

READ CAREFULLY - THESE CHANGES MIGHT IMPACT THE VALUE OF YOUR PENSION SCHEME INVESTMENTS

Equitable Life

Definitions of terms in *bold italics* can be found in the glossary in the enclosed Explanatory Booklet Part B.

Private & Confidential

31 July 2019

CRN: Letter Ref

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Company Name

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Country

Rec Num

This letter and the enclosed documents contain important information about a *Proposal* that affects your pension scheme. We strongly recommend you read them.

You are a *Scheme Policyholder* and a *Member*, so are able to:

- Vote on the *Scheme* and the *Change to the Articles*
- Object if you feel your pension scheme may be adversely affected by the *Scheme* or *Transfer*.

If you have any questions call us on 0330 159 1531. Opening hours are between 9am and 5pm on UK working days.

Salutation

Limited time to vote - these changes would affect your pension scheme

The time has come for us to ask you to vote. This pack provides full details about the *Proposal* we first told you about last year, so you can have your say on the future of the *Equitable*.

What the *Proposal* is

Part one, which is referred to as the *Scheme*:

- ▶ Increases your members' with-profits investments with an immediate one-off *Uplift*.
- ▶ Removes *Investment Guarantees* (including any guaranteed annual increases) and any *With-Profits Switching Rights*; and
- ▶ Converts with-profits investments to unit-linked investments.

Part two, known as the *Transfer*:

- ▶ Transfers the *Equitable's* business to Utmost Life and Pensions. The *Transfer* does not require a vote, but it does need approval by the *High Court*. Trustees and pension scheme members are able to object if they feel their pension scheme will be adversely affected by the *Transfer*.

Information contained later in this letter explains how exactly the *Proposal* affects your pension scheme investments.

Why this pack is important to you

The *Proposal* can only go ahead if *Scheme Policyholders* and *Eligible Members* vote for it and the *High Court* approves it. There are two votes, and **both need to be in favour and the *High Court* needs to approve the *Scheme* and the *Transfer* for the *Scheme* to become effective.**

Vote 1: To approve the *Scheme*

Vote 2: To *Change the Articles* to make Utmost Life and Pensions the sole *Member* of the *Equitable*

Details about the *Scheme* and the *Change to the Articles* can be found later in this letter.

In this pack we have included the *Voting Forms* relevant to you. Details about the voting process can be found in **Section D of Explanatory Booklet Part B**.

If approved, these changes affect your pension scheme even if you voted against them or did not vote. This is why it is important that you read the information contained in this pack.

Information included in this pack to help you make a decision

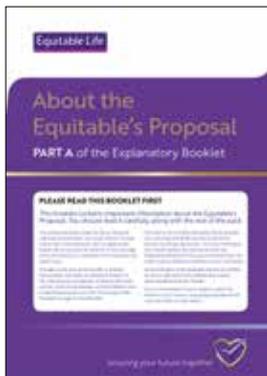
The *Equitable Board* considered a number of alternative options for the future of the *Equitable* before deciding on the *Proposal* (details of the alternative strategies considered can be found on pages 23 to 25 of the enclosed Explanatory Booklet Part B). The *Board's* conclusion is that the *Proposal* is in the best interests of *Policyholders*. If approved, the *Proposal* achieves our aim of getting capital back to *Policyholders* as quickly and as fairly as possible. However, it is **important you make your own decision** based on your own scheme's circumstances, and the information in this pack is designed to help you do that.

Member Specific Data

If we hold a confirmed email address for your pension scheme, we will have sent a link to a secure portal where you can find member specific data. If we were unable to confirm with you an email address for your pension scheme, we have included the member specific data in this pack. We are providing you with the data in this way to enable you to pass this on to your members, to allow them to have their say.

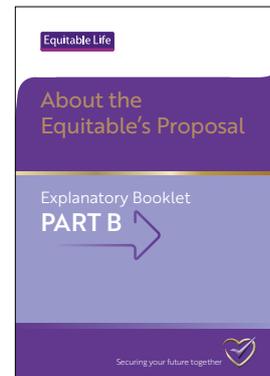
This data shows how your members' with-profits investments may increase, and what *Investment Guarantee* would be removed, together with a projection showing how this might look at a particular point in the future, if the *Proposal* is approved. It also provides a comparable set of values should the *Proposal* not go ahead. We have also included the return required on the uplifted investments, to match the with-profits *Guaranteed Values* that would have been available at the member's retirement date we have on record, if the *Proposal* did not go ahead.

Explanatory Booklet Part A



This booklet provides you with key information about the *Proposal* and how it would impact your pension scheme and other *Policyholders*. It highlights the individual investor considerations that may be relevant to your members, which may help you decide whether this *Proposal* is right for them.

Explanatory Booklet Part B



This booklet provides details of the *Proposal* and describes the impact on your pension scheme. It covers the rationale for the *Proposal*, other options that have been considered and details of what support is available.

Summary reports from the *Policyholder Independent Expert* and the *Transfer Independent Expert* can be found in *Explanatory Booklet Part B* appendices VI and VIII. They consider the *Scheme* and the *Transfer* respectively.

What information is relevant to you

You are:

- ▶ A **Scheme Policyholder** affected by the **Scheme** and are entitled to vote on it
- ▶ A **Member** entitled to vote on the **Change to the Articles**
- ▶ A Trustee affected by the **Transfer** of your Equitable pension scheme investments to Utmost Life and Pensions

All parts of Explanatory Booklets Part A and B are relevant to you and should be read in conjunction with your member specific data.

What we are asking you to do

You should consider the information in this pack and then decide:

- ▶ How you want to communicate the **Proposal** to your pension scheme members
- ▶ How you want to vote in respect of the **Scheme** and the **Change to the Articles**. Trustees are able to split their votes on the **Scheme** and the **Change of the Articles**, to take into account the possibility of different preferences of your pension scheme members. This is explained in more detail on the **Voting Forms**.
- ▶ Whether you want to object to the **Scheme** and/or the **Transfer**

How you can vote

Voting Forms are included in this pack, including details of how you can vote online. Alternatively, you can vote in person at the **Policyholders' Meeting** and **Extraordinary General Meeting**, which are scheduled to take place on 1 November 2019 at 10am.

You have until 10am on 30 October 2019 to vote online or for us to receive your forms by post. If you are planning to attend the meetings in person, we still recommend that you complete and return your **Voting Forms**, just in case circumstances change and you are unable to attend.

More details about the votes are included in **Section D of Explanatory Booklet Part B**.

What will happen next

- ▶ **The voting window is open!** Before voting, we encourage you to read the information contained in this pack to ensure you have a good understanding of what is happening. Information is also available online at www.equitable.co.uk and there is support over the phone.
- ▶ The deadline for receiving postal and online votes is 10am on 30 October 2019.
- ▶ Your last chance to vote will be in person at the **Policyholders' Meeting** and **Extraordinary General Meeting** on 1 November 2019 at 10am. After the meetings, the result will be published on our website.
- ▶ If the two votes are in favour, and if the **Scheme** and the **Transfer** are approved by the **High Court** at the hearing scheduled for 22 November 2019, the **Proposal** is expected to take full effect on 1 January 2020. We will let **Policyholders** know the outcome of this hearing.
- ▶ Shortly we will also be sending you an **Investment Choice Pack** which explains the investment options that will be available from Utmost Life and Pensions if the **Proposal** goes ahead. This pack will also include details of what additional help and support is available when making your investment choices.

How it works

The *Proposal* Part one:

The Scheme – Vote 1

In order to make the changes to your members' with-profits investments as outlined under Part one on the front page of this letter, we are following a legal process called a Scheme of Arrangement. The **Scheme** can only go ahead if it is approved by **Policyholders** that are affected by the **Scheme** and the **High Court** approves the **Scheme** and the **Transfer**.

If the required majority of **Policyholders** vote in favour at the **Policyholders' Meeting** and the **Extraordinary General Meeting** currently scheduled for 1 November 2019 at 10am, and we receive **High Court** approval, your pension scheme will be affected, even if you voted against the **Scheme**.

We have appointed a **Policyholder Independent Expert** who has considered the **Scheme** from the perspective of all **Policyholders**. His report will be reviewed by the **High Court** and a summary of this report is included in **Appendix VI of Explanatory Booklet Part B**.

More details about the **Scheme**, including the risks of the **Proposal** and the challenges the **Equitable** faces if we continue as we are, can be found in **Section B of Explanatory Booklet Part B**.

Scheme Policyholders have the legal right to object to the **Scheme** if they wish. **Paragraphs 66.1 to 66.4 of Explanatory Booklet Part B** set out how **Policyholders** can object to the **Scheme** and the **Transfer** if they believe they will be adversely affected.

The Change to the Articles – Vote 2

As the **Equitable** will not cease to exist immediately after the **Scheme**, a **Change to the Articles** is required to make Utmost Life and Pensions, as the new intended owner of the **Equitable**, the sole **Member**. This change will be voted on at an **Extraordinary General Meeting of Members**, which will take place on the same date as the vote on the **Scheme**.

More details about the **Change to the Articles** are included in **Section C of Explanatory Booklet Part B**.

Both the votes need to be in favour by the required majorities, and **High Court** approval must also be obtained for the **Scheme** and the **Transfer** in order for the **Scheme** to become effective.

If the **Scheme** does not go ahead, your members would not receive the potential increase in their with-profits investments, they would retain their **Investment Guarantees** (including any guaranteed annual increases) and any **With-Profits Switching Rights**, their with-profits investments would not be converted to unit-linked investments and the **Equitable's** business would not be transferred to Utmost Life and Pensions. We would continue to run the **Equitable** as we do now and service your pension scheme investments as normal.

The *Proposal* Part two:

The Transfer

Almost all policies and the business of the *Equitable* are proposed to be transferred to Utmost Life and Pensions under *Part VII* of the Financial Services and Markets Act 2000. This process requires a *Transfer Independent Expert* to give their opinion in a report on the impact of the *Transfer* on all affected parties, including *Policyholders* of the *Equitable* and Utmost Life and Pensions. It also requires the *High Court* to approve the *Transfer*.

Other than the changes that will be made to members' with-profits investments by the *Scheme* as outlined in Part one on the front of this letter, the terms and conditions of your pension scheme's investments would not be affected by the *Transfer* should the *Proposal* proceed.

The legal process for the *Transfer* does not include a vote but you and your pension scheme members are able to raise objections or concerns if you believe your pension scheme will be adversely affected by the *Transfer*. You are able to do this directly with the *High Court* in person or by legal representative. You can also raise any objections or concerns with us, in writing or over the phone. We will share any such objections or concerns with the *Regulators*, the *Transfer Independent Expert* and the *High Court*. You can find our contact details at the end of this letter. You should bear in mind that the *Proposal* as a whole will not go ahead if the *High Court* does not approve the *Transfer*.

The *Transfer* can only proceed if the *Scheme* and the *Change to the Articles* are both approved.

More details about the *Transfer* are included in [Section E of Explanatory Booklet Part B](#). A summary of the *Transfer Independent Expert's* report is included in [Appendix VIII of Explanatory Booklet Part B](#).

The *High Court* will only approve the *Scheme* and the *Transfer* if it considers it appropriate to do so. The hearing where the *High Court* will consider the *Scheme* and *Transfer* is expected to take place on 22 November 2019 at the Royal Courts of Justice, 7 Rolls Buildings, Fetter Lane, London, EC4A 1NL.

If that date changes, we will put an update on our website www.equitable.co.uk. If you are planning on attending the hearings, we recommend you check the website for any changes.

How you can contact us

We recognise that we have provided you with a lot of information and making a decision on behalf of the pension scheme you are responsible for may not be straightforward. Your Employee Benefit Consultant (EBC) or advisers should be able to help you with this decision. We are happy to provide information to your EBC or adviser if we have authority to do so, or if you provide that authority. Alternatively, we have set up a dedicated helpline to provide support and guidance on the **Proposal** and the vote. We have also updated our website to provide you with a range of information that may help you and which includes links to key documents in relation to the **Scheme** and the **Transfer**.

You can contact us in the following ways:



Phone: UK callers: **0330 159 1531**
 Outside the UK: **+44 1296 386242**
 Opening hours are between 9am and 5pm on UK working days.
 Calls to 03 numbers are charged at no more than a call to a standard 01 or 02 number.



Letter: Equitable Life, Walton Street, Aylesbury, Bucks, HP21 7QW



Email: gps@equitable.co.uk



Website: www.equitable.co.uk

We need to make you aware that scammers may use the **Proposal** we are making as an opportunity for them to take advantage of your members. To help you and your members spot a scam and decide what to do if they think they have been targeted by a scammer, we have included useful information in [Section 15 of Explanatory Booklet Part A](#).

We are committed to supporting policyholders that may identify themselves as being 'vulnerable' (for example as a result of a disability (either mental or physical), terminal illness or having problems reading and understanding written materials). You may want to consider this in your own plans to communicate and support your pension scheme members through this process.

On a personal note, I would like to say how pleased I am to be able to put this **Proposal** to you. The **Board** believes this **Proposal** offers the best outcome for our **Policyholders**, but it is important you make your own decision. We strongly encourage all **Policyholders** to read the material included in this pack and for all eligible **Policyholders** to exercise their right to vote and have their say on the future of the **Equitable**.

Yours sincerely

Simon Small, Chief Executive