

Summary of the terms of the scheme for the transfer of the annuities and section 32 policies business of FIL Life Insurance Limited to Scottish Friendly Assurance Society Limited 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 annuities and section 32 policies business (the "**Transferring Business**") of FIL Life Insurance Limited ("**FIL UK**") to Scottish Friendly Assurance Society Limited ("**Scottish Friendly**"). The Transferring Business comprises the annuity-in-payment policies issued by FIL UK to members and the unit-linked section 32 policies issued by FIL UK to former pension scheme members (together, the "**Transferring Policies**"), together with associated contracts, assets and liabilities.
- 1.2 The full terms of the Transfer and details of the Transferring Business, including the Transferring Policies, contracts, assets and liabilities within the scope of the Transfer, are contained in the document entitled "Scheme for the transfer to Scottish Friendly Assurance Society Limited of the annuities and section 32 policies business of FIL Life Insurance Limited (pursuant to Part VII of the Financial Services and Markets Act 2000)" (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**") to come into effect (the time and date at which the Scheme comes into effect, the "**Effective Date**", as further described below).

2 Effective Date

- 2.1 The Effective Date is expected to be on 30 September 2026 at 23:59. The Effective Date may be delayed by FIL UK and Scottish Friendly by up to three calendar months from this date (being 31 December 2026) if FIL UK and Scottish Friendly agree it is appropriate to do so. After 31 December 2026, the Effective Date may be delayed provided that the Court has given permission for the extension. Updates on the Effective Date will be available on the FIL UK website at <https://retirement.fidelity.co.uk/fil-transfer-to-scottish-friendly/> and on the Scottish Friendly website at <https://www.scottishfriendly.co.uk/fidelity-transfer-to-scottish-friendly>

3 The Business to be Transferred

- 3.1 On the Effective Date, all rights, benefits, obligations, assets and liabilities of FIL UK in respect of the Transferring Business will transfer to Scottish Friendly unless they are specifically excluded by the terms of the Scheme.
- 3.2 The Transfer will be made under Part VII of the Financial Services and Markets Act 2000. The Scheme, the report of the independent actuary appointed to review the Scheme (the "**Independent Expert**"), and other information relating to the Transfer is available on the FIL UK website at <https://retirement.fidelity.co.uk/fil-transfer-to-scottish-friendly/> and on the Scottish Friendly website at <https://www.scottishfriendly.co.uk/fidelity-transfer-to-scottish-friendly> The Transfer will not proceed unless an order sanctioning the Scheme is given by the Court.

4 Effects of the Scheme

- 4.1 If the Scheme is sanctioned by the Court, it will result in the transfer of all the Transferring Policies, contracts, assets and liabilities within the scope of the Transfer from FIL UK to Scottish Friendly. If the Transfer goes ahead:
 - 4.1.1 Scottish Friendly will become the insurer in relation to the Transferring Policies and Scottish Friendly (including relevant officers or employees on behalf of Scottish Friendly or, where appropriate, agents of Scottish Friendly to which the administration of the Transferring Policies has been delegated) will be responsible for administering them and for making payments under them, instead of FIL UK;
 - 4.1.2 the terms and conditions of the Transferring Policies will not be affected other than as necessary to replace FIL UK with Scottish Friendly;
 - 4.1.3 any claims a policyholder has under a Transferring Policy should be made to Scottish Friendly, instead of to FIL UK;
 - 4.1.4 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 FIL UK (for example, policyholders do not need to inform their bank);
 - 4.1.5 Scottish Friendly will obtain the benefit of the reinsurance arrangements comprised in the Transferring Business, as those reinsurance arrangements will also transfer to Scottish Friendly;
 - 4.1.6 Scottish Friendly will obtain the benefit of certain other third party arrangements comprised in the Transferring Business (including in respect of the units in, and asset management of, the funds relating to the section 32 policies and the administration of the annuities policies) as the relevant arrangements will also transfer to, or be put in place with, Scottish Friendly; and
 - 4.1.7 in respect of the Transferring Policies which are section 32 policies, the investment offering currently available to policyholders will be maintained by Scottish Friendly and the value of the unit-linked holdings in each unit-linked fund for each policyholder will remain the same as immediately prior to the Transfer.

5 Continuity of Proceedings

- 5.1 On and from the Effective Date:



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

6 Data Protection

- 6.1 On and from the Effective Date, Scottish Friendly will become the data controller in place of FIL UK in relation to the Transferring Business, and consents and information given to FIL UK will be deemed to have been given to Scottish Friendly instead, save that Scottish Friendly will not be entitled to rely on any consent that may have been obtained by FIL UK from any policyholder of a Transferring Policy prior to the Effective Date to use personal data for direct marketing purposes.

7 Instructions

- 7.1 On and from the Effective Date, any instruction as to the manner of payment of any amount payable by FIL UK under any Transferring Policy will become an instruction to Scottish Friendly instead.

8 Residual Policies

- 8.1 If, for technical reasons, any Transferring Policy is unable to transfer (any such Transferring Policies, "**Residual Policies**"), they will be treated for all practical purposes in the same way as if they had transferred. To achieve this, reinsurance arrangements between FIL UK and Scottish Friendly will be put in place until it is possible to transfer the Residual Policies to Scottish Friendly. The purpose of these arrangements is to transfer the economic responsibility under the Residual Policies to Scottish Friendly until the Residual Policies can transfer to Scottish Friendly. FIL UK and Scottish Friendly will work together to transfer the Residual Policies in full as soon as they are able to do so.

9 Non-Transferring Policies

- 9.1 Policies of FIL UK which are not Transferring Policies (and are therefore not transferring under the Scheme) will remain with FIL UK and will not be impacted by the Scheme.

10 Variations to the Scheme

- 10.1 If the Court sanctions the Scheme, Scottish Friendly may, at a later time after the Effective Date, apply to the Court for consent to amend the terms of the Scheme.

This would require advance notification to be provided to the Prudential Regulation Authority (the "**PRA**") and the Financial Conduct Authority (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 Friendly or FIL UK, including as to their benefit expectations.

- 10.2 Certain changes to the Scheme (for example changes which are minor and/or technical and/or, provided that an independent actuary has confirmed in writing that they support such view, changes which the board of Scottish Friendly (having taken account of appropriate actuarial advice) considers are required as a consequence of changes to applicable law and regulation, necessary to reflect changes in generally accepted actuarial practices, or required 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.

11 Costs and Expenses

- 11.1 All costs associated with the Transfer will be met by FIL UK and Scottish Friendly and will not be passed on to policyholders.

12 Further Information

- 12.1 This statement sets out a summary of the terms of the Scheme only. The full Scheme document can be found on the FIL UK website at <https://retirement.fidelity.co.uk/fil-transfer-to-scottish-friendly/> and on the Scottish Friendly website at <https://www.scottishfriendly.co.uk/fidelity-transfer-to-scottish-friendly>
- 12.2 If you have further questions, please do get in touch with us using the following details: you can call FIL UK on 0800 058 4448 (or on (+44) 1737 838 585 if calling from outside the UK), email pensions.service@fil.com or write to FIL UK at FIL Life, Beech Gate, Millfield Lane, Tadworth, Surrey, KT20 6RP, United Kingdom.

13 Right to Object

- 13.1 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, their legal representative would need to have appropriate rights of audience to appear at Court.
- 13.2 If you do wish to object, you can contact FIL UK by calling **0800 368 6804**, by emailing remediation.team@fil.com, or by writing to WI BIM, Beech Gate, Millfield Lane, Tadworth, Surrey, KT20 6RP. FIL UK will acknowledge, in writing, all objections they receive. FIL UK 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.