of the Transferor having written or administered the Transferring Policies; and
- (i) any other assets which the parties agree in writing prior to the date of the Scheme are to be transferred under the Scheme,

but excluding any rights, benefits or property under or relating to the Excluded Assets and, prior to each Subsequent Transfer Date, the relevant Residual Assets and any rights, benefits and property under the Residual Policies;

"Transferring Business" means:

- (a) the Transferring Policies;
- (b) the Transferring Assets; and
- (c) the Transferring Liabilities,

and following each Subsequent Transfer Date, the relevant Residual Asset, Residual Liability or Residual Policy, but does not include the Excluded Assets, the Excluded Policies and the Excluded Liabilities;

"Transferring Deferred Tax Attributes" means the net value of deferred tax attributes relating to the Transferring Business, comprising the Tax Attributes (as defined in Schedule 3 to the Reinsurance Agreement between the Transferor and the Transferee dated 20 December 2024);

"Transferring Intellectual Property Rights" means all Intellectual Property owned by a member of the Transferor Group and used exclusively for the Transferring Business (excluding, for the avoidance of doubt, any and all interest in the Canada Life Brand);

"Transferring Liabilities" means all Liabilities of any member of the Transferor Group in connection with the Transferring Business arising from or in connection with:

- (a) the Transferring Policies;
- (b) the Coutts Contract; and
- (c) the Commission Liabilities,

but excluding the Excluded Liabilities, any Liabilities in respect of the Excluded Policies and, prior to each Subsequent Transfer Date, the relevant Residual Liabilities and any Liabilities in respect of the Residual Policies;

"Transferring Policies" means the Policies underwritten by the Transferor which are listed in the Schedule of Policies, but for the avoidance of doubt excluding:

- (a) the Excluded Policies; and
- (b) prior to each Subsequent Transfer Date, the Residual Policies;

"Transferring Policyholders" means the Policyholders of the Transferring Policies;

"UK GDPR" has the meaning given to it in Section 3 of the Data Protection Act 2018;

"UK Insurance Regulators" means, as the context requires, the FCA and the PRA, or such other governmental, statutory or other authority or authorities as shall from time to time carry out such functions in relation to Long-Term Insurance Business carried on in the United Kingdom as were at the date of this Scheme allocated to the FCA and the PRA under FSMA;

"Valuation Date" means 1 January 2024;

"VAT" means value added tax as provided for in VATA or any similar non-UK legislation and any similar sales or turnover tax;

"VATA" means the Value Added Tax Act 1994.

1.2 In this Scheme, unless the subject or context requires otherwise:

- 1.2.1 **"including"** or **"includes"** means including or includes without limitation;
- 1.2.2 **"property"** or **"assets"** includes property (including real property and charges registered at the Land Registry within England and Wales and at the Registers of Scotland in Scotland and elsewhere and unregistered real property and charges), assets, cash, Encumbrances, causes of action, rights and powers of every description (whether present or future, actual or contingent) and includes property held on trust and securities, benefits, income or interest accrued but unpaid, powers of any description and any interest whatsoever in any of the foregoing;
- 1.2.3 **"transfer"** includes (as the context may require) "assign", "assignment" or "assignment", "dispose" or "disposal" or "convey" or "conveyance";
- 1.2.4 any reference to the singular shall include a reference to the plural and vice versa and any reference to the masculine shall include a reference to the feminine and neuter and vice versa;

- 1.2.5 a reference to any statute, statutory provision or binding regulatory rule shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified, re-enacted, consolidated, replaced or superseded and shall include any subordinate legislation made under that statute, statutory provision or binding regulatory rule from time to time, in each case except to the extent that the liability of the Transferor or the Transferee is thereby increased or extended;
- 1.2.6 any reference to any rules or regulations issued by the UK Insurance Regulators shall be deemed to include a reference to such rules or regulations as at the date of this Scheme;
- 1.2.7 expressions used in this Scheme which have meanings under FSMA shall bear those meanings;
- 1.2.8 references to "**holding company**", "**parent undertaking**", "**subsidiary**" and "**subsidiary undertaking**" shall have the same meanings as in the Companies Act 2006;
- 1.2.9 reference to a "**party**" shall be a reference to the Transferor or the Transferee as applicable, and a reference to the "**parties**" shall be to the Transferor and the Transferee;
- 1.2.10 references to paragraphs and Parts are to paragraphs and Parts respectively of this Scheme;
- 1.2.11 headings are inserted for convenience only and shall not affect the construction of this Scheme;
- 1.2.12 any reference to a person shall include a reference to a body corporate, a partnership (whether or not having separate legal personality), an unincorporated association or to a person's executors or administrators, and for the avoidance of doubt, shall include a trustee;
- 1.2.13 any reference to a board of directors of a company shall be deemed to include a reference to a duly constituted committee or duly authorised representative of that board of directors;
- 1.2.14 if a period of time is specified from a given day or date or from the day or date of an actual event, it shall be calculated exclusive of that day or date;
- 1.2.15 any reference to writing shall include any modes of reproducing words in a legible and non-transitory form;
- 1.2.16 the expression "**variation**" shall include any variation, supplement, deletion, replacement or termination, however effected;
- 1.2.17 any reference to time is to London time; and
- 1.2.18 any reference to an amount shall be exclusive of any applicable VAT.

PART B

INTRODUCTION

2. INTRODUCTION

- 2.1 The Transferor is a company incorporated in England and Wales with registered number 00973271. The Transferor provides long-term insurance and insurance-based retirement, group risk and investment products under the "Canada Life" brand.
- 2.2 The Transferee is a company incorporated in England and Wales with registered number 02261746. The Transferee is a consolidator of long-term insurance and pensions products.
- 2.3 Each of the Transferor and the Transferee have permission under Part 4A of FSMA to carry on Long-Term Insurance Business of the same classes as the Transferring Policies.
- 2.4 The purpose of this Scheme is to effect the transfer to the Transferee, subject to the terms of this Scheme, of certain Long-Term Insurance Business carried on by the Transferor.
- 2.5 Accordingly, it is further proposed that:
 - 2.5.1 an Order be made for the sanction of this Scheme under Section 111(1) of FSMA and that by the Order by which this Scheme is sanctioned, provision be made, as hereinafter appearing, for, inter alia, the transfer of the Transferring Business to the Transferee, pursuant to Section 112(1) of FSMA; and
 - 2.5.2 by such Order, provision be made for the transfer of the Transferring Business from the Transferor to the Transferee in accordance with the terms of this Scheme.

PART C

TRANSFER

3. TRANSFER OF THE TRANSFERRING BUSINESS

- 3.1 Each part of the Transferring Business shall be transferred to and be vested in the Transferee in accordance with this Scheme, so that:
- 3.1.1 subject to paragraph 10, on and with effect from the Effective Date, each Transferring Asset and all the interest of the Transferor in it shall, by the Order and without any further act or instrument, be transferred to and be vested in the Transferee, subject to all Encumbrances (if any) affecting such asset;
 - 3.1.2 subject to paragraph 10, on and with effect from each Subsequent Transfer Date, each Residual Asset to which such Subsequent Transfer Date applies and all the interest of the Transferor in it shall, by the Order and without any further act or instrument, be transferred to and be vested in the Transferee, subject to all Encumbrances (if any) affecting such asset;
 - 3.1.3 on and with effect from the Effective Date, each Transferring Liability shall, by the Order and without any further act or instrument, be transferred to and become a liability of the Transferee and shall cease to be a liability of the Transferor; and
 - 3.1.4 on and with effect from each Subsequent Transfer Date, each Residual Liability to which such Subsequent Transfer Date applies shall, by the Order and without any further act or instrument, be transferred to and become a liability of the Transferee and shall cease to be a liability of the Transferor.
- 3.2 For the avoidance of doubt and without limitation to the generality of the provisions of paragraph 3.1:
- 3.2.1 any existing indemnity, power of attorney, authority, declaration or consent given to or by the Transferor to the extent that it relates to any part of the Transferring Business shall have effect on and from the Effective Date as if given to or, as the case may be, by the Transferee;
 - 3.2.2 any Transferring Asset (including (i) any legal or beneficial title arising pursuant to any trust and (ii) any rights or liabilities pursuant to any custody arrangements) transferred to and vested in the Transferee by virtue of the Order and which was held by the Transferor (whether alone or jointly with others) as a trustee, custodian or in a similar fiduciary capacity shall, with effect from the Effective Date, be held by the Transferee (alone or jointly, as the case may be and in the capacity of a trustee, custodian or in a similar fiduciary capacity, as the case may be) subject to the rights, powers and duties previously applicable to the relevant trust, custody or other fiduciary arrangement in question;
 - 3.2.3 any security to the extent that it is held in respect of the Transferring Business immediately before the Effective Date by the Transferor, or by a nominee or agent of or trustee for the Transferor, as security for the payment or discharge of any liability shall, on and from that day, be held by the Transferee, or, as the case may require, by that nominee, agent or trustee for the Transferee, and be available to the Transferee (whether for its own benefit or, as the case may be, for the benefit of any other person) as security for the payment or discharge of that liability (and if not physically delivered to the Transferee shall be deemed to be so delivered on that day); and
 - 3.2.4 the Transferee shall be entitled on and from the Effective Date to rely on and enforce any consent, waiver, representation, statement or estoppel given or made to the Transferor by a person in relation to the Transferring Business prior to the Effective Date as though such consent, waiver, representation, statement

or estoppel had been given or made to the Transferee and to the same extent that the Transferor would have been able to rely on or enforce the same.

- 3.3 The transfer under this Scheme of the Transferring Business shall, by the Order and without any further act or instrument, prevail over and take effect notwithstanding:
- 3.3.1 any restriction on transfer or requirement that would otherwise exist for the consent or waiver of any person (other than the Court) to the transfer; and/or
 - 3.3.2 any right that any third party would otherwise have to terminate, modify or acquire (or claim an interest or right to do the same) any assets, rights, benefits, liabilities or obligations under or in connection with the Transferring Business, or claim compensation in damages or otherwise, in each case as a result of the transfer.
- 3.4 The Transferee shall accept without investigation or requisition such title as the Transferor shall have at the Effective Date to the Transferring Assets and, at any Subsequent Transfer Date, to each Residual Asset then transferred.
- 3.5 On and with effect from the Effective Date, the Transferee shall:
- 3.5.1 succeed to all rights, Liabilities and obligations of the Transferor in respect of any personal data which relates to the Transferring Business, and which is subject to Data Protection Laws;
 - 3.5.2 become the controller of any personal data which relates to the Transferring Business, and which is subject to Data Protection Laws in place of the Transferor; and
 - 3.5.3 in respect of any personal data which relates to the Transferring Business be under the same duty by virtue of any law as the Transferor was under to respect the confidentiality and privacy (whether pursuant to statute or contract) of any data subject in relation to that personal data and shall be bound by any specific notice or consent given, or request made by, the data subject which was binding on either the Transferor or the Transferee and which required either the Transferor or the Transferee not to use the personal data for direct marketing purposes, and in any consent given by a data subject in respect of such data as is mentioned in this paragraph 3.5, any reference to the Transferor shall be deemed to include a reference to the Transferee.
- 3.6 For the purposes of paragraph 3.5, the expressions "**consent**", "**controller**", "**data subject**", "**direct marketing**" and "**personal data**" shall have the meanings set out in the Data Protection Laws and, solely in the context of processing personal data, "**processing**" has the meaning given to the term "**processing**" in the Data Protection Laws and "**process**" and "**processed**" shall be construed accordingly.
- 3.7 Without prejudice to any other provision in this Scheme, the Transferor and Transferee shall each use reasonable endeavours to:
- 3.7.1 effect or perfect the transfer to and vesting in the Transferee of any Transferring Asset or Residual Asset pursuant to this Scheme;
 - 3.7.2 effect or perfect the transfer to or vesting in the Transferee of any Transferring Policy or Residual Policy pursuant to and in accordance with this Scheme;
 - 3.7.3 effect or perfect the transfer to and assumption by the Transferee of any Transferring Liability or Residual Liability pursuant to this Scheme; and
 - 3.7.4 correct any errors in the identity or amount of the assets, policies and liabilities so transferred, vested or assumed,

including executing and delivering any necessary documents, but provided always that such reasonable endeavours shall not include the making of any application for the transfer

- of Residual Policies to any court or regulatory body or authority or of any application to any regulatory body or authority for any authorisation, permission, licence, waiver or consent.
- 3.8 No Excluded Policies, Excluded Assets or Excluded Liabilities shall be transferred to or vested in the Transferee under or by virtue of the terms of this Scheme.
4. **PERSONAL PENSION TRANSFER**
- 4.1 On the Effective Date, the deed poll dated 4 March 2015 that governs the CanRetire Personal Pension Scheme shall, in respect only of Arrangements comprising FDP Policies, be amended by replacing "...at the written request of..." with "...in respect of..." in rules 9.2, 9.4 and 9.11.
- 4.2 On and with effect from the Effective Date and subject to the terms of the Scheme:
- 4.2.1 the Scheme shall constitute a Recognised Transfer by the Transferor of the Member's Fund and Dependant's Flexi-Access Drawdown Fund relating to each FDP Policyholder from the CanRetire Personal Pension Scheme to the Transferee's Personal Pension Scheme;
- 4.2.2 the Scheme shall constitute the Transferee and the Transferee's Scheme Administrator admitting each FDP Policyholder as a member or beneficiary of the Transferee's Personal Pension Scheme and providing the rights and obligations described in paragraph 7 under Transferee's Personal Pension Scheme; and
- 4.2.3 the reference in each FDP Policy to the "Scheme" shall be read as a reference to the Transferee's Personal Pension Scheme.
- 4.3 In paragraphs 4.1 and 4.2, the following terms shall have the meanings defined in the deed poll dated 4 March 2015 that governs the CanRetire Personal Pension Scheme: "Arrangements", "Recognised Transfer", "Member's Fund" and "Dependant's Flexi-Access Drawdown Fund".
5. **ALLOCATION**
- 5.1 On and with effect from the Effective Date, all Transferring Policies, Transferring Assets and Transferring Liabilities shall be allocated to the Transferee Non-Profit Fund.
- 5.2 On and with effect from the applicable Subsequent Transfer Date, each Residual Policy, Residual Asset and Residual Liability to which the Subsequent Transfer Date relates shall be allocated in the same way as it would have been allocated in accordance with paragraph 5.1 had it been a Transferring Policy, Transferring Asset or Transferring Liability on the Effective Date.
6. **CONTINUITY OF PROCEEDINGS**
- 6.1 On and with effect from the Effective Date, any proceedings or applications to any authority in connection with the Transferring Business (including any complaint or claim to the Ombudsman) whether pending, current or future, by, against or in relation to and/or in respect of which the Transferor is a party (or, in the case of future proceedings, would have been a party but for this Scheme) (including as the plaintiff, claimant, applicant, defendant, respondent, pursuer, defender or petitioner) ("**Proceedings**") and including any such Proceedings commenced in error against the Transferor on or after the Effective Date to the extent connected with the Transferring Policies, the Transferring Assets or the Transferring Liabilities, but excluding in each case any such Proceedings to the extent relating to Excluded Liabilities or the Excluded Policies, shall be continued or commenced by or against the Transferee and the Transferee shall be entitled to all defences, claims, counterclaims, settlements, rights of set-off and any other rights that would have been available to the Transferor in relation to the Transferring Business and such Proceedings.

- 6.2 On and with effect from the Subsequent Transfer Date applicable thereto, any Proceedings issued, served, pending, threatened or otherwise (including future Proceedings not yet in contemplation) in connection with the Residual Assets, the Residual Liabilities or the Residual Policies which are to be transferred on such Subsequent Transfer Date in respect of which the Transferor is a party (whether as the plaintiff, claimant, applicant, defendant, respondent, pursuer, defender, petitioner or otherwise), and including any such Proceedings commenced in error against the Transferor on or after the relevant Subsequent Transfer Date to the extent connected with such Residual Assets, Residual Liabilities or Residual Policies, but excluding in each case any such Proceedings to the extent relating to Excluded Liabilities or the Excluded Policies, shall be continued or commenced by or against the Transferee and the Transferee shall be entitled to all defences, claims, counterclaims, settlements, rights of set-off and any other rights that would have been available to the Transferor in relation to the Residual Assets or the Residual Liabilities and such Proceedings. Until such Subsequent Transfer Date, the relevant Proceedings shall be continued by or against the Transferor, provided that the Transferor shall conduct such proceedings in accordance with the Transferee's instructions and the Transferee shall discharge on behalf of the Transferor or, failing that, shall indemnify the Transferor against any charges, costs and claims in respect of such Proceedings (but on the basis that the Transferor will use reasonable endeavours to mitigate any such charges, costs and claims).
- 6.3 Any judgment, settlement, order or award obtained by or against the Transferor to the extent that it is in connection with any part of the Transferring Business and which is not fully satisfied before the Effective Date shall, on and with effect from the Effective Date, become enforceable by or against the Transferee to the exclusion of the Transferor.
- 6.4 Any judgment, settlement, order or award obtained by or against the Transferor to the extent that it is in connection with the Residual Assets, the Residual Liabilities or the Residual Policies and which is not fully satisfied before the applicable Subsequent Transfer Date shall, on and with effect from such Subsequent Transfer Date, become enforceable by or against the Transferee to the exclusion of the Transferor.

7. RIGHTS AND OBLIGATIONS UNDER TRANSFERRING POLICIES

- 7.1 On the Effective Date, the Transferee shall become entitled to all the rights, benefits and property of the Transferor whatsoever subsisting immediately prior to the Effective Date under or by virtue of the Transferring Policies.
- 7.2 Subject to the terms of this Scheme, every person who is a Policyholder in respect of a Transferring Policy shall, on and with effect from the Effective Date, become entitled, in succession to, and to the exclusion of, any rights which he may have had against the Transferor under such Transferring Policy (other than any right arising in respect of or from any Excluded Liability), to the same rights against the Transferee as were available to him against the Transferor under such Transferring Policy (other than any right arising in respect of or from any Excluded Liability) and (as regards a Transferring Policy under which any premiums or other sums attributable or referable thereto continue to be payable by him) shall on and with effect from the Effective Date account to the Transferee for any further or additional premiums or other sums attributable or referable thereto, if any, as and when the same become due and payable.
- 7.3 If any person entitled to do so with respect to a Transferring Policy exercises any right or option granted under the terms of that Transferring Policy and either:
- 7.3.1 the right or option provides for a new, additional or replacement Policy to be issued or amendments to be made to an existing Transferring Policy; or
 - 7.3.2 it is appropriate in the opinion of the Transferee Board, having regard to the advice of the Transferee Actuary, in order to comply with that right or option to issue a new, additional or replacement Policy or, as the case may be, amend an existing Transferring Policy,

such person shall be entitled to require that the obligation thereby arising shall be satisfied by the issue or amendment (as the case may be) by the Transferee of a Policy which complies with the terms of such right or option. Without prejudice to such entitlement, if the Transferee is not at the time of the exercise of such right or option writing Policies complying exactly with the Policy to which such person is entitled pursuant to the right or option, the Transferee shall be entitled to offer to such person as an alternative (and, if accepted, in lieu thereof) the Policy commonly offered by the Transferee which the Transferee in its absolute discretion considers to be the nearest equivalent Policy of the Transferee at that time.

- 7.4 All references in any Transferring Policy or any other agreement or document to the extent that, in each case, it refers to the Transferring Business (including in a contract to which the Transferor is party, a contract to which the Transferor is not party or elsewhere and whether in writing or not) to the Transferor, the Transferor Board, the Transferor Actuary or any other officers, employees or agents of the Transferor shall, with effect on and from the Effective Date, be read as references to the Transferee, the Transferee Board, the Transferee Actuary or any other officers, employees or agents of the Transferee respectively. In particular, but without limitation, and subject to the other provisions of this Scheme, all rights and duties exercisable or expressed to be exercisable or responsibilities to be performed by the Transferor, the Transferor Board, the Transferor Actuary or any other officers, employees or agents of the Transferor in relation to any of the Transferring Policies or any other agreement or document to the extent that, in each case, it refers to the Transferring Business (including in a contract to which the Transferor is party, a contract to which the Transferor is not party or elsewhere and whether in writing or not), shall, with effect on and from the Effective Date, be exercisable or required to be performed by the Transferee, the Transferee Board, the Transferee Actuary or any other officers, employees or such agents of the Transferee respectively. All references in a Transferring Policy to the Transferor Group shall, where the context requires, be read and construed with effect from the Effective Date as references to the Transferee Group. For the avoidance of doubt, this paragraph 7.4 shall have no effect on any agreement or document to the extent that, in each case, it refers to the Excluded Policies, the Excluded Assets or the Excluded Liabilities.
- 7.5 Without prejudice to the generality of paragraph 7.1, where the benefits of any Transferring Policy are held under the terms of a trust, such terms shall operate and be construed, with effect on and from the Effective Date, on a basis which is consistent with the transfer of such Transferring Policy in accordance with the provisions of this Scheme. For the avoidance of doubt:
- 7.5.1 where the consent of the Transferor is required under any such terms, the consent of the Transferee shall, with effect on and from the Effective Date, instead be treated as required; and
- 7.5.2 where a power to appoint trustees under such terms is conferred on the Transferor, that power shall, with effect on and from the Effective Date, instead be treated as conferred on the Transferee.
- 7.6 The transfer of any rights, benefits, Liabilities and obligations under or in connection with any Transferring Policy, Residual Policy, Transferring Asset, Residual Asset, Transferring Liability or Residual Liability pursuant to this Scheme shall take effect and shall be valid and binding on all parties having any interest in the same notwithstanding any restriction on transferring, assigning or otherwise dealing with the same and such transfer shall be deemed to take effect on the basis that it does not contravene any such restriction and does not give rise to any right to terminate, modify, acquire or claim an interest or right, or to treat an interest or right as terminated or modified.

8. **MANDATES**

- 8.1 All premiums attributable to, referable to or payable in respect of the Transferring Policies shall on and after the Effective Date be payable to the Transferee and shall be receivable

and received by the Transferee and any such premiums which are received by the Transferor on or after the Effective Date shall be paid by the Transferor to the Transferee.

8.2 Any mandate or other instruction or authority in force on the Effective Date (including any instruction given to a bank by its customer in the form of a direct debit or standing order) and providing for the payment by a bank or other intermediary of premiums payable to the Transferor under or in respect of any of the Transferring Policies or Residual Policies or other Transferring Asset shall on the Effective Date take effect as if it had provided for and authorised such payment to the Transferee.

8.3 Any mandate or other instruction or authority in force on the Effective Date as to the manner of payment of any sum payable by the Transferor under any of the Transferring Policies or the Residual Policies shall, with effect on and from the Effective Date, continue in force as an effective mandate, instruction or authority to the Transferee in place of the Transferor.

9. **RESIDUAL POLICIES**

9.1 Subject to paragraph 9.5, the Residual Policies shall not be transferred to the Transferee by this Scheme and all Liabilities attributable to the Residual Policies shall remain Liabilities of the Transferor and be fully reassured with effect from the Effective Date on the following basis:

9.1.1 all Liabilities of the Transferor attributable to the Residual Policies (other than any Liabilities in respect of a Sanctioned Policy) and all other amounts paid or payable by the Transferor in respect of such Residual Policies (other than any Sanctioned Policy), including amounts paid or payable in connection with the surrender of any such Residual Policy (other than any Sanctioned Policy), shall be reassured in their entirety to the Transferee on and with effect from the Effective Date (or in the case of Liabilities arising in respect of any Policy issued by the Transferor pursuant to paragraph 9.3, on and with effect from the date on which such Policy is issued);

9.1.2 the liability of the Transferee on and with effect from the Effective Date shall be such that it will cover the full liability of the Transferor in respect of the rights, benefits and property provided to holders of Residual Policies (including any Policy issued by the Transferor pursuant to paragraph 9.3, but excluding any Sanctioned Policy);

9.1.3 the premiums payable by the Transferor to the Transferee in connection with the provision of the reinsurance described in this paragraph 9.1 shall be deemed to have been satisfied by the transfer to the Transferee of the appropriate proportion of the Transferring Assets, with the exception that all subsequent premium payments and other amounts received by the Transferor in respect of such Residual Policies (other than any Sanctioned Policy) at any time after the Effective Date shall be paid to the Transferee as soon as practicable after they are received; and

9.1.4 the parties may agree in writing to terminate the Residual Policies Reassurance Arrangement at any time, in which event the rights and obligations of the Transferor and the Transferee pursuant to paragraphs 9.1.1 to 9.1.3 (inclusive) shall terminate with immediate effect and the Transferee shall pay to the Transferor an amount agreed in writing by the Transferor and the Transferee in respect of the relevant Residual Policies (other than any Sanctioned Policy).

9.2 The Residual Policies Reassurance Arrangement shall terminate automatically on there ceasing to be any Residual Policies (other than any Sanctioned Policy).

9.3 If any person entitled to do so with respect to a Residual Policy (other than any Sanctioned Policy) exercises any right or option granted under the terms of that Policy and either:

9.3.1 the right or option provides for a new, additional or replacement Policy to be issued; or

- 9.3.2 it is appropriate in the opinion of the Transferee Board, having obtained the advice of the Transferee Actuary, in order to comply with that right or option to issue a new Policy,

then (without prejudice to the right of such person to have the right or option satisfied by the issue by the Transferor of such a Policy):

- 9.3.3 the Transferee shall offer to such person as an alternative (and if accepted, in lieu thereof) a Policy which complies with the terms of such right or option; or

- 9.3.4 if at the time of the exercise of such right or option the Transferee is not writing Policies complying exactly with the Policy to which the right or option refers, then the Transferee shall offer to such person as an alternative (and, if accepted, in lieu thereof) the Policy commonly offered by the Transferee which the Transferee considers to be the nearest equivalent Policy, in accordance with the terms and conditions applicable to Policies of the Transferee at that time, provided (i) the Transferee Board is satisfied, having obtained the advice of the Transferee Actuary, that accepting such Policy would not have a material adverse effect on the interests of the relevant person or otherwise fail to satisfy the Transferee's duty to pay due regard to the interests of customers and treat them fairly in respect of such person and (ii) the issue of such Policy would not, in the opinion of the Transferee Board, having obtained appropriate advice, result in a liability or in an increase in liability to Taxation of the holder of such Policy (or if such liability or increase in liability would occur the Transferee shall have the option to indemnify the Policyholder in full and to issue, or procure the issue by another undertaking in the Transferee Group of, another Policy pursuant to this paragraph).

- 9.4 The parties may agree in writing to amend the terms of the Residual Policies Reassurance Arrangement, in which event the provisions of this paragraph 9 shall be deemed to be amended accordingly, provided always that such amendments shall not prejudice the interests of any Policyholder of a Residual Policy that is the subject of the Residual Policies Reassurance Arrangement.

- 9.5 If at any time before the Residual Policies Reassurance Arrangement is terminated in accordance with paragraph 9.1 all consents, orders, permissions or other requirements for the transfer or novation of a Residual Policy from the Transferor to the Transferee are obtained (and, without prejudice to the generality of the foregoing, in respect of a Residual Policy that is a Sanctioned Policy, there is no longer a positive match in respect of such Policy on the Sanctions List), such Residual Policy shall, by the Order and without any further act or instrument, be transferred to the Transferee, and shall thereafter be treated in all respects as if it were a Transferring Policy and not a Residual Policy.

10. **DECLARATION OF TRUST BY THE TRANSFEROR**

- 10.1 The Transferor shall from the Effective Date (but save to the extent that the parties agree in writing not to give effect to such a trust for any reason) hold any Residual Asset, together with any proceeds of sale or income or other right accrued or return arising in respect thereof, as trustee for the Transferee.

- 10.2 The Transferor shall be subject to the Transferee's reasonable directions in respect of the Residual Assets from the Effective Date until the relevant asset is transferred to or otherwise vested in the Transferee or disposed of (whereupon the Transferor shall account to the Transferee for the proceeds of the sale thereof), and the Transferee shall have authority to act as the attorney of the Transferor in respect of such property for all such purposes.

- 10.3 In the event of any payment being made to, property being received by, or right being conferred upon the Transferor on or after the Effective Date in respect of any Transferring Asset or any Residual Asset, the Transferor shall, as soon as is reasonably practicable after its receipt, pay over the full amount of such payment or (to the extent to which it is

able to do so) transfer such property or right to, or in accordance with the directions of, the Transferee.

11. INDEMNITIES IN FAVOUR OF THE TRANSFEROR

- 11.1 With effect from the Effective Date until the relevant Subsequent Transfer Date, the Transferee shall discharge on the Transferor's behalf or, failing that, shall indemnify the Transferor against:
- 11.1.1 save to the extent a Liability is within the scope of paragraph 11.1.2 or paragraph 11.2, any charges, costs and claims arising in respect of any Residual Liabilities which are Liabilities of the Transferor (other than those Residual Liabilities arising as a result of, or to the extent increased by, a failure by the Transferor to comply with any directions given by the Transferee under paragraph 10.2) until the relevant Liability is transferred to or becomes a liability of the Transferee; and
 - 11.1.2 any amount paid by the Transferor in respect of any Residual Liabilities of the Transferor which are, whether wholly or in part, the subject of a Policy of indemnity insurance or a claim or right of recovery against a third party, but only to the extent that the Transferor, having made a claim under such a Policy or against such third party, shall have failed to recover any such amount pursuant to rights it may have under such Policy, claim or right of recovery (having used reasonable endeavours to do so).
- 11.2 The Transferee shall indemnify the Transferor against any costs and/or expenses which it may incur in pursuing any claim under any such Policy of indemnity insurance or against any such third party as is referred to in paragraph 11.1.2. Subject thereto, the Transferor shall take such steps as the Transferee shall reasonably require in order to pursue the rights it may have under any such Policy of indemnity insurance or against any such third party. The Transferee shall be entitled, upon notice to the Transferor, to have conduct of all litigation or other proceedings in respect of any such claim. In that connection, the Transferor shall give all such assistance as the Transferee may reasonably require in conducting any such proceedings.
- 11.3 The indemnities given by the Transferee under paragraphs 11.1 and 11.2 are given on the basis that the Transferor will use reasonable endeavours to mitigate its charges, costs and claims for which indemnification may be sought under paragraphs 11.1 and 11.2, and the Transferee's obligations under paragraphs 11.1 and 11.2 shall not apply in respect of any liability, charge, cost or claim covered by the Residual Policies Reassurance Arrangement.
- 11.4 Where the Transferor is entitled to receive an amount pursuant to the indemnities contained in paragraphs 11.1 and 11.2 it shall be entitled to receive such amount free and clear of all deductions or withholding whatsoever save only for any deductions or withholdings required by law. If any deductions or withholdings are required by law from such payment or the Transferor is subject to Tax in respect of such payment then (save to the extent such deduction, withholding or Tax has already been taken into account in calculating the quantum of loss for the relevant claim) the Transferee shall be liable to pay to the Transferor such further sums as shall be required to ensure that the net amount received by the Transferor will equal the full amount which would have been received and retained in the absence of any such deductions or withholdings or Tax; and if the Transferor obtains and utilises a Tax credit, or obtains a Tax repayment, which the Transferor determines (acting in good faith) as being attributable to any increased payment made pursuant to this paragraph 11.4, it shall pay an amount to the Transferee which the Transferor (acting in good faith) determines will leave it with such amount that the Transferor would have received under the relevant indemnities in the absence of any deductions or withholdings or such Tax on receipt.
- 11.5 For the avoidance of doubt, the Transferee shall not be required under paragraph 11.1 above to discharge or indemnify the Transferor against Excluded Liabilities, any Excluded Policies or any charges, costs, claims or other Liabilities in respect of Excluded Liabilities or any Excluded Policies.

12. DISTRIBUTION AGREEMENTS

- 12.1 With effect from the Effective Date, each Distribution Agreement shall be replicated into a new agreement, with each such new agreement (each a "**Replica Distribution Agreement**") to be on the same terms as the original agreement between the Transferor and the relevant Intermediary, save that the following amendments shall apply to each Replica Distribution Agreement:
- 12.1.1 each reference to the Transferor shall be to the Transferee;
 - 12.1.2 it shall commence on the Effective Date;
 - 12.1.3 it shall only apply to the Transferring Policies arranged by the particular Intermediary and not any Excluded Policies;
 - 12.1.4 the Transferee shall have no Liabilities or obligations other than in respect of the Commission Liabilities; and
 - 12.1.5 any notice provisions or bank account details shall be replaced with details of the Transferee as notified from time to time by the Transferee to each Intermediary.
- 12.2 Every Intermediary shall, on and with effect from the Effective Date, become entitled (in succession to, and to the exclusion of, any rights which it may have against the Transferor under the relevant Distribution Agreement in respect of the Commission Liabilities) to the same rights against the Transferee under a Replica Distribution Agreement in respect of the Commission Liabilities as were available to the Intermediary against the Transferor under the Distribution Agreement, and the Transferee shall on and with effect from the Effective Date account to the Intermediaries for the Commission Liabilities as and when they become due and payable under the relevant Distribution Agreement.
- 12.3 With effect from the Effective Date, each Distribution Agreement shall be amended between the Transferor and each Intermediary such that it no longer applies to the Commission Liabilities.
- 12.4 The transfer of any rights, benefits, Liabilities and obligations under or in connection with any Distribution Agreement pursuant to this Scheme shall take effect and shall be valid and binding on all parties having any interest in the same notwithstanding any restriction on transferring, assigning or otherwise dealing with the same and such transfer shall be deemed to take effect on the basis that it does not contravene any such restriction and does not give rise to any right to terminate, modify, acquire or claim an interest or right, or to treat an interest or right as terminated or modified.

PART D

MISCELLANEOUS PROVISIONS

13. EFFECTIVE DATE

- 13.1 Subject to paragraphs 13.2 and 13.3, this Scheme shall take effect at 23:59 on 7 December 2025 or, where that date is not reasonably practicable (taking into account the interests of the Transferring Policyholders), such later time and date as the Transferor and Transferee may agree in writing, provided that where the Effective Date is to be later than 23:59 on 7 March 2026 paragraph 13.3 will apply.
- 13.2 The Transferor and Transferee shall notify the UK Insurance Regulators:
- 13.2.1 as soon as reasonably practicable on it becoming reasonably likely that the Effective Date will be delayed from 23:59 on 7 December 2025, such notification to include the Transferor and Transferee's plan to communicate the delay to the Transferring Policyholders; and
 - 13.2.2 of any complaints (including expressions of dissatisfaction) they may receive in relation to any delay of the Effective Date from 23:59 on 7 December 2025 including in respect of the communications of such delay.
- 13.3 If the Transferor and the Transferee agree that the Effective Date should occur after 23:59 on 7 March 2026, the Transferor and the Transferee must apply to the Court for a further order permitting such Effective Date, provided that in any such case:
- 13.3.1 the UK Insurance Regulators shall be notified in advance and as soon as reasonably practicable of, and shall have the right to be heard at, any hearing of the Court at which such application is considered;
 - 13.3.2 such application shall be accompanied by a supplementary report from Loic Bellettre of Ernst & Young LLP or any other independent expert approved pursuant to section 109(2)(b) of FSMA to the effect that in their opinion the proposed amendment will not materially adversely affect the holders of Transferring Policies or Residual Policies or Excluded Policies or Policies of the Transferee (including the security or reasonable expectations of such Policyholders); and
 - 13.3.3 a notice of the making of such order is published on the websites of the Transferor and the Transferee within 5 days of the making of such further order.
- 13.4 The Transferor shall publish the Effective Date on its website on, or as soon as reasonably possible after, the Effective Date.
- 13.5 Unless this Scheme has become effective on or before 23:59 on 30 June 2026 or such later date and/or time, if any, as the Transferor and Transferee may agree and the Court may allow, this Scheme shall lapse.

14. MODIFICATIONS OR ADDITIONS

- 14.1 The Transferee and the Transferor may consent for and on behalf of themselves and all other persons concerned to any modification of or addition to this Scheme or to any further condition or provision affecting the same which, in each case prior to its sanction of this Scheme, the Court may approve or impose, provided that any such modification, addition, condition or provision which is material to the Scheme may only be made with the consent of the UK Insurance Regulators.
- 14.2 Subject to paragraph 14.4, at any time after the sanction of this Scheme, the Transferee shall be at liberty to apply to the Court for consent to amend its terms, provided that in any such case:
- 14.2.1 where the amendment sought is made under section 112(1)(d) of FSMA, the amendment is required to give full effect to the Scheme;
 - 14.2.2 the UK Insurance Regulators and the Transferor shall be notified at least six weeks in advance of, and have the right to be heard at, any hearing of the Court at which such application is considered;

- 14.2.3 the Transferee has complied with any directions given by the Court as to publicity in relation to the proposed amendment;
 - 14.2.4 such application shall be accompanied by a certificate from an independent actuary (forming part of a reasoned report based on the latest financial information that can reasonably be made available to the independent actuary at the time of the report) to the effect that in their opinion the proposed amendment will not materially adversely affect the security or materially adversely affect the reasonable expectations of the holders of Transferring Policies or Residual Policies (if any) or Excluded Policies or the other Policies of the Transferee, in each case as they stood before the implementation of the proposed amendment; and
 - 14.2.5 the Transferor's consent (not to be unreasonably withheld, delayed or conditioned) shall be required to the extent that it can reasonably be considered that the proposed amendment to the terms of this Scheme may have an adverse financial impact on the Transferor.
- 14.3 Subject to paragraph 14.2, if consent from the Court is granted, the Transferee may amend the terms of this Scheme in accordance with such consent.
- 14.4 The Transferee may, at any time after the sanction of this Scheme (and without the need for the consent of the Court), make such amendments to the terms of this Scheme which are:
- 14.4.1 in relation to minor and/or technical amendments to the terms of this Scheme (including amendments to correct manifest errors);
 - 14.4.2 necessary to comply with such of the requirements of Applicable Law and Regulation which have or will have any implications for the Transferee in relation to the terms or operation of this Scheme;
 - 14.4.3 necessary to reflect any changes in generally accepted actuarial practices relating to the management of the Transferring Policies; or
 - 14.4.4 required to protect the rights and reasonable expectations of the Policyholders of the Transferring Policies,
- provided that the UK Insurance Regulators and the Transferor have been notified of the same at least 28 days in advance of the amendment being made and have not objected (unless they each have confirmed non-objection prior to that date). The Transferor may only object to the extent that it can reasonably be considered that the proposed amendment to the terms of this Scheme may have an adverse financial impact on the Transferor.
- 14.5 The consent of the Court or the UK Insurance Regulators shall not be required in relation to the amendment or termination of the Residual Policies Reassurance Arrangement provided that such amendment or termination shall be in accordance with the provisions of paragraph 9.

15. **EFFECT OF TRANSFER**

- 15.1 Unless and to the extent otherwise provided in the Order:
- 15.1.1 the transfer of any rights, assets, benefits, Liabilities and obligations under or in connection with the Transferring Business pursuant to this Scheme shall take effect and shall be valid and binding on all parties having any interest in the same notwithstanding any restriction on transferring, assigning or otherwise dealing with the same and such transfer shall be deemed to take effect on the basis that it does not contravene any such restriction and does not give rise to any right to terminate, modify, acquire or claim any damages, interest or right, or to treat an interest or right as terminated or modified; and
 - 15.1.2 any entitlement which, but for section 112A of FSMA, would or might arise to terminate, modify, acquire or claim an interest or right to treat an interest or right as terminated or modified as a result of anything done or pursuant to the Scheme will not be enforceable.
- 15.2 Unless and to the extent otherwise provided in the Order, neither the transfer and vesting under this Scheme of the Transferring Business nor this Scheme nor anything done or omitted to be done in connection with the transfer of the Transferring Business or this Scheme shall, in relation to any Transferring Policies, Residual Policies, Transferring Assets, Residual Assets, Transferring

Liabilities or Residual Liabilities, contract, asset, property, liability or business of the Transferee whether before or after the Effective Date:

- 15.2.1 invalidate, discharge or result in the termination of any Transferring Policy, contract, Encumbrance, right, interest, benefit, power, obligation or title;
- 15.2.2 constitute a breach of or default, event of default, potential event of default, termination event, mandatory prepayment event, enforcement event, perfection event or other similar event or condition (however described) under, or allow any person to terminate, any Transferring Policy, contract, Encumbrance, right, interest, benefit, power, obligation or title;
- 15.2.3 require any registration, re-registration or filing of any amendment to any existing registration or filing in respect of any Transferring Policy, contract, Encumbrance, right, interest, benefit, power, obligation or title;
- 15.2.4 require any person to perform any new or additional obligation or take any new or additional step or action, including the giving of any notice, the obtaining of any consent, approval or determination, the accession to any agreement, the payment of any fee, cost, expense, interest or other amount, the granting of any new or additional Encumbrance or the transfer of any asset or property;
- 15.2.5 entitle or require any person to exercise any right or remedy, to reduce, suspend, delay, alter or discharge its rights or obligations, to accelerate, terminate, suspend, delay, alter or discharge the performance of any rights or obligations or otherwise to vary, amend, disclaim, repudiate or terminate any Transferring Policy, contract or Encumbrance; or
- 15.2.6 affect the enforceability, priority or ranking of any Encumbrance.

16. **EVIDENCE OF TRANSFER**

The production of a copy of the Order with any modifications, amendments and/or additions made under paragraph 14 shall for all purposes be evidence of the transfer to, and vesting in, the Transferee:

- 16.1.1 on and with effect from the Effective Date, of the Transferring Assets, the Transferring Liabilities and the Transferring Policies; and
- 16.1.2 with effect from each relevant Subsequent Transfer Date, of the Residual Assets, the Residual Liabilities and the Residual Policies.

17. **SUCCESSORS AND ASSIGNS**

This Scheme will bind, and enure to the benefit of, the successors and assigns of each Transferor and the Transferee.

18. **COSTS AND EXPENSES**

Except as otherwise agreed in writing (including under any existing agreement between the Transferee and the Transferor) or as set out in this Scheme, the Transferor and the Transferee shall bear their own costs and expenses in relation to the preparation and carrying into effect of this Scheme, whether before or after the Effective Date.

19. **THIRD PARTY RIGHTS**

It is not intended that any person who is not a party to this Scheme may enforce any of its terms, whether by virtue of the Contracts (Rights of Third Parties) Act 1999 or otherwise.

20. **GOVERNING LAW**

This Scheme is governed by, and shall be construed in accordance with, English law.

Dated this [●] day of [●] 2025