

**Summary of the terms of the scheme for the transfer of the bulk purchase annuities long-term insurance business of Scottish Widows Limited to Rothesay Life Plc under Part VII of the Financial Services and Markets Act 2000**

**1. INTRODUCTION**

- 1.1 The following information is a summary of the terms of the proposed transfer (the "**Transfer**") of the bulk purchase annuities long-term insurance business (the "**Transferring Business**") of Scottish Widows Limited ("**Scottish Widows**") to Rothesay Life Plc ("**Rothesay**"). The Transferring Business comprises the bulk purchase annuity policies issued by Scottish Widows to trustees in respect of pension schemes, the individual annuity policies issued by Scottish Widows to or in respect of pension scheme members and / or contingent beneficiaries to effect the buy-out of certain bulk purchase annuity policies previously issued by Scottish Widows, residual risk policies and certain longevity insurance agreements (together, the "**Transferring Policies**"), together with associated assets and liabilities.
- 1.2 The full terms of the Transfer and details of the Transferring Business including the insurance policies and other contracts, assets and liabilities within scope of the Transfer are contained in the Scheme document (the "**Scheme**"). This summary should not be regarded as comprehensive and should not be treated as a substitute for reading the Scheme. The Scheme requires approval of the High Court of Justice of England and Wales (the "**Court**").

**2. SCHEME EFFECTIVE DATE**

If approved, the terms of the Scheme are expected to come into effect on 11 June 2025 at 00:01 (BST) (the "**Scheme Effective Date**"). The Scheme Effective Date may be delayed by Scottish Widows and Rothesay by up to 1 month from this date (being 11 July 2025) in the event of an unexpected change in circumstances, for example if there are operational reasons which mean it is not possible to undertake the Transfer on that date. The Scheme Effective Date can only be delayed up to 3 months from the planned Scheme Effective Date (being a date no later than 11 September 2025) with the Court's permission for an extension. Updates on the Scheme Effective Date will be available at <http://www.scottishwidows.co.uk/bulk-annuities> and at <https://www.rothesay.com/scottish-widows-transfer/>.

**3. THE BUSINESS TO BE TRANSFERRED**

- 3.1 On the Scheme Effective Date, all rights, benefits, obligations, assets and liabilities of Scottish Widows in respect of the Transferring Business will transfer to Rothesay unless they are specifically excluded by the terms of the Scheme. Pending the Scheme Effective Date, Rothesay and Scottish Widows have entered into a reinsurance agreement under which the economic risk and reward from the Transferring Business has been substantially transferred to Rothesay.
- 3.2 The Transfer will be made under Part VII of the Financial Services and Markets Act 2000 ("**FSMA**"). The Scheme, the report of the Independent Expert (an independent actuary appointed to review the Scheme), and other information is available at <http://www.scottishwidows.co.uk/bulk-annuities> and at <https://www.rothesay.com/scottish-widows-transfer/>.

**4. EFFECTS OF THE SCHEME**

If the Scheme is sanctioned by the Court, it will result in the transfer of all the policies, contracts, property, assets and liabilities within the scope of the Transfer, from Scottish Widows to Rothesay. If the Transfer goes ahead:

- 4.1 Rothesay will become the insurer in relation to the Transferring Policies and will be responsible for administering them and for making payments under them, instead of Scottish Widows;

- 4.2 the terms and conditions of the Transferring Policies will not be affected other than as necessary to replace Scottish Widows with Rothesay;
- 4.3 any claims a policyholder has under a Transferring Policy should be made to Rothesay, instead of to Scottish Widows;
- 4.4 Rothesay will be responsible for making any payments due under the terms of a Transferring Policy;
- 4.5 any payments will continue to be made as before, including the timing and the amount of the payments due; no additional action is required on the part of policyholders in relation to payments due from Rothesay (for example, policyholders do not need to inform their bank);
- 4.6 Rothesay will obtain the benefit of the reinsurance contracts and associated security arrangements which cover the Transferring Business as these reinsurance contracts and associated security arrangements will also transfer to Rothesay; and
- 4.7 Rothesay will obtain the benefit of certain other third-party contracts and associated security arrangements which cover the Transferring Business as these contracts and associated security arrangements will also transfer to Rothesay.

5. **HOW THE TRANSFER WILL BE IMPLEMENTED**

The transfer of the Transferring Business to Rothesay is to be carried out under section 111(1) of FSMA. The Transfer will not proceed unless an order sanctioning the Scheme is given by the Court.

6. **CONTINUITY OF PROCEEDINGS**

From the Scheme Effective Date:

- 6.1 any court cases, proceedings or applications to any authority in connection with the Transferring Business (including any complaint or claim to any ombudsman) with Scottish Widows ("**Proceedings**") will be continued or commenced by or against Rothesay including any future Proceedings and any Proceedings commenced in error against Scottish Widows in relation to the Transferring Business. Rothesay will be entitled to any and all defences, claims, counterclaims, rights of set-off and any other rights that Scottish Widows would have had; and
- 6.2 any enforceable judgment, settlement, order or award obtained by or against Scottish Widows in relation to any part of the Transferring Business which is not fully satisfied before the Scheme Effective Date will become enforceable by or against Rothesay in place of Scottish Widows as if it had originally been made by or against Rothesay.

7. **DATA PROTECTION**

From the Scheme Effective Date, Rothesay will become the data controller in place of Scottish Widows in relation to the Transferring Business, and consents and information given to Scottish Widows will be deemed to have been given to Rothesay.

8. **MANDATES AND OTHER INSTRUCTIONS**

From the Scheme Effective Date, any mandates or other instructions relating to the manner of payment of any amounts payable by Scottish Widows in respect of a Transferring Policy will become an instruction to Rothesay instead.

9. **RESIDUAL POLICIES**

If for technical reasons any Transferring Policy or group of Transferring Policies are unable to transfer, they will be treated for all practical purposes in the same way as if they had transferred. To achieve this, reinsurance and trust arrangements between Scottish Widows and Rothesay will be put in place until it is possible to transfer them. The purpose of these arrangements is to transfer the economic responsibility under the residual policies to

Rothesay until these policies can transfer to Rothesay. Scottish Widows and Rothesay will work together to transfer these policies in full as soon as they are able to do so.

#### 10. **NON-TRANSFERRING POLICIES**

Policies of Scottish Widows which are not transferring as part of the Scheme will remain with Scottish Widows and not be impacted by the Scheme.

#### 11. **VARIATIONS TO THE SCHEME**

11.1 If the Court sanctions the Scheme, Scottish Widows and Rothesay may, at a later date after the Court has sanctioned the Scheme, apply to the Court for consent to amend the terms of the Scheme. This would require advance notification to be provided to the PRA and the FCA and a certificate would need to be obtained from an independent actuary confirming their opinion that the proposed variation would not materially adversely affect the policyholders of Scottish Widows or Rothesay, including as to their benefit expectations.

11.2 Certain changes to the Scheme (for example, changes which are minor or technical amendments, changes to reflect generally accepted actuarial practices and / or changes which the Boards of Scottish Widows and Rothesay (having taken account appropriate actuarial advice) consider are required as a consequence of changes to applicable law and regulation or to protect the rights and reasonable expectations of the policyholders of Transferring Policies) will not require the sanction of the Court, provided that the PRA and the FCA have been given notice of the variation and have not objected to it.

#### 12. **COSTS AND EXPENSES**

All costs associated with the Transfer will be met by Scottish Widows and Rothesay and will not be passed on to policyholders.

#### 13. **FURTHER INFORMATION**

13.1 This statement sets out a summary of the terms of the Scheme only. The full Scheme document can be found either on the Scottish Widows website at [www.scottishwidows.co.uk/bulk-annuities](http://www.scottishwidows.co.uk/bulk-annuities) or the Rothesay website at <http://www.rothesay.com/scottish-widows-transfer/>.

13.2 If you have further questions, please do get in touch with us using the following details: you can call Scottish Widows on 0345 0712 713 (or on +44 1243 522 290 if calling from outside the UK), or email or write to Scottish Widows at [SWpolicytransfer@aptia-uk.com](mailto:SWpolicytransfer@aptia-uk.com) or Scottish Widows Bulk Annuity Administration Team, Ground Floor, Maclaren House, Talbot Road, Stretford, Manchester M32 0FP.

#### 14. **RIGHT TO OBJECT**

14.1 If you feel you may be adversely affected by the Transfer, you have the right to object and to present your views to Court. You can also choose to be represented by a representative at Court if you prefer. Please note that if any person wishes to be represented by a legal representative at the hearing, that their legal representative would need to have appropriate rights of audience to appear in the Court.

14.2 If you do wish to object, you can contact Scottish Widows on 0345 0712 713 (or on +44 1243 522 290 if calling from outside the UK), or email or write to Scottish Widows at [SWpolicytransfer@aptia-uk.com](mailto:SWpolicytransfer@aptia-uk.com) or Scottish Widows Bulk Annuity Administration Team, Ground Floor, Maclaren House, Talbot Road, Stretford, Manchester M32 0FP. Scottish Widows will acknowledge, in writing, all objections they receive. Scottish Widows will submit details of all objections received before the final court hearing to the Court, which will consider the Scheme and all objections from affected persons at the final Court hearing. Details of objections received will also be provided to the independent expert and our regulators.