

Our reference: **Prudential Part VII Scheme of Transfer**
Your policy number:

February 2019

Dear

Proposed transfer of pension annuity business from The Prudential Assurance Company Limited

In March 2018, The Prudential Assurance Company Limited (“**PAC**”) agreed to transfer part of its pension annuity business to Rothesay Life Plc (“**Rothesay Life**”). There is a set legal process to go through before the proposed transfer of policies from PAC to Rothesay Life is approved. We are now writing to all of our individual policyholders and the trustees of pension schemes who have entered into an insurance contract with us (the “**Insurance Contract**”) regarding this proposed transfer.

You do not need to take any action in response to this letter. However, we encourage you to consider communicating with your members in relation to the proposed transfer. Please find enclosed a draft letter you may want to use for this purpose. If you require any additional assistance communicating to your scheme members, please contact us.

If, having read this letter, you feel concerned that you may be adversely affected by the proposed transfer of policies from PAC to Rothesay Life, you have the right to object as explained below.

Does this proposed transfer affect the Insurance Contract?

The transfer does **not** affect the terms and conditions of the Insurance Contract.

The Independent Expert appointed for the transfer has confirmed that in his opinion the transfer will not materially adversely affect the security of benefits, benefit expectations or service standards and governance, of our policyholders.

Background

Both PAC and Rothesay Life are insurance companies authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

As mentioned above, in March 2018 PAC agreed to transfer part of its pension annuity business to Rothesay Life. At that time, PAC and Rothesay Life also entered into a reinsurance agreement under which the liabilities in respect of the pension annuity policies included in the proposed transfer were reinsured to Rothesay Life, pending completion of the transfer. The transfer of the business to Rothesay Life is to be carried out by way of a legal process known as a “Part VII transfer” under section 111(1) of the Financial Services and Markets Act 2000. The transfer will not proceed unless an order sanctioning the scheme (the “**Scheme**”) is given by the Court.

Key points

- **PAC has agreed to transfer part of its pension annuity business to Rothesay Life**
- **There is a legal process to go through before the transfer can proceed**
- **The Independent Expert’s opinion is that the proposed transfer will not materially adversely affect our policyholders**
- **You have the right to object if you feel you may be adversely affected by the proposed transfer**
- **We encourage you to inform your scheme members about this proposed transfer and enclose a draft communication that you might use for this**

Amongst other things, the Part VII process requires the appointment of an Independent Expert, who will report on the terms of the Scheme.

The Part VII transfer

Under the Scheme, the business to be transferred and the provider of the transferring policies will change from PAC to Rothesay Life. This process requires that the High Court of England and Wales (the “**Court**”) approves the transfer. Subject to the Court sanctioning the Scheme and the satisfaction of certain conditions, the Scheme is expected to become effective at 00:01 a.m. BST on 26 June 2019.

Jersey and Guernsey schemes

Different legal requirements apply to the transfer of insurance business carried on in or from within Jersey and policies issued to residents of the Bailiwick of Guernsey and/or written under Guernsey law. However, there will be similar schemes to transfer such business in those jurisdictions. Please write to us, call us or refer to the website for more information if you would like more details about the schemes in Jersey or the Bailiwick of Guernsey (including details of the Court hearings in Jersey and Guernsey and details if you wish to object to either of these schemes).

Where can I get more information?

We have created a Document Library which is accessible from our website page dedicated to this proposed transfer: www.rothesaylife.com/prudential-transaction

The Document Library includes:

- A copy of the Scheme document, a summary of the terms of the Scheme and other Scheme-related documents
- A summary of the Independent Expert’s report and the full version of this report
- A report from the Chief Actuary of Rothesay Life

If you cannot access our website, you can request copies by contacting us using the contact details at the top of this letter. Please also use these contact details to let us know about any queries or concerns you have about the proposed transfer.

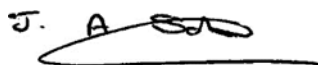
Next steps

If you have no objection to the proposed transfer, you do not need to take any further action.

If you feel you may be adversely affected by the proposed transfer, you have the right to object by contacting us by telephone, email or in writing using the contact details at the top of this letter. You may also object either by appearing in person or by a legal representative at the Court hearing on 10 June 2019.

If you do wish to object, please let us know as soon as possible and preferably at least five business days before the hearing on 10 June 2019 and explain the reasons for your objection when you contact us. We will acknowledge all objections in writing. Your objections will be considered by the Court, our regulators and the Independent Expert.

Yours sincerely

A handwritten signature in black ink, appearing to read 'J. A. Sarkar', with a long horizontal flourish underneath.

Jonathan Sarkar
Chief Operating Officer

February 2019

Dear

XYZ Pension Scheme

Proposed transfer of pension annuity business from The Prudential Assurance Company Limited

As you may recall, the trustees have an insurance contract with Rothesay Life Plc ("**Rothesay Life**"), which covers some of the pension scheme's liabilities. This insurance contract forms part of the assets of the scheme and helps to make your pension benefits more secure.

In March 2018, The Prudential Assurance Company Limited ("**PAC**") agreed to transfer part of its pension annuity business to Rothesay Life. As described below, there is a set legal process to go through before the proposed transfer of policies from PAC to Rothesay Life is approved.

Does this proposed transfer affect you?

The transfer does **not** affect the terms and conditions of the trustees' insurance contract with Rothesay Life.

Whether or not the transaction goes ahead, there will be **no change** to:

- your benefit levels
- the payment timings or frequency of pension payments
- any benefits payable to your beneficiaries on your death

The Independent Expert appointed for the transfer has confirmed that in his opinion the transfer will not materially adversely affect the security of benefits, benefit expectations or service standards and governance, of our policyholders.

Background

Both PAC and Rothesay Life are insurance companies authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

As mentioned above, in March 2018 PAC agreed to transfer part of its pension annuity business to Rothesay Life. At that time, PAC and Rothesay Life also entered into a reinsurance agreement under which the liabilities in respect of the pension annuity policies included in the proposed transfer were reinsured to Rothesay Life, pending completion of the transfer. The transfer of the business to Rothesay Life is to be carried out by way of a legal process known as a "Part VII transfer" under section 111(1) of the Financial Services and Markets Act 2000. The transfer will not proceed unless an order sanctioning the scheme (the "**Scheme**") is given by the Court.

Amongst other things, the Part VII process requires the appointment of an Independent Expert, who will report on the terms of the Scheme.

Key points

- As previously communicated the trustees have an insurance contract with Rothesay Life
- PAC has agreed to transfer part of its pension annuity business to Rothesay Life
- There is a legal process to go through before the transfer can proceed
- The Independent Expert's opinion is that the proposed transfer will not materially adversely affect our policyholders

The Part VII transfer

Under the Scheme, the business to be transferred and the provider of the transferring policies will change from PAC to Rothesay Life. This process requires that the High Court of England and Wales (the “**Court**”) approves the transfer. Subject to the Court sanctioning the Scheme and the satisfaction of certain conditions, the Scheme is expected to become effective at 00:01 a.m. BST on 26 June 2019.

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Yours sincerely