

SUMMARY OF THE SCHEME

1. Introduction

The proposed transfer of the Irish and German business of the Equitable Life Assurance Society to Equitable Life Ireland DAC will be achieved through a scheme (the **Scheme**) which will be submitted to the Court for its approval under Part VII of the Financial Services and Markets Act 2000.

This section sets out a summary of the key terms of the Scheme.

A copy of the full Scheme document, which is the legal document setting out the terms of the Scheme, can be found on our website www.equitable.co.uk/brexit-Irish or you can request a copy by calling +44 (0) 1296 386242.

2. The Effective Date

If the Court approves the Scheme, and provided that a transition period has not been agreed between the UK and the EU before then (as further described at page 3 of the Guide to the Transfer), the proposed transfer is expected to take effect at 22.59 (GMT) on 29 March 2019 (the **Effective Date**).

3. The Effect of the Scheme

3.1 The Scheme is intended to transfer from ELAS to ELI every insurance policy written or assumed by the German and Republic of Ireland branches of ELAS together with certain related assets and liabilities (the **Transferring Business**).

3.2 If approved, the Scheme will have the following effect, on and from the Effective Date:

3.2.1 all insurance policies comprising the Transferring Business will transfer from ELAS to ELI;

3.2.2 each policyholder with a policy contained in the Transferring Business shall become entitled to the same rights against ELI, including any rights to bring claims under existing or expired policies, as were available to them against ELAS in respect of that policy;

3.2.3 all rights and obligations of ELAS arising from the Transferring Business will automatically (by operation of law) transfer to, and become rights and obligations of, ELI and will no longer be rights and obligations of ELAS;

3.2.4 ELI will replace ELAS as contracting party and will become entitled to the benefit of and subject to the obligations and liabilities contained in:

(a) all contracts of reinsurance held by ELAS at or prior to the Effective Date, including those which have expired but in respect of which claims have been brought or may be brought, to the extent that such contracts cover any part of the policies transferring under the Scheme; and

(b) all contracts and arrangements to which ELAS is a party and which were entered into on or before, and which remain to be performed in whole or in part at, the Effective Date, to the extent that those contracts and arrangements relate to the Transferring Business;

3.2.5 the whole of the insurance business attributable to the Irish With-Profits Policies and the UK-Style German With-Profits Policies that will be transferred to ELI on the Effective Date will be reinsured back into ELAS to enable policyholders in respect of such policies to continue to share in the profits of ELAS; and

3.2.6 ELAS will transfer to ELI such amount of technical assets which are of sufficient value to ensure that, when combined with the reinsurance agreement referred to above, ELI will be sufficiently capitalised to comply with the group capital policy adopted by the board of directors of ELAS and ELI from time to time.

4. **Excluded Transfers and Delayed Transfers**

4.1 Certain assets, liabilities and policies that would otherwise be in scope of the Transferring Business are specifically excluded from the Scheme and will not transfer to ELI. These are the Excluded Assets, Excluded Liabilities and Excluded Policies as defined in the Scheme document.

5. In addition, it is possible that, as a result of some restriction or impediment to their transfer pursuant to the Scheme or if ELAS and ELI so agree, some policies, reinsurance contracts or other assets and liabilities that are intended to transfer to ELI (described as Residual Policies, Residual Assets and Residual Liabilities in the Scheme document) may not be transferred until after the Effective Date, when such restriction or impediment has been removed or ELAS and ELI have agreed that they shall transfer. Until such time as the restriction or impediment to their transfer under the Scheme has been removed or ELAS and ELI agree that they shall transfer, any Residual Policies, Residual Assets and Residual Liabilities shall be held on trust by ELAS for ELI, unless ELAS and ELI agree otherwise.

6. **Continuity of Proceedings**

On and with effect from the Effective Date, any judicial, quasi-judicial, administrative or arbitration proceedings or any complaint or claim to any ombudsman or other proceedings for the resolution of a dispute or claim, whether pending, current or threatened, or which may be brought in the future, including those not yet in contemplation (**Proceedings**) by, against or in relation to ELAS in respect of, or in connection with, the Transferring Business or, on and with effect from the Subsequent Transfer Date applicable to it (as defined in the Scheme document), any Residual Asset, Residual Liability or Residual Policy that would form part of the Transferring Business, shall be commenced and/or continued by, against or in relation to ELI, and ELI shall be entitled to all defences, claims, counterclaims and rights of set-off that would have been available to ELAS in relation to such Proceedings and shall have no liability under those Proceedings.

6.1 Any judgment, order or award obtained by or against ELAS which relates to any part of the Transferring Business, whether before or after the Effective Date (or in the case of any Residual Asset, Residual Liability or Residual Policy, the Subsequent Transfer Date applicable to it) shall, on and from the Effective Date (or in the case of any Residual Asset, Residual Liability or Residual Policy, the Subsequent Transfer Date applicable to it), become enforceable by or against ELI.

7. **Premiums and mandates**

7.1 All premiums and other amounts payable to ELAS in respect of the Transferring Business shall, on and with effect from the Effective Date, be payable to ELI.

7.2 Any direct debits, standing orders, mandates or other instructions or authorities payable to or from ELAS in respect of any transferring policy or other contract which forms part of the

Transferring Business and in force at the Effective Date will after the Effective Date be payable to or from ELI.

8. **Data Protection**

ELI shall succeed to all rights, liabilities and obligations of ELAS in respect of any personal data which relates to the Transferring Business and which is subject to applicable data protection legislation, including General Data Protection Regulation (Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016) and any national laws implementing or supplementing it.

9. **Costs and Expenses**

All costs and expenses incurred by both ELAS and ELI in connection with the preparation and carrying into effect of the Scheme, whether before or after the Effective Date, shall be paid by ELAS.

10. **Modifications, amendments or additions**

10.1 ELAS and ELI may consent on their own behalf and on behalf of the persons bound by the Scheme and all other persons concerned (other than the PRA and the FCA) to any modification of or addition to the Scheme which the Court may approve or impose prior to the sanction of the Scheme.

10.2 Any amendments to the Scheme following the sanction of the Scheme will be subject to the PRA and the FCA having been notified in advance, an independent expert having certified that in his or her opinion the proposed amendment will not materially adversely affect the security or reasonable expectations of holders of policies transferred under the Scheme and, if applicable, the approval of the Court. Court approval will not be necessary in the event of minor and/or technical modifications to the terms of this Scheme, including modifications to correct manifest errors, provided that the FCA and the PRA have been notified in advance and have confirmed that they do not object to any such modification.

11. **Governing Law**

The terms of the Scheme are governed by and construed in accordance with English law.