



HERBERT
SMITH
FREEHILLS

CR-2024-004902

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

IN THE MATTER OF SCOTTISH WIDOWS LIMITED

and

IN THE MATTER OF ROTHESAY LIFE PLC

and

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

SCHEME

**for the transfer to Rothesay Life plc of part of
the long-term business of Scottish Widows
Limited (pursuant to Part VII of the Financial
Services and Markets Act 2000)**

Herbert Smith Freehills LLP

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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 have the following meanings:

"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;

"Applicable Law and Regulation" means any and all:

- (a) legislation (including statutes, statutory instruments, treaties, regulations, orders, directives, by-laws and decrees) and common law;
- (b) regulations (including the principles, rules, codes of practice, handbooks and binding guidance of any Regulatory Authority, including the PRA Rules and the FCA Handbook);
- (c) binding judgments, resolutions, decisions, orders, notices or demands of a competent court, tribunal, arbitrator or applicable regulator; or
- (d) mandatory industry guidelines or codes of conduct,

in each case in any jurisdiction and to the extent applicable to the Transferor or the Transferee (as applicable) in the context of the matters contemplated by this Scheme from time to time;

"Appropriate Actuarial Advice" means the Transferor's Board or the Transferee's Board (as applicable), having taken advice from:

- (e) the Actuary in relation to actuarial matters (including, for the avoidance of doubt, policyholder security or benefit expectations); and
- (f) such additional external actuarial guidance (if any) as the Transferor's Board or the Transferee's Board determines in its absolute discretion to obtain;

"Asset" means any asset and property of every kind and description, wherever located, whether real, personal or mixed, tangible or intangible, that is owned, leased or licensed by the Transferor (and comprised within the Transferring Business) or by the Transferee (as the context requires) including all rights, benefits and powers of the Transferor or the Transferee under any Transferring Asset and all rights, including any right to repayment or recovery of Tax relating to the Transferring Business, claims and powers of the Transferor or the Transferee against any third party and including (for the avoidance of doubt) any such asset or property to which legal title is held by another party, provided that the Transferor or the Transferee has an interest in such asset or property, including beneficial ownership of such asset or property;

"Board" means in relation to the Transferor or the Transferee, its board of directors from time to time;

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

"Business Information" means

- (a) all data and information (in whatever form and whether physical or electronic) held or used by the Transferor or a member of the Transferor Group which relates exclusively to the Transferring Business, the Transferring Assets and the Transferring Liabilities (in all cases excluding any data relating to any person employed by the Transferor Group); and

- (b) all data and information (in whatever form and whether physical or electronic) held or used by the Transferor or a member of the Transferor Group which relates to both the Transferring Business and the Retained Business;

"Business IP Rights" means the data relating to the Policyholders of a Transferring Policy, which is owned by the Transferor, and is used exclusively in the Transferring Business and is necessary for the operation of the Transferring Policies, insofar as such data subsists immediately prior to the Scheme Effective Date and including all associated rights, accrued rights, benefits and property in respect thereof;

"Business Records" means all books, files, registers, documents, literature, correspondence, paper and other records held by (or controlled by) the Transferor (in whatever form and whether physical or electronic) to the extent they contain Business Information, used or intended to be used in relation to the Transferring Business, including those:

- (a) necessary to administer, and comply with, the Transferring Policies, the FW Assets Contracts and Transferring Contracts in the ordinary course and in accordance with Applicable Law and Regulation; and
- (b) necessary to administer in accordance with Applicable Law and Regulation any other Transferring Asset or Transferring Liability not covered by limb (a),

including all associated rights, accrued rights, benefits and property in respect thereof but, for the avoidance of doubt, excluding all books, files, register, documents, literature, correspondence, paper and other records of the Transferor which relate solely to an Excluded Asset or any Excluded Liabilities;

"Claim" has the meaning given to it in paragraph 11.2 and 11.4;

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

"Data Controller" has the meaning given to that term in the Data Protection Legislation;

"Data Protection Legislation" means (i) the General Data Protection Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the **"EU GDPR"**); (ii) the UK version of the EU GDPR which is part of UK law by virtue of the European Union Withdrawal Act 2018 (the **"UK GDPR"**); (iii) any UK legislation in force from time to time which derives from, implements or is related to the EU GDPR, the UK GDPR or the European Community's Directive 2002/58/EC concerning the processing of personal data and the protection of privacy in the electronic communications sector; and (iv) any legislation applicable in the UK in force from time to time relating to privacy or the processing of Personal Data;

"Data Subject" has the meaning given to that term in the Data Protection Legislation;

"Encumbrance" means any claim, option, charge (fixed or floating), mortgage, lien, pledge, equity, encumbrance, right to acquire, right of pre-emption, right of first refusal, title retention or any other third party right, or other security interest or any other agreement or arrangement having a similar effect or any agreement to create any of the foregoing;

"Excluded Assets" means any Assets of the Transferor (other than the Transferring Assets);

"Excluded Liabilities" means:

- (a) any Liabilities, obligations or commitments in respect of the Excluded Assets;
- (b) any fine or penalty levied, or sanction payment charged, in each case, by any Regulatory Authority (other than a Tax Authority) in relation to actions or omissions by any member of the Transferor's Group wholly or partly in respect of the Transferring Business prior to the Scheme Effective Date;
- (c) any Liability to make a payment of Tax in connection with the Transferring Business as carried on by the Transferor in respect of the period on or prior to the Scheme Effective Date;

- (d) any Liabilities of the Transferor arising from a sale of a Transferring Policy by the Transferor prior to the Scheme Effective Date which constituted a breach of or failure to comply with Applicable Law and Regulation in connection with the Transferring Business;
- (e) any and all Liabilities of the Transferor under or arising from this Scheme; and
- (f) any Liability of the Transferor which the Transferor and the Transferee has agreed in writing before the Scheme Effective Date are excluded from transferring under this Scheme;

"FCA" means the Financial Conduct Authority and any successor regulatory authority;

"FCA Handbook" means the handbook of rules and guidance issued by the FCA from time to time;

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

"FW Account" means the notional account established and maintained by the Transferor under and in accordance with the Reinsurance Agreement;

"FW Account Ledger" means the ledger which is continuously maintained and updated by the Transferor to reflect the FW Assets attributable to the FW Account under and in accordance with the Reinsurance Agreement;

"FW Assets" means any and all of the Assets allocated to the FW Account immediately prior to the Scheme Effective Date which are recorded in the FW Account Ledger maintained by the Transferor in accordance with the Reinsurance Agreement;

"FW Assets Contracts" means:

- (a) any agreements, addendums, supplemental or variation agreements, side letters or ancillary agreements or similar legally binding arrangements in respect of the loans allocated to the FW Account ("**Loans**") (including the documents listed in the FW Assets Contracts Data File); and
- (b) the benefit of any security interest or registration in respect of the Loans to the extent the Transferor is the beneficiary immediately prior to the Scheme Effective Date;

together with all associated or accrued rights in respect thereof, in each case, to the extent and with the effect that after the Scheme Effective Date the Transferee is in the same position in respect of the relevant Loans as the Transferor was before the Scheme Effective Date;

"FW Assets Contracts Data File" means the zip file with filename "Barnes – FW Assets Contracts Data File" (with the hash code [#]) shared by the Transferor with the Transferee on [7 May 2025];

"Goodwill" means the goodwill of the Transferor in relation to the Transferring Business, and the exclusive right for the Transferee to represent itself as carrying on the Transferring Business in succession to the Transferor including all associated rights, accrued rights, benefits and property in respect thereof (but excluding the goodwill associated with the "Scottish Widows" brand);

"Group" means in respect of the Transferee, the Transferee Group, and, in respect of the Transferor, the Transferor Group, and references to members of either Group shall be construed accordingly;

"Independent Expert" means the independent expert appointed pursuant to section 109 of FSMA in relation to the Scheme;

"Liability" means any debts or liabilities (whether direct or indirect, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due), claims, damages, proceedings, demands, orders, suits, losses, costs (including legal costs and the cost of remediation or rectification), Taxes, 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;

"Long Term 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;

"Order" means an order made by the Court pursuant to section 111 of FSMA sanctioning this Scheme and any order (including any subsequent order) in relation to this Scheme made by the Court pursuant to section 112 of FSMA;

"Parties" means the parties to this Scheme, each being a **Party**;

"Personal Data" has the meaning given to that term in the Data Protection Legislation;

"Policy" and **"Policyholder"** each have the meaning, as appropriate, set out in section 424(2) of FSMA and regulation 2 of the Financial Services and Markets Act 2000 (Meaning of **"Policy"** and **"Policyholder"**) Order 2001 (SI 2001/2361);

"PRA" means the Prudential Regulation Authority and any successor regulatory authority;

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

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

"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);

"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 the FCA and the PRA), the UK Information Commissioner, any Ombudsman, Tax Authorities, the London Stock Exchange, the Panel on Takeovers and Mergers, the Pension Protection Fund and similar entities or authorities);

"Reinsurance Agreement" means the reinsurance agreement entered into between the Transferor and Transferee dated 30 April 2024, as amended from time to time;

"Relevant Date" means the Scheme Effective Date, except in the case of any Residual Asset, Residual Policy or Residual Liability, in which case it means the applicable Subsequent Transfer Date;

"Residual Asset" means in relation to the Transferring Business:

- (a) any Assets of the Transferor that would otherwise be a Transferring Asset but which is agreed by the Transferor and Transferee, or is provided by any third party, to be subject to the law of any country or territory other than the United Kingdom and that further steps, in addition to the Order, are required to secure that its transfer to the Transferee is fully effective under the law of that country or territory;
- (b) any Assets of the Transferor that would otherwise be a Transferring Asset but which: (i) the Court does not have jurisdiction to transfer pursuant to section 112 of FSMA without further steps being taken or waiver obtained (in addition to the Order) to secure the transfer of the relevant Assets to the Transferee (and which have not been completed or obtained on or before the Scheme Effective Date), but only to the extent of that part of the interest of the Transferor in any such

Asset the transfer of which requires such steps and/or waiver, or (ii) in respect of which the Court declines to order the transfer;

- (c) any interest of the Transferor in any Assets that would otherwise be a Transferring Asset but which the Transferor and the Transferee agree in writing prior to the Scheme Effective Date is to be delayed until after the Scheme Effective Date;
- (d) any interest of the Transferor in any Assets that would otherwise be a Transferring Asset but which the Transferor and the Transferee agree in writing prior to the Scheme Effective Date is more conveniently to be transferred pursuant to this Scheme after the Scheme Effective Date in conjunction with any Asset referred to in paragraphs (a), (b) and/or (c) of this definition or in conjunction with a Residual Liability of the Transferor;
- (e) any interest of the Transferor in any Asset that would otherwise be a Transferring Asset but which cannot be transferred to or vested in the Transferee on the Scheme Effective Date for any other reason; and
- (f) any proceeds of sale or income or other accrual or return whatsoever, whether or not in any case in the form of cash, from time to time earned on or received after the Scheme Effective Date in respect of any such relevant Asset referred to in paragraphs (a) to (e) of this definition,

but only until, in respect of each such Asset, the Subsequent Transfer Date (at which point such Asset will become a Transferring Asset);

"Residual Liability" means in relation to the Transferring Business:

- (a) any Liability that would otherwise be a Transferring Liability but which is agreed by the Transferor and Transferee, or is provided by any third party, to be subject to the law of any country or territory other than the United Kingdom and that further steps, in addition to the Order, are required to secure that its transfer to the Transferee is fully effective under the law of that country or territory;
- (b) any Liability that would otherwise be a Transferring Liability but which: (i) the Court either does not have jurisdiction to transfer pursuant to section 112 of FSMA without further steps being taken (in addition to the Order) to secure the transfer of relevant Liabilities (which have not been completed on or before the Scheme Effective Date), but only to the extent of that part of the Liability the transfer of which requires such steps and/or waiver or (ii) in respect of which the Court declines to order the transfer;
- (c) any other Liability that would otherwise be a Transferring Liability, but the transfer of which the Transferor and the Transferee agree prior to the Scheme Effective Date is to be delayed until after the Scheme Effective Date;
- (d) any other Liability that would otherwise be a Transferring Liability but which the Transferor and the Transferee agree prior to the Scheme Effective Date is more conveniently to be transferred pursuant to this Scheme after the Scheme Effective Date in conjunction with any relevant Liabilities referred to in paragraphs (a), (b) or (c) of this definition or in conjunction with a Residual Asset of the Transferor;
- (e) any Liability that would otherwise be a Transferring Liability but for the fact that it cannot be transferred to or vested in the Transferee for any other reason on the Scheme Effective Date; and
- (f) any Liability that is attributable to or connected with a Residual Asset or a Residual Liability referred to in paragraphs (a) to (e) above of the Transferor that has arisen or arises at any time before the Subsequent Transfer Date applicable to that Residual Asset or Residual Liability,

but only until, in respect of each such Liability, the Subsequent Transfer Date (at which point such Liability will become a Transferring Liability);

"Residual Policy" means any Policy that would otherwise be a Transferring Policy and under which any Liability remains unsatisfied or outstanding on the Scheme Effective Date but which:

- (a) prior to the Scheme Effective Date, the Transferor and the Transferee agree shall not be transferred pursuant to the Scheme on the Scheme Effective Date;
- (b) is not capable of being transferred pursuant to the Scheme on the Scheme Effective Date;
- (c) the Court for any reason determines not to transfer by the Order; or
- (d) 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 Scheme Effective Date;

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;

"Residual Policies Reinsurance Arrangement" means the reinsurance arrangement between the Transferor and the Transferee described in paragraph 8 under which the Transferee will provide reinsurance to the Transferor in respect of the Residual Policies (if any);

"Retained Business" means the Long Term Business, undertaking and activities carried on by the Transferor Group other than the Transferring Business;

"Retained Records" means any accounting and financial and other records of the Transferor relating to the Transferring Business which the Transferor is required by law to retain;

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

"Scheme Effective Date" means the time and date on which the transfer pursuant to this Scheme shall take effect in accordance with paragraph 13.1;

"Subsequent Transfer Date" means in relation to any Residual Asset, Residual Policy or Residual Liability, any date after the Scheme Effective Date on which such Residual Asset, Residual Policy or Residual Liability is transferred to the Transferee, including:

- (a) in respect of any Residual Asset or Residual Liability falling within paragraphs (a) or (b) of the respective definitions thereof and of any other Residual Liability which is attributable to or connected with any such Residual Asset, the date on which the requisite steps, or where applicable, the requisite consent or waiver to enable the same to be transferred from the Transferor to the Transferee upon the terms of this Scheme (where applicable, without any third party right to terminate or to compensation) is:
 - (i) obtained;
 - (ii) no longer required; or
 - (iii) dispensed with by Order of the Court;
- (b) in respect of any Residual Asset or Residual Liability falling within paragraph (c) of the respective definitions thereof, and of any other Residual Liability which is attributable to or connected with any such Residual Asset, the date agreed in writing by the Transferor and the Transferee;
- (c) in respect of any Residual Asset or Residual Liability falling within paragraph (d) of the respective definitions thereof, and of any other Residual Liability which is attributable to or connected with any such Residual Asset, the transfer date applicable to the Assets or Liabilities (as the case may be) in conjunction with which it was determined to be a Residual Asset or Residual Liability; and
- (d) in respect of any Residual Asset or Residual Liability falling within paragraph (e) of the respective definitions hereof, and of any other Residual Liability which is

attributable to or connected with any such Residual Asset, the date where the reason the relevant Residual Asset or Residual Liability cannot be transferred to or vested in the Transferee on the Scheme Effective Date ceases to apply;

- (e) in respect of any Residual Asset or Residual Liability falling within paragraph (f) of the respective definitions thereof, the date on which such Residual Asset is received or earned by the Transferor or, in the case of a Residual Liability, the date on which such Liability is incurred by the Transferor;
- (f) in respect of any Residual Policy, the date on which all consents, orders, permissions or other requirements for the transfer or novation of such Residual Policy is obtained, or are no longer required or are dispensed with by Order of the Court.

"Tax Authority" means any local, municipal, governmental, state, federal or other fiscal, customs or excise authority, body or official anywhere in the world with responsibility for, and competency to impose, collect, administer or enforce, any form of Tax or liability to Tax including His Majesty's Revenue and Customs;

"Tax" or "Taxation" means all forms of direct and indirect tax, duty, rate, levy, charge or other imposition whenever and by whatever authority imposed and whether of the United Kingdom or elsewhere (including, for the avoidance of doubt, national insurance contributions in the United Kingdom and equivalent charges or payments made elsewhere), regardless of whether any such taxes, duties, rates, levies, charges or imposts are chargeable directly or primarily against or attributable directly or primarily to any member of the Transferor Group or the Transferee Group (as the case may be) or any other person and of whether any amount in respect of any of them is recoverable from any other person, together with all related or incidental charges, interest, penalties and fines (including, for the avoidance of doubt, for a failure to make any return, comply with any reporting requirements or supply any information in connection with any of the foregoing and the cost of removing any charge or other encumbrance imposed by a Tax Authority);

"Transferee" means Rothesay Life plc, a company incorporated in England and Wales with registered number 6127279 whose registered office is at The Post Building, 100 Museum Street, London, WC1A 1PB;

"Transferee Group" means the Transferee, its subsidiaries and subsidiary undertakings, any holding company of the Transferee and all other subsidiaries of any such holding company from time to time;

"Transferring Assets Data File" means the zip file with filename "Barnes – Transferring Assets Data File" (with the hash code [#]) shared by the Transferor with the Transferee on [7 May 2025];

"Transferor" means Scottish Widows Limited, a company incorporated in England and Wales with registered number 03196171 whose registered office is at 25 Gresham Street, London, United Kingdom, EC2V 7HN;

"Transferor Group" means the Transferor, its subsidiaries and subsidiary undertakings, the holding company of the Transferor and all other subsidiaries of any such holding company from time to time (other than Lloyds Banking Group Pensions Trustees Limited);

"Transferring Assets" means:

- (a) the Transferring Policies;
- (b) the FW Assets and the FW Asset Contracts;
- (c) the Transferring Contracts;
- (d) the Business Records (other than any VAT records of the Transferor relating to the Transferring Business);
- (e) the Business IP Rights;
- (f) the Goodwill;

- (g) the Transferring Legal Opinions and Advice;
- (h) the Transferring NDAs; and
- (i) the rights of the Transferor to any defences, claims, counterclaims, defences to counterclaims, settlements and rights of set-off and any other rights available to the Transferor in respect of the Transferring Liabilities and the Transferring Assets as set out in limbs (a) to (h) above,

but excluding the Excluded Assets;

"Transferring Business" means part of the Long Term Business, undertaking and activities carried on by the Transferor immediately prior to the Scheme Effective Date in relation to the Transferring Policies, the Transferring Assets and the Transferring Liabilities, but excluding for the avoidance of doubt, the Excluded Assets and the Excluded Liabilities;

"Transferring Contracts" means:

- (a) the reinsurance agreements, together with all associated security, custody and other related documents, entered into with the reinsurers listed in Part C of Schedule 1, with details of each relevant agreement set out in the Transferring Assets Data File; and
- (b) the contracts, agreements or similar arrangements with other third parties listed in Part D of Schedule 1, with details of each such contract, agreement or arrangement set out in the Transferring Assets Data File,

in each case, together with all associated rights, accrued rights, benefits and property in respect thereof;

"Transferring Legal Opinions and Advice" means the legal opinions and legal advices obtained by the Transferee Group (whether wholly or partly) in relation to the Transferring Business as listed in the Transferring Assets Data File;

"Transferring Liabilities" means all Liabilities of the Transferor arising from or in connection with the Transferring Business or the Transferring Assets, in each case whether arising from facts, events or circumstances occurring before, on or after the Scheme Effective Date, but excluding the Excluded Liabilities;

"Transferring NDAs" means any non-disclosure agreements entered into by prospective purchasers of the Transferring Business, other than the non-disclosure agreement between the Transferee (on the one hand) and members of the Transferor Group (on the other) in respect of the sale of the Transferring Business;

"Transferring Policies" means the Policies listed in the Transferring Asset Data File, which comprises:

- (a) the bulk purchase annuity Policies issued by the Transferor to trustees in respect of the pension schemes listed in Part A of Schedule 1 (including any supplemental or variation agreements, side letters or ancillary agreements to those bulk purchase annuity Policies);
- (b) the individual annuity Policies issued by the Transferor to or in respect of individual pension scheme members and/or contingent beneficiaries (including by way of any deed poll or Policy issued to a pension scheme trustee and assigned to the relevant individual pension scheme member and/or beneficiary), in order to effect the transition to buy-out of the pension schemes listed in Part B of Schedule 1, together with any other individual annuity policies which are issued pursuant to a bulk purchase annuity Policy or residual risk Policy and which are reinsured from the date of issuance by the Transferee pursuant to and in accordance with the terms of the Reinsurance Agreement;
- (c) the two residual risk Policies issued by the Transferor; and
- (d) the four insurance agreements entered into by the Transferor (as insurer) with Lloyds Banking Group Pensions Trustees Limited,

including all associated rights, accrued rights, benefits and property in respect thereof, with details of each relevant policy set out in the Transferring Assets Data File;

"United Kingdom" or **"UK"** means the United Kingdom of Great Britain and Northern Ireland; and

"VAT" means value added tax as referred to in the Value Added Tax Act 1994 or any tax of a similar nature which may be substituted for or levied in addition to it or the equivalent tax in any relevant jurisdiction.

1.2 In this Scheme:

1.2.1 **"property"** includes property, Assets, rights (excluding contingent rights as to the repayment of tax) and powers of every description (whether present or future, actual or contingent) and includes property held on trust and securities, benefits, powers of any description and any interest whatsoever in any of the foregoing;

1.2.2 **"transfer"** includes (as the context requires) "assign", "assignment" or "assignment", "dispose" or "disposal" or "convey" or "conveyance";

1.2.3 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;

1.2.4 any reference in this Scheme:

(A) to an enactment, a statutory provision or any subordinate legislation shall be deemed to include a reference to that enactment, statutory provision or subordinate legislation as amended, replaced or re-enacted from time to time and to any instrument or order made from time to time under such enactment, statutory provision or subordinate legislation; and

(B) to any handbook, rules or regulations issued (or deemed to have been issued) by the PRA or the FCA shall be deemed to include a reference to such handbook, rules or regulations as amended or replaced from time to time;

1.2.5 expressions used in this Scheme which have meanings under FSMA shall bear those meanings (unless the context otherwise requires);

1.2.6 expressions **"holding company"**, **"subsidiary"**, **"subsidiary undertaking"** and **"wholly-owned subsidiary"** shall have the same meanings as in the Companies Act 2006;

1.2.7 any reference to this Scheme shall include the Schedules to it and references to paragraphs, Parts or Schedules are to paragraphs or Parts of or Schedules to this Scheme;

1.2.8 headings are inserted for convenience only and shall not affect the construction of this Scheme;

1.2.9 any reference to a person shall include a reference to a body corporate, a partnership, an unincorporated association or to a person's executors or administrators, and for the avoidance of doubt, shall include a trustee;

1.2.10 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;

1.2.11 any reference to writing shall include any modes of reproducing words in a legible and non-transitory form;

1.2.12 any reference to a document in the form agreed is to the form of the relevant document agreed between the relevant persons in accordance with this Scheme and initialled by or on behalf of each of them for the purpose of identification prior to the date on which the Court sanctions this Scheme;

- 1.2.13 any reference to the Transferee's Board or the Transferor's Board shall be deemed to include a reference to a duly constituted committee or duly authorised representative of such Board as appropriate;
- 1.2.14 any reference to "**includes**" or "**including**" shall mean "**includes without limitation**" or "**including without limitation**";
- 1.2.15 the expression "variation" shall include any variation, supplement, deletion, replacement or termination, however effected;
- 1.2.16 references to the Transferor's Board or to the Transferee's Board "having taken account of Appropriate Actuarial Advice" means, the Transferor's Board or the Transferee's Board (as applicable) having given due regard to that advice (including the fact that the Actuary is subject to duties imposed by regulation when giving such advice); and
- 1.2.17 references to a "certificate from an independent actuary" means a certificate prepared by an independent actuary considering all matters which the independent actuary considers appropriate in the context of the particular certificate, taking into account of any relevant regulatory guidance applicable to modifications of insurance business transfer schemes under Part VII of the Act (or its successors).

PART B

INTRODUCTION

2. INTRODUCTION

- 2.1 The Transferor is a company incorporated in England and Wales with registered number 03196171.
- 2.2 The Transferee is a company incorporated in England and Wales with registered number 6127279.
- 2.3 The Transferor is an authorised person for the purposes of FSMA and has a Part 4A permission under FSMA to carry on Long Term Business in classes I, II, III, IV, VI and VII in the United Kingdom, as set out in Part II of Schedule 1 to the RAO.
- 2.4 The Transferee is authorised under FSMA to effect and carry out contracts of Long-Term Business in the United Kingdom in classes I, III, IV and VII set out in Part II of Schedule 1 to the RAO.
- 2.5 It is proposed that with effect from the Scheme Effective Date (or where applicable, on a Subsequent Transfer Date), the Transferring Business carried on by the Transferor (including the Transferring Assets and Transferring Liabilities) shall be transferred from the Transferor to the Transferee in accordance with the Scheme.
- 2.6 Certain of the assets previously held by the Transferor in respect of the Transferring Business have already been transferred to the Transferee pursuant to the terms of the Reinsurance Agreement between the Transferor and Transferee, such that the intended combined effect of this Scheme and the Reinsurance Agreement is to transfer the whole of the Transferring Business to the Transferee.

PART C

TRANSFER

3. TRANSFER OF BUSINESS

- 3.1 The Transferring Business (including the Transferring Assets and the Transferring Liabilities) shall be transferred to, and be vested in, the Transferee in accordance with and subject to the terms of this Scheme, so that:
- 3.1.1 on and with effect from the Relevant Date, each Transferring Asset and all interest of the Transferor in them shall, by the Order and without any further act or instrument, be transferred to and be vested in the Transferee and the Transferee shall succeed to each Transferring Asset as if in all respects it were the same person in law as the Transferor, subject to all Encumbrances (if any) affecting such Transferring Asset in accordance with this Scheme; and
- 3.1.2 on and with effect from the Relevant 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 the Transferee shall succeed to the relevant Transferring Liability as if in all respects it were the same person in law as the Transferor and such Transferring Liability shall cease to be a Liability of the Transferor.
- 3.2 This Scheme shall not operate to transfer or have the effect of transferring, or be construed to operate to transfer or have the effect of transferring, to the Transferee any of the Excluded Assets or the Excluded Liabilities.
- 3.3 For the avoidance of doubt and without limitation to the generality of the provisions of paragraph 3.1:
- 3.3.1 an offer or invitation to treat made to or by the Transferor prior to the Relevant Date in relation to the Transferring Business shall be construed and have effect after the Relevant Date as an offer or invitation to treat made to or by the Transferee;
- 3.3.2 any existing indemnity, power of attorney, authority, declaration or consent given to or by the Transferor relating to any part of the Transferring Business (including, for the avoidance of doubt, the Transferring Policies) shall have effect from the Relevant Date as if given to or, as the case may be, by the Transferee;
- 3.3.3 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 Relevant 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, custodian or other fiduciary arrangement in question;
- 3.3.4 any Encumbrance in respect of a Transferring Asset held immediately before the Relevant 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
- 3.3.5 the Transferee shall be entitled 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 Relevant Date as though such consent, waiver, representation, statement or estoppel had been given or made to the Transferee and to the same extent that that Transferor would have been able to rely on or enforce the same.

- 3.4 The Transferee shall accept without investigation or requisition such title as the Transferor shall have on the Relevant Date to each Transferring Asset.
- 3.5 Without prejudice to any other provision in this Scheme, the Transferor and the Transferee shall take all such steps, and execute all such documents, as may be necessary or desirable:
 - 3.5.1 to effect or perfect the transfer to and vesting in the Transferee of any Transferring Asset pursuant to this Scheme;
 - 3.5.2 to effect or perfect the transfer to and assumption by the Transferee of any Transferring Liability pursuant to this Scheme; and
 - 3.5.3 to correct any errors in the identity or amount of the Assets or Liabilities so transferred.
- 3.6 Without prejudice to the rights and obligations between the Parties under this Scheme and any other written agreements between the Parties, the transfer of the FW Assets Contracts under paragraph 3.1.1 of the Scheme to the Transferee shall not result in the Transferor being obliged to source or create documentation not currently in its possession or control for transfer to the Transferee.

4. **DATA PROTECTION**

- 4.1 On and with effect from the Relevant Date:
 - 4.1.1 the Transferee shall succeed to all rights and obligations of the Transferor in respect of any Personal Data which relates to the Transferring Business and which is subject to the Data Protection Legislation;
 - 4.1.2 the Transferee shall become the Data Controller of any Personal Data which relates to the Transferring Business and which is subject to the Data Protection Legislation in place of the Transferor;
 - 4.1.3 the Transferee shall 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 of any person 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 the Transferor and which required the Transferor not to use the Personal Data for marketing purposes; and
 - 4.1.4 in any consent given by a data subject in respect of such data as is mentioned in this paragraph 4, any reference to the Transferor or the Transferor Group shall be deemed to include reference to the Transferee or the Transferee Group.
- 4.2 On and with effect from the Relevant Date, ownership and title to the records relating to the Transferring Business, which may include personal data protected under Data Protection Legislation, shall be transferred to the Transferee to, and used by, the Transferee and / or any agent or contractor of the Transferee to the same extent as they were used by the Transferor and its agents or contractors prior to the Relevant Date for all purposes in connection with the Transferring Business including, in particular, the Transferring Policies and administration thereof and all matters relevant or incidental thereto, and no consent from the individual Policyholders of a Transferring Policy in respect of such disclosure, transfer of records and use shall be required.
- 4.3 To the extent that an authority has been given to the Transferor in connection with a Transferring Policy by the Policyholder thereof or by any other relevant person, whether

pursuant to the Data Protection Legislation or otherwise, such authority shall, on and after the Relevant Date, be deemed to have been given to the Transferee and any agent or contractor of the Transferee for the purposes set out in paragraph 4.2.

5. OTHER EFFECTS OF THE TRANSFER

5.1 Unless and to the extent otherwise provided in the Order:

5.1.1 the transfer of any rights, benefits, Liabilities and obligations under or in connection with any Transferring Asset or Transferring 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 take effect on the basis that it does not contravene any such restriction and neither the transfer of the Transferring Business nor this Scheme shall:

- (A) invalidate, discharge or result in the termination of any Policy, agreement, instrument, trust deed, indenture, Encumbrance, right, interest, benefit, power, obligation or title;
- (B) 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 Policy, agreement, instrument, trust deed, indenture, Encumbrance, right, interest, benefit, power, obligation or title;
- (C) require any registration, re-registration or filing or any amendment to any existing registration or filing in respect of any Policy, agreement, instrument, trust deed, indenture, Encumbrance, right, interest, benefit, power, obligation or title;
- (D) 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;
- (E) 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 Policy, agreement, instrument, trust deed, indenture or Encumbrance; or
- (F) affect the enforceability, priority or ranking of any Encumbrance;

5.1.2 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.

6. CONTINUITY OF PROCEEDINGS

6.1 On and with effect from the Relevant Date, any proceedings or applications to any authority (including any complaint or claim to any ombudsman) whether pending, current or future (including those not yet in contemplation), 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**") to the extent connected with the Transferring Business, the Transferring Assets or the Transferring Liabilities shall be commenced or continued by or against the Transferee as if the Transferee was the original party thereto 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, the Transferring Assets, the Transferring Liabilities and such Proceedings.

- 6.2 On and with effect from the Relevant Date, any judgment, settlement, order or award obtained by or against the Transferor after the Relevant Date to the extent that it relates to any part of the Transferring Business, the Transferring Assets or the Transferring Liabilities and which is not fully satisfied before the Relevant Date shall, on that date and to the extent to which it was enforceable by or against the Transferor immediately prior to such date, become enforceable by or against the Transferee (to the exclusion of the Transferor) as if it was originally made by or against the Transferee.

7. **RIGHTS AND OBLIGATIONS UNDER TRANSFERRING POLICIES AND CONTRACTS**

- 7.1 On and with effect from the Relevant Date, the Transferee shall become entitled to all the rights, benefits and powers of the Transferor whatsoever subsisting on the Relevant Date under the Transferring Business (including under or by virtue of the Transferring Assets).
- 7.2 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, together with the terms of any rules applicable to any pension scheme in the case of any pension scheme under which benefits are referable to a Transferring Policy, shall operate and be construed on and from the Relevant 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:
- 7.2.1 where the consent of the Transferor is required under any such terms, the consent of the Transferee shall, with effect from the Relevant Date, instead be treated as required; and
- 7.2.2 where a power to appoint trustees under such terms is conferred on the Transferor, that power shall, with effect from the Relevant Date, instead be treated as conferred on the Transferee.
- 7.3 Subject to the terms of this Scheme, every person who is a holder (or has the benefit) of any of the Transferring Policies or is a party to, or has the benefit of, any other agreement with the Transferor relating to the Transferring Business shall on and with effect from the Relevant Date become entitled, in succession to, and to the exclusion of, any rights which he may have had against the Transferor under any of the Transferring Policies or any other such agreement relating to the Transferring Business, to the same rights against the Transferee subject to the terms of this Scheme as were available to him against that Transferor under such Transferring Policies or such other agreement relating to the Transferring Business and (as regards Transferring Policies (or any other Transferring Asset) under which premiums or other sums attributable or referable thereto continue to be payable) shall on and with effect from the Relevant Date account to the Transferee for any further or additional premiums or other sums attributable or referable thereto as and when the same become due and payable.
- 7.4 All references in any Transferring Policy or any other agreement comprising part of the Transferring Business to the Transferor, its Board, the Transferor's Group, the Transferor's Actuary or any other officers, employees or agents of the Transferor shall from and after the Relevant Date be read as references to the Transferee, the Transferee's Board, the Transferee's Group, Transferee's Actuary or any other officers or employees of the Transferee or, where appropriate, agents of the Transferee to which the administration or investment management of the relevant part of the business carried on by the Transferee has been delegated. In particular, but without limitation, all rights and duties exercisable or expressed to be exercisable or responsibilities to be performed by the Transferor, its Board, the Transferor's Actuary or any other officers, employees or agents of that Transferor in relation to any of the Transferring Policies or other agreements relating to the

Transferring Business shall, from and after the Relevant Date, be exercisable or required to be performed by the Transferee, the Transferee's Board, the Transferee's Actuary or any other of its officers, employees or such agents, as appropriate.

- 7.5 The transfer of any rights, benefits, Liabilities and obligations under or in connection with any Transferring Asset (including any Transferring Policy) or Transferring 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
- 7.6 The provisions of paragraphs 7.1 to 7.5 shall apply, *mutatis mutandis*, to all Transferring Contracts, FW Assets Contracts or otherwise contracts or agreements with the Transferor relating or referring to the Transferring Business or any part thereof.

8. RESIDUAL POLICIES

- 8.1 Subject to paragraphs 8.4 and 8.5, 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 reinsured with effect from the Scheme Effective Date on the following basis:
- 8.1.1 all Liabilities of the Transferor (other than Excluded Liabilities) attributable to the Residual Policies and all other amounts paid or payable by the Transferor in respect of such Residual Policies (including amounts paid or payable in connection with the surrender of any such Residual Policy) shall be reinsured in their entirety to the Transferee on and with effect from the Scheme Effective Date save to the extent that a Liability has arisen as a result of a failure by the Transferor to comply with any directions given by the Transferee under paragraph 8.1.5 below;
- 8.1.2 the Liability of the Transferee on and with effect from the Scheme Effective Date shall be such that the rights, benefits and powers provided to holders of Residual Policies shall, to the extent possible, be the same as the rights, benefits and powers which would have been provided to such holders if the Residual Policies had been Transferring Policies;
- 8.1.3 the premiums payable by the Transferor to the Transferee in connection with the provision of the reinsurance described in this paragraph 8.1 shall be deemed to have been satisfied by the transfer to the Transferee of the Transferring Assets which are not Transferring Policies, with the exception that all subsequent premium payments and other amounts received by the Transferor in respect of such Residual Policies at any time after the Scheme Effective Date shall be paid to the Transferee as soon as practicable after they are received;
- 8.1.4 the parties may agree in writing to terminate the Residual Policies Reinsurance Arrangement at any time, in which event the rights and obligations of the Transferor and the Transferee pursuant to paragraphs 8.1.1 to 8.1.3 (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; and
- 8.1.5 the Transferor shall be subject to the Transferee's directions in respect of any Residual Policies referred to in this paragraph 8.1 from the Scheme Effective Date until the relevant Residual Policy is transferred to the Transferee and the Transferee shall have authority to act as the attorney of the Transferor in respect of such Residual Policy for all such purposes.
- 8.2 The Residual Policies Reinsurance Arrangement shall terminate automatically upon there ceasing to be any Residual Policies.

- 8.3 The parties may agree in writing to amend the terms of the Residual Policies Reinsurance Arrangement, in which event the provisions of this paragraph 8 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 Reinsurance Arrangement.
- 8.4 If all consents, permissions or other requirements for the novation of a Residual Policy from the Transferor to the Transferee are obtained:
- 8.4.1 such Residual Policy shall, by the Order and without any further act or instrument, promptly be transferred to the Transferee, and shall thereafter be treated in all respects, as if it were a Transferring Policy; and
- 8.4.2 any Liability attributable to such Residual Policy (other than Excluded Liabilities) shall be transferred to the Transferee, and shall thereafter be treated in all respects, as if it were a Transferring Liability.
- 8.5 If any Residual Policy is novated to the Transferee the Assets and Liabilities relating to such Policy (other than Excluded Liabilities) shall, to the extent not previously transferred, be transferred to the Transferee and such Policy shall thereafter be dealt with by the Transferee under the provisions of this Scheme in all respects as if such Residual Policy were a Transferring Policy.

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

- 9.1 The Transferor shall, in relation to any and all Residual Assets (excluding Residual Policies which are dealt with pursuant to paragraph 8 above) which are the property of the Transferor, from the Scheme Effective Date, hold any such 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.
- 9.2 The Transferor shall be subject to the Transferee's directions in respect of any Asset referred to in paragraph 9.1 from the Scheme Effective Date until the relevant Asset is transferred to or otherwise vested in the Transferee or is disposed of (whereupon the Transferor shall account to the Transferee for the proceeds of sale thereof), and the Transferee shall have authority to act as the attorney of the Transferor in respect of such Asset for all such purposes.
- 9.3 In the event of any payment being made to, Asset being received by, or right being conferred upon the Transferor after the Scheme Effective Date in respect of the Transferring Business, any Transferring Asset, or any other Asset referred to in paragraph 9.1, that 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 Asset or right to, or in accordance with the directions of, the Transferee and the Transferee shall indemnify the Transferor on demand against any costs incurred in making any such payment or transfer.

10. **PREMIUMS, MANDATES AND OTHER PAYMENTS**

- 10.1 All premiums and any other amounts attributable or referable to the Transferring Policies, the Transferring Contracts, the FW Asset Contracts and / or FW Assets (as applicable) which are payable to the Transferor shall on and after the Scheme Effective Date be payable to the Transferee and shall be receivable and received by the Transferee.
- 10.2 Any mandate or other instruction in force on the Scheme Effective Date as to the manner of payment of any sum payable by the Transferor under any of the Transferred Policies shall, on and from the Scheme Effective Date, thereafter continue in force as an effective authority to the Transferee.

11. **INDEMNITIES**

- 11.1 On and with effect from the Scheme Effective Date, the Transferee shall discharge on behalf of the Transferor (or failing that, shall indemnify the Transferor against) all charges, claims, and Liabilities, together with all reasonable costs and expenses associated with

those charges, claims and Liabilities, arising in respect of each Residual Liability (excluding in respect of Residual Policies which are dealt with pursuant to paragraph 8 above) until the relevant Liability is transferred to or becomes a Liability of the Transferee, save to the extent that such Liability has arisen as a result of a failure by the Transferor to comply with any directions given by the Transferee under paragraph 9.2 above.

- 11.2 If the Transferor becomes aware of a matter which constitutes or which would be reasonably likely to give rise to a claim under the indemnity in paragraph 11.1 (for the purposes of this paragraph 11.2, a "**Claim**"), the Transferor shall:
- 11.2.1 as soon as reasonably practicable after becoming aware of any Claim, give notice to the Transferee of the matter;
 - 11.2.2 provide to the Transferee such information and documents as are within the reasonable power or control of the Transferor and as the Transferee may reasonably request for the purposes of investigating the matter subject to the preservation of any form of privilege or Applicable Law;
 - 11.2.3 act reasonably and consult with the Transferee prior to taking any action in respect of the Claim, taking account of any reasonable representations it receives from the Transferee, in deciding whether and how to take any action to avoid, dispute, resist, appeal, compromise, defend, remedy or mitigate the Claim; and
 - 11.2.4 not agree or settle or indicate an intention to agree or settle any potential Claim without the written consent of the Transferee.
- 11.3 From and including the Scheme Effective Date, the Transferor shall indemnify and keep indemnified the Transferee against any and all charges, claims and Liabilities, together with all reasonable costs and expenses associated with those charges, claims and Liabilities, arising in respect of an Excluded Liability.
- 11.4 If the Transferee becomes aware of a matter which constitutes or would be reasonably likely to give rise to a claim under the indemnity given in paragraph 11.3 (for the purposes of this paragraph 11.4, a "**Claim**"), the Transferee shall:
- 11.4.1 as soon as reasonably practicable after becoming aware of any Claim, give notice to the Transferor of the matter;
 - 11.4.2 provide to the Transferor such information and documents as are within the reasonable power or control of the Transferee and as the Transferor may reasonably request for the purposes of investigating the matter subject to the preservation of any form of privilege or Applicable Law;
 - 11.4.3 act reasonably and consult with the Transferor prior to taking any action in respect of the Claim, taking account of any reasonable representations it receives from the Transferee, in deciding whether and how to take any action to avoid, dispute, resist, appeal, compromise, defend, remedy or mitigate the Claim; and
 - 11.4.4 not agree or settle or indicate an intention to agree or settle any potential Claim without the written consent of the Transferor.
12. **WITHHOLDINGS AND DEDUCTIONS**
- 12.1 Any payment made by or due from the Transferee to the Transferor or vice versa pursuant to paragraph 9.3 or 11 shall be made free and clear of all deductions and withholdings whatsoever save only for any deductions or withholdings required by law.
- 12.2 If any deductions or withholdings are required by law from a payment pursuant to paragraph 9.3 or 11 then:
- 12.2.1 save in relation to interest and save to the extent that the deduction or withholding has already been taken into account in determining the amount of the

relevant payment, the payer shall be liable to pay to the recipient such further sums as shall be required to ensure that the net amount received by the recipient will equal the full amount which would have been received under the relevant provisions of paragraph 9.3 or 11 in the absence of any such deductions or withholdings, provided that the payer shall not be liable to pay such further sums to the extent the requirement to deduct or withhold would not have arisen (or have been increased) but for (i) a breach of Applicable Law and Regulation by the recipient (including in relation to Tax) or (ii) the recipient not being resident for Tax purposes solely in the United Kingdom;

- 12.2.2 the payer shall provide the recipient with a certificate of tax in respect of any such deduction or withholding and evidence that any appropriate payment has been paid to the relevant Tax Authority; and
- 12.2.3 if the recipient obtains and utilises a tax credit, or obtains a Tax repayment, which the recipient determines (acting in good faith) as being attributable to any increased payment made pursuant to this paragraph 12.1 or the deduction or withholding in respect of which such payment was made, the recipient shall pay an amount to the payer which the recipient (acting in good faith) determines will leave it with such amount that the recipient would have received under the relevant provisions of paragraph 9.3 or 11 in the absence of any deductions or withholdings.

PART D

MISCELLANEOUS PROVISIONS

13. SCHEME EFFECTIVE DATE

- 13.1 This Scheme shall become effective at 00.01 hrs (BST) on 11 June 2025 or, in the event of an unexpected change in circumstances, such other time and date as may be agreed by the Parties and as notified to the PRA and FCA (being a date and time falling after the making of the order sanctioning the Scheme and, in any case, no later than 00.01 hrs (BST) on 11 July 2025).
- 13.2 If the Transferor and the Transferee agree that the transfer to the Transferee of the Transferring Business should become effective on or after 00.01 BST on 11 July 2025, the Transferor and Transferee must apply to the Court for a further order, specifying any time and date on or after 00.01 BST on 11 July 2025 (but in any case no later than 11 September 2025) which, subject to the consent of the Court, shall then become the Scheme Effective Date for the purposes of this Scheme and this Scheme shall then become operative on and from the time and date so specified, provided that:
- 13.2.1 the PRA and FCA shall be notified in advance and as soon as reasonably practicable, and shall have the right to be heard at, any hearing of the Court at which such application is considered;
- 13.2.2 such application shall be accompanied by a certificate from the Independent Expert to the effect that in their opinion the proposed amendment will not materially adversely affect the holders of the Transferring Policies or existing Policyholders of the Transferor or the Transferee, including as to their benefit expectations;
- 13.2.3 the Independent Expert shall be provided with the most up-to-date financial information (audited and/or unaudited, as may be appropriate) available to the Transferor and the Transferee in respect of that party; and
- 13.2.4 a notice of the making of such order is published on the website of the Transferor within 5 days of the making of such further order.
- 13.3 Unless all the provisions of this Scheme shall have become effective on or before 11 September 2025 this Scheme shall lapse.

14. MODIFICATIONS, AMENDMENTS OR ADDITIONS

- 14.1 The Transferor and the Transferee may together consent for and on behalf of themselves and all other persons concerned (other than the PRA and the FCA) to any modification of or addition to this Scheme or to any further condition or provision affecting the same which, prior to its sanction of this Scheme, the Court may approve or impose.
- 14.2 At any time after the sanction of this Scheme by the Court either the Transferor or the Transferee shall, with the consent of the other Party, be at liberty to apply to the Court for consent to amend the terms of this Scheme, provided that in any such case:
- 14.2.1 each of the PRA and the FCA shall have been given such prior and reasonable notice of the application of not less than 42 Business Days of such notification being acknowledged by the PRA and FCA and shall have the right to be heard at any hearing of the Court at which such application is considered; and
- 14.2.2 such application shall be accompanied by a certificate from an independent actuary, approved for the purpose by the PRA (having consulted with the FCA), to the effect that in their opinion the proposed amendment will not materially adversely affect the holders of the Transferring Policies or existing Policyholders of the Transferor or the Transferee, including as to their benefit expectations;

if such consent is granted, the Transferor and the Transferee may amend the terms of this Scheme in accordance with such consent.

- 14.3 Following the sanction of this Scheme by the Court, and notwithstanding paragraph 14.2, the consent of the Court shall not be required in relation to:
- 14.3.1 minor and/or non-material technical amendments to the terms of this Scheme (including amendments to correct manifest errors) that may be agreed by the Transferee and the Transferor in writing;
 - 14.3.2 amendments to the terms of the Scheme which are reasonably considered by the Transferor's Board and the Transferee's Board, having taken account of Appropriate Actuarial Advice, to be required as a consequence of a variation to Applicable Law and Regulation or which has or will have any implications for the Transferor or Transferee in relation to the terms or operation of the Scheme or to the basis on which life assurance companies are subject to taxation in the UK;
 - 14.3.3 changes necessary to reflect any changes in generally accepted actuarial practices relating to the Transferring Policies as agreed by the Transferee and the Transferor in writing; or
 - 14.3.4 changes which are reasonably considered by the Transferor's Board and the Transferee's Board, having taken account of Appropriate Actuarial Advice, to be required to protect the rights and reasonable expectations of the Policyholders of the Transferring Policies and to not materially adversely affect the non-transferring Policyholders of the Transferor or the Transferee (including as to their benefit expectations), as agreed by the Transferee and the Transferor in writing,
- provided that each of the PRA and the FCA has been notified in advance of the proposed amendments by the Transferee and has not objected thereto within 42 Business Days of such notification being acknowledged by the PRA and FCA.

15. **EVIDENCE OF TRANSFER**

- 15.1 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:
- 15.1.1 on and with effect from the Scheme Effective Date, of the Transferring Business, the Transferring Assets and the Transferring Liabilities; and
 - 15.1.2 with effect from each relevant Subsequent Transfer Date, of the Residual Assets and Residual Liabilities.

16. **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 Transferee shall each bear its own cost and expenses in relation to the preparation and carrying into effect of this Scheme.

17. **SUCCESSORS AND ASSIGNS**

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

18. **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.

19. **GOVERNING LAW**

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

Dated this [●]

SCHEDULE 1: LIST OF PENSION SCHEMES, REINSURERS AND THIRD PARTIES

[Note to draft: Schedule to be updated prior to final submission together with corresponding Data Files. Details of the Transferring Policies, Transferring Contracts and Transferring Legal Opinions and Advice will be detailed in the agreed Transferring Assets Data File]

PART A: LIST OF PENSION SCHEMES IN BUY-IN

No.	Project Name	Pension Scheme
1.	Jasmeno	Wiggins Teape Pension Scheme
2.	Apple	Monsanto Pension Plan
3.	Print / Binder I (JM)	James McNaughton Paper Group Limited Pension and Assurance Scheme
4.	Print / Binder I (MD)	MoDo Merchants Pension Scheme
5.	Scout	Hitachi UK Pension Scheme
6.	Spar	Spirit (Legacy) Pension Scheme
7.	Pirate	Barry Wehmiller International Retirement Benefits Scheme
8.	Sirius	Bank of America Merrill Lynch UK Pension Plan
9.	Lime	Monsanto Pension Plan
10.	Binder II (JM)	James McNaughton Paper Group Limited Pension and Assurance Scheme
11.	Binder II (MD)	MoDo Merchants Pension Scheme
12.	Falcon	QinetiQ Pension Scheme
13.	Titan	Atlas Copco UK Holdings Limited Superannuation Fund and Life Assurance Scheme
14.	Compass	Janus Henderson Group UK Pension Scheme
15.	Dune	Electricity North West Group of the Electricity Supply Pension Scheme
16.	Eagle	Lincoln Staff Benefits Plan
17.	Guava	Reckitt Benckiser Pension Fund
18.	Pheasant	Aon Bain Hogg Pension Scheme Section of the Aon Retirement Plan
19.	Peach	Monsanto Pension Plan
20.	Alaska	Spirit (Legacy) Pension Scheme
21.	Jasmeno II	Wiggins Teape Pension Scheme
22.	Libra	De La Rue Pension Scheme
23.	Pepper I	Pfizer Group Pension Scheme

No.	Project Name	Pension Scheme
24.	Kepler	AEGON UK Staff Retirement and Death Benefit Scheme
25.	Pepper II (Padron)	Pfizer Group Pension Scheme
26.	Windermere	Harrods Group Pension Plan
27.	Citrus	Ford Pension Scheme for Senior Staff
28.	Mill	Renishaw Pension Fund

PART B: LIST OF PENSION SCHEMES IN BUY-OUT

No.	Project Name	Pension Scheme
1.	Butler	The Barloworld UK Pension Scheme
2.	Venus	Royal Mail Senior Executives Pension Plan
3.	Barcelona	Lloyds Bowmaker (Bristol) Employee Retirement Benefits Scheme
4.	Leven	The Weir Group 1972 Pension and Life Assurance Plan for Senior Executives
5.	Lille	Littlewoods Pensions Scheme
6.	Jayne	Jewish Chronicle Ltd 1973 Retirement Benefits Scheme
7.	Neptune	Peugeot Advanced Pension Plan
8.	Bright 1	Barnett & Hall Holdings Pension Scheme
9.	Bright 2	W&R Barnett Limited, Retirement Benefits Scheme

PART C: LIST OF REINSURERS

No.	Name of reinsurer
10.	Prudential Insurance Company of America
11.	Swiss Re Europe S.A., UK Branch
12.	SCOR SE, UK Branch
13.	Pacific Life Re International Limited, UK Branch

PART D: LIST OF OTHER THIRD PARTIES WITH TRANSFERRING CONTRACTS

No.	Name of counterparty
14.	Aptia UK Limited
15.	Lloyds Bank plc
16.	Legal & Contingency Limited acting on behalf of the Channel Syndicate 2015

CR-2024-004902
IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF
ENGLAND AND WALES
INSOLVENCY AND COMPANIES COURT (Ch D)

SCOTTISH WIDOWS LIMITED
and
ROTHESAY LIFE PLC
and
IN THE MATTER OF
PART VII OF THE FINANCIAL SERVICES AND
MARKETS ACT 2000

SCHEME

**for the transfer to Rothesay Life plc of part of
the long-term business of Scottish Widows
Limited (pursuant to Part VII of the Financial
Services and Markets Act 2000)**

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