

**IN THE COURT OF SESSION, SCOTLAND**

**STANDARD LIFE ASSURANCE LIMITED**

and

**STANDARD LIFE INTERNATIONAL DAC**

---

**SCHEME**

for the transfer to Standard Life International DAC of part of  
the long-term insurance business of Standard Life Assurance Limited  
(pursuant to Part VII of the Financial Services and Markets Act 2000)

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547905858

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## PART A – DEFINITIONS AND INTERPRETATION

### 1 Definitions

1.1 In this Scheme, unless the subject or context requires otherwise, the following expressions shall bear the following meanings:

**2006 Scheme** means the scheme pursuant to Part VII of, and Schedule 12 to, FSMA, under which substantially all of the long-term insurance business of The Standard Life Assurance Company was transferred to SLAL, which was sanctioned by the Court on 9 June 2006 and became effective on 10 July 2006 (and as varied by supplementary orders of the Court in the original petition on 20 December 2011 (which took effect on 31 December 2011) and on 30 June 2016 (which took effect on 30 June 2016)) [and which will be superseded by the Phoenix Scheme on the Phoenix Scheme Transfer Date but with effect from the Phoenix Scheme Effective Date;](#)

**2011 Scheme** means the scheme pursuant to Part VII of, and Schedule 12 to FSMA, under which all of the Long-Term Business of Standard Life Investment Funds Limited was transferred to SLAL, which was sanctioned by the Court of Session on 20 December 2011 and became effective on 31 December 2011, as amended from time to time [and which will be superseded by the Phoenix Scheme on the Phoenix Scheme Transfer Date but with effect from the Phoenix Scheme Effective Date;](#)

**Austrian Local Business Transfer Agreement** means the agreement entitled “Business Transfer Agreement: Austria” between SLAL and SL Intl, entered into in accordance with paragraph 66;

**Board** means, in respect of a company, the board of directors of that company from time to time;

**Brexit** has the meaning given to it in paragraph 3.3;

**Business Transfer Agreements** means each of the Austrian Local Business Transfer Agreement, the German Local Business Transfer Agreement and the Irish Local Business Transfer Agreement;

**Capital Event** has the meaning given to it in paragraph 57.1;

**CBI** means the Central Bank of Ireland;

**Contract** means a contract, commitment, agreement, indenture, note, bond, Encumbrance, loan, instrument, lease, licence or equivalent arrangement, in each case, to which SLAL is a party (or in respect of which SLAL is an assignee or successor in title to a party);

**Court** means the Court of Session in Edinburgh;

**Day One Assets** means all Transferred Assets that are not Residual Assets;

**Day One Business** means together:

~~(a)~~ (a) the Day One Policies;

~~(b)~~ (b) the Day One Contracts;

~~(c)~~ (c) the Day One Assets; and

~~(d)~~ (d) the Day One Liabilities,

and all activities carried on in connection therewith;

**Day One Contracts** means all Transferred Contracts that are not Residual Contracts;

**Day One Liabilities** means all Transferred Liabilities that are not Residual Liabilities;

**Day One Policies** means all Transferred Policies that are not Residual Policies;

**Deed of Fixed Charge** means the agreement entitled “Deed of Fixed Charge” between SLAL and SL Intl, entered into in accordance with paragraph 66;

**Deed of Floating Charge** means the agreement entitled “Deed of Floating Charge” between SLAL and SL Intl, entered into in accordance with paragraph 66 and which is to be discharged in accordance with paragraph 3A.4(a);

~~**EEA State** has the meaning set out in paragraph 8, Part 1 of Schedule 3 to FSMA;~~

**EEA Agreement** means the agreement on the European Economic Area signed at Oporto on 2 May 1992, together with the Protocol adjusting that Agreement signed at Brussels on 17 March 1993, as modified or supplemented from time to time, but does not include any retained direct EU legislation;

**EEA State** means:

(a) a state which at that time is a member state of the European Union; or

(b) any other state which at that time is party to the EEA Agreement;

**Effective Time** means the time and date on which this Scheme shall take effect in accordance with paragraph 55;

**Encumbrance** means any mortgage, charge, pledge, assignation in security, lien, option, restriction, right of first refusal, right of pre-emption, third party right or interest, any other encumbrance or security interest of any kind and any other type of preferential arrangement (including title transfer and retention arrangements) having a similar effect;

~~**Equivalent SLAL Fund** means:~~

~~(a) in respect of the SL Intl Euro PBF, the SLAL PBF;~~

~~(b) in respect of the SL Intl HWPF, the SLAL HWPF;~~

~~(c) in respect of the SL Intl GWPF, the SLAL GWPF; and~~

~~(d) in respect of the SL Intl GSMWPF, the SLAL GSMWPF;~~

**Excluded Assets** means:

- (a) all property of SLAL where SLAL and SL Intl agree in writing prior to the Effective Time that that property should not be transferred at all; and
- (b) all books, records, files and papers that SLAL is required by Regulatory Requirements to retain;

**Excluded Contracts** means all Contracts set out in Schedule 3;

**Excluded Liabilities** means:

- (a) all liabilities of SLAL which are attributable to Excluded Assets; and
- (b) all liabilities of SLAL arising as a consequence of the implementation of this Scheme, whenever incurred;

~~**Existing Schemes** means the 2011 Scheme and the 2006 Scheme;~~

**FCA** means the Financial Conduct Authority;

**FCA Glossary** means the Glossary of the FCA Handbook;

**FCA Handbook** means the Handbook of rules and guidance issued by the FCA from time to time pursuant to FSMA;

**Freedom of Establishment** means the right of an insurer in an EEA State to pursue business in an EEA State other than its Home State, pursuant to articles 145-146 of Directive 2009/138/EC;

**Freedom of Services** means the right of an insurer in an EEA State to pursue business in an EEA State other than its Home State, pursuant to articles 147-149 of Directive 2009/138/EC;

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

**German Annuity Benefit** means a non profit immediate annuity to be provided on vesting of a Policy where the WP Investment Element is allocated to the SL Intl GWPF or SL Intl GSMWPF (including where such vesting arises on retirement or death, or where a deferred annuity comes into payment);

**German Local Business Transfer Agreement** means the agreement entitled “Business Transfer Agreement: Germany” between SLAL and SL Intl, entered into in accordance with paragraph 66;

**Group** means in respect of any body corporate:

- (a) that body corporate;
- (b) its holding companies from time to time;
- (c) its subsidiaries from time to time; and
- (d) each of the subsidiaries from time to time of any such holding company;

**GSMWPF Deed Poll** means the deed poll entitled “Deed Poll: GSMWPF”, granted by SL Intl in accordance with paragraph 66 (as amended from time to time, including with effect from the Phoenix Scheme Transfer Date in accordance with paragraph 3A.4(c));

**GSMWPF Reinsurance Agreement** means the agreement entitled “Reinsurance Agreement: GSMWPF” between SLAL and SL Intl, entered into in accordance with paragraph 66;

**GWPF Deed Poll** means the deed poll entitled “Deed Poll: GWPF”, granted by SL Intl in accordance with paragraph 66 (as amended from time to time, including with effect from the Phoenix Scheme Transfer Date in accordance with paragraph 3A.4(c));

**GWPF Reinsurance Agreement** means the agreement entitled “Reinsurance Agreement: GWPF” between SLAL and SL Intl, entered into in accordance with paragraph 66;

**Hannover Scheme** means the scheme pursuant to Part VII of, and Schedule 12 to FSMA, under which all of the Long-Term Business of Hannover Standard Life Limited was transferred to The Standard Life Assurance Company, which was sanctioned by the Court of Session on 7 December 2004 and became effective on 12 December 2004;

**HSL Business** means the policies written by Hannover Standard Life Limited (as part of the joint venture between Hannoversche Lebensversicherung AG and The Standard Life Assurance Company) which were transferred to The Standard Life Assurance Company pursuant to the Hannover Scheme and subsequently transferred to SLAL pursuant to the 2006 Scheme (and any other business relating thereto);

**Home State** means, in relation to an insurance undertaking, the EEA State in which the registered office of the insurance undertaking is situated (if any);

**HWPF Annuity Benefit** means a non profit immediate annuity to be provided on vesting of a Policy written in, or allocated to, the SL Intl HWPF (including where such vesting arises on retirement or death, or where a deferred annuity comes into payment) where: (i) the principal benefits of the Policy are expressed in terms of an annuity; or (ii) the Policy contains an option

and/or contains another term, which requires annuities to be issued at a guaranteed rate or for a guaranteed minimum amount per annum;

**HWPF Deed Poll** means the deed poll entitled “Deed Poll: HWPF”, granted by SL Intl in accordance with paragraph 66 (as amended from time to time, including with effect from the Phoenix Scheme Transfer Date in accordance with paragraph 3A.4(c));

**HWPF Reinsurance Agreement** means the agreement entitled “Reinsurance Agreement: HWPF” between SLAL and SL Intl, entered into in accordance with paragraph 66;

**HWPF Reinsurance Termination Date** means the date of early termination of the HWPF Reinsurance Agreement (being the “Termination Date”, as such term is defined in the HWPF Reinsurance Agreement);

**IFRS** means the body of pronouncements issued or adopted by the International Accounting Standards Board, including International Financial Reporting Standards and associated interpretations issued by the International Accounting Standards Board and International Accounting Standards and associated interpretations adopted by the International Accounting Standards Board, in each case, as at the Effective Time;

**Independent Expert** means Mr. Tim Roff of Grant Thornton or any other person approved to act as independent expert in relation to this Scheme pursuant to section 109(2)(b) of FMSA;

~~**Intermediary** means a broker, agent, employee benefit consultant, independent financial adviser or other intermediary that is not an appointed representative (as defined in the FCA Glossary), and that has entered into an agreement with SLAL to distribute SLAL's products in respect of the Transferred Business from time to time;~~

**Internal Annuities Reinsurance Arrangements** has the meaning given to it in paragraph 35;

**Internal PPFM** means each of the SL Intl HWPF Internal PPFM, the SL Intl GWPF Internal PPFM and the SL Intl GSMWPF Internal PPFM;

**Investment Element** means, in respect of a Policy, the WP Investment Element of that Policy and/or the UL Investment Element of that Policy (if applicable);

**IP Assets** means (i) patents, (ii) know-how, (iii) trademarks, (iv) domain names, (v) copyrights, (vi) rights in designs, (vii) database rights, and (viii) internally developed software and (ix) all rights or forms of protection, anywhere in the world, having equivalent or similar effect to the rights referred to in paragraphs (i) to (viii) above, in each case whether registered or unregistered and including applications for registration of any such thing;

**Irish Local Business Transfer Agreement** means the agreement entitled "Business Transfer Agreement: Republic of Ireland" between SLAL and SL Intl, entered into in accordance with paragraph 66;

**Irish Policyholder Principles** means the following general principles contained within Chapter 2 of the Central Bank of Ireland's Consumer Protection Code 2012 (as updated with effect from 1 January 2015) which require that a regulated entity:

- (a) acts honestly, fairly and professionally in the best interests of its customers and the integrity of the market; and
- (b) acts with due skill, care and diligence in the best interests of its customers;

**Irish Tax Indemnity** has the meaning given to it in paragraph 11.6;

**Linked Fund** means an internal linked fund established and maintained for accounting purposes to enable benefits, other than benefits determined by reference to the value of WP Units, payable under Linked Policies to be calculated;

**Linked Policy** means any Policy which falls within paragraph III of Part II of Schedule I to the RAO, or Paragraph 3 of Schedule 2 to the European Communities (Insurance and Reinsurance) Regulations 2017, in respect of which the benefits payable are determined by reference to (i) the value of, or income from, property of any description, or (ii) an index of the value of property of any description;

**New Deed of Floating Charge** means the agreement entitled “Deed of Floating Charge” between Phoenix and SL Intl, entered into with effect from the Phoenix Scheme Transfer Date in accordance with paragraph 3A.4(b);

**Net HWPF Back-Book Premium** means the “Back-Book Premium” (as that term is defined in the HWPF Reinsurance Agreement) ~~payable from~~ paid by SL Intl to SLAL pursuant to the HWPF Reinsurance Agreement, less an amount equal to the “Initial Premium” (as that term is defined in the Property-Linked Funds Retrocession Agreement) payable ~~from SLAL~~ to SL Intl pursuant to the Property-Linked Funds Retrocession Agreement;

**New Policies** means all Policies that are issued by SL Intl after the Effective Time (including all Policies which come into force after the Effective Time as a result of an option, or right, contained in a Transferred Policy);

**New SL Intl Fund** means each of the SL Intl Euro PBF, SL Intl HWPF, SL Intl GWPF and SL Intl GSMWPF, and any other fund or sub-fund which may be established and maintained by SL Intl after the Effective Time;

**New SL Intl GSMWPF Business** means the transfer, or allocation, to the SL Intl GSMWPF after the Effective Time of the WP Investment Element of a Policy written by, or reinsured to, another SL Intl Fund;

**New SL Intl GWPF Business** means the transfer, or allocation, to the SL Intl GWPF after the Effective Time of the WP Investment Element of a Policy written by, or reinsured to, another SL Intl Fund;

**New SL Intl HWPF Business** means:

- (a) the allocation of Policies written after the Effective Time to the SL Intl HWPF; and
- (b) the transfer, or allocation, to the SL Intl HWPF after the Effective Time of the Investment Element of a Policy written by, or reinsured to, another SL Intl Fund;

**Ombudsman Proceedings** means proceedings falling within paragraph ~~(b)~~(b) of the definition of “Proceedings” in this Scheme;

**Operational Assets** means all office equipment owned by SLAL’s branches in Germany and the Republic of Ireland immediately prior to the Effective Time;

**Order** means an order made by the Court pursuant to section 111 of FSMA sanctioning this Scheme (or any part of it) and any subsequent order in relation to this Scheme made by the Court;

**Phoenix** means Phoenix Life Limited, a company incorporated in England and Wales with registered number 1016269 whose registered office is at 1 Wythall Green Way, Wythall, Birmingham, B47 6WG;

**Phoenix German SM WP Fund** means the “German Smoothed Managed With-Profits Fund” established and maintained by Phoenix on the Phoenix Scheme Transfer Date but with effect from the Phoenix Scheme Effective Date;

**Phoenix German WP Fund** means the “German With-Profits Fund” established and maintained by Phoenix on the Phoenix Scheme Transfer Date but with effect from the Phoenix Scheme Effective Date;

**Phoenix Heritage WP Fund** means the “Heritage With-Profits Fund” established and maintained by Phoenix on the Phoenix Scheme Transfer Date but with effect from the Phoenix Scheme Effective Date;

**Phoenix Non-Profit Fund** means the “Non-Profit Fund” maintained by Phoenix as at the Phoenix Scheme Transfer Date;

**Phoenix Scheme** means the scheme pursuant to Part VII of, and Schedule 12 to, FSMA under which all of the Long-Term Business of Phoenix Life Assurance Limited, SLAL and Standard Life Pension Funds Limited will be transferred to Phoenix, as amended from time to time;

**Phoenix Scheme Effective Date** means the time and date on which, insofar as the Phoenix Scheme creates rights and obligations that exist only between the parties to it, it shall so far as possible be treated as having become effective as between those parties, including for accounting purposes;

**Phoenix Scheme Transfer Date** means the time and date on which the Phoenix Scheme becomes operative in accordance with its terms;

**Policy** means:

- (a) any “policy” within the meaning set out in the Financial Services and Markets Act 2000 (Meaning of “Policy” and “Policyholder”) Order 2001 (SI 2001/2361); and
- (b) any constituent part of such a policy which, in the reasonable opinion of SL Intl’s Board, gives rise to any separately identifiable benefit and which SL Intl’s Board determines is a Policy,

and “policyholder” shall be construed accordingly and any reference to a “holder” of a policy shall be construed as a reference to a “policyholder”;

**Policy Income** has the meaning given to it in paragraph 60;

**Policy Outgoings** has the meaning given to it in paragraph 60;

**PRA** means the Prudential Regulation Authority;

**PRA Glossary** means the Glossary of the PRA Rulebook;

**PRA Rulebook** means the book of rules applicable to Solvency II firms issued by the PRA from time to time pursuant to FSMA;

**Proceedings** means an action or other legal or administrative proceedings or step (whether direct or indirect, by way of a claim, demand, legal proceedings, execution of judgement, arbitration, complaint or otherwise howsoever) whether pending, current or future, including:

- (a) all judicial, quasi-judicial, administrative and regulatory reviews and processes;
- (b) all complaints and claims to any ombudsman;
- (c) arbitration;
- (d) mediation; and
- (e) all other dispute resolution procedures (whether or not they involve submission to any court);

**Promise** means the mortgage endowment promise set out in [Part 8 of Schedule 4 to 11 of the 2006 Phoenix Scheme](#);

**Property-Linked Funds Retrocession Agreement** means the agreement entitled "Retrocession Agreement: Euro Denominated Property-Linked Funds" between SLAL and SL Intl, entered into in accordance with paragraph 66;

**Regulated Activities Order** or RAO means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544), as amended;

**Regulatory Requirements** means all applicable laws, statutes, regulations, rules, orders, directives, requirements, guidance, standards, guidelines and industry codes of practice, in each case having legal effect, which is stipulated by any legal, governmental or regulatory body with powers of direction over the relevant entity, including the rules of any stock exchange or listing authority, in each case existing and in force from time to time, wherever relevant in the context;

**Residual Assets** means:

- (a) all Transferred Assets where the Court has not sanctioned their transfer to SL Intl under section 112(2) of FSMA at the Effective Time;
- (b) all Transferred Assets where their transfer is outside the jurisdiction of the Court, or where their transfer pursuant to an order of the Court is not recognised under the laws of the jurisdiction in which the property is situated, or where further steps are necessary to effect their transfer pursuant to the laws of the jurisdiction in which that property is situated;
- (c) all Transferred Assets which cannot be transferred to, or vested in, SL Intl at the Effective Time for any other reason;
- (d) all Transferred Assets where SLAL and SL Intl agree in writing prior to the Effective Time that their transfer should be delayed; and
- (e) all proceeds of sale or income or other accrual or return whatsoever, whether or not in any case in the form of cash, earned or received from time to time after the Effective Time but prior to the relevant Subsequent Transfer Date in respect of any such property referred to in paragraphs ~~(a)~~(a) to ~~(d)~~(d) of this definition;

**Residual Business** means together:

- (a) the Residual Policies;
- (b) the Residual Contracts;
- (c) the Residual Assets; and
- (d) the Residual Liabilities,

and all activities carried on in connection therewith;

**Residual Contracts** means:

- (a) all Transferred Contracts where the Court has not sanctioned their transfer to SL Intl under section 112(2) of FSMA at the Effective Time;
- (b) all Transferred Contracts where their transfer is outside the jurisdiction of the Court, or where their transfer pursuant to an order of the Court is not recognised under the laws of the jurisdiction which govern that Contract, or where further steps are necessary to effect their transfer pursuant to the laws of the jurisdiction which govern such Contract;
- (c) all Transferred Contracts the transfer of which would result in a third party having a right to terminate the Transferred Contract, or claim compensation in damages or otherwise;

- (d) all Transferred Contracts the transfer of which would require the consent of a third party, or the waiver by a third party of a contractual right under the Transferred Contract, and such consent or waiver (as the case may be) has not been obtained by the Effective Time;
- (e) all Transferred Contracts which cannot be transferred to, or vested in, SL Intl at the Effective Time for any other reason; and
- (f) all Transferred Contracts where SLAL and SL Intl agree in writing prior to the Effective Time that their transfer should be delayed;

**Residual Liabilities** means:

- (a) all Transferred Liabilities that are attributable to or connected with a Residual Asset, and arise at any time before the Subsequent Transfer Date applicable to that Residual Asset;
- (b) all Transferred Liabilities where the Court has not sanctioned their transfer to SL Intl under section 112(2) of FSMA at the Effective Time;
- (c) all Transferred Liabilities where their transfer is outside the jurisdiction of the Court, or where their transfer pursuant to an order of the Court is not recognised under the laws of the jurisdiction in which the liability is situated, or where further steps are necessary to effect their transfer pursuant to the laws of the jurisdiction in which such liability is situated;
- (d) all Transferred Liabilities which cannot be transferred to, or vested in, SL Intl at the Effective Time for any other reason; and
- (e) all Transferred Liabilities where SLAL and SL Intl agree in writing prior to the Effective Time that their transfer should be delayed;

**Residual Policies** means:

- (a) all Transferred Policies where, for the purpose of section 111(2)(a) of FSMA, the PRA has not provided the certificate referred to in paragraphs 1(1)(ba), 1(2A) and 3A of Schedule 12 to FSMA prior to the making of the Order;
- (b) all Transferred Policies where the Court has not sanctioned their transfer to SL Intl under section 112(2) of FSMA at the Effective Time;
- (c) all Transferred Policies where their transfer is outside the jurisdiction of the Court, or where their transfer pursuant to an order of the Court is not recognised under the laws of the jurisdiction which govern such Policy, or where further steps are necessary to effect their transfer pursuant to the laws of the jurisdiction which govern such Policy;

- (d) all Transferred Policies which cannot be transferred to, or vested in, SL Intl at the Effective Time for any other reason; and
- (e) all Transferred Assets where SLAL and SL Intl agree in writing prior to the Effective Time that their transfer should be delayed;

**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 63 or otherwise in accordance with this Scheme;

**Scheme Variation** has the meaning given to it in paragraph 3A;

**Security Transfer Agreement** means an agreement entitled “Security Transfer Agreement” between SLAL and SL Intl;

**Service Agreement** means an agreement for services relating to the administration, or ongoing management, of Policies;

~~SLAL has the meaning given to it in paragraph 3.1;~~

SLAL means Standard Life Assurance Limited as described in paragraph 3.1, provided that pursuant to paragraph 3A, on the Phoenix Scheme Transfer Date but with effect from the Phoenix Scheme Effective Date, a reference to SLAL shall be read as a reference to Phoenix other than any references to SLAL that relate to rights and obligations of SLAL which expired or were fully exercised or discharged prior to the Phoenix Scheme Transfer Date;

**SLAL GSMWPF** means the “German Smoothed Managed With Profits Fund” maintained by SLAL as at the Effective Time;

**SLAL GWPF** means the “German With Profits Fund” maintained by SLAL as at the Effective Time;

**SLAL HWPF** means the “Heritage With Profits Fund” maintained by SLAL as at the Effective Time (and referred to in the 2006 Scheme as the “With Profits Fund”);

**SLAL PBF** means the “Proprietary Business Fund” maintained by SLAL as at the Effective Time (and referred to in the 2006 Scheme as the “Non Profit Fund”);

**SLAL-SL Intl Reinsurance Agreements** means, together, the HWPF Reinsurance Agreement, the GWPF Reinsurance Agreement, the GSMWPF Reinsurance Agreement and the Property-Linked Funds Retrocession Agreement;

**SL Intl** has the meaning given to it in paragraph 3.2;

**SL Intl Euro PBF** means the non profit fund named “SL Intl Euro Proprietary Business Fund”, as established and maintained by SL Intl pursuant to paragraph ~~12.1(a)~~12.1(a);

**SL Intl Fund** means any fund or sub-fund which may be established and maintained by SL Intl from time to time;

~~**SL Intl GBP PBF** means the non-profit fund named “SL Intl GBP Proprietary Business Fund”;~~

**SL Intl GSMWPF** means the with profits fund named “SL Intl German Smoothed Managed With Profits Fund”, as established and maintained by SL Intl pursuant to paragraph ~~12.1(d)~~12.1(d);

**SL Intl GSMWPF Internal PPFM** means the principles and practices of financial management applicable to the SL Intl GSMWPF to be maintained in accordance with paragraph 46, as they may be amended from time to time in accordance with their terms, notwithstanding that they may be disclosed from time to time;

**SL Intl GSMWPF Transferred Policies** means all Transferred Policies in respect of which, immediately prior to the Effective Time, the Investment Element is allocated to the SLAL GSMWPF;

**SL Intl GSMWPF WP Policies** means:

- (a) all SL Intl GSMWPF Transferred Policies; and
- (b) all WP Investment Elements of Policies that are transferred, or allocated, to the SL Intl GSMWPF from time to time;

**SL Intl GWPF** means the with profits fund named “SL Intl German With Profits Fund”, as established and maintained by SL Intl pursuant to paragraph ~~12.1(e)~~12.1(c);

**SL Intl GWPF Internal PPFM** means the principles and practices of financial management applicable to the SL Intl GWPF to be maintained in accordance with paragraph 36, as they may be amended from time to time in accordance with their terms, notwithstanding that they may be disclosed from time to time;

**SL Intl GWPF Transferred Policies** means all Transferred Policies in respect of which, immediately prior to the Effective Time, the Investment Element is allocated to the SLAL GWPF;

**SL Intl GWPF WP Policies** means:

- (a) all SL Intl GWPF Transferred Policies; and
- (b) all WP Investment Elements of Policies that are transferred, or allocated, to the SL Intl GWPF from time to time;

**SL Intl Head of Actuarial** means SL Intl’s head of actuarial function within the meaning of the CBI Domestic Actuarial Regime and Related Governance Requirements under Solvency II or, if those requirements are no longer in effect, the person appointed by SL Intl from time to time as

head of the function described at Regulation 50 of the European Union (Insurance and Reinsurance) Regulations 2015 or, if SL Intl is no longer required to maintain such a function, a person possessing appropriate actuarial qualifications nominated for the purposes of this Scheme by SL Intl;

**SL Intl HWPF** means the with profits fund named “SL Intl Heritage With Profits Fund”, as established and maintained by SL Intl pursuant to paragraph ~~42.1(b)~~[12.1\(b\)](#);

**SL Intl HWPF Internal PPFM** means the principles and practices of financial management applicable to the SL Intl HWPF to be maintained in accordance with paragraph 21, as they may be amended from time to time in accordance with their terms, notwithstanding that they may be disclosed from time to time;

**SL Intl HWPF Transferred Policies** means (i) all Transferred Policies that, immediately prior to the Effective Time, are allocated to the SLAL HWPF, and (ii) all Transferred Policies in respect of which, immediately prior to the Effective Time, the Investment Element is allocated in whole or part to the SLAL HWPF;

**SL Intl HWPF WP Policies** means:

- (a) all SL Intl HWPF Transferred Policies that are With Profits Policies (if, and to the extent, eligible to participate in any established surplus within the SL Intl HWPF);
- (b) all With Profits Policies allocated to, or written in, the SL Intl HWPF from time to time (if, and to the extent, eligible to participate in any established surplus within the SL Intl HWPF); and
- (c) all WP Investment Elements of Policies (other than Policies allocated to the SL Intl HWPF) that are transferred or allocated to the SL Intl HWPF from time to time;

**SL Intl WP Actuary** means the actuary appointed by the Transferee in accordance with paragraph 58.1 from time to time;

**SL Intl WP Committee** means the committee appointed by the Transferee in accordance with paragraph ~~58.2~~[58.2](#) from time to time;

**Solvency Capital Requirement** has the meaning given to it in the Solvency II Directive (2009/138/EC);

**Subsequent Transfer Date** means, in relation to a Residual Policy, Residual Contract, Residual Asset or Residual Liability, the date after the Effective Time on which it is or is to be transferred to SL Intl, namely:

- (a) the date on which all impediments to its transfer shall have been removed or overcome;

- (b) the date on which SLAL and SL Intl agree in writing that the transfer should take effect;  
or
- (c) the date on which such Residual Asset is received or earned by SLAL,  
(as applicable);

**Tax** means:

- (a) all forms of tax, levy, duty, charge, impost, withholding or other amount whenever created or imposed and whether of the United Kingdom, Republic of Ireland, Germany, Austria or elsewhere, payable to or imposed by any authority responsible for the collection or management of any such tax, levy, duty, charge, impost, withholding or other amount; and
- (b) all charges, interest, penalties and fines incidental or relating to any sum falling within (a) above or which arise as a result of the failure to pay that sum on the due date or to comply with any obligation relating to it;

**Third Party Right** has the meaning given to it in paragraph ~~11.2(a)~~[11.2\(a\)](#);

**Total Net Back-Book Premium** means:

- (a) the Net HWPF Back-Book Premium; plus
- (b) the "Back-Book Premium", as that term is defined in the GWPF Reinsurance Agreement; plus
- (c) the "Back-Book Premium", as that term is defined in the GSMWPF Reinsurance Agreement;

**Transferred Assets** means:

- (a) all rights, benefits and powers of SLAL under the Transferred Policies and all goodwill relating thereto;
- (b) all rights, benefits and powers of SLAL under the Transferred Contracts and all goodwill relating thereto;
- (c) all rights and claims (in contemplation, present or future, actual or contingent) against any third party to the extent that such right or claim relates to any of the Transferred Policies or the Transferred Contracts, or arises as a result of the Transferred Policies or the Transferred Contracts;
- (d) all property, including all assets backing IFRS liabilities, attributable or allocated to the Transferred Policies or the Transferred Contracts as at the Effective Time;
- (e) all Operational Assets;
- (f) all Tax assets of SLAL to the extent attributable to the Transferred Policies or Transferred Contracts or any other category of Transferred Assets (pursuant to this Scheme or otherwise);

- (g) all books, records, files and papers, whether in hard copy or computer format, relating to the Transferred Policies and the Transferred Contracts, including claims and underwriting files, sales and promotional literature, manuals and data, sales and purchase correspondence and lists of present and former customers; and
- (h) all other property of SLAL (not falling under limbs (a) to (g) of this definition) in respect of, or attributable to, the business and undertaking of SLAL's branches in Ireland and Germany (including the HSL Business) or its business in Austria (including all activities carried on in connection with or for the purposes of such business),

but excluding any Excluded Assets;

**Transferred Business** means, together:

- (a) the Transferred Policies;
- (b) the Transferred Contracts;
- (c) the Transferred Assets; and
- (d) the Transferred Liabilities,

and all activities carried on in connection therewith;

**Transferred Contracts** means:

- (a) all Contracts set out in Schedule 2; and
- (b) all Contracts (and any constituent and identifiable parts of Contracts) which are not set out in Schedule 2 to the extent that such Contracts (or such parts of such Contracts) relate to a Transferred Policy or any activity carried on in connection therewith,

but excluding (i) any Transferred Policies and (ii) any Excluded Contracts;

**Transferred Liabilities** means:

- (a) all liabilities of SLAL under the Transferred Policies;
- (b) all liabilities of SLAL under the Transferred Contracts;
- (c) all third party rights and claims (present or future, actual or contingent) against SLAL to the extent that such rights and claims relate to the Transferred Assets, Transferred Policies or Transferred Contracts, or arise as a result of the Transferred Assets, Transferred Policies or Transferred Contracts;
- (d) all liabilities of SLAL in respect of Tax to the extent attributable to the Transferred Assets, Transferred Policies or Transferred Contracts (pursuant to this Scheme or otherwise);

- (e) all liabilities of SLAL to the extent connected with the sale of the Transferred Policies, including any that may arise in relation to mis-selling; and
- (f) all other liabilities of SLAL (not falling under limbs (a) to (e) of this definition) in respect of, or attributable to, the business and undertaking of SLAL's branches in Ireland and Germany (including the HSL Business) or its business in Austria (including all activities carried on in connection with or for the purposes of such business),

but excluding any Excluded Liabilities;

**Transferred Policies** means:

- (a) all Policies effected and/or carried out by SLAL and in respect of which payments are (or would be) denominated in euros (€) as at the Effective Time (including, for the avoidance of doubt, all Policies effected under any of the product lines set out in Schedule 1);
- (b) all Policies which: (i) have lapsed before the Effective Time; (ii) would, had they not lapsed prior to the Effective Time, have fallen within limb (a) of this definition; and (iii) are reinstated by SL Intl after the Effective Time; and
- (c) all proposals for insurance received by or on behalf of SLAL before the Effective Time which: (i) have not become Policies in force at the Effective Time; (ii) would, had the proposals become Policies in force at the Effective Time, have fallen within limb (a) of this definition; and (iii) become Policies after the Effective Time,

including (for the avoidance of doubt) any such Policies that are contracts of reinsurance;

**UL Investment Element** means, in relation to a Policy that is, or becomes, a Linked Policy, that part of any premium (including any amount derived from a rebate of charges) as has been applied or is applicable to the allocation of UL Units, after any adjustment in accordance with the terms of the relevant Policy (including any policy charges or bid/offer spread), and all property and liabilities attributable to such UL Units;

**UL Units** means notional units, excluding WP Units, whose value or number vary by reference to the value of a Linked Fund (or the value of directly held assets) for the purpose of calculating benefits payable under Linked Policies;

**Units** mean WP Units and/or UL Units;

**Unitised With Profits Policy** means any Policy, or that part of any Policy, in each case in relation to which the value of the benefits is measured by reference to WP Units allocated to that Policy;

**With Profits Policy** means any Policy (i) in respect of which the relevant policyholder is eligible to participate in any part of any established surplus (but excluding any Policies in respect of which such eligibility arises solely as a result of the application of the Promise), or (ii) to which WP Units are allocated and which can receive a smoothed price on cancellation;

**WP Investment Element** means, in relation to a Policy that is or becomes a Unitised With Profits Policy, that part of any premium (including any amount derived from a rebate of charges) as has been applied or is applicable to the allocation of WP Units, after any adjustment in accordance with the terms of the relevant Policy (including any policy charges or bid/offer spread), and all property and liabilities attributable to such WP Units (other than in respect of costs of guarantees); and

**WP Units** means notional units (i) whose value or number vary, by reference to premiums paid and bonuses declared or surpluses distributed, for the purposes of calculating benefits payable under Policies, or (ii) which can have a smoothed price on cancellation.

## **2 Interpretation**

### **2.1** In this Scheme:

- (a) “**appropriate actuarial advice**” shall mean (in addition to any other relevant appropriate advice) such actuarial advice as SL Intl’s Board may determine in the context of the relevant matter;
- (b) “**holding company**” and “**subsidiary**” shall have the same meanings as in the Companies Act 2006;
- (c) “**liabilities**” shall include all liabilities, claims, damages, proceedings, demands, orders, suits, costs, losses and expenses of every description, whether deriving from contract, common law, statute or otherwise, whether present or future, actual or contingent, ascertained or unascertained or disputed and whether owed or incurred severally or jointly or as principal or surety;
- (d) “**property**” shall include (without limitation) property, assets, rights and powers of every description (whether present or future, actual or contingent) and includes (i) property held on trust, (ii) benefits and powers of any description, and (iii) any interest whatsoever in any of the foregoing;
- (e) “**transfer**” shall include (as the context may require) “**vest**”, “**assign**”, “**assignment**” or “**assignment**”, “**dispose**”, “**disposition**” or “**disposal**”, or “**convey**” or “**conveyance**”;
- (f) “**variation**” shall include any variation, supplement, deletion, restatement, replacement or termination, however effected;

- (g) 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;
- (h) any reference in this Scheme to an enactment, a directive, a statutory provision or any subordinate legislation shall be deemed to include a reference to that enactment, directive, 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, directive, statutory provision or subordinate legislation. Where such reference is to an enactment, a directive, a statutory provision or any subordinate legislation that has been repealed and not amended, replaced or re-enacted, then SL Intl's Board shall (having taken appropriate advice) determine the most appropriate replacement provision (if any);
- (i) any reference to any rules, regulations or guidance made by the PRA, FCA and/or CBI (as applicable) shall be deemed to include a reference to such rules or regulations as amended or replaced from time to time. Where such reference is to any rules, regulations or guidance that have been repealed and not amended, replaced or re-enacted, then SL Intl's Board shall (having taken appropriate advice) determine the most appropriate replacement provision (if any);
- (j) any reference to any regulator (including the PRA, FCA and CBI) shall be deemed to include a reference to any successor regulators;
- (k) any reference to this Scheme shall include the Schedules to it and references to paragraphs, sub-paragraphs, Parts or Schedules are to paragraphs, sub-paragraphs or Parts of or Schedules to this Scheme;
- (l) headings are inserted for convenience only and shall not affect the construction of this Scheme;
- (m) 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;
- (n) unless otherwise specified, 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;
- (o) any reference to writing shall include any modes of reproducing words in a legible and non-transitory form;
- (p) general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words;

- (q) any reference to an amount shall be exclusive of any applicable value added tax or other Tax;
- (r) references to “indemnify” and “indemnifying” any person against any circumstance include indemnifying and keeping him harmless on an after-Tax basis from all actions, claims and proceedings from time to time made against that person and all loss or damage and all payments, costs or expenses made or incurred by that person as a consequence of or which would not have arisen but for that circumstance;
- (s) any indemnity or obligation to pay (the “**Payment Obligation**”) being given or assumed on an “after-Tax basis” or expressed to be “calculated on an after-Tax basis” means that the amount payable pursuant to such Payment Obligation (the “**Payment**”) shall be calculated in such a manner as will ensure that, after taking into account:
  - (i) any Tax required to be deducted or withheld from the Payment;
  - (ii) the amount and timing of any additional Tax which becomes payable as a result of the Payment’s being subject to Tax; and
  - (iii) the amount and timing of any Tax benefit which is obtained, to the extent that such Tax benefit is attributable to the matter giving rise to the Payment Obligation,the recipient of the Payment is in the same position as that in which it would have been if the matter giving rise to the Payment Obligation had not occurred (or, in the case of a Payment Obligation arising by reference to a matter affecting a person other than the recipient of the Payment, the recipient of the Payment and that other person are, taken together, in the same position as that in which they would have been had the matter giving rise to the Payment Obligation not occurred), provided that the amount of the Payment shall not exceed that which it would have been if it had been regarded for all Tax purposes as received solely by the recipient and not any other person; and
- (t) any reference to pounds or £ shall be to pounds sterling in the currency of the United Kingdom.

## PART B – INTRODUCTORY PROVISIONS

### 3 Parties and background

- ~~3.1 Standard Life Assurance Limited (“SLAL”)~~ is a company incorporated in Scotland with registered number SC286833. The registered office of SLAL is at Standard Life House, 30 Lothian Road, Edinburgh EH1 2DH. SLAL is a “UK authorised person” as defined in section 105(8) of FSMA, with permissions to effect and to carry out contracts of long-term insurance in the UK under classes 1, 3, 4, 6 and 7 in Part II of Schedule 1 of the RAO.
- 3.2 Standard Life International DAC (“**SL Intl**”) is a designated activity company incorporated in the Republic of Ireland with registered number 408507. The registered office of SL Intl is at 90 St. Stephen’s Green, Dublin 2, Ireland. SL Intl is an insurance undertaking authorised to conduct life insurance business under classes 1, 3, 4, 6 and 7 in Schedule 2 to the European Communities (Insurance and Reinsurance) Regulations 2015.
- 3.3 Following the invocation of Article 50 of the Treaty on European Union by the United Kingdom on 29 March 2017, the United Kingdom has commenced negotiations for the terms of its withdrawal from the European Union (“**Brexit**”). The legal terms of Brexit are not yet known, but there is a risk that, upon or shortly following Brexit, SLAL will lose its rights under the single market directives, including the EU Solvency II Directive (Directive 2009/138/EC, as amended), to carry out long-term insurance business in other EEA States on a Freedom of Services or Freedom of Establishment basis.
- 3.4 It is therefore proposed that, subject to the sanction of ~~the~~this Scheme by the Court, the Transferred Business carried on by SLAL shall, in accordance with this Scheme (and, where applicable, the relevant Business Transfer Agreement), be transferred to SL Intl.
- 3.5 SLAL and SL Intl have each agreed to appear jointly by Counsel on the hearing of the petition to sanction ~~the~~this Scheme.

~~3.6 This Scheme shall take effect alongside, and be conditional upon, the amendments to the 2006 Scheme and the 2011 Scheme that are set out in Schedule 4 to this Scheme.~~

### 3A Scheme Variation

3A.1 With the approval of the Court in accordance with paragraph 63.2, this Scheme shall be varied in connection with the transfer of the business of SLAL to Phoenix pursuant to the Phoenix Scheme on the Phoenix Scheme Transfer Date but with effect from the Phoenix Scheme Effective Date (the “Scheme Variation”).

3A.2 On the Phoenix Scheme Transfer Date but with effect from the Phoenix Scheme Effective Date, Phoenix shall become:

- (a) entitled to all the rights, benefits and powers; and
- (b) subject to all the liabilities and obligations,

(in each case whether present or future, actual or contingent) of SLAL whatsoever subsisting on the Phoenix Scheme Transfer Date under or by virtue of this Scheme.

**3A.3** Subject to the terms of this Scheme, on the Phoenix Scheme Transfer Date but with effect from the Phoenix Scheme Effective Date:

- (a) SL Intl shall become entitled, in succession to, and to the exclusion of, any rights which it may have had against SLAL under this Scheme, to the same rights, benefits and powers against Phoenix as were available to it against SLAL under this Scheme; and
- (b) Phoenix shall become entitled, in succession to, and to the exclusion of, any rights which SLAL may have had against SL Intl under this Scheme, to the same rights, benefits and powers against SL Intl as were available to SLAL against SL Intl under this Scheme;

**3A.4** On and with effect from the Phoenix Scheme Transfer Date:

- (a) the Deed of Floating Charge shall terminate and cease to have effect;
- (b) the New Deed of Floating Charge shall become effective; and
- (c) the HWPF Deed Poll, the GWPF Deed Poll and the GSMWPF Deed Poll shall be amended, in accordance with their terms, to replace references to SLAL with references to Phoenix.

**3A.5** Each of SLAL, SL Intl and Phoenix shall take all such steps and do all such things (including the filing, execution and delivery of any document) in each case which may be necessary or desirable to effect or perfect the New Deed of Floating Charge, the termination of the Deed of Floating Charge and the amendment of the HWPF Deed Poll, the GWPF Deed Poll and the GSMWPF Deed Poll.

**3A.6** On the Phoenix Scheme Transfer Date but with effect from the Phoenix Scheme Effective Date, any reference in this Scheme, and in the ancillary documents listed in paragraph 66 of this Scheme to:

- (a) SLAL, SLAL's Group, SLAL's Board, any officers, employees or agents of SLAL or any other person relating to SLAL shall, on the Phoenix Scheme Transfer Date but with effect from the Phoenix Scheme Effective Date, be read as reference to Phoenix, Phoenix's Group, Phoenix's Board, the relevant officers, employees or agents of Phoenix (as appropriate), the equivalent person relating to Phoenix as the context requires, or, in each, case such other person as Phoenix's Board considers (in its sole and absolute discretion) appropriate;
- (b) the SLAL GSMWPF shall be read as a reference to the Phoenix German SM WP Fund;

- (c) the SLAL GWPF shall be read as a reference to the Phoenix German WP Fund;
- (d) the SLAL HWPF shall be read as reference to the Phoenix Heritage WP Fund; and
- (e) the SLAL PBF shall be read as reference to the Phoenix Non-Profit Fund.

References to SLAL have only been changed to Phoenix in the body of this Scheme where they are references to the names of the funds of SLAL or Phoenix, defined terms taken from the Phoenix Scheme; or provisions specific to Phoenix.

**3A.7** The Scheme Variation shall take effect alongside, and be conditional upon, the Phoenix Scheme being sanctioned by the High Court of Justice in England and Wales and the Court granting its consent to the amendments to the 2006 Scheme and the 2011 Scheme that are contemplated by the Phoenix Scheme.

**3A.8** Insofar as the Scheme Variation creates or varies rights and obligations that exist only between the parties to this Scheme, it shall so far as possible be treated as having become effective as between the parties on the Phoenix Scheme Effective Date, including for accounting purposes, and references in this Scheme to the Phoenix Scheme Effective Date and the phrase “with effect from the Phoenix Scheme Effective Date” shall be construed accordingly.

## **PART C – TRANSFER**

### **4 Transfer of the Transferred Business**

**4.1** Subject to paragraph 4.2, each part of the Transferred Business shall be transferred to and be vested in SL Intl in accordance with this Scheme, so that:

- (a) with effect from the Effective Time, each Day One Asset and all the interest of SLAL in it shall, by the Order and without any further act or instrument, be transferred to and be vested in SL Intl, subject to all applicable Encumbrances affecting such property and shall cease to be the property of SLAL;
- (b) with effect from the Effective Time, each Day One Liability shall, by the Order and without any further act or instrument, be transferred to and become a liability of SL Intl in accordance with this Scheme and shall cease to be a liability of SLAL;
- (c) with effect from each Subsequent Transfer Date, each Residual Asset to which such Subsequent Transfer Date applies and all the interest of SLAL in it shall, by the Order and without further act or instrument, be transferred to and be vested in SL Intl, subject to all applicable Encumbrances affecting such property in accordance with this Scheme and shall cease to be the property of SLAL; and
- (d) with effect from each Subsequent Transfer Date, each Residual Liability to which such Subsequent Transfer Date applies shall, by the Order and without any further act or instrument, be transferred to and become a liability of SL Intl in accordance with this Scheme and shall cease to be a liability of SLAL.

**4.2** The obligation of SLAL to transfer the Transferred Assets to SL Intl pursuant to this Scheme shall be set off against the obligation of SL Intl to pay the Total Net Back-Book Premium to SLAL pursuant to the SLAL-SL Intl Reinsurance Agreements (other than the Property-Linked Funds Retrocession Agreement) such that:

- (a) a proportion of the Transferred Assets which SLAL determines is equal in value to the Total Net Back-Book Premium shall be used to settle the Total Net Back-Book Premium; and
- (b) the payment of the Total Net Back-Book Premium shall be satisfied by the retention of such proportion of the Transferred Assets which SLAL determines is equal in value to the Total Net Back-Book Premium by SLAL.

**4.3** SL Intl shall accept without investigation or requisition such title as SLAL shall have at the Effective Time to the Day One Assets and, at any Subsequent Transfer Date, to each Residual Asset then transferred, and SLAL shall not be liable for any charges, expenses, costs, claims, losses or any other liabilities in connection thereto that arise after the Effective Time, save as

otherwise agreed between the parties in writing (including under any existing agreement between SLAL and SL Intl) or as set out in this Scheme.

**4.4** SLAL and SL Intl shall take all such steps, and execute all such documents, as may be necessary or desirable:

- (a) to effect or perfect the transfer to, and vesting in, SL Intl of any Transferred Asset pursuant to this Scheme;
- (b) to effect or perfect the transfer to, and assumption by, SL Intl of any Transferred Liability pursuant to this Scheme; and
- (c) to correct any errors in the identity or amount of any property or liability so transferred.

**4.5** With effect from the Effective Time, SL Intl shall succeed to all rights, liabilities and obligations of SLAL in respect of any personal data which relate to the Transferred Business, and in any consent given by a data subject in respect of such data, any reference to SLAL (or to any members of SLAL's Group) shall be deemed to include a reference to SL Intl (and to any members of SL Intl's Group). For the avoidance of doubt, this paragraph shall override any statutory or contractual requirements in relation to such personal data.

**4.6** Following the transfer of a Transferred Policy to SL Intl pursuant to this Scheme:

- (a) if such Policy was, prior to such transfer, effected and carried out by SLAL out of its branch in the Republic of Ireland on a Freedom of Establishment basis, then such Policy shall be carried out by SL Intl in the Republic of Ireland as its Home State, on neither a Freedom of Services basis nor a Freedom of Establishment basis;
- (b) if such Policy was, prior to such transfer, effected and carried out by SLAL out of its branch in Germany on a Freedom of Establishment basis, then such Policy shall be carried out by SL Intl out of SL Intl's branch in Germany on a Freedom of Establishment basis; and
- (c) in the case of all other Policies, such Policy shall be carried out by SL Intl in the relevant EEA State on a Freedom of Services basis.

**4.7** For the avoidance of doubt, and without prejudice to the generality of paragraph 4.1:

- (a) an offer or invitation to treat made to or by SLAL prior to the Effective Time in relation to the Transferred Business shall be construed and have effect after the Effective Time as an offer or invitation to treat made to or by SL Intl;
- (b) any existing indemnity, power of attorney, authority, declaration or consent given to or by SLAL to the extent relating to any part of the Transferred Business (including, for the avoidance of doubt, the Transferred Policies) shall have effect from the Effective Time as if given to or by SL Intl;

- (c) any Transferred Asset (or part thereof) which was held by SLAL (whether alone or jointly with others) as a trustee, custodian or in a similar fiduciary capacity shall, with effect from the Effective Time (or relevant Subsequent Transfer Date, as the case may be), be held by SL Intl (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;
- (d) any security in respect of the Transferred Business held immediately prior to the Effective Time by SLAL, or by a nominee or agent of or a trustee for SLAL, as security for the payment or discharge of any liability shall, on and from that day be held by SL Intl (or by that nominee, agent or trustee for SL Intl, as the case may be) and be available to SL Intl (whether for its own benefit or for the benefit of any other person) as security for the payment or discharge of that liability; and
- (e) SL Intl shall be entitled to rely on and enforce any consent, waiver, representation, statement or estoppel given or made to SLAL by a person in relation to the Transferred Business prior to the Effective Time as though such consent, waiver, representation, statement or estoppel had been given or made to SL Intl and to the same extent that SLAL would have been able to rely on or enforce the same.

## **5 Continuity of Proceedings**

**5.1** At and with effect from the Effective Time, any Proceedings which:

- (a) have been commenced prior to the Effective Time, or which are commenced after the Effective Time in respect of acts or omissions of SLAL prior to the Effective Time, by or against SLAL; and
- (b) may give rise to a Transferred Asset or Transferred Liability,

shall be continued or commenced against SL Intl and SL Intl shall be entitled to all defences, claims, counterclaims, settlements, rights of set-off, rights of subrogation and any other rights that would have been available to SLAL in relation to such Proceedings.

**5.2** At and with effect from the Effective Time, any Ombudsman Proceedings which:

- (a) are in respect of acts or omissions of SLAL prior to the Effective Time;
- (b) have been commenced prior to the Effective Time and transferred to SL Intl pursuant to paragraph [5-45.1](#), or are commenced after the Effective Time against SL Intl; and
- (c) were brought to the UK Financial Ombudsman Service prior to the Effective Time or which could have been brought to the UK Financial Ombudsman Service had the Effective Time not occurred;

may be brought to, or continued to be handled by, the UK Financial Ombudsman Service. Notwithstanding paragraph 65.1, holders of Transferred Policies may enforce the provisions of this paragraph 5.2 against SL Intl. Neither SLAL nor SL Intl will require the consent of any such holder of a Transferred Policy to amend this Scheme pursuant to paragraph 63.

**5.3** Any judgment, settlement, order or award obtained by or against SLAL whether before or after the Effective Time to the extent that it relates to any part of the Transferred Business and which is not fully satisfied before the Effective Time shall, on that date and to the extent to which it was enforceable by or against SLAL immediately prior to such date (or, if later, the date on which the judgment, settlement, or award is obtained), become enforceable by or against SL Intl (to the exclusion of SLAL).

**5.4** SLAL and SL Intl regard the provisions of paragraphs 5.1 and 5.3 as an integral part of the transfer of the Transferred Business and shall use their best endeavours to take all steps and do all things to necessary or desirable in accordance with local law requirements to effect the actions contemplated by paragraphs 5.1 and 5.3. Where local law requires the consent in writing of either SLAL or SL Intl to effect the actions contemplated by paragraphs [5-45.1](#) and [5-35.3](#), SLAL and SL Intl shall provide such consent promptly.

- 5.5** To the extent that SLAL remains as the named party to any Proceedings, judgment, settlement, order or award (in respect of which it is contemplated that SL Intl become the named party pursuant to any of paragraphs 5.1, 5.3, 5.9, or 5.10) on or after the Effective Time, SL Intl shall be entitled to take over the sole conduct of such Proceedings or matters related to such judgment, settlement, order or award after the Effective Time and shall be entitled to the benefit of and obliged to discharge all costs or liabilities incurred in respect of such Proceedings or such judgment, settlement, order or award. SL Intl shall indemnify SLAL for any costs or liabilities SLAL incurs in respect of such Proceedings or such judgment, settlement, order or award after the Effective Time pursuant to paragraph 11.
- 5.6** SLAL agrees to take no action which would prejudice SL Intl's sole conduct of the Proceedings or matters related to such judgment, settlement, order or award as contemplated by paragraph ~~5.5.5~~ and insofar as SLAL remains as the named party to any such Proceedings or such judgment, settlement, order or award at the Effective Time, SLAL agrees to maintain all rights, defences, counterclaims, rights of set off and all other remedies in respect of such Proceedings or such judgment, settlement, order or award and to hold these for the benefit of SL Intl and will furnish to SL Intl all documentation and information requested by SL Intl in respect of such Proceedings or such judgment, settlement, order or award.
- 5.7** All documents which would before the Effective Time have been evidence in respect of any matter forming part of, related to or connected with the Transferred Business for or against SLAL shall from the Effective Time be evidence in respect of the same matter for or against SL Intl.
- 5.8** With effect from the Effective Time, SL Intl shall owe to the policyholders of the Transferred Business and/or to any other relevant person(s) the same duties of confidentiality and privacy (whether pursuant to Regulatory Requirements or Contract) as those which SLAL owed in respect of the Transferred Business immediately prior to the Effective Time.
- 5.9** With effect from the Effective Time, any Proceedings in respect of any part of the Day One Business that are commenced in error against SLAL shall be deemed to have been commenced and shall continue against SL Intl without the need for any further order, whether for substitution of the parties or otherwise.
- 5.10** With effect from the relevant Subsequent Transfer Date, any Proceedings in respect of any part of the Residual Business that are commenced in error against SLAL shall be deemed to have been commenced and shall continue against SL Intl without the need for any further order, whether for substitution of the parties or otherwise.
- 5.11** In respect of any Proceedings under paragraphs 5.1, 5.2, 5.9, or 5.10, SL Intl undertakes, in so far as such Proceedings relate to rights to which a policyholder may be entitled in respect of the UK Financial Ombudsman Service, to comply with:

- (a) the relevant provisions of the Dispute Resolution (“**DISP**”) rules of the FCA Handbook that would apply to the handling of any complaints brought to the UK Financial Ombudsman Service that fall under its jurisdiction as such rules apply at the Effective Time; and
- (b) any valid judgment, settlement, order or award (or relevant part thereof) of the UK Financial Ombudsman Service, made under its jurisdiction as set out in DISP 2 of the FCA Handbook,

to the extent that such compliance is compatible with any rules or regulations issued by the CBI that are applicable to SL Intl.

## **6 Treatment of Transferred Policies**

**6.1** At and with effect from the Effective Time, SL Intl shall become entitled to all the rights, benefits and powers, and subject to all the obligations, of SLAL under or by virtue of the Day One Policies.

**6.2** Without prejudice to the generality of paragraph 6.1, where the benefits of any Transferred Policy (or part thereof) 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 Day One Policy) shall operate and be construed at and from the Effective Time on a basis which is consistent with the transfer of such Day One Policy in accordance with the provisions of this Scheme. For the avoidance of doubt:

- (a) where the consent of SLAL is required under any such terms, the consent of SL Intl shall, with effect from the Effective Time, instead be treated as required; and
- (b) where a power to appoint trustees under such terms is conferred on SLAL, that power shall, with effect from the Effective Time, instead be treated as conferred on SL Intl.

**6.3** Any person who is a policyholder of any of the Day One Policies shall at and with effect from the Effective Time become entitled, in succession to, and to the exclusion of, any rights which he may have had against SLAL under any of the Day One Policies to the same rights against SL Intl subject to the terms of this Scheme as were available to him against SLAL under such Policies and (as regards Day One Policies under which premiums or other sums attributable or referable thereto continue to be payable) shall at and with effect from the Effective Time account to SL Intl for any further or additional premiums or other sums attributable or referable thereto as and when the same become due and payable.

**6.4** If any person entitled to do so with respect to a Day One Policy exercises any right or option granted at law or under the terms of that Policy and either:

- (a) the right or option provides for a new, additional or replacement Policy to be issued; or

- (b) it is appropriate, in the opinion of SL Intl, to issue a new Policy in order to comply with that right or option,

such person shall be entitled to require that the obligation thereby arising shall be satisfied by the issue by SL Intl of a Policy which complies with the terms of such right or option. Without prejudice to the right of such person to have the right or option satisfied by the issue by SL Intl of such a Policy, if SL Intl is not at the time of the exercise of such right or option writing Policies complying exactly with the Policy to which the right or option refers, SL Intl shall be entitled to offer to such person as an alternative (and, if accepted, in lieu thereof) a Policy commonly offered by SL Intl (or any other member of SL Intl's Group). Any such alternative Policy shall be a Policy which SL Intl considers to be the nearest equivalent Policy by reference to the terms and conditions applicable to Policies of SL Intl at that time, provided that where the issue of such alternative Policy would, in the opinion of SL Intl's Board (having taken appropriate actuarial advice) either: (i) result in a liability; (ii) result in an increase in liability to Tax of the holder of such Policy or (iii) otherwise fail to satisfy the reasonable expectations of the holder of such Policy, SL Intl shall indemnify the policyholder in full for any such: (a) liability; (b) increase in liability to Tax or (c) failure to satisfy the reasonable expectations of the holder of such policy and issue, or procure the issue by another member of SL Intl's Group of another Policy pursuant to this paragraph 6.4.

- 6.5** All references in any Day One Policy to SLAL or any officers, employees, committees, function holders or agents of SLAL shall from and after the Effective Time be read as references to SL Intl or any officers, employees, committees or function holders of SL Intl or agents of SL Intl to which the administration of the relevant part of the business carried on by SL Intl has been delegated (as appropriate). In particular, but without limitation, all rights and duties exercisable or expressed to be exercisable or responsibilities to be performed by SLAL or any officers, employees, committees, function holders or agents of SLAL in relation to any of the Day One Policies shall, from and after the Effective Time, be exercisable or required to be performed by SL Intl or any officers, employees, committees, function holders or agents of SL Intl.

- 6.6** The transfer of any rights, benefits, liabilities and obligations under or in connection with any Day One Policy 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 howsoever arising (including but not limited to, at law, in equity, delict, tort or by Contract) on transferring, assigning or otherwise dealing with the same and (subject to Regulatory Requirements) such transfer shall 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 or to treat any obligations or liabilities as discharged, modified or released.
- 6.7** Save as may otherwise be agreed between SLAL and SL Intl from time to time, SL Intl shall at and from the Effective Time, as principal, take over from SLAL the administration and negotiation of proposals for insurance which would become Day One Policies if SL Intl determined to accept them (but whether or not SL Intl does so determine). SL Intl shall bear all expenses and liabilities in relation thereto. Nothing contained herein shall oblige SL Intl to accept any proposal for insurance received by or on behalf of SLAL before the Effective Time but not accepted by SLAL by the Effective Time.
- 6.8** All references in a Day One Policy to the group of companies of which SLAL is or has been a member shall, where the context requires, be (or continue to be) read and construed with effect from the Effective Time as references to the group of companies of which SL Intl is a member from time to time.
- 6.9** SL Intl shall be entitled to any and all defences, claims, counterclaims and rights of set-off under the Day One Policies which would have been available to SLAL.
- 6.10** The provisions of paragraphs 6.1 to 6.9 shall also apply mutatis mutandis to all Residual Policies (with references to the Effective Time amended to the relevant Subsequent Transfer Date).
- 6.11** SL Intl undertakes to comply with the rules of chapter 21 of the FCA's Conduct of Business Sourcebook as they stand at the Effective Time in respect of Transferred Policies, insofar as those rules were applied by SLAL for the benefit of policyholders of Transferred Policies immediately prior to the Effective Time and to the extent that such compliance is compatible with any Regulatory Requirements and consistent with appropriate actuarial advice.

## **7 Treatment of Transferred Contracts**

- 7.1** At and with effect from the Effective Time, SL Intl shall become entitled to all the rights, benefits and powers, and subject to all the obligations, of SLAL under or by virtue of the Day One Contracts.

- 7.2** Any person who is a counterparty of any of the Day One Contracts shall with effect from the Effective Time (but subject to the terms of this Scheme) become entitled, in succession to, and to the exclusion of, any rights which he may have had against SLAL under any of the Day One Contracts to the same rights against SL Intl as were available to him against SLAL under such Day One Contracts.
- 7.3** All references in any Day One Contract to SLAL or any officers, employees or agents of SLAL shall from and after the Effective Time be read as references to SL Intl or any officers or employees of SL Intl or agents of SL Intl to which the administration of the relevant part of the business carried on by SL Intl has been delegated (as appropriate). In particular, but without limitation, all rights and duties exercisable or expressed to be exercisable or responsibilities to be performed by SLAL or any officers, employees or agents of SLAL in relation to any of the Day One Contracts shall, from and after the Effective Time, be exercisable or required to be performed by SL Intl or any officers, employees or agents of SL Intl.
- 7.4** The transfer of any rights, benefits, liabilities and obligations under or in connection with any Day One Contract 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 howsoever arising (including at law, in equity, delict, tort or by Contract) 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 or to treat any obligations or liabilities as discharged, modified or released.
- 7.5** All references in a Day One Contract to the group of companies of which SLAL is or has been a member shall, where the context requires, be (or continue to be) read and construed with effect from the Effective Time as references to the group of companies of which SL Intl is a member from time to time.
- 7.6** SL Intl shall be entitled to any and all defences, claims, counterclaims and rights of set-off under the Day One Contracts which would have been available to SLAL.
- 7.7** The provisions of paragraphs 7.1 to 7.6 shall also apply mutatis mutandis to all Residual Contracts (with references to the Effective Time amended to the relevant Subsequent Transfer Date).

## **8 Reinsurance of Residual Policies**

- 8.1** Subject always to compliance with Regulatory Requirements, SL Intl shall reinsure SLAL from and after the Effective Time against all liabilities of SLAL under, and all other amounts paid or payable by SLAL in respect of, any Residual Policy until the applicable Subsequent Transfer Date.

- 8.2** SL Intl shall discharge its reinsurance obligation pursuant to clause 8.1 by discharging such liabilities on behalf of SLAL or, failing that, by indemnifying SLAL in respect of such liabilities.
- 8.3** SL Intl shall not indemnify SLAL against, and shall not be obliged to discharge any liability of SLAL referred to in clause 8.1, to the extent that SLAL is entitled to recover the same from any third party (including under any applicable guarantee, contract of insurance or contract of reinsurance) unless, and only to the extent that, SLAL has failed to recover, or SL Intl has instructed SLAL in writing not to attempt to recover, any such amount.

## **9 Premiums, mandates and other payments**

- 9.1** All premiums payable to SLAL in respect of the Day One Policies shall at and with effect from the Effective Time be payable to SL Intl.
- 9.2** Any mandate, or other instruction, in force at the Effective Time (including any instruction given to a bank, building society, credit institution or other intermediary (for the purposes of this paragraph 9.2, a "Bank") by its customer in the form of a direct debit, standing order or SEPA mandate) and providing for the payment by a Bank of premiums payable to SLAL under or in respect of any of the Day One Policies or Day One Contracts shall thereafter take effect as if it had provided for and authorised such payment to SL Intl. In the event that such mandate or instruction cannot take effect as if it had provided for and authorised such payment to SL Intl, then SLAL shall act in accordance with the terms of such mandate or instruction as agent for SL Intl, until such time as an appropriate mandate or instruction is obtained in favour of SL Intl.
- 9.3** Any mandate, or other instruction, in force at the Effective Time as to the manner of payment of any sum payable by SLAL under any of the Day One Policies or Day One Contracts shall, at and with effect from the Effective Time, continue in force as an effective authority to SL Intl in place of SLAL.
- 9.4** The provisions of this paragraph 9 shall also apply mutatis mutandis to all Residual Policies and Residual Contracts (with references to the Effective Time amended to the relevant Subsequent Transfer Date).

## **10 Declaration of trust and wrong pocket**

- 10.1** SLAL shall, from the Effective Time until the relevant Subsequent Transfer Date and subject to Regulatory Requirements, hold the Residual Business as trustee for SL Intl. SLAL shall be subject to SL Intl's directions in respect of the Residual Business, until such part of the Residual Business is transferred to or otherwise vested in SL Intl (or is disposed of, whereupon SLAL shall account to SL Intl for the proceeds of sale thereof). SL Intl shall have the authority (with authority to sub-delegate) to act as the attorney of SLAL in respect of the Residual Business for all such purposes.
- 10.2** In the event of any property being received by SLAL after the Effective Time in respect of the Transferred Business, SLAL shall, as soon as is reasonably practicable after its receipt and to

the extent to which it is able to do so, transfer such property to, or in accordance with the directions of, SL Intl.

- 10.3** SL Intl shall indemnify SLAL against any reasonable out-of-pocket charges, costs, expenses, claims and other liabilities arising in respect of any obligation under or in connection with this paragraph 10.

## **11 Indemnities**

- 11.1** At and with effect from the Effective Time, SL Intl shall discharge on SLAL's behalf or, failing that, shall indemnify SLAL against:

- (a) any charges, costs, expenses, claims and other liabilities arising in respect of the Transferred Business; and
- (b) any charges, costs, expenses and claims arising in respect of any relevant Third Party Rights continued by SLAL in accordance with the instructions of SL Intl (subject to which SLAL shall take such steps as SL Intl shall require in order to pursue such Third Party Rights).

- 11.2** For the avoidance of doubt, SL Intl shall not be required under paragraph 11.1 to discharge or indemnify SLAL for:

- (a) any liability if, and to the extent, that such liability is the subject of an indemnity from any third party in favour of SLAL (including by way of insurance) or a claim or right against any third party which has not transferred to SL Intl as part of the Transferred Business (a "**Third Party Right**"), unless, and then only to the extent that, SLAL shall have failed to recover any such amount pursuant to such Third Party Right;
- (b) any Excluded Liabilities; or
- (c) any charges, costs, expenses and claims or any other liabilities arising in respect of any Excluded Liabilities.

- 11.3** Where SLAL is entitled to receive an amount pursuant to an indemnity contained in paragraph 10.3 or 11.1, it shall be entitled to receive such amount as, after payment of or provision for any liability to Tax in respect of the amount receivable, will result in the receipt of an amount equal to the value of the liability to be indemnified against.

- 11.4** The costs incurred by SL Intl in discharging on SLAL's behalf, or indemnifying SLAL against, liabilities in accordance with paragraph 10.3 or 11.1 shall be allocated to and discharged out of the property of the relevant New SL Intl Fund to which the liability giving rise to the payment of the indemnity has been, or will be, allocated in accordance with Part D of this Scheme.

- 11.5** SLAL shall indemnify SL Intl against all liabilities, losses, claims and expenses in respect of the Transferred Liabilities:

- (a) to the extent that they are otherwise recoverable by SLAL pursuant to a Third Party Right; or
- (b) in connection with any defect (whether in title or otherwise) in relation to, or any diminution in the value of, any property transferred to SL Intl to the extent that the loss resulting therefrom is recoverable pursuant to a Third Party Right,

provided that the indemnity in this paragraph 11.5 shall be limited to such amounts as SLAL shall recover pursuant to such Third Party Right (net of the costs of any such recovery, including as to Tax).

**11.6** After the Effective Time, SL Intl shall indemnify any Transferred Policyholder in respect of any and all amounts of tax in Ireland incurred and paid by or on behalf of the Transferred Policyholder under section 730K of the Taxes Consolidation Act 1997 but only to the extent that such amount is payable as a direct consequence of the transfer of the Transferred Business pursuant to this Scheme and would not have been payable by or on behalf of the Transferred Policyholder had the disposal giving rise to tax occurred immediately prior to the Effective Time (the “Irish Tax Indemnity”).

**11.7** Without prejudice to paragraph 11.6:

- (a) any Transferred Policyholder who reasonably considers that SL Intl may be liable to him or her under the Irish Tax Indemnity shall contact SL Intl at such address specified by SL Intl and within the timescales SL Intl, acting reasonably, shall prescribe, in such form and with such details as SL Intl may reasonably require to establish whether the Transferred Policyholder has any entitlement in respect of the Irish Tax Indemnity. SL Intl shall respond in writing no later than 30 days following receipt of a claim from a Transferred Policyholder and SL Intl may request such additional information from the Transferred Policyholder as it may reasonably require in order to assess whether SL Intl is liable to the Transferred Policyholder under the Irish Tax Indemnity; and
- (b) SL Intl shall notify in writing the Transferred Policyholder as soon as reasonably practicable whether SL Intl believes it is liable or not to the Transferred Policyholder under the Irish Tax Indemnity and if SL Intl believes that it is liable to the Transferred Policyholder, it shall indemnify the Transferred Policyholder no later than 30 days following such notification.

## **PART D – FUND ALLOCATION**

### **12 Establishment of the New SL Intl Funds**

**12.1** At and with effect from the Effective Time, SL Intl shall establish and maintain as separate funds:

- (a) the SL Intl Euro PBF as a new non profit fund;
- (b) the SL Intl HWPF as a new with profits fund;
- (c) the SL Intl GWPF as a new with profits fund; and
- (d) the SL Intl GSMWPF as a new with profits fund.

**12.2** SL Intl shall procure that separate accounting records for each New SL Intl Fund are maintained which are sufficient to enable the separate identification of the property and liabilities respectively allocated or attributable to each New SL Intl Fund.

**12.3** Subject to compliance with Regulatory Requirements, nothing in this Scheme shall prevent SL Intl from establishing further New SL Intl Funds at any time after the Effective Time as SL Intl's Board may determine and, subject to any restrictions in this Scheme, allocating new Policies or re-allocating Day One Policies or Residual Policies to such New SL Intl Funds, in each case, as approved by the Board of SL Intl, having taken appropriate actuarial advice, provided that where the relevant matter to be approved would impact the holders of any Transferred Policies and fail to satisfy the reasonable expectations of those holders of Transferred Policies, the Board of SL Intl shall not provide such approval.

### **13 Specific allocations**

**13.1** Notwithstanding paragraphs 14, 15, and 16, the following shall be allocated to the SL Intl Euro PBF (either at the Effective Time or, if applicable, at the relevant Subsequent Transfer Date):

- (a) the HWPF Reinsurance Agreement, to the extent that it relates to policies allocated to the SL Intl Euro PBF;
- (b) the GWPF Reinsurance Agreement;
- (c) the GSMWPF Reinsurance Agreement;
- (d) the Property-Linked Funds Retrocession Agreement;
- (e) the Business Transfer Agreements;
- (f) the Operational Assets;
- (g) any Transferred Asset that is an IP Asset;
- (h) any Transferred Contract that is a Service Agreement;

- (i) any Transferred Contract that is a contract of employment; and
- (j) subject to paragraph ~~13.2(b)~~13.2(b), any Transferred Liabilities that are liabilities for mis-selling.

**13.2** Notwithstanding paragraphs 14, 15, and 16, the following shall be allocated to the SL Intl HWPF (either at the Effective Time or, if applicable, at the relevant Subsequent Transfer Date):

- (a) the HWPF Reinsurance Agreement, to the extent that it relates to policies allocated to the SL Intl HWPF; and
- (b) any Transferred Liabilities that are liabilities for mis-selling and which were allocated to the SLAL HWPF pursuant to paragraph 17.2 of the 2006 Scheme and (if applicable) to the Phoenix Heritage WP Fund pursuant to paragraph 16.1 of the Phoenix Scheme.

## **14 Allocation of Day One Policies and Day One Contracts**

**14.1** At and with effect from the Effective Time, and subject to paragraphs 13 and 14.2:

- (a) all of the Day One Policies and Day One Contracts which were, immediately prior to the Effective Time, allocated to the SLAL HWPF shall be allocated to the SL Intl HWPF;
- (b) all of the Day One Contracts which were, immediately prior to the Effective Time, allocated to the SLAL GWPF shall be allocated to the SL Intl GWPF;
- (c) all of the Day One Contracts which were, immediately prior to the Effective Time, allocated to the SLAL GSMWPF shall be allocated to the SL Intl GSMWPF; and
- (d) all of the Day One Policies and Day One Contracts not otherwise allocated to the SL Intl HWPF under paragraph ~~14.1(a)~~14.1(a), the SL Intl GWPF under paragraph ~~14.1(b)~~14.1(b) or the SL Intl GSMWPF under paragraph ~~14.1(e)~~14.1(c), shall be allocated to the SL Intl Euro PBF.

**14.2** At and with effect from the Effective Time, and subject to paragraph 13:

- (a) all of the Day One Policies which were, immediately prior to the Effective Time, allocated to the SLAL PBF and where the Investment Element was allocated in whole or part to the SLAL HWPF, shall be allocated to the SL Intl Euro PBF and the Investment Element shall be allocated in such proportion to the SL Intl HWPF;
- (b) all of the Day One Policies which were, immediately prior to the Effective Time, allocated to the SLAL PBF and where the WP Investment Element was allocated to the SLAL GWPF, shall be allocated to the SL Intl Euro PBF and the WP Investment Element shall be allocated to the SL Intl GWPF; and
- (c) all of the Day One Policies which were, immediately prior to the Effective Time, allocated to the SLAL PBF and where the WP Investment Element was allocated to the

SLAL GSMWPF, shall be allocated to the SL Intl Euro PBF and the WP Investment Element shall be allocated to the SL Intl GSMWPF.

## **15 Allocation of Day One Assets**

**15.1** At and with effect from the Effective Time, and subject to paragraphs 4.2 and 13, the following shall be allocated to the SL Intl HWPF:

- (a) all of the Day One Assets which, immediately prior to the Effective Time, were allocated to the SLAL HWPF; and
- (b) the beneficial interest in all Residual Assets held on trust pursuant to paragraph 10.1 which, immediately prior to the Effective Time, were allocated to the SLAL HWPF.

**15.2** At and with effect from the Effective Time, and subject to paragraphs 4.2 and 13, the following shall be allocated to the SL Intl GWPF:

- (a) all of the Day One Assets which, immediately prior to the Effective Time, were allocated to the SLAL GWPF; and
- (b) the beneficial interest in all Residual Assets held on trust pursuant to paragraph 10.1 which, immediately prior to the Effective Time, were allocated to the SLAL GWPF.

**15.3** At and with effect from the Effective Time, and subject to paragraphs 4.2 and 13, the following shall be allocated to the SL Intl GSMWPF:

- (a) all of the Day One Assets which, immediately prior to the Effective Time, were allocated to the SLAL GSMWPF; and
- (b) the beneficial interest in all Residual Assets held on trust pursuant to paragraph 10.1 which, immediately prior to the Effective Time, were allocated to the SLAL GSMWPF.

**15.4** At and with effect from the Effective Time, and subject to paragraphs 4.2 and 13, the following shall be allocated to the SL Intl Euro PBF:

- (a) all of the Day One Assets not otherwise allocated to the SL Intl HWPF under paragraph ~~15.1(a)~~15.1(a), the SL Intl GWPF under paragraph ~~15.2(a)~~15.2(a) or the SL Intl GSMWPF under paragraph ~~15.3(a)~~15.3(a); and
- (b) the beneficial interest in all Residual Assets held on trust pursuant to paragraph 10.1 which are not otherwise allocated to the SL Intl HWPF under paragraph ~~15.1(b)~~15.1(b), the SL Intl GWPF under paragraph ~~15.2(b)~~15.2(b) or the SL Intl GSMWPF under paragraph ~~15.3(b)~~15.3(b).

## **16 Allocation of Day One Liabilities**

**16.1** At and with effect from the Effective Time, and subject to paragraph 13, the following shall be allocated to the SL Intl HWPF:

- (a) all of the Day One Liabilities which, immediately prior to the Effective Time, were allocated to the SLAL HWPF; and
  - (b) the liability to indemnify SLAL pursuant to paragraph 10.3 or 11.1 to the extent that the liability or asset to which such indemnity relates is allocated to the SL Intl HWPF pursuant to this Scheme.
- 16.2** At and with effect from the Effective Time, and subject to paragraph 13, the following shall be allocated to the SL Intl GWPF:
- (a) all of the Day One Liabilities which, immediately prior to the Effective Time, were allocated to the SLAL GWPF; and
  - (b) the liability to indemnify SLAL pursuant to paragraph 10.3 or 11.1 to the extent that the liability or asset to which such indemnity relates is allocated to the SL Intl GWPF pursuant to this Scheme.
- 16.3** At and with effect from the Effective Time, and subject to paragraph 13, the following shall be allocated to the SL Intl GSMWPF:
- (a) all of the Day One Liabilities which, immediately prior to the Effective Time, were allocated to the SLAL GSMWPF; and
  - (b) the liability to indemnify SLAL pursuant to paragraph 10.3 or 11.1 to the extent that the liability or asset to which such indemnity relates is allocated to the SL Intl GSMWPF pursuant to this Scheme.
- 16.4** At and with effect from the Effective Time, and subject to paragraph 13, the following shall be allocated to the SL Intl Euro PBF:
- (a) all of the Day One Liabilities not otherwise allocated to the SL Intl HWPF under paragraph ~~16.1(a)~~16.1(a), the SL Intl GWPF under paragraph ~~16.2(a)~~16.2(a) or the SL Intl GSMWPF under paragraph ~~16.3(a)~~16.3(a); and
  - (b) the liability to indemnify SLAL pursuant to paragraph 10.3 or 11.1 to the extent not otherwise allocated to the SL Intl HWPF under paragraph ~~16.1(b)~~16.1(b), the SL Intl GWPF under paragraph ~~16.2(b)~~16.2(b) or the SL Intl GSMWPF under paragraph ~~16.3(b)~~16.3(b).

## **17 Allocation of Residual Business**

### **17.1** On and with effect from each Subsequent Transfer Date:

- (a) each Residual Policy and Residual Contract to which such Subsequent Transfer Date applies shall be allocated to the New SL Intl Fund to which it would have been allocated at the Effective Time in accordance with paragraph 13 or 14, had it been a Day One Policy or Day One Contract;
- (b) each Residual Asset to which such Subsequent Transfer Date applies shall be allocated to the New SL Intl Fund to which it would have been allocated at the Effective Time in accordance with paragraph 13 or 15, had it been a Day One Asset; and
- (c) each Residual Liability to which such Subsequent Transfer Date applies shall be allocated to the New SL Intl Fund to which it would have been allocated at the Effective Time in accordance with paragraph 13 or 16, had it been a Day One Liability.

## **18 Establishment of Linked Funds**

### **18.1** At and with effect from the Effective Time, any Day One Assets or Day One Liabilities which have been allocated to a New SL Intl Fund pursuant to paragraph 13, 14, 15, 16 or 17 and which, immediately prior to the Effective Time, were allocated to a Linked Fund maintained by SLAL, shall:

- (a) be allocated to, and comprised in, a new Linked Fund established by SL Intl within the New SL Intl Fund to which such Day One Assets or Day One Liabilities were allocated; and
- (b) immediately following the Effective Time, comprise the same number of units as were comprised within the relevant Linked Fund of SLAL immediately prior to the Effective Time.

### **18.2** At and with effect from the Effective Time:

- (a) any policyholder rights, powers or benefits under any Day One Policy which, immediately prior to the Effective Time, were linked to any one or more Linked Fund(s) of SLAL shall become linked to the corresponding Linked Fund(s) of SL Intl;
- (b) SL Intl shall, as at the Effective Time, allocate to each such Day One Policy the same number and classes of units in the corresponding new Linked Fund(s) of SL Intl as the number and classes of units in the relevant Linked Fund(s) of SLAL as were allocated to such Day One Policy immediately prior to the Effective Time; and

- (c) in respect of any such Day One Policies, SL Intl shall become entitled to the same rights, powers and benefits and be subject to the same duties and liabilities as applied to SLAL in relation to the corresponding Linked Fund(s) immediately prior to the Effective Time.

**18.3** On and with effect from each Subsequent Transfer Date, each Residual Asset or Residual Liability to which such Subsequent Transfer Date applies shall (if applicable) be allocated to the Linked Fund(s) to which it would have been allocated at the Effective Time in accordance with paragraph 18.1, had it been a Day One Asset or Day One Liability.

**18.4** The Board of SL Intl may, having taken appropriate actuarial advice and subject to Regulatory Requirements and having regard to the terms and conditions of any Policy impacted by such action:

- (a) open new Linked Funds;
- (b) close existing Linked Funds;
- (c) amalgamate, reinsure or transfer any Linked Fund or any part thereof with or to (as the context requires) any other Linked Fund or any part thereof (whether established and maintained by SL Intl or another member of SL Intl's Group);
- (d) divide any Linked Fund into one or more Linked Funds; or
- (e) effect any combination of the foresaid.

## **19 General provisions in respect of New SL Intl Fund allocation**

**19.1** If, in the opinion of SL Intl's Board (having taken appropriate actuarial advice), the allocation of any property or liability is uncertain, then such property or liability shall be allocated to such New SL Intl Fund (or New SL Intl Funds) in such manner as SL Intl's Board shall determine.

**19.2** Any allocation of property or liabilities to a New SL Intl Fund from time to time, and any re-allocation or re-attribution of the same, is for the purpose of establishing or recognising respective policyholder and shareholder entitlements from time to time and shall not be taken to affect the availability of all the property from time to time of SL Intl to meet its liabilities to policyholders and other third parties to the extent required by Regulatory Requirements from time to time.

**19.3** The allocation(s) of property and liabilities pursuant to this Scheme are subject to any contrary Regulatory Requirements and SL Intl shall comply with the provisions of this Scheme insofar as is possible within the constraints imposed by such Regulatory Requirements.

**19.4** SL Intl's Board may, at any time, change the name of any of the New SL Intl Funds to such other name as it thinks fit, and the provisions of this Scheme shall automatically be modified to take account of any such change.

## PART E – ADDITIONAL PROVISIONS RELATING TO THE SL INTL HWPF

### 20 Cessation of the ~~SLAL HWPF~~Phoenix Heritage WP Fund and SL Intl HWPF

20.1 If the approval of the “Regulator” (as that term is defined in the ~~2006Phoenix~~ Scheme) is obtained pursuant to paragraph ~~25.1(A)~~23.1.1 of the ~~2006Phoenix~~ Scheme, or ~~SLALPhoenix~~ elects to be released from its obligation to maintain the ~~SLAL HWPF~~Phoenix Heritage WP Fund pursuant to paragraph ~~25.1(B)~~23.1.2 of the ~~2006Phoenix~~ Scheme, then SL Intl shall take such steps as are required in accordance with the terms and governing law of each With Profits Policy allocated to the SL Intl HWPF such that:

- (a) the guaranteed benefits payable in respect of each With Profits Policy allocated to the SL Intl HWPF shall be amended such that they are:
  - (i) compliant with Regulatory Requirements; and
  - (ii) without prejudice to the generality of paragraph ~~20.1(a)(i)~~20.1(a)(i), of an amount with a present value (determined assuming that appropriate matching assets are held in respect of the guaranteed liabilities), having regard to future premiums payable, at least equal to the “Benefit Value” (as that term is defined in ~~the 2006Part 1 of Schedule 11 of the Phoenix~~ Scheme, and as may be varied or replaced in accordance with ~~Paragraph 25.5~~paragraph 39 of the ~~2006Phoenix~~ Scheme) that would have applied to such Policy had it been a “~~WPF With Profits~~Heritage WP Fund With-Profits Policy” (as that term is defined in the ~~2006Phoenix~~ Scheme), adjusted to reflect any expenses which would have been incurred, or charges (excluding deductions for guarantees) which would have been made, had SL Intl not ceased to maintain the SL Intl HWPF pursuant to this paragraph 20;
- (b) all With Profits Policies allocated to the SL Intl HWPF shall cease to carry any right to participate in the profits of SL Intl or any fund or sub-fund of SL Intl;
- (c) (i) the property and liabilities of the SL Intl HWPF, (ii) all Policies written in, or allocated to, the SL Intl HWPF, and (iii) all amounts which would under any other provision of this Scheme fall to be allocated to the SL Intl HWPF, shall each be transferred or allocated to an alternative fund or sub-fund of SL Intl (to be determined by SL Intl’s Board); and

- (d) all provisions of this Scheme which:
- (i) relate solely to the establishment or operation of the SL Intl HWPF; or
  - (ii) relate partially to the establishment or operation of the SL Intl HWPF (but only to the extent that such provisions relate to the establishment or operation of the SL Intl HWPF),
- shall cease to have effect and, in particular but without limitation, the obligation to maintain the SL Intl HWPF shall no longer apply.

**20.2** SL Intl's Board must take appropriate actuarial advice when making any decision, determination or calculation pursuant to this paragraph 20.

## **21 SL Intl HWPF Internal PPFM**

**21.1** With effect from the Effective Time, the SL Intl HWPF shall be managed and operated in accordance with the SL Intl HWPF Internal PPFM and any other practices, procedures, policies, frameworks, agreements or similar arrangements put in place under, or in accordance with, the SL Intl HWPF Internal PPFM.

**21.2** SL Intl shall maintain the SL Intl HWPF Internal PPFM unless SL Intl's Board, having taken appropriate actuarial advice, determines that some other materially equivalent form of protection is to be put in place, in which case the references in this Scheme to the SL Intl HWPF Internal PPFM shall be deemed to refer to that alternative form of protection.

**21.3** The SL Intl HWPF Internal PPFM shall comply with the principles set out in Schedule ~~65~~5 to this Scheme.

## **22 Writing of New SL Intl HWPF Business**

**22.1** The only New SL Intl HWPF Business which may be written in, or allocated to, the SL Intl HWPF after the Effective Time shall be:

- (a) Residual Policies in accordance with Part D of this Scheme;
- (b) New Policies issued as replacements for SL Intl HWPF Transferred Policies;
- (c) increases to premiums or benefits in respect of SL Intl HWPF Transferred Policies;
- (d) Policies which would, had they been written at or prior to the Effective Time, have been administered as increments to SL Intl HWPF Transferred Policies;
- (e) Policies issued on the exercise of options or rights under SL Intl HWPF Transferred Policies (other than non profit immediate annuities issued on the vesting of Policies, to which paragraph 31 applies);

- (f) Policies written in substitution of SL Intl HWPF Transferred Policies that are cancelled; and
- (g) new business arising in respect of new members of group policies which are allocated to the SL Intl HWPF and which were, as at the Effective Time:
  - (i) administered on SLAL's CIRVIE system;
  - (ii) administered on other systems used by SLAL where the benefits and/or premiums attributable to such new members are not separately identifiable at the time such business is written; or
  - (iii) written by SLAL pursuant to paragraph 28.1 of the 2006 Scheme.

## **23 SL Intl HWPF costs**

**23.1** There shall be debited from the SL Intl HWPF all expenses (including investment management expenses) and commissions which, in the reasonable opinion of SL Intl's Board (having regard to appropriate actuarial advice) have been incurred or will be incurred in the operation of the SL Intl HWPF.

## **24 Surplus arising in the SL Intl HWPF**

**24.1** Except as expressly permitted or required by this Scheme:

- (a) no part of any surplus in the SL Intl HWPF shall be applied over time other than as bonus on, or reduction, rebate or suspension of premiums to, or otherwise applied for the benefit of, any Policy which is written in, reinsured or allocated to the SL Intl HWPF (including to meet liabilities of the same). The manner and timing of the distribution of such surplus shall be determined by SL Intl's Board and shall be as fair and equitable as is practicable, subject to the need to ensure a prudent amount is retained in respect of any amounts which may be charged to the SL Intl HWPF in accordance with this Scheme; and
- (b) no SL Intl Fund other than the SL Intl HWPF shall be entitled to any surplus arising in the SL Intl HWPF.

## **25 Transactions in the SL Intl HWPF**

**25.1** After the Effective Time, SL Intl may enter into any Related Transaction provided that it is on terms which, in the opinion of SL Intl's Board (having taken appropriate actuarial advice), are unlikely to have a material adverse effect on the interests of the holders of SL Intl HWPF WP Policies.

**25.2** Without prejudice to the generality of paragraph 25.1, if a Related Transaction includes the making of a loan to a connected person using assets in the SL Intl HWPF, or the giving of a guarantee to, or for the benefit of, a connected person, where the guarantee will be backed

using assets in the SL Intl HWPF, such Related Transaction may be effected if the loan or guarantee:

- (a) is on commercial terms;
- (b) is, in the reasonable opinion of SL Intl's Board, beneficial to the holders of SL Intl HWPF WP Policies; and
- (c) will not, in the reasonable opinion of SL Intl's Board, expose the holders of SL Intl HWPF WP Policies to undue credit or group risk.

**25.3** For the purposes of this paragraph 25 and paragraph 26, "**Related Transaction**" means a material transaction or arrangement entered into by SL Intl (on behalf of and to the account of the SL Intl HWPF):

- (a) with any other SL Intl Fund;
- (b) with any other person; or
- (c) which otherwise affects the property or liabilities of the SL Intl HWPF.

**25.4** This paragraph 25 shall not in any way restrict, or prohibit, SL Intl from entering into any transaction or arrangement which is required to be entered into, or which is expressly contemplated by, this Scheme or the [2006Phoenix](#) Scheme.

## **26 Contingent Financing Arrangements (SL Intl HWPF)**

**26.1** SL Intl's Board may require the SL Intl HWPF to enter into a Contingent Financing Arrangement which is a Related Transaction provided that it satisfies the requirements of paragraph 25.1 and, if relevant, paragraph 25.2 are satisfied in the basis of the provisions of this paragraph 26.

**26.2** For the purposes of paragraph 25.1 (if, and to the extent, that it is applicable to the Contingent Financing Arrangement being contemplated), any Contingent Financing Arrangement shall not be considered to have a material adverse effect on the interests of the holders of SL Intl HWPF WP Policies if SL Intl's Board is reasonably satisfied (having taken appropriate actuarial advice) that the obligations undertaken by the SL Intl HWPF under the Contingent Financing Arrangement will not be likely to materially and adversely affect:

- (a) the quantum of the residual estate in the SL Intl HWPF (or to impose a material constraint on the manner and timing of its distribution);
- (b) the contractual rights of the holders of such Policies; or
- (c) their reasonable expectations regarding non-contractual benefits under such Policies,

taking into account whether or not the holders of such Policies have any right or expectation to participate in any of the cashflows which are to be used to repay any such Contingent Financing Arrangement.

**26.3** For the purposes of paragraph 25.2 (if, and to the extent, that is applicable to the Contingent Financing Arrangement being contemplated), SL Intl's Board shall determine at its sole and absolute discretion what form of benefit is appropriate to be provided to the SL Intl HWPF and may otherwise implement the Contingent Financing Arrangement on terms which it deems appropriate.

## **27 Tax (SL Intl HWPF)**

**27.1** In respect of any period commencing on or after the Effective Time, there shall be debited from or credited to (as appropriate) the SL Intl HWPF an amount in respect of Tax calculated on the basis of the following assumptions:

(a) The SL Intl HWPF constitutes the whole of the long term fund of a mutual life assurance company (for the purposes of this paragraph 27, the "**HWPF Notional Life Company**") carrying on business in the Republic of Ireland and elsewhere with no business other than the business carried on in the SL Intl HWPF.

(b) All Tax allowances, reliefs and rights to repayment that would reasonably be expected to be claimed or received by the HWPF Notional Life Company are successfully claimed and received, but excluding (for the avoidance of doubt) any carried-forward trading losses available for utilisation in SL Intl in accordance with s.396 Taxes Consolidation Act 1997 prior to the Effective Time.

(c) The HWPF Notional Life Company has the benefit of all reliefs and other credits in respect of Tax available for carry forward:

(i) which arose in SLAL in periods commencing before the Effective Time and which were transferred to SL Intl under applicable legislation in any of the jurisdictions in which SLAL operated immediately before the Effective Time, or

(ii) which arose in the HWPF Notional Life Company after the Effective Time.

**27.2** The amounts calculated pursuant to paragraph 27.1 shall be calculated by SL Intl's Board (having taken such advice as it deems appropriate) on the basis of Tax law and practice prevailing in respect of the period of calculation.

**27.3** The amounts debited from, or credited to, the SL Intl HWPF pursuant to paragraph 27.1 shall be debited, or credited, on the latest due date on which they would have been paid, or received, by the HWPF Notional Life Company. If, and to the extent, that they are not actually debited or credited on such date, the amounts debited or credited shall be adjusted to reflect the delay between the time when they were due and the time when they are actually made.

- 27.4** If, and to the extent, that any amount debited from, or credited to, the SL Intl HWPF pursuant to paragraph 27.1 is subsequently shown to have been incorrect, an appropriate credit to, or debit from, the SL Intl HWPF in respect of such amount shall be made. Any amount credited or debited under this paragraph ~~27.4~~27.4 shall be adjusted to reflect the delay between the time when the adjusting credit or debit is made and the time when the original credit or debit was made, or the time when the last correcting credit or debit in respect of the same period was made, whichever is the later.
- 27.5** If there is a material change in the basis on which life assurance companies are subject to Tax in the Republic of Ireland or elsewhere, paragraph 27.1 shall be amended to the extent that SL Intl's Board (having taken such advice as it deems appropriate) considers necessary or desirable to ensure that the effect of paragraph 27.1 is that the SL Intl HWPF will be debited, or credited, in respect of any liability to Tax with the amount with which it would have been debited or credited had it been a separate mutual life assurance company carrying on business under the changed basis of Tax.
- 27.6** The allocation of credits and debits in respect of Tax to the SL Intl HWPF under this Scheme, including pursuant to paragraph 27.1, shall be made on a fair and arm's length basis and, notwithstanding the terms of any assessment, agreement or settlement submitted to, or made with, any Tax authority by any member of SL Intl's Group, no amounts in respect of Tax shall be debited from, or credited to, the SL Intl HWPF in excess of the amounts which would have been so debited or credited on a fair and arm's length basis.
- 27.7** No amounts in respect of Tax shall be debited from the SL Intl HWPF if, and to the extent that, such amounts represent penalties which have arisen because of any act or omission occurring after the Effective Time.

## **28 Credits to and debits from the SL Intl HWPF**

- 28.1** The following shall be credited to the SL Intl HWPF with effect from the Effective Time:
- (a) all property transferred or allocated to the SL Intl HWPF in accordance with Parts C and D of this Scheme (including any Residual Assets transferred or allocated to the SL Intl HWPF on a Subsequent Transfer Date);
  - (b) all premiums and other amounts received by SL Intl and attributable to SL Intl HWPF Transferred Policies if, and for so long as, such Policies are attributed to, and included within, the SL Intl HWPF;
  - (c) all amounts paid, and all property transferred, from SLAL to SL Intl pursuant to paragraph 11.5 if, and to the extent that, such amounts or property fall to be allocated to the SL Intl HWPF pursuant to Part D of this Scheme;

- (d) all payments from third parties arising from any Proceedings continued by, or against, SL Intl to the extent that such Proceedings relate to Policies, property or liabilities allocated to the SL Intl HWPF;
- (e) subject to paragraph 60, all amounts received by SL Intl in respect of SL Intl HWPF Transferred Policies or other Policies written in, or allocated to, the SL Intl HWPF;
- (f) all amounts received by SL Intl pursuant to:
  - (i) the HWPF Reinsurance Agreement; and
  - (ii) other reinsurance agreements, Contracts or arrangements in respect of any Policies written in, or allocated to, the SL Intl HWPF;
- (g) all amounts payable to the SL Intl HWPF in respect of New SL Intl HWPF Business;
- (h) any amount to be credited to the SL Intl HWPF pursuant to paragraph 27;
- (i) all commission clawback (or similar amounts) payable by intermediaries and other sales agents after the Effective Time in respect of Policies written in, or allocated to, the SL Intl HWPF;
- (j) all investment gains, earnings, income and profits arising from the property and business allocated to, or written in, the SL Intl HWPF;
- (k) all amounts resulting from the sale of any property allocated to the SL Intl HWPF; and
- (l) any other amounts which are:
  - (i) required by this Scheme to be credited to or received by the SL Intl HWPF; or
  - (ii) determined by SL Intl's Board (having taken appropriate actuarial advice) in accordance with the principles underlying this Scheme to be properly attributable to or properly received by the SL Intl HWPF.

**28.2** The following shall be debited from the SL Intl HWPF with effect from the Effective Time:

- (a) all amounts paid by SL Intl in respect of those liabilities which are transferred or allocated to the SL Intl HWPF in accordance with Part D of this Scheme (including any Residual Liabilities transferred or allocated to the SL Intl HWPF on a Subsequent Transfer Date);
- (b) all amounts paid by SL Intl in respect of the Promise pursuant to paragraph 30;

- (c) all amounts paid by SL Intl to SLAL pursuant to the indemnities contained in paragraphs 10.3 and 11.1, if, and to the extent, that such amounts relate to Transferred Liabilities which are allocated to the SL Intl HWPF pursuant to Part D of this Scheme;
- (d) all payments to third parties arising from any Proceedings continued by or against SL Intl to the extent that such Proceedings relate to Policies, property or liabilities allocated to the SL Intl HWPF;
- (e) any costs incurred by SL Intl pursuant to paragraph 4.4 in respect of the transfer of any property or liability to the SL Intl HWPF;
- (f) subject to paragraph 60, all amounts paid by SL Intl in respect of Policies written in, or allocated to, the SL Intl HWPF;
- (g) all amounts paid by SL Intl in respect of the HWPF Deed Poll;
- (h) all amounts paid by SL Intl pursuant to:
  - (i) the HWPF Reinsurance Agreement; and
  - (ii) other reinsurance agreements, Contracts of arrangements in respect of Policies written in, or allocated to, the SL Intl HWPF;
- (i) all amounts payable by the SL Intl HWPF in respect of New SL Intl HWPF Business;
- (j) all amounts to be debited from or charged to the SL Intl HWPF pursuant to paragraph 23;
- (k) such property as is transferred out of the SL Intl HWPF pursuant to paragraph 60;
- (l) any amount to be debited from the SL Intl HWPF pursuant to paragraph 27;
- (m) any commission (or similar amounts payable to intermediaries or other sales agents) in respect of SL Intl HWPF Transferred Policies and other Policies written or allocated to the SL Intl HWPF;
- (n) any amount written-off in respect of commission clawback payable by intermediaries or other sales agents where SL Intl's Board has determined that such amounts are properly attributable to SL Intl HWPF Transferred Policies or other Policies written in, or allocated to, the SL Intl HWPF;
- (o) all amounts payable in respect of SL Intl HWPF Transferred Policies and other Policies written in, or allocated to, the SL Intl HWPF arising by reason of surrender, death, disability, maturity or other event giving rise to a claim (including amounts payable because of any guarantee or option in any such Policy or the payment or vesting of an annuity);

- (p) all costs, liabilities, losses and declines in value of investments arising from the property allocated to the SL Intl HWPF;
- (q) all costs, expenses, charges, losses and liabilities resulting from the purchase, holding, valuation or sale of any property allocated to the SL Intl HWPF; and
- (r) any other amounts which are:
  - (i) required by this Scheme to be debited from or charged to the SL Intl HWPF; or
  - (ii) determined by SL Intl's Board (having taken appropriate actuarial advice) in accordance with the principles underlying this Scheme to be properly debited from, or properly charged to, the SL Intl HWPF.

## **29 Miscellaneous provisions (SL Intl HWPF)**

**29.1** None of the provisions of this Part E shall prevent the exchange of property between the SL Intl HWPF and other SL Intl Funds at fair market value. In such circumstances, any liabilities attributable to the property which is being exchanged shall also be transferred.

**29.2** From the Effective Time:

- (a) until the termination of the HWPF Reinsurance Agreement, all provisions in SL Intl HWPF Transferred Policies addressing with profit investments, returns and benefits shall refer to the ~~SLAL HWPF~~[Phoenix Heritage WP Fund](#); and
- (b) following the termination of the HWPF Reinsurance Agreement, all provisions in SL Intl HWPF Transferred Policies addressing with profit investments, returns and benefits shall refer to the SL Intl HWPF.

## **30 Mortgage Endowment Promise**

**30.1** At and with effect from the Effective Time:

- (a) SLAL shall calculate the value of payment obligations arising in respect of the Promise in so far as they relate to Transferred Policies, and shall inform SL Intl of that value as soon as reasonably practicable;
- (b) SL Intl shall, so far as they relate to Transferred Policies, assume the payment obligations of SLAL arising in respect of the Promise; and
- (c) SL Intl's payment obligations in respect of the Promise shall be allocated to the SL Intl HWPF.

**30.2** Every person who is a holder of an MEP Policy (as that term is defined in the [2006Phoenix](#) Scheme) that is also a Transferred Policy shall, at and with effect from the Effective Time, become entitled as against SL Intl to the same rights, benefits and powers in respect of the Promise as they had against SLAL immediately prior to the Effective Time. Such entitlement shall be in substitution of any rights, benefits and powers which the relevant person may have had against SLAL if and to the extent arising in respect of, or otherwise attributable to or connected with, the Promise.

### **31 Annuity benefits (SL Intl HWPF)**

**31.1** If an HWPF Annuity Benefit is to be provided on the vesting of a Policy written in, or allocated to, the SL Intl HWPF, then the following shall apply:

- (a) Subject to paragraph ~~31.1(e)~~[31.1\(c\)](#), SL Intl shall provide the HWPF Annuity Benefit and allocate the same to a SL Intl Fund (other than the SL Intl HWPF), or procure its provision by another member of SL Intl's Group, and an amount equal to the cost of such HWPF Annuity Benefit, as determined in accordance with paragraph ~~31.1(b)~~[31.1\(b\)](#) (for the purposes of this paragraph 31, the "**Annuity Benefit Cost**"), shall be debited from the SL Intl HWPF and credited to the relevant SL Intl Fund or paid to the relevant member of SL Intl's Group (as appropriate).
- (b) The Annuity Benefit Cost is to be determined by SL Intl's Board on the basis of:
  - (i) the most favourable annuity rates being offered to purchasers of annuities of a similar type and in the same country as the relevant HWPF Annuity Benefit by members of SL Intl's Group and SL Intl Funds (other than the SL Intl HWPF) at the time at which such HWPF Annuity Benefit is to be provided; or
  - (ii) if such rates are unavailable, such rates as are determined by SL Intl's Board.
- (c) If the ~~SLAL-WP~~[relevant Phoenix With-Profits](#) Actuary (as that term is defined in the [2006Phoenix](#) Scheme) or ~~the SLALPhoenix's~~ Board (having regard to the advice of the ~~SLAL~~[relevant Phoenix With-Profits](#) Actuary (as that term is defined in the [2006Phoenix](#) Scheme)) considers that the Annuity Benefit Cost exceeds that which is reasonable, then he or it (as applicable) may require that SL Intl shall provide such HWPF Annuity Benefit and allocate the same to the SL Intl HWPF (which shall in turn be reinsured to the ~~SLAL-HWPF~~[Phoenix Heritage WP Fund](#) pursuant to the HWPF Reinsurance Agreement). Where the ~~SLAL-WP~~[relevant Phoenix With-Profits](#) Actuary (as that term is defined in the [2006Phoenix](#) Scheme) has given advice or made a determination, SL Intl's Board shall be informed as to how the ~~SLAL-WP~~[relevant Phoenix With-Profits](#) Actuary (as that term is defined in the [2006Phoenix](#) Scheme) has reached his conclusion under this paragraph ~~31.1(e)~~[31.1\(c\)](#).

- (d) All costs and liabilities relating to the provision of the HWPF Annuity Benefit will be reassured by, transferred to, or remain in, as the case may be, the SL Intl Fund or member of SL Intl's Group from which the HWPF Annuity Benefit is to be provided. This paragraph ~~31.1(d)~~ 31.10 shall not prevent the liabilities in respect of any HWPF Annuity Benefit from being reinsured with a third party, such reinsurance to be on terms acceptable to the SL Intl Head of Actuarial where the HWPF Annuity Benefit is to be provided from the SL Intl HWPF.

**31.2** If, in the event of vesting of a Policy written in, or allocated to, the SL Intl HWPF in respect of which the principal benefits are expressed in terms of cash (otherwise than where an annuity arises under an option in respect of a Policy which requires annuities to be issued at a guaranteed rate), the policyholder elects to take all or part of the benefits as an annuity, SL Intl shall transfer the cash (or relevant proportion of the cash) from the SL Intl HWPF:

- (a) where the annuity is to be provided by another SL Intl Fund, to the SL Intl Fund which is to provide the annuity, and the annuity shall be provided on the basis of the annuity rate determined by SL Intl's Board; or
- (b) where the annuity is to be provided by another member of SL Intl's Group, to the relevant member of SL Intl's Group, and the annuity shall be provided on the basis of the annuity rate being offered by the relevant member of SL Intl's Group.

## **32 Unitised With Profits Policies (SL Intl HWPF)**

**32.1** This paragraph 32 applies to any Unitised With Profits Policy written in, allocated to, or reinsured by any SL Intl Fund (for the purposes of this paragraph only, the "**Primary Fund**") other than the SL Intl HWPF but only if, and to the extent, that the WP Investment Element is transferred or allocated to, or reinsured by, the SL Intl HWPF. Such transfer, allocation or reinsurance shall be subject to the limitations in paragraph 22.

**32.2** Any premium received by SL Intl on or after the Effective Time in respect of a Unitised With Profits Policy to which this paragraph 32 applies (for the purposes of this paragraph only, a "**UWP Primary Fund Policy**") shall be credited to the relevant Primary Fund and WP Investment Element in respect thereof shall be debited from the relevant Primary Fund and credited to the SL Intl HWPF and applied in allocating WP Units in respect of such UWP Primary Fund Policy.

**32.3** Any amounts in respect of a UWP Primary Fund Policy to be allocated to WP Units on or after the Effective Time as a result of a switch from UL Units to WP Units, or otherwise, in accordance with the terms of the relevant Policy shall be debited from the relevant Primary Fund and credited to the SL Intl HWPF and applied in allocating WP Units in respect of the relevant Policy.

- 32.4** If any event occurs (other than an event pursuant to paragraph 31.1) which, under the terms of a UWP Primary Fund Policy, gives rise to the cancellation of WP Units attaching to such UWP Primary Fund Policy (other than switches to other types of WP Units in the SL Intl HWPF), an amount shall be debited from the SL Intl HWPF and credited to the relevant Primary Fund equal to the amount which the terms of the relevant UWP Primary Fund Policy provide shall be payable, or transferable, on cancellation of WP Units in such circumstances.
- 32.5** Any transfer pursuant to paragraph 32.4 shall take account of any applicable final bonus or unit price adjustment (and other charges and deductions properly attributable to the SL Intl HWPF in accordance with the SL Intl HWPF Internal PPFM) required by the terms of the relevant Policy, but shall disregard any charges and deductions applicable under the terms of the Policy which are properly attributable to the relevant Primary Fund.
- 32.6** From time to time there shall be debited from the SL Intl HWPF and credited to the relevant Primary Fund in accordance with the terms of the relevant UWP Primary Fund Policies all charges levied on asset shares (other than in respect of guarantees met by the SL Intl HWPF) less investment management fees debited from the SL Intl HWPF pursuant to paragraph 23 in respect of such asset shares.
- 32.7** The liability of the SL Intl HWPF in respect of the UWP Primary Fund Policies shall cease at the same time as the liability of the relevant Primary Fund ceases in respect of each such UWP Primary Fund Policy.
- 32.8** In substitution of the arrangements described in this paragraph 32, SL Intl's Board may at any time effect such alternative arrangements between the SL Intl HWPF and the relevant Primary Fund as it determines is appropriate, provided that any such alternative arrangements (and any consequential transfers which are effected in order to implement such alternative arrangements) are compliant with Regulatory Requirements and the Irish Policyholder Principles.

### **33 New Investment Funds (SL Intl HWPF)**

- 33.1** Following the termination of the HWPF Reinsurance Agreement, this paragraph 33 shall apply to any Policy written in, allocated to, or reinsured by the SL Intl HWPF but only if, and to the extent, that the Investment Element is transferred or allocated to, or reinsured by, a SL Intl Fund other than the SL Intl HWPF (for the purposes of this paragraph only, a "**New Investment Fund**").

- 33.2** Any premium received by SL Intl in respect of a Policy to which this paragraph 33 applies (for the purposes of this paragraph only, a “New Investment Policy”) shall be credited to the SL Intl HWPF and the Investment Element in respect thereof, to the extent that it is transferred or allocated to, or reinsured by, a New Investment Fund, shall be debited from the SL Intl HWPF and credited to the relevant New Investment Fund and applied by allocating Units (as appropriate) to such New Investment Policy in the relevant New Investment Fund (for the purposes of this paragraph only, the “**New Investment Fund Units**”).
- 33.3** Any amounts to be allocated to New Investment Fund Units as a result of a switch from Units in the SL Intl HWPF to New Investment Fund Units, or otherwise, in accordance with the terms of the relevant Policy shall be debited from the SL Intl HWPF and credited to the relevant New Investment Fund and applied in allocating New Investment Fund Units in respect of the relevant New Investment Policy.
- 33.4** Any amounts debited from the SL Intl HWPF in accordance with paragraph 33.3 shall take account of any applicable final bonus or unit price adjustment (and other charges and deductions made in accordance with the SL Intl HWPF Internal PPFM) required by the terms of the relevant Policy.
- 33.5** If any event occurs which, under the terms of a New Investment Policy, gives rise to the cancellation of New Investment Fund Units attaching to such New Investment Policy (other than switches to other New Investment Fund Units), an amount shall be debited from the relevant New Investment Fund and credited to the SL Intl HWPF equal to the amount which the terms of the relevant New Investment Policy (and, if applicable, the principles and practices of financial management applicable to the relevant New Investment Fund) provide shall be payable or transferrable on cancellation of New Investment Fund Units in such circumstances and, if applicable, the relevant portion of such amount shall be applied in allocating Units in accordance with the terms of the relevant New Investment Policy.
- 33.6** From time to time there shall be debited from the relevant New Investment Fund and credited to the SL Intl HWPF all charges levied on the New Investment Fund Units allocated to the New Investment Policy (including as a result of any switch) in accordance with the terms of the relevant New Investment Policy, less any investment management expenses incurred by the New Investment Fund in respect of such Investment Fund Units.
- 33.7** In substitution for the arrangements described in this paragraph 33, SL Intl’s Board may at any time effect such alternative arrangements between the SL Intl HWPF and the relevant New Investment Fund as it determines is appropriate, provided that any such alternative arrangements (and any consequential transfers which are effected in order to implement such arrangements) are compliant with Regulatory Requirements and the Irish Policyholder Principles.

## **34 Termination of the HWPF Reinsurance Agreement**

**34.1** In the event of the termination of the HWPF Reinsurance Agreement:

- (a) paragraphs 20 and ~~29.2(a)~~29.2(a) of this Scheme shall be deleted;
- (b) paragraph 31 of this Scheme shall be replaced with the alternative version of paragraph 31 set out in Schedule ~~87~~87, Part A;
- (c) any other provision of this Scheme that applies to the SL Intl HWPF and/or the Policies allocated to the SL Intl HWPF shall be immediately suspended, provided that:
  - (i) SL Intl's board has determined, having taken appropriate actuarial advice, that the suspension of such provision is reasonable and appropriate in the circumstances to protect the rights and reasonable expectations of the holders of any Policies written in, or reinsured or allocated to, the SL Intl HWPF; and
  - (ii) such suspension shall last for a maximum of 2 years following the termination of the HWPF Reinsurance Agreement,

it being understood that the permanent variation, or removal, of any such provision shall require the approval of the Court; and

- (d) SL Intl's Board shall take such steps as it regards as reasonable and appropriate in the circumstances to protect the rights and reasonable expectations of the holders of any Policies written in, or reinsured or allocated to, the SL Intl HWPF.

**34.2** Without prejudice to the generality of paragraph ~~34.1(d)~~34.1(d), the steps taken by SL Intl's Board pursuant to paragraph ~~34.1(d)~~34.1(d) may include:

- (a) the closure, merger or amalgamation of the SL Intl HWPF with other SL Intl Funds;
- (b) the conversion of the SL Intl HWPF into a non profit fund; and/or
- (c) the introduction of capital support arrangements (if appropriate).

**34.3** In exercising any steps pursuant to paragraph ~~34.1(d)~~34.1(d), SL Intl's Board shall:

- (a) comply with the principles set out in Part A of Schedule ~~54~~54;
- (b) consult with, and obtain the prior approval of, an independent actuary;
- (c) consult with, and obtain the prior approval of, the CBI (or, in the absence of such approval, obtain confirmation that the CBI does not object to such steps, or receive no objections from the CBI within a period of 3 months from the date of first notification);
- (d) comply with all Regulatory Requirements;
- (e) comply with the Irish Policyholder Principles; and
- (f) comply with the SL Intl HWPF Internal PPFM.

## **35 Internal Annuities Reinsurance Arrangements**

**35.1** In the event of the termination of the HWPF Reinsurance Agreement, SL Intl shall comply with the provisions of Schedule ~~7~~6 (the “**Internal Annuities Reinsurance Arrangements**”).

**35.2** Following the termination of the HWPF Reinsurance Agreement, if the Internal Annuities Reinsurance Arrangements are terminated in accordance with their terms:

- (a) SL Intl’s Board shall procure that, no later than the date on which the Internal Annuities Reinsurance Arrangements are terminated, an alternative arrangement is implemented to provide reinsurance of the “Reinsured Liabilities” (as that term is defined in the Internal Annuities Reinsurance Arrangements). Such alternative arrangement shall be on terms determined by SL Intl’s Board which are not materially less beneficial to the SL Intl HWPF than the Internal Annuities Reinsurance Arrangements and may, at the discretion of SL Intl’s Board, be provided by either a SL Intl Fund (other than the SL Intl HWPF), another member of SL Intl’s Group and/or any other person; and
- (b) at the discretion of SL Intl’s Board, any entitlement of SL Intl to an “Interim Refund Amount” or an “Adjustment Amount” (as those terms are defined in the Internal Annuities Reinsurance Arrangements) or any other amount payable because of the termination of the Internal Annuities Reinsurance Arrangements shall be:
  - (i) attributed to the SL Intl Fund (other than the SL Intl HWPF) which is assuming the reinsurance obligations of the SL Intl Euro PBF in the manner contemplated by paragraph ~~35.2(a)~~35.2(a); or
  - (ii) transferred to the other member of SL Intl’s Group, or other person, who is assuming such reinsurance.

**35.3** Any decision or determination to be made by SL Intl’s Board pursuant to paragraph 35.2 must be made having regard to appropriate actuarial advice.

## **PART F – ADDITIONAL PROVISIONS RELATING TO THE SL INTL GWPF**

### **36 SL Intl GWPF Internal PPFM**

- 36.1** With effect from the Effective Time, the SL Intl GWPF shall be managed and operated in accordance with the SL Intl GWPF Internal PPFM and any other practices, procedures, policies, frameworks, agreements or similar arrangements put in place under, or in accordance with, the SL Intl GWPF Internal PPFM.
- 36.2** SL Intl shall maintain the SL Intl GWPF Internal PPFM unless SL Intl's Board, having taken appropriate actuarial advice, determines that some other materially equivalent form of protection is to be put in place, in which case the references in this Scheme to the SL Intl GWPF Internal PPFM shall be deemed to refer to that alternative form of protection.
- 36.3** The SL Intl GWPF Internal PPFM shall comply with the principles set out in Schedule [65](#) to this Scheme.

### **37 Writing of New SL Intl GWPF Business**

- 37.1** The only New SL Intl GWPF Business which may be allocated to the SL Intl GWPF after the Effective Time shall be the Investment Element of:
- (a) Residual Policies in accordance with Part D of this Scheme;
  - (b) New Policies issued as replacements for SL Intl GWPF Transferred Policies;
  - (c) increases to premiums or benefits in respect SL Intl GWPF Transferred Policies;
  - (d) Policies which would, had they been written at or prior to the Effective Time, have been administered as increments to SL Intl GWPF Transferred Policies;
  - (e) Policies issued on the exercise of options or rights under SL Intl GWPF Transferred Policies (other than non profit immediate annuities issued on the vesting of Policies, to which paragraph 43 applies); and
  - (f) Policies written in substitution of SL Intl GWPF Transferred Policies that are cancelled.
- 37.2** No Policies written after the Effective Time may be allocated to the SL Intl GWPF.

### **38 SL Intl GWPF costs**

- 38.1** There shall be debited from the SL Intl GWPF those investment management expenses which, in the reasonable opinion of SL Intl's Board (having regard to appropriate actuarial advice) have been incurred or will be incurred in the operation of the SL Intl GWPF.

### **39 Use of the SL Intl GWPF**

**39.1** Except as expressly permitted or required by this Scheme, no part of the SL Intl GWPF shall be applied over time other than as bonus on, or reduction, rebate or suspension of premiums to, or otherwise applied for the benefit of, any Policy which is written in, reinsured or allocated to the SL Intl GWPF (including to meet liabilities of the same).

### **40 Transactions in the SL Intl GWPF**

**40.1** After the Effective Time, SL Intl may enter into any Related Transaction provided that it is on terms which, in the opinion of SL Intl's Board (having taken appropriate actuarial advice), are unlikely to have a material adverse effect on the interests of the holders of SL Intl GWPF WP Policies.

**40.2** Without prejudice to the generality of paragraph 40.1, if a Related Transaction includes the making of a loan to a connected person using assets in the SL Intl GWPF, or the giving of a guarantee to, or for the benefit of, a connected person, where the guarantee will be backed using assets in the SL Intl GWPF, such Related Transaction may be effected if the loan or guarantee:

- (a) is on commercial terms;
- (b) is, in the reasonable opinion of SL Intl's Board, beneficial to the holders of SL Intl GWPF WP Policies; and
- (c) will not, in the reasonable opinion of SL Intl's Board, expose the holders of SL Intl GWPF WP Policies to undue credit or group risk.

**40.3** For the purposes of this paragraph 40, "**Related Transaction**" means a material transaction or arrangement entered into by SL Intl (on behalf of and to the account of the SL Intl GWPF):

- (a) with any other SL Intl Fund;
- (b) with any other person; or
- (c) which otherwise affects the property or liabilities of the SL Intl GWPF.

**40.4** This paragraph 40 shall not in any way restrict or prohibit SL Intl from entering into any transaction or arrangement which is required to be entered into, or which is expressly contemplated by, this Scheme.

## **41 Tax (SL Intl GWPF)**

**41.1** In respect of any period commencing on or after the Effective Time, there shall be debited from or credited to (as appropriate) the SL Intl GWPF an amount in respect of Tax calculated on the basis of the following assumptions:

- (a) The SL Intl GWPF constitutes the whole of the long term fund of a mutual life assurance company (for the purposes of this paragraph ~~41.1~~, the “**GWPF Notional Life Company**”) carrying on business in the Republic of Ireland and elsewhere with no business other than the business carried on in the SL Intl GWPF.
- (b) All Tax allowances, reliefs and rights to repayment that would reasonably be expected to be claimed or received by the GWPF Notional Life Company are successfully claimed and received.
- (c) The GWPF Notional Life Company has the benefit of all reliefs and other credits in respect of Tax available for carry forward in relation to the Transferred Business from periods commencing before the Effective Time, other than in respect of reliefs and other credits not transferred to SL Intl under applicable legislation in each of the jurisdictions in which SLAL operated immediately before the Effective Time.

**41.2** The amounts calculated pursuant to paragraph 41.1 shall be calculated by SL Intl’s Board (having taken such advice as it deems appropriate) on the basis of Tax law and practice prevailing in respect of the period of calculation.

**41.3** The amounts debited from, or credited to, the SL Intl GWPF pursuant to paragraph 41.1 shall be debited, or credited, on the latest due date on which they would have been paid or received by the GWPF Notional Life Company. If, and to the extent, that they are not actually debited or credited on such date, the amounts debited or credited shall be adjusted to reflect the delay between the time when they were due and the time when they are actually made.

**41.4** If, and to the extent, that any amount debited from, or credited to, the SL Intl GWPF pursuant to paragraph 41.1 is subsequently shown to have been incorrect, an appropriate credit to, or debit from, the SL Intl GWPF in respect of such amount shall be made. Any amount credited or debited under this paragraph 41.4 shall be adjusted to reflect the delay between the time when the adjusting credit or debit is made and the time when the original credit or debit was made, or the time when the last correcting credit or debit in respect of the same period was made, whichever is the later.

**41.5** If there is a material change in the basis on which life assurance companies are subject to Tax in the Republic of Ireland or elsewhere, paragraph 41.1 shall be amended to the extent that SL Intl's Board (having taken such advice as it deems appropriate) considers necessary or desirable to ensure that the effect of paragraph 41.1 is that the SL Intl GWPF will be debited or credited in respect of any liability to Tax with the amount with which it would have been debited or credited had it been a separate mutual life assurance company carrying on business under the changed basis of Tax.

**41.6** The allocation of credits and debits in respect of Tax to the SL Intl GWPF under this Scheme, including pursuant to paragraph 41.1, shall be made on a fair and arm's length basis and, notwithstanding the terms of any assessment, agreement or settlement submitted to, or made with, any Tax authority by any member of SL Intl's Group, no amounts in respect of Tax shall be debited from, or credited to, the SL Intl GWPF in excess of the amounts which would have been so debited or credited on a fair and arm's length basis.

**41.7** No amounts in respect of Tax shall be debited from the SL Intl GWPF if, and to the extent, that such amounts represent penalties which have arisen because of any act or omission occurring after the Effective Time.

## **42 Miscellaneous provisions (SL Intl GWPF)**

**42.1** None of the provisions of this Part F shall prevent the exchange of property between the SL Intl GWPF and other SL Intl Funds at fair market value. In such circumstances, any liabilities attributable to the property which is being exchanged shall also be transferred.

**42.2** From the Effective Time:

- (a) until the termination of the GWPF Reinsurance Agreement, all provisions in SL Intl GWPF Transferred Policies addressing with profit investments, returns and benefits shall refer to the ~~SLAL GWPF~~ [Phoenix German WP Fund](#); and
- (b) following the termination of the GWPF Reinsurance Agreement, all provisions in SL Intl GWPF Transferred Policies addressing with profit investments, returns and benefits shall refer to the SL Intl GWPF.

## **43 Annuity benefits (SL Intl GWPF)**

**43.1** If a German Annuity Benefit is to be provided on the vesting of a Policy where the WP Investment Element is allocated to the SL Intl GWPF, then:

- (a) if the Policy contains a guarantee and the value of the German Annuity Benefit is higher than would have been the case had the Policy not contained that guarantee, then paragraph 43.2 shall apply; and

- (b) if the Policy does not contain a guarantee, or if the Policy contains a guarantee and the value of the German Annuity Benefit is the same as would have been the case had the Policy not contained that guarantee, then paragraph ~~43.3~~43.3 shall apply.

**43.2** Where this paragraph 43.2 applies:

- (a) Subject to paragraph ~~43.2(e)~~43.2(c), SL Intl shall provide the German Annuity Benefit and allocate the same to a SL Intl Fund (other than the SL Intl GWPF) or procure its provision by another member of SL Intl's Group, and an amount equal to the cost of such German Annuity Benefit, as determined in accordance with paragraph ~~43.2(b)~~43.2(b) (for the purposes of this paragraph 43, the "**Annuity Benefit Cost**"), shall be debited from the SL Intl GWPF and credited to the relevant SL Intl Fund or paid to the relevant member of SL Intl's Group (as appropriate).
- (b) The Annuity Benefit Cost is to be determined by SL Intl's Board on the basis of:
  - (i) the most favourable annuity rates being offered to purchasers of annuities of a similar type and in the same country as the relevant German Annuity Benefit by members of SL Intl's Group and SL Intl Funds (other than the SL Intl GWPF) at the time at which such German Annuity Benefit is to be provided; or
  - (ii) if such rates are unavailable, such rates as are determined by SL Intl's Board.
- (c) If ~~SLAL's~~Phoenix's Board (having consulted with the "~~SLAL-WP~~relevant "Phoenix With-Profits Actuary" and the "~~SLAL~~Phoenix Chief Actuary", as those terms are defined in the ~~2006~~Phoenix Scheme) considers that the Annuity Benefit Cost for a German Annuity Benefit exceeds that which is reasonable, then ~~SLAL's~~Phoenix's Board may require that SL Intl shall provide such German Annuity Benefit (which shall in turn be reinsured to ~~SLAL~~Phoenix pursuant to the GWPF Reinsurance Agreement). In such circumstances, SL Intl's Board shall be informed as to how ~~SLAL's~~Phoenix's Board has reached its conclusion under this paragraph ~~43.2(e)~~43.2(c).
- (d) All costs and liabilities relating to the provision of the German Annuity Benefit will be reassured by, transferred to, or remain in, as the case may be, the SL Intl Fund or member of SL Intl's Group from which the German Annuity Benefit is to be provided. This paragraph ~~43.2(d)~~43.2(d) shall not prevent the liabilities in respect of any German Annuity Benefit from being reinsured with a third party, such reinsurance to be on terms acceptable to the SL Intl Head of Actuarial.

**43.3** Where this paragraph ~~43.3~~43.3 applies, SL Intl shall provide the German Annuity Benefit from within a SL Intl Fund (other than the SL Intl GWPF) at:

(a) the most favourable annuity rates being offered to purchasers of annuities of a similar type and in the same country as the relevant Annuity Benefit by members of SL Intl's Group and SL Intl Funds (other than the SL Intl GWPF) at the time at which such German Annuity Benefit is to be provided; or

(b) if such rates are unavailable, such rates as are determined by SL Intl's Board,

and, in each case, transfer the cash from the SL Intl GWPF to that SL Intl Fund.

#### **44 Unitised With Profits Policies (SL Intl GWPF)**

**44.1** This paragraph 44 applies to any Unitised With Profits Policy written in, allocated to, or reinsured by any SL Intl Fund (for the purposes of this paragraph only, the "**Primary Fund**") other than the SL Intl GWPF but only if the WP Investment Element is transferred or allocated to, or reinsured by, the SL Intl GWPF. Such transfer, allocation or reinsurance shall be subject to the limitations in paragraph 37.

**44.2** Any premium received by SL Intl on or after the Effective Time in respect of a Unitised With Profits Policy to which this paragraph 44 applies (for the purposes of this paragraph only, a "**UWP Primary Fund Policy**") shall be credited to the relevant Primary Fund and the WP Investment Element in respect thereof shall be debited from the relevant Primary Fund and credited to the SL Intl GWPF and applied in allocating WP Units in respect of such UWP Primary Fund Policy.

**44.3** Subject to paragraph ~~43.2(a)~~43.2(a), if any event occurs (other than an event pursuant to paragraph 43) which, under the terms of a UWP Primary Fund Policy, gives rise to the cancellation of WP Units attaching to such UWP Primary Fund Policy, an amount shall be debited from the SL Intl GWPF and credited to the relevant Primary Fund equal to the amount which the terms of the relevant UWP Primary Fund Policy provide shall be payable, or transferable, on cancellation of WP Units in such circumstances.

**44.4** Any transfer pursuant to paragraph 44.3 shall take account of any applicable final bonus or unit price adjustment (and other charges and deductions properly attributable to the SL Intl GWPF in accordance with the SL Intl GWPF Internal PPFM) required by the terms of the relevant Policy, but shall disregard any charges and deductions applicable under the terms of the Policy which are properly attributable to the relevant Primary Fund.

**44.5** From time to time there shall be debited from the SL Intl GWPF and credited to the relevant Primary Fund in accordance with the terms of the relevant UWP Primary Fund Policies all charges levied on asset shares (other than in respect of guarantees met by the SL Intl GWPF)

less investment management fees debited from the SL Intl GWPF pursuant to paragraph 38 in respect of such asset shares.

**44.6** The liability of the SL Intl GWPF in respect of the UWP Primary Fund Policies shall cease at the same time as the liability of the relevant Primary Fund ceases in respect of each such UWP Primary Fund Policy.

**44.7** In substitution of the arrangements described in this paragraph 44, SL Intl's Board may at any time effect such alternative arrangements between the SL Intl GWPF and the relevant Primary Fund as it determines is appropriate, provided that any such alternative arrangements (and any consequential transfers which are effected in order to implement such alternative arrangements) are compliant with Regulatory Requirements and the Irish Policyholder Principles.

## **45 Termination of the GWPF Reinsurance Agreement**

**45.1** In the event of the termination of the GWPF Reinsurance Agreement:

- (a) paragraph ~~42.2(a)~~ 42.2(a) of this Scheme shall be deleted and paragraph ~~43~~ 43 of this Scheme shall be replaced with the alternative version of paragraph ~~43~~ 43 set out in Schedule ~~8~~ 7 Part B;
- (b) provided that the SL Intl GWPF is not closed, merged or amalgamated with other SL Intl Funds pursuant to paragraphs ~~45.1(e)~~ 45.1(c) and ~~45.2(a)~~ 45.2(a), SL Intl's Board shall introduce capital support arrangements equivalent to those in force in respect of the ~~SLAL-GWPF~~ Phoenix German WP Fund at the time of the termination of the GWPF Reinsurance Agreement; and
- (c) SL Intl's Board shall take such steps as it regards as reasonable and appropriate in the circumstances to protect the rights and reasonable expectations of the holders of any Policies reinsured or allocated to the SL Intl GWPF.

**45.2** Without prejudice to the generality of paragraph ~~45.1(e)~~ 45.1(c), the steps taken by SL Intl's Board pursuant to paragraph ~~45.1(e)~~ 45.1(c) may include:

- (a) the closure, merger or amalgamation of the SL Intl GWPF with other SL Intl Funds; and/or
- (b) the conversion of the SL Intl GWPF into a non profit fund.

**45.3** In exercising any steps pursuant to paragraphs ~~45.1(b)~~ 45.1(b) and ~~45.1(e)~~ 45.1(c), SL Intl's Board shall:

- (a) comply with the principles set out in Part B of Schedule ~~5~~ 4;
- (b) consult with, and obtain the prior approval of, an independent actuary;

- (c) consult with, and obtain the prior approval of, the CBI (or, in the absence of such approval, obtain confirmation that the CBI does not object to such steps, or receive no objections from the CBI within a period of three months from the date of first notification);
- (d) comply with all Regulatory Requirements;
- (e) comply with the Irish Policyholder Principles; and
- (f) comply with the SL Intl GWPF Internal PPFM.

## **PART G – ADDITIONAL PROVISIONS RELATING TO THE SL INTL GSMWPF**

### **46 SL Intl GSMWPF Internal PPFM**

- 46.1** With effect from the Effective Time, the SL Intl GSMWPF shall be managed and operated in accordance with the SL Intl GSMWPF Internal PPFM and any other practices, procedures, policies, frameworks, agreements or similar arrangements put in place under, or in accordance with, the SL Intl GSMWPF Internal PPFM.
- 46.2** SL Intl shall maintain the SL Intl GSMWPF Internal PPFM unless SL Intl's Board, having taken appropriate actuarial advice, determines that some other materially equivalent form of protection is to be put in place, in which case the references in this Scheme to the SL Intl GSMWPF Internal PPFM shall be deemed to refer to that alternative form of protection.
- 46.3** The SL Intl GSMWPF Internal PPFM shall comply with the principles set out in Schedule [65](#) to this Scheme.

### **47 Writing of New SL Intl GSMWPF Business**

- 47.1** The only New SL Intl GSMWPF Business which may be allocated to the SL Intl GSMWPF after the Effective Time shall be the Investment Element of:
- (a) Residual Policies in accordance with Part D of this Scheme;
  - (b) New Policies issued as replacements for SL Intl GSMWPF Transferred Policies;
  - (c) increases to premiums or benefits in respect SL Intl GSMWPF Transferred Policies;
  - (d) Policies which would, had they been written at or prior to the Effective Time, have been administered as increments to SL Intl GSMWPF Transferred Policies;
  - (e) Policies issued on the exercise of options or rights under SL Intl GSMWPF Transferred Policies (other than non profit immediate annuities issued on the vesting of Policies, to which paragraph 52 applies); and
  - (f) Policies written in substitution of SL Intl GSMWPF Transferred Policies that are cancelled.

- 47.2** No Policies written after the Effective Time may be allocated to the SL Intl GSMWPF.

### **48 SL Intl GSMWPF costs**

- 48.1** There shall be debited from the SL Intl GSMWPF those investment management expenses which, in the reasonable opinion of SL Intl's Board (having regard to appropriate actuarial advice) have been incurred or will be incurred in the operation of the SL Intl GSMWPF.

## **49 Transactions in the SL Intl GSMWPF**

**49.1** After the Effective Time, SL Intl may enter into any Related Transaction provided that it is on terms which, in the opinion of SL Intl's Board (having taken appropriate actuarial advice), are unlikely to have a material adverse effect on the interests of the holders of SL Intl GSMWPF WP Policies.

**49.2** Without prejudice to the generality of paragraph 49.1, if a Related Transaction includes the making of a loan to a connected person using assets in the SL Intl GSMWPF, or the giving of a guarantee to, or for the benefit of, a connected person, where the guarantee will be backed using assets in the SL Intl GSMWPF, such Related Transaction may be effected if the loan or guarantee:

- (a) is on commercial terms;
- (b) is, in the reasonable opinion of SL Intl's Board, beneficial to the holders of SL Intl GSMWPF WP Policies; and
- (c) will not, in the reasonable opinion of SL Intl's Board, expose the holders of SL Intl GSMWPF WP Policies to undue credit or group risk.

**49.3** For the purposes of this paragraph 49, "**Related Transaction**" means a material transaction or arrangement entered into by SL Intl (on behalf of and to the account of the SL Intl GSMWPF):

- (a) with any other SL Intl Fund;
- (b) with any other person; or
- (c) which otherwise affects the property or liabilities of the SL Intl GSMWPF.

**49.4** This paragraph 49 shall not in any way restrict or prohibit SL Intl from entering into any transaction or arrangement which is required to be entered into, or which is expressly contemplated by, this Scheme.

## **50 Tax (SL Intl GSMWPF)**

**50.1** In respect of any period commencing on or after the Effective Time, there shall be debited from or credited to (as appropriate) the SL Intl GSMWPF an amount in respect of Tax calculated on the basis of the following assumptions:

- (a) The SL Intl GSMWPF constitutes the whole of the long term fund of a mutual life assurance company (for the purposes of this paragraph 50, the "**GSMWPF Notional Life Company**") carrying on business in the Republic of Ireland and elsewhere with no business other than the business carried on in the SL Intl GSMWPF.

- (b) All Tax allowances, reliefs and rights to repayment that would reasonably be expected to be claimed or received by the GSMWPF Notional Life Company are successfully claimed and received.
  - (c) The GSMWPF Notional Life Company has the benefit of all reliefs and other credits in respect of Tax available for carry forward in relation to the Transferred Business from periods commencing before the Effective Time, other than in respect of reliefs and other credits not transferred to SL Intl under applicable legislation in each of the jurisdictions in which SLAL operated immediately before the Effective Time.
- 50.2** The amounts calculated pursuant to paragraph 50.1 shall be calculated by SL Intl's Board (having taken such advice as it deems appropriate) on the basis of Tax law and practice prevailing in respect of the period of calculation.
- 50.3** The amounts debited from, or credited to, the SL Intl GSMWPF pursuant to paragraph 50.1 shall be debited, or credited, on the latest due date on which they would have been paid or received by the GSMWPF Notional Life Company. If, and to the extent, that they are not actually debited or credited on such date, the amounts debited or credited shall be adjusted to reflect the delay between the time when they were due and the time when they are actually made.
- 50.4** If, and to the extent, that any amount debited from, or credited to, the SL Intl GSMWPF pursuant to paragraph 50.1 is subsequently shown to have been incorrect, an appropriate credit to, or debit from, the SL Intl GSMWPF in respect of such amount shall be made. Any amount credited or debited under this paragraph 50.4 shall be adjusted to reflect the delay between the time when the adjusting credit or debit is made and the time when the original credit or debit was made, or the time when the last correcting credit or debit in respect of the same period was made, whichever is the later.
- 50.5** If there is a material change in the basis on which life assurance companies are subject to Tax in the Republic of Ireland or elsewhere, paragraph 50.1 shall be amended to the extent that SL Intl's Board (having taken such advice as it deems appropriate) considers necessary or desirable to ensure that the effect of paragraph 50.1 is that the SL Intl GSMWPF will be debited or credited in respect of any liability to Tax with the amount with which it would have been debited or credited had it been a separate mutual life assurance company carrying on business under the changed basis of Tax.
- 50.6** The allocation of credits and debits in respect of Tax to the SL Intl GSMWPF under this Scheme, including pursuant to paragraph 50.1, shall be made on a fair and arm's length basis and, notwithstanding the terms of any assessment, agreement or settlement submitted to, or made with, any Tax authority by any member of SL Intl's Group, no amounts in respect of Tax shall be debited from, or credited to, the SL Intl GSMWPF in excess of the amounts which would have been so debited or credited on a fair and arm's length basis.

**50.7** No amounts in respect of Tax shall be debited from the SL Intl GSMWPF if, and to the extent, that such amounts represent penalties which have arisen because of any act or omission occurring after the Effective Time.

## **51 Miscellaneous provisions (SL Intl GSMWPF)**

**51.1** None of the provisions of this Part G shall prevent the exchange of property between the SL Intl GSMWPF and other SL Intl Funds at fair market value. In such circumstances, any liabilities attributable to the property which is being exchanged shall also be transferred.

**51.2** From the Effective Time:

- (a) until the termination of the GSMWPF Reinsurance Agreement, all provisions in SL Intl GSMWPF Transferred Policies addressing with profit investments, returns and benefits shall refer to the ~~SLAL GSMWPF~~ [Phoenix German SM WP Fund](#); and
- (b) following the termination of the GSMWPF Reinsurance Agreement, all provisions in SL Intl GSMWPF Transferred Policies addressing with profit investments, returns and benefits shall refer to the SL Intl GSMWPF.

## **52 Annuity benefits (SL Intl GSMWPF)**

**52.1** If a German Annuity Benefit is to be provided on the vesting of a Policy where the WP Investment Element is allocated to the SL Intl GSMWPF, then:

- (a) if the Policy contains a guarantee and the value of the German Annuity Benefit is higher than would have been the case had the Policy not contained that guarantee, then paragraph 52.2 shall apply; and
- (b) if the Policy does not contain a guarantee, or if the Policy contains a guarantee and the value of the German Annuity Benefit is the same as would have been the case had the Policy not contained that guarantee, then paragraph 52.3 shall apply.

**52.2** Where this paragraph 52.2 applies:

- (a) Subject to paragraph ~~52.2(c)~~ [52.2\(c\)](#), SL Intl shall provide the German Annuity Benefit:
  - (i) from the SL Intl Euro PBF; or
  - (ii) by allocating the same to another SL Intl Fund (other than the SL Intl Euro PBF or the SL Intl GSMWPF) or procuring its provision by another member of SL Intl's Group, and an amount equal to the cost of such German Annuity Benefit, as determined in accordance with paragraph ~~52.2(b)~~ [52.20](#) (for the purposes of this paragraph 52, the "**Annuity Benefit Cost**"), shall be debited from the SL Intl Euro PBF and credited to the relevant SL Intl Fund or paid to the relevant member of SL Intl's Group (as appropriate).

- (b) The Annuity Benefit Cost is to be determined by SL Intl's Board on the basis of:
  - (i) the most favourable annuity rates being offered to purchasers of annuities of a similar type and in the same country as the relevant German Annuity Benefit by members of SL Intl's Group and SL Intl Funds (other than the SL Intl GSMWPF) at the time at which such German Annuity Benefit is to be provided; or
  - (ii) if such rates are unavailable, such rates as are determined by SL Intl's Board.
- (c) If ~~SLAL's~~Phoenix's Board (having consulted with the ~~"SLAL-WP~~relevant "Phoenix With-Profits Actuary" and the ~~"SLAL~~Phoenix Chief Actuary", as those terms are defined in the ~~2006~~Phoenix Scheme) considers that the Annuity Benefit Cost exceeds that which is reasonable, then ~~SLAL's~~Phoenix's Board may require that SL Intl shall provide such German Annuity Benefit and allocate the same to the SL Intl Euro PBF (which shall in turn be reinsured to the ~~SLAL-PBF~~Phoenix Non-Profit Fund pursuant to the GSMWPF Reinsurance Agreement). In such circumstances, SL Intl's Board shall be informed as to how ~~SLAL's~~Phoenix's Board has reached its conclusion under this paragraph ~~52.2(e)~~52.2(c).
- (d) All costs and liabilities relating to the provision of the German Annuity Benefit will be reassured by, transferred to, or remain in, as the case may be, the SL Intl Fund or member of SL Intl's Group from which the German Annuity Benefit is to be provided. This paragraph ~~43.2(d)~~43.2(d) shall not prevent the liabilities in respect of any German Annuity Benefit from being reinsured with a third party, such reinsurance to be on terms acceptable to the SL Intl Head of Actuarial.

**52.3** Where this paragraph 52.3 applies, SL Intl shall provide the German Annuity Benefit from within a SL Intl Fund (other than the SL Intl GSMWPF) at:

- (a) the most favourable annuity rates being offered to purchasers of annuities of a similar type and in the same country as the relevant German Annuity Benefit by members of SL Intl's Group and SL Intl Funds (other than the SL Intl GSMWPF) at the time at which such German Annuity Benefit is to be provided; or
- (b) if such rates are unavailable, such rates as are determined by SL Intl's Board.

### **53 Unitised With Profits Policies (SL Intl GSMWPF)**

**53.1** This paragraph 53 applies to any Unitised With Profits Policy written in, allocated to, or reinsured by any SL Intl Fund (for the purposes of this paragraph only, the "**Primary Fund**") other than the SL Intl GSMWPF but only if the WP Investment Element is transferred or allocated to, or reinsured by, the SL Intl GSMWPF. Such transfer, allocation or reinsurance shall be subject to the limitations in paragraph 47.

- 53.2** Any premium received by SL Intl on or after the Effective Time in respect of a Unitised With Profits Policy to which this paragraph 53 applies (for the purposes of this paragraph only, a “**UWP Primary Fund Policy**”) shall be credited to the relevant Primary Fund and the WP Investment Element in respect thereof shall be debited from the relevant Primary Fund and credited to the SL Intl GSMWPF and applied in allocating WP Units in respect of such UWP Primary Fund Policy.
- 53.3** If any event occurs which, under the terms of a UWP Primary Fund Policy, gives rise to the cancellation of WP Units attaching to such UWP Primary Fund Policy, an amount shall be debited from the SL Intl GSMWPF and credited to the relevant Primary Fund equal to the amount which the terms of the relevant UWP Primary Fund Policy provide shall be payable, or transferable, on cancellation of WP Units in such circumstances.
- 53.4** Any transfer pursuant to paragraph 53.3 shall take account of any applicable final bonus or unit price adjustment (and other charges and deductions properly attributable to the SL Intl GSMWPF in accordance with the SL Intl GSMWPF Internal PPFM) required by the terms of the relevant Policy, but shall disregard any charges and deductions applicable under the terms of the Policy which are properly attributable to the relevant Primary Fund.
- 53.5** From time to time there shall be debited from the SL Intl GSMWPF and credited to the relevant Primary Fund in accordance with the terms of the relevant UWP Primary Fund Policies all charges levied on asset shares (other than in respect of guarantees met by the SL Intl GSMWPF) less investment management fees debited from the SL Intl GSMWPF pursuant to paragraph 48 in respect of such asset shares.
- 53.6** The liability of the SL Intl GSMWPF in respect of the UWP Primary Fund Policies shall cease at the same time as the liability of the relevant Primary Fund ceases in respect of each such UWP Primary Fund Policy.
- 53.7** In substitution of the arrangements described in this paragraph 53, SL Intl’s Board may at any time effect such alternative arrangements between the SL Intl GSMWPF and the relevant Primary Fund as it determines is appropriate, provided that any such alternative arrangements (and any consequential transfers which are effected in order to implement such alternative arrangements) are compliant with Regulatory Requirements and the Irish Policyholder Principles.

## **54 Termination of the GSMWPF Reinsurance Agreement**

**54.1** In the event of the termination of the GSMWPF Reinsurance Agreement:

- (a) paragraph ~~51.2(a)~~ 51.2(a) of this Scheme shall be deleted and paragraph ~~52~~52 of this Scheme shall be replaced with the alternative version of paragraph ~~52~~52 set out in Schedule ~~8~~7 Part C; and

- (b) SL Intl's Board shall take such steps as it regards as reasonable and appropriate in the circumstances to protect the rights and reasonable expectations of the holders of any Policies reinsured or allocated to the SL Intl GSMWPF.

**54.2** Without prejudice to the generality of paragraph ~~54.1(b)~~54.1(b), the steps taken by SL Intl's Board pursuant to paragraph ~~54.1(b)~~54.1(b) may include:

- (a) the closure, merger or amalgamation of the SL Intl GSMWPF with other SL Intl Funds;
- (b) the conversion of the SL Intl GSMWPF into a non profit fund; and/or
- (c) the introduction of capital support arrangements (if applicable).

**54.3** In exercising any steps pursuant to paragraphs ~~54.1(a)~~54.1(a) and ~~54.1(b)~~54.1(b), SL Intl's Board shall:

- (a) comply with the principles set out in Part C of Schedule 54;
- (b) consult with, and obtain the prior approval of, an independent actuary;
- (c) consult with, and obtain the prior approval of, the CBI (or, in the absence of such approval, obtain confirmation that the CBI does not object to such steps, or receive no objections from the CBI within a period of three months from the date of first notification);
- (d) comply with all Regulatory Requirements;
- (e) comply with the Irish Policyholder Principles; and
- (f) comply with the SL Intl GSMWPF Internal PPFM.

## **PART H – GENERAL PROVISIONS**

### **55 Effective Time**

**55.1** Subject to paragraph 55.2, this Scheme shall become effective at 22:59 GMT on 29 March 2019 or such other time and date as the SLAL Board and the SL Intl Board may agree in writing and to which the Court and the FCA and the PRA may agree, such other effective time and date to be no later than three months following 22:59 GMT on 29 March 2019.

**55.2** This Scheme may not become effective unless and until:

- (a) any condition, modification or addition to this Scheme imposed by the Court (or recommended by the Court with a view to it being imposed) has been consented to by SLAL and SL Intl; and
- (b) the Order has been made.

### **56 Effect of transfer**

**56.1** The transfer and vesting of an asset or liability relating to any part of the Transferred Business shall not:

- (a) invalidate or discharge any Contract, security or other thing;
- (b) require further registration in respect of any security or charge;
- (c) constitute a breach of, or default under, or require any obligation to be performed sooner or later than would otherwise be the case under any instrument or Contract or arrangement to which SLAL is bound;
- (d) entitle any party to or beneficiary under a Policy, Contract or arrangement to which SLAL is a party to vary, amend, disclaim, repudiate or terminate such Policy, Contract or arrangement when, in the absence of this transfer, that party would not otherwise be entitled to vary, amend, disclaim, repudiate or terminate it;
- (e) save as provided elsewhere in this Scheme, confer any greater or lesser rights or benefits, or impose any greater or lesser obligations, under a Contract on any party to such Contract to which SLAL is a party where such greater or lesser rights, benefits or obligations would not otherwise have been conferred or imposed; or
- (f) affect the enforceability, priority or ranking of any Encumbrance.

## **57 Capital Events**

**57.1** If SL Intl is at any time, in the reasonable opinion of SL Intl's Board (having taken appropriate actuarial advice), unduly exposed to a risk that SL Intl will be unable to meet its Solvency Capital Requirement, or its capital needs (as determined in accordance with Regulatory Requirements to be adequate, both as to amount and quality, to ensure that there is no significant risk that its liabilities cannot be met as they fall due) (a "**Capital Event**"), SL Intl shall carry on its business in a manner which:

- (a) ensures that, in the reasonable opinion of SL Intl's Board (having taken appropriate actuarial advice) it does not unduly expose SL Intl to a risk that SL Intl will be unable to meet its Solvency Capital Requirement, or its capital needs (as determined in accordance with Regulatory Requirements to be adequate, both as to amount and quality, to ensure that there is no significant risk that its liabilities cannot be met as they fall due); and
- (b) subject to satisfying paragraph ~~57.1(a)~~[57.1\(a\)](#), enables SL Intl to conduct the business of:
  - (i) the SL Intl HWPF in accordance with the SL Intl HWPF Internal PPFM;
  - (ii) the SL Intl GWPF in accordance with the SL Intl GWPF Internal PPFM; and
  - (iii) the SL Intl GSMWPF in accordance with the SL Intl GSMWPF Internal PPFM.

**57.2** SL Intl shall, to the extent reasonably practicable, carry on its business so that there is no significant foreseeable risk that a Capital Event arises.

**57.3** SL Intl shall notify the CBI as soon as reasonably practicable after it has determined that a Capital Event has occurred or is reasonably likely to occur.

## **58 SL Intl WP Actuary and SL Intl WP Committee**

**58.1** At and from the earliest of:

- (a) the termination of the HWPF Reinsurance Agreement;
- (b) the termination of the GWPF Reinsurance Agreement; and
- (c) the termination of the GSMWPF Reinsurance Agreement,

SL Intl shall appoint and maintain a "**SL Intl WP Actuary**" with the roles and responsibilities described in Part B of Schedule ~~98~~[98](#) to this Scheme.

**58.2** At and from the earliest of:

- (a) the termination of the HWPF Reinsurance Agreement;
- (b) the termination of the GWPF Reinsurance Agreement; and
- (c) the termination of the GSMWPF Reinsurance Agreement,

SL Intl shall appoint and maintain a “**SL Intl WP Committee**” with the roles and responsibilities described in Part A of Schedule [98](#) to this Scheme.

**58.3** The SL Intl WP Actuary and the SL Intl WP Committee shall exercise powers and oversight in relation to:

- (a) from the termination of the HWPF Reinsurance Agreement, the SL Intl HWPF;
- (b) from the termination of the GWPF Reinsurance Agreement, the SL Intl GWPF;
- (c) from the termination of the GSMWPF Reinsurance Agreement, the SL Intl GSMWPF; and
- (d) any other with profits SL Intl Fund maintained by SL Intl from time to time.

## **59 Provision of information**

**59.1** From the Effective Time:

- (a) SL Intl shall promptly make available (or procure to be made available) to SLAL such information and records as SLAL reasonably requires in order to comply with its obligations, or to exercise any rights, powers or discretions, under the ~~2006 Scheme,~~ [the 2014 Phoenix](#) Scheme and this Scheme; and
- (b) SLAL shall promptly make available (or procure to be made available) to SL Intl such information and records as SL Intl reasonably requires in order to comply with its obligations, or to exercise any rights, powers or discretions, under this Scheme.

## **60 Policy Income and Policy Outgoings**

**60.1** SL Intl may credit all premium receipts (or a proportion thereof), together with all other income, consideration or proceeds attributable to a Transferred Policy (together, “**Policy Income**”) to a bank account within any SL Intl Fund and account for such Policy Income on this basis. Where Policy Income (or a proportion thereof) is accounted for in a different SL Intl Fund from that to which the relevant Transferred Policy is allocated or written in, SL Intl shall, subject to paragraph 28.1:

- (a) calculate the amount of the Policy Income which is properly attributable to each SL Intl Fund and adjust its accounting records accordingly; and

- (b) if there is a delay between the receipt of the Policy Income and conducting the calculation and adjustments referred to in paragraph ~~60.1(a)~~[60.1\(a\)](#), make an appropriate adjustment in respect of the interest accrued on the relevant Policy Income, such adjustment to be made on a fair and reasonable basis and in accordance with appropriate actuarial advice.

**60.2** SL Intl may debit or charge all amounts (including in respect of any commission and claims) payable in respect of any Transferred Policy (together, “**Policy Outgoings**”) from a bank account within any SL Intl Fund and account for such Policy Outgoings on this basis. Where Policy Outgoings (or a proportion thereof) are accounted for in a different SL Intl Fund from that which the relevant Transferred Policy is allocated to or written in, SL Intl shall, subject to paragraph 28.2:

- (a) calculate the amount of the Policy Outgoings which is properly attributable to each SL Intl Fund and adjust its accounting records accordingly; and
- (b) if there is a delay between the payment of such Policy Outgoings and conducting the calculation and adjustments referred to in paragraph ~~60.2(a)~~[60.2\(a\)](#), make an appropriate adjustment in respect of interest, such adjustment to be made on a fair and reasonable basis and in accordance with appropriate actuarial advice.

**60.3** If there is, for any reason, any doubt as to the proper attribution of any Policy Income or Policy Outgoings to any SL Intl Fund, SL Intl’s Board shall (having taken appropriate actuarial advice) determine a fair and equitable attribution of the relevant Policy Income or Policy Outgoings (as the case may be) between the SL Intl Funds.

**60.4** If there is, for any reason, any delay (for which provision is not expressly made in this Scheme) in the allocation of any receipt, payment or other item to or from any SL Intl Fund in accordance with this Scheme, SL Intl’s Board may (having taken appropriate actuarial advice) make such adjustments between the SL Intl Funds as it considers appropriate in accordance with the principles underlying this Scheme to take account of such delay.

**60.5** In allocating property between SL Intl Funds, SL Intl’s Board may allocate any such property to more than one SL Intl Fund provided that, in such circumstances, the proportion of the value of each asset attributable to each such SL Intl Fund is calculated and accounted for on this basis.

## **61 Netting of transfers or re-allocations**

**61.1** Where pursuant to ~~the~~[this](#) Scheme a transfer or re-allocation of assets is due from one SL Intl Fund to another, SL Intl may set off such transfer or re-allocation against any transfer or re-allocation of assets due from the latter to the former.

## **62 Costs and expenses**

**62.1** Except as may otherwise be agreed in writing:

- (a) SLAL shall bear its own costs and expenses in relation to the preparation and carrying into effect of this Scheme; and
- (b) SL Intl shall bear its own costs and expenses in relation to the preparation and carrying into effect of this Scheme.

### **63 Variations**

**63.1** Prior to the grant of the Order, SLAL and SL Intl together may consent for and on behalf of the persons bound by this Scheme, and all other persons concerned, to any variation of this Scheme.

**63.2** Subject to paragraph ~~63.3~~[63.3](#), any variation of this Scheme must:

- (a) be approved by the Court;
- (b) be notified, with SLAL and SL Intl providing such notice at a time that they determine (acting reasonably and in good faith) is sufficiently in advance of any hearing of the Court at which such application is considered (if applicable), to the CBI, who shall have the right to attend and be heard at such hearing of the Court (if applicable);
- (c) be notified, with SLAL and SL Intl providing such notice at a time that they determine (acting reasonably and in good faith) is sufficiently in advance of any hearing of the Court at which such application is considered (if applicable), to the FCA and PRA, who shall have the right to attend and be heard at such hearing of the Court (if applicable), provided that if either of the FCA or the PRA provides notice to SLAL and SL Intl in writing that it shall no longer require such right, SLAL and SL Intl shall no longer be obliged to comply with such obligation in respect of the FCA and/or the PRA, as applicable; and
- (d) be accompanied by a certificate from an independent expert (such independent expert to be selected and appointed by the Board of SL Intl with the approval of the CBI) to the effect that, in his or her opinion, the proposed variation will not materially and adversely affect the interests (including the security or reasonable expectations) of the holders of Transferred Policies or other policyholders of SLAL or SL Intl.

**63.3** Notwithstanding paragraph 63.2, SL Intl may vary this Scheme without Court approval if:

- (a) the variation is of a minor nature;
- (b) the variation is necessary to correct a manifest error;
- (c) the variation is necessary to ensure that the provisions of this Scheme operate in the intended manner in circumstances where the provision to which the proposed variation applies will, or is likely to, be materially affected by variation or proposed variation to any Regulatory Requirement with which SL Intl is obliged to comply;
- (d) the variation is necessary to protect the rights and reasonable expectations of the holders of Transferred Policies; or
- (e) specific provision for such variation is made elsewhere in this Scheme (provided that such specific provision is fully complied with),

provided that:

- (i) each of the CBI, the FCA and the PRA has been notified in writing of the same and has not objected thereto within a period of three (3) months commencing from the date of the relevant notification, save where either of the FCA or the PRA provides notice to SLAL and SL Intl in writing that it shall no longer require such right, in which case SLAL and SL Intl shall no longer be obliged to comply with such obligation in respect of the FCA and/or the PRA, as applicable;
- (ii) SL Intl has taken appropriate actuarial advice; and
- (iii) in the case of the variations listed in (c) to (e) inclusive, where such variation involves the exercise of discretion or judgment by the Board of SL Intl, SL Intl takes the advice of an independent expert, as appropriate.

~~63.4 With effect from the Effective Time:~~

~~(a) the 2006 Scheme shall be subject to the variations and additions set out in the form of marked-up excerpts of the 2006 Scheme in Part A of Schedule 4 to this Scheme;~~

~~(b) the 2011 Scheme shall be subject to the variations and additions set out in the form of marked-up excerpts of the 2011 Scheme in Part B of Schedule 4 to this Scheme; and~~

~~(c) the Property-Linked Floating Charge (as defined in the 2011 Scheme) shall be amended and restated in the form set out (in the form of marked-up excerpts of the 2011 Scheme) in Part B of Schedule 4 to this Scheme, and thereafter every~~

~~person's rights, powers, benefits, obligations and liabilities thereunder or with respect thereto shall be determined solely by reference to the relevant provisions of the Property-Linked Floating Charge as so amended and restated. SLAL shall take all such steps and do all such things (including the filing, execution and delivery of any document) in each case which may be necessary or desirable to effect or perfect such amended and restated Property-Linked Floating Charge.~~

## **64 Evidence of transfer**

**64.1** The production of a copy of the Order with any modification, addition or condition which may be approved or imposed in accordance with paragraph 63 or otherwise in accordance with this Scheme, and a copy of a certificate by a director of SL Intl that ~~the~~this Scheme has taken effect shall for all purposes be evidence of the transfer to, and vesting in, SL Intl:

- (a) at and with effect from the Effective Time, of the Day One Business; and
- (b) on and with effect from each Subsequent Transfer Date, of the relevant Residual Business.

## **65 Third party rights**

**65.1** Subject to paragraph ~~65.2~~65.2, 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, the Contract (Third Party Rights) (Scotland) Act 2017, or otherwise.

**65.2** A Transferred Policyholder may enforce the terms of this Scheme but only to the extent that the Transferred Policyholder shall be bound by its terms.

**65.3** The right of a Transferred Policyholder under paragraph ~~65.2~~65.2 shall not in any way or at any time prevent SLAL or SL Intl from varying the provisions of this Scheme.

## **66 Ancillary documents**

**66.1** At the Effective Time:

- (a) the Irish Local Business Transfer Agreement between SLAL and SL Intl dated on or before the Effective Time shall take effect;
- (b) the German Local Business Transfer Agreement between SLAL and SL Intl dated on or before the Effective Time shall take effect;
- (c) the Austrian Local Business Transfer Agreement between SLAL and SL Intl dated on or before the Effective Time shall take effect;
- (d) the HWPF Reinsurance Agreement between SLAL and SL Intl dated on or before the Effective Time shall take effect;

- (e) the GWPF Reinsurance Agreement between SLAL and SL Intl dated on or before the Effective Time shall take effect;
- (f) the GSMWPF Reinsurance Agreement between SLAL and SL Intl dated on or before the Effective Time shall take effect;
- (g) the Property-Linked Funds Retrocession Agreement between SLAL and SL Intl dated on or before the Effective Time shall take effect;
- (h) the Deed of Fixed Charge between SLAL and SL Intl dated on or before the Effective Time shall take effect;
- (i) the Deed of Floating Charge between SLAL and SL Intl dated on or before the Effective Time shall take effect;
- (j) the Security Transfer Agreement between SLAL and SL Intl dated on or before the Effective Time shall take effect;
- (k) the HWPF Deed Poll granted by SL Intl dated on or before the Effective Time shall take effect;
- (l) the GWPF Deed Poll granted by SL Intl dated on or before the Effective Time shall take effect; and
- (m) the GSMWPF Deed Poll granted by SL Intl dated on or before the Effective Time shall take effect.

## **67 Successors and assignees**

**67.1** This Scheme will bind and ~~endure~~enure to the benefit of the successors and assignees of each of SLAL and SL Intl.

## **68 Governing law**

**68.1** This Scheme is governed by and shall be construed in accordance with Scots law.

Dated this        day of        .

~~Schedule 1~~ Schedule 1  
List of Transferred Policy products

**PART A: Republic of Ireland**

<b>PRODUCT NAME</b>	<b>PRODUCT TYPE</b>	<b>COUNTRY</b>	<b>PRODUCT CODE</b>
<b>Endowment Assurance</b>	Conventional life	Ireland	EA(P)
<b>Business Man's Policy</b>	Conventional life	Ireland	BM'S
<b>Whole of Life</b>	Conventional life	Ireland	WL
<b>Endowment Assurance</b>	Conventional life	Ireland	EA
<b>Whole of Life</b>	Conventional life	Ireland	WLLP
<b>Early Maturity Endowment</b>	Conventional life	Ireland	EMP
<b>Early Maturity Endowment</b>	Conventional life	Ireland	JEMP
<b>Establishment</b>	Conventional life	Ireland	EST
<b>Early Maturity Endowment</b>	Conventional life	Ireland	EMO
<b>Endowment Assurance</b>	Conventional life	Ireland	JLEA
<b>Endowment Assurance</b>	Conventional life	Ireland	EALP
<b>Whole of Life</b>	Conventional life	Ireland	WL(LP)
<b>Whole of Life</b>	Conventional life	Ireland	JLWL
<b>Pure Endowment PPP</b>	Conventional pensions	Ireland	PPLP
<b>Pure Endowment PPP</b>	Conventional pensions	Ireland	SPALP
<b>Pure Endowment PPP</b>	Conventional pensions	Ireland	PP(P)
<b>Pure Endowment PPP</b>	Conventional pensions	Ireland	PPSP
<b>Synergy BOB</b>	Executive pension	Ireland	EBOB
<b>Synergy EPP</b>	Executive pension	Ireland	EEPP
<b>Tower</b>	Executive pension	Ireland	EPLB
<b>Tower</b>	Executive pension	Ireland	EPLA
<b>Corporate Pension - Non premium paying</b>	Executive pension	Ireland	SPA

<b>PRODUCT NAME</b>	<b>PRODUCT TYPE</b>	<b>COUNTRY</b>	<b>PRODUCT CODE</b>
<b>CPS Pension Plan</b>	Executive pension	Ireland	CPP
<b>EPPlus</b>	Executive pension	Ireland	EPP
<b>CPS BOB</b>	Executive pension	Ireland	BOB
<b>CPS - AVC</b>	Executive pension	Ireland	AVC
<b>Synergy Investment Bond (LPAS)</b>	Life bond	Ireland	EIB
<b>Synergy Portfolio Bond (LPAS)</b>	Life bond	Ireland	PEIB
<b>WPBond</b>	Life bond	Ireland	BWP
<b>Synergy Investment Bond (Cirvie)</b>	Life bond	Ireland	SIB
<b>MoneyWorks Bond Net</b>	Life bond	Ireland	MPC
<b>MoneyWorks Bond Gross</b>	Life bond	Ireland	MWB
<b>Prosperity Bond Gross</b>	Life bond	Ireland	PRB
<b>Prosperity Bond Net</b>	Life bond	Ireland	FIB
<b>Synergy Portfolio Bond (Cirvie)</b>	Life bond	Ireland	SPB
<b>Global Secure Bond</b>	Life bond	Ireland	GSB
<b>Synergy Regular Invest</b>	Life regular premium	Ireland	RSP
<b>SSIA</b>	Life regular premium	Ireland	SSI
<b>MoneyWorks Plan Net</b>	Life regular premium	Ireland	CIP
<b>MoneyWorks Plan Gross</b>	Life regular premium	Ireland	MWP
<b>Synergy PPP</b>	Personal pension	Ireland	EPPP
<b>Synergy PRSA</b>	Personal pension	Ireland	PRSA
<b>Synergy PRSA</b>	Personal pension	Ireland	APRSA
<b>Mainframe PPP</b>	Personal pension	Ireland	PPL
<b>Mainframe PPP</b>	Personal pension	Ireland	PPLS
<b>Cirvie PPPlan</b>	Personal pension	Ireland	PPP
<b>Mainframe PPP</b>	Personal pension	Ireland	PL(P)

<b>PRODUCT NAME</b>	<b>PRODUCT TYPE</b>	<b>COUNTRY</b>	<b>PRODUCT CODE</b>
<b>Cirvie PPPlan</b>	Personal pension	Ireland	PPP
<b>PRSA (Full)</b>	Personal pension	Ireland	PRF
<b>Cirvie PPPlan</b>	Personal pension	Ireland	PPPI
<b>PRSA (nil)</b>	Personal pension	Ireland	PRN
<b>PRSA (Partial)</b>	Personal pension	Ireland	PRS
<b>Synergy ARF (LPAS)</b>	Post retirement drawdown	Ireland	NARF
<b>Synergy AMRF (LPAS)</b>	Post retirement drawdown	Ireland	NAMRF
<b>Synergy Portfolio ARF (LPAS)</b>	Post retirement drawdown	Ireland	PARF
<b>Synergy Portfolio AMRF (LPAS)</b>	Post retirement drawdown	Ireland	PAMRF
<b>Non-Synergy ARF</b>	Post retirement drawdown	Ireland	ARF
<b>Synergy ARF (Cirvie)</b>	Post retirement drawdown	Ireland	AR2
<b>Non-Synergy AMRF</b>	Post retirement drawdown	Ireland	AMF
<b>Synergy AMRF (Cirvie)</b>	Post retirement drawdown	Ireland	AM2
<b>Synergy Portfolio ARF (Cirvie)</b>	Post retirement drawdown	Ireland	SPA
<b>Synergy Portfolio AMRF (Cirvie)</b>	Post retirement drawdown	Ireland	SPM
<b>Level Term Ass</b>	Protection	Ireland	LTAS
<b>Level Term Ass</b>	Protection	Ireland	LTAJ
<b>Level Term Ass</b>	Protection	Ireland	LTA
<b>Critical Illness</b>	Protection	Ireland	LCI

<b>PRODUCT NAME</b>	<b>PRODUCT TYPE</b>	<b>COUNTRY</b>	<b>PRODUCT CODE</b>
<b>Family Income Protection Plan</b>	Protection	Ireland	FIB
<b>Convertible Term Assce.</b>	Protection	Ireland	CTA
<b>Critical Illness</b>	Protection	Ireland	LCIJ
<b>Family Income Benefit</b>	Protection	Ireland	FIBJ
<b>Capital Savings Plan</b>	Unit-linked life	Ireland	CSS
<b>Capital Investment Bond</b>	Unit-linked life	Ireland	CIB
<b>Capital Savings Plan</b>	Unit-linked life	Ireland	CSSP
<b>Mortgage Protection Plan</b>	Unit-linked life	Ireland	MPPJ
<b>Variable Protection Plan</b>	Unit-linked life	Ireland	JV(P)
<b>Mortgage Protection Plan</b>	Unit-linked life	Ireland	MPP
<b>Irish Universal Life</b>	Unit-linked life	Ireland	ULS
<b>Flexible Life Plan</b>	Unit-linked life	Ireland	FLJ
<b>Capital Savings Plan</b>	Unit-linked life	Ireland	CSJ
<b>Irish Universal Life</b>	Unit-linked life	Ireland	ULJ
<b>Capital Savings Plan</b>	Unit-linked life	Ireland	CSL
<b>Flexible Life Plan</b>	Unit-linked life	Ireland	FLSP
<b>Variable Protection Plan</b>	Unit-linked life	Ireland	VPLS
<b>Capital Investment Bond</b>	Unit-linked life	Ireland	PIB
<b>Mortgage Protection Plan</b>	Unit-linked life	Ireland	MPPA
<b>Variable Investment Bond</b>	Unit-linked life	Ireland	VBEA
<b>Capital Savings Plan</b>	Unit-linked life	Ireland	CSJP
<b>Capital Savings Plan</b>	Unit-linked life	Ireland	CSLP
<b>Mortgage Plan</b>	Unit-linked life	Ireland	MPJ
<b>Flexible Life Plan</b>	Unit-linked life	Ireland	FLJP
<b>Variable Investment Bond</b>	Unit-linked life	Ireland	VBJL
<b>Irish Universal Life</b>	Unit-linked life	Ireland	ULL

<b>PRODUCT NAME</b>	<b>PRODUCT TYPE</b>	<b>COUNTRY</b>	<b>PRODUCT CODE</b>
<b>Flexible Life Plan</b>	Unit-linked life	Ireland	FLL
<b>Irish Universal Life</b>	Unit-linked life	Ireland	ULSP
<b>Flexible Life Plan</b>	Unit-linked life	Ireland	FLS
<b>Mortgage Plan</b>	Unit-linked life	Ireland	MPS
<b>Variable Protection Plan</b>	Unit-linked life	Ireland	VP(P)
<b>Mortgage Plan</b>	Unit-linked life	Ireland	MPSP
<b>Mortgage Plan</b>	Unit-linked life	Ireland	MPJP
<b>Variable Investment Bond</b>	Unit-linked life	Ireland	VI(P)
<b>Irish Universal Life</b>	Unit-linked life	Ireland	ULJP
<b>Variable Protection Plan</b>	Unit-linked life	Ireland	VPPW
<b>Variable Investment Bond</b>	Unit-linked life	Ireland	JI(P)
<b>Variable Protection Plan</b>	Unit-linked life	Ireland	VPJL
<b>Trustee Investment Plan</b>	Unit-linked pension	Ireland	ITIP
<b>Flexible Life Plan</b>	Unit-linked life	Ireland	FLLP
<b>Permanent Health Insurance (PHI)</b>	Protection	Ireland	PHI
<b>Purchased Life Annuity</b>	Annuity	Ireland	PLA
<b>Compulsory Purchase Annuity</b>	Annuity	Ireland	CPA
<b>Compulsory Purchase Annuity</b>	Annuity	Ireland	CPA
<b>With Profit Annuity</b>	Annuity	Ireland	WPA
<b>Deferred Annuity WP</b>	Annuity	Ireland	APW
<b>Deferred Annuity NP</b>	Annuity	Ireland	APN

**PART B: Germany and Austria**

<b>PRODUCT NAME</b>	<b>PRODUCT TYPE</b>	<b>COUNTRY</b>	<b>PRODUCT ID</b>
<b>Airbag III</b>	Non-UL	Germany	13
<b>Airbag III Österreich</b>	Non-UL	Austria	15
<b>Freelax I</b>	Non-UL	Germany	16
<b>Freelax I Österreich</b>	Non-UL	Austria	18
<b>Freelax I Österreich ohne Risiko</b>	Non-UL	Austria	20
<b>Swing I</b>	Non-UL	Germany	21
<b>Freelax I ohne Risiko</b>	Non-UL	Germany	22
<b>Vorsorgemanagement</b>	Non-UL	Germany	59
<b>Airbag III Direkt</b>	Non-UL	Germany	60
<b>Airbag I</b>	Non-UL	Germany	61
<b>Airbag II</b>	Non-UL	Germany	62
<b>Swing I Direkt</b>	Non-UL	Germany	63
<b>Freelax I Direkt</b>	Non-UL	Germany	64
<b>IFM Swing</b>	Non-UL	Germany	65
<b>IFM Freelax</b>	Non-UL	Germany	66
<b>IFM Freelax Österreich</b>	Non-UL	Austria	67
<b>Go! Kinderversicherung</b>	Non-UL	Germany	68
<b>CIM</b>	Non-UL	Germany	69
<b>Airbag III RDV</b>	Non-UL	Germany	70
<b>Freelax I RDV</b>	Non-UL	Germany	71
<b>Swing I RDV</b>	Non-UL	Germany	72
<b>Airbag I Direkt</b>	Non-UL	Germany	73
<b>Airbag I RDV</b>	Non-UL	Germany	74
<b>Airbag II Direkt</b>	Non-UL	Germany	75
<b>Airbag II RDV</b>	Non-UL	Germany	76

<b>PRODUCT NAME</b>	<b>PRODUCT TYPE</b>	<b>COUNTRY</b>	<b>PRODUCT ID</b>
<b>Airbag IV Österreich</b>	Non-UL	Austria	81
<b>Airbag IV Direkt</b>	Non-UL	Germany	82
<b>Airbag IV</b>	Non-UL	Germany	83
<b>Airbag IV RDV</b>	Non-UL	Germany	84
<b>Freelax II Österreich</b>	Non-UL	Austria	85
<b>Freelax II Österreich ohne Risiko</b>	Non-UL	Austria	86
<b>Freelax II Direkt</b>	Non-UL	Germany	87
<b>Freelax II</b>	Non-UL	Germany	88
<b>Freelax II ohne Risiko</b>	Non-UL	Germany	89
<b>Freelax II RDV</b>	Non-UL	Germany	90
<b>Swing II Direkt</b>	Non-UL	Germany	91
<b>Swing II</b>	Non-UL	Germany	92
<b>Swing II RDV</b>	Non-UL	Germany	93
<b>Indax Allegro</b>	Non-UL	Germany	94
<b>Indax Andante</b>	Non-UL	Germany	95
<b>Freelax Sofort I Vollgarantiert</b>	Annuity	Germany	96
<b>Freelax Sofort I Überschußbeteiligt</b>	Annuity	Germany	97
<b>GDV Scheme</b>	Non-UL	Germany	121
<b>Freelax II GDV</b>	Non-UL	Germany	139
<b>Freelax III Österreich</b>	Non-UL	Austria	140
<b>Freelax III Österreich ohne Risiko</b>	Non-UL	Austria	141
<b>Freelax IV 2005</b>	Non-UL	Germany	144
<b>Sucesss I</b>	Non-UL	Germany	145
<b>Support I</b>	Non-UL	Austria	146
<b>M-Ploy I One/Group</b>	Non-UL	Germany	147

<b>PRODUCT NAME</b>	<b>PRODUCT TYPE</b>	<b>COUNTRY</b>	<b>PRODUCT ID</b>
<b>Best Basic I</b>	Non-UL	Germany	148
<b>Freelax IV Österreich</b>	Non-UL	Austria	149
<b>M-Ploy I Select/RDV</b>	Non-UL	Germany	150
<b>Suxsess I Österreich</b>	Non-UL	Austria	151
<b>Freelax V</b>	Non-UL	Germany	162
<b>Suxsess II</b>	Non-UL	Germany	163
<b>M-Ploy II One/Group</b>	Non-UL	Germany	164
<b>Best Basic II</b>	Non-UL	Germany	165
<b>Freelax V Österreich</b>	Non-UL	Austria	166
<b>M-Ploy II Select/RDV</b>	Non-UL	Germany	167
<b>Suxsess II Österreich</b>	Non-UL	Austria	168
<b>Maxxellence I</b>	UL	Germany	170
<b>Maxxellence I Österreich</b>	UL	Austria	171
<b>Freelax Sofort II Vollgarantiert</b>	Annuity	Germany	172
<b>Freelax Sofort II Vollgarantiert</b>	Annuity	Austria	173
<b>Freelax Sofort II Überschußbeteiligt</b>	Annuity	Germany	174
<b>Freelax Sofort II Überschußbeteiligt Ö</b>	Annuity	Austria	175
<b>Freelax VI Österreich</b>	Non-UL	Austria	176
<b>Suxsess III Österreich</b>	Non-UL	Austria	177
<b>Maxxellence I Basic</b>	UL	Germany	178
<b>Freelax VI</b>	Non-UL	Germany	180
<b>Suxsess III</b>	Non-UL	Germany	181
<b>Freelax VI DV/Group DV</b>	Non-UL	Germany	182
<b>Freelax VI Basic</b>	Non-UL	Germany	183
<b>Freelax VI RDV</b>	Non-UL	Germany	184

<b>PRODUCT NAME</b>	<b>PRODUCT TYPE</b>	<b>COUNTRY</b>	<b>PRODUCT ID</b>
<b>Maxxellence II</b>	UL	Germany	185
<b>Maxxellence II Basic</b>	UL	Germany	186
<b>Freelax VI DV/Group DV Exxtra</b>	Non-UL	Germany	188
<b>Freelax VI RDV Exxtra</b>	Non-UL	Germany	189
<b>Freelax VI Exxtra</b>	Non-UL	Germany	191
<b>Freelax RDV SLUK VI</b>	Non-UL	Germany	195
<b>Freelax RDV EXXTRA SLUK VI</b>	Non-UL	Germany	196
<b>Suxsess IV</b>	Non-UL	Germany	197
<b>Maxxellence III</b>	UL	Germany	198
<b>Maxxellence III Basic</b>	UL	Germany	199
<b>Freelax VII</b>	Non-UL	Germany	200
<b>Freelax VII DV/Group DV</b>	Non-UL	Germany	201
<b>Freelax VII Basic</b>	Non-UL	Germany	202
<b>Freelax VII RDV</b>	Non-UL	Germany	203
<b>Freelax VII DV/Group DV Exxtra</b>	Non-UL	Germany	204
<b>Freelax VII RDV Exxtra</b>	Non-UL	Germany	205
<b>Freelax VII Exxtra</b>	Non-UL	Germany	206
<b>Freelax RDV SLUK VII</b>	Non-UL	Germany	207
<b>Freelax RDV EXXTRA SLUK VII</b>	Non-UL	Germany	208
<b>GARSPension</b>	UL	Germany	209
<b>Freelax VIII GROUP DV</b>	Non-UL	Germany	211
<b>Maxxellence IV Invest Österreich</b>	UL	Austria	213
<b>Maxxellence IV Invest</b>	UL	Germany	214
<b>Maxxellence IV Invest Basic</b>	UL	Germany	215
<b>Freelax IX Basic</b>	Non-UL	Germany	218
<b>Maxxellence Invest II Basic</b>	UL	Germany	219

<b>PRODUCT NAME</b>	<b>PRODUCT TYPE</b>	<b>COUNTRY</b>	<b>PRODUCT ID</b>
<b>Freelax IX</b>	Non-UL	Germany	220
<b>Maxxellence Invest II</b>	UL	Germany	221
<b>Freelax Sofort III Vollgarantiert</b>	Annuity	Germany	222
<b>Freelax IX Österreich</b>	Non-UL	Austria	223
<b>Maxxellence Invest II Österreich</b>	UL	Austria	224
<b>Freelax Sofort III Vollgarantiert Ö</b>	Annuity	Austria	225
<b>Freelax IX DV</b>	Non-UL	Germany	226
<b>Freelax IX GROUP DV</b>	Non-UL	Germany	227
<b>Freelax IX RDV</b>	Non-UL	Germany	228
<b>Freelax RDV SLUK IX</b>	Non-UL	Germany	229
<b>GARSPension II</b>	UL	Germany	230
<b>ParkAllee aktiv Standard</b>	UL	Germany	238
<b>ParkAllee aktiv Standard Österreich</b>	UL	Austria	239
<b>ParkAllee aktiv MA</b>	UL	Germany	240
<b>ParkAllee aktiv MA Österreich</b>	UL	Austria	241
<b>ParkAllee aktiv Netto</b>	UL	Germany	242
<b>ParkAllee aktiv Netto Österreich</b>	UL	Austria	243
<b>ParkAllee komfort Standard</b>	UL	Germany	244
<b>ParkAllee komfort Standard Österreich</b>	UL	Austria	245
<b>ParkAllee komfort MA</b>	UL	Germany	246
<b>ParkAllee komfort MA Österreich</b>	UL	Austria	247
<b>ParkAllee komfort Netto</b>	UL	Germany	248
<b>ParkAllee komfort Netto Österreich</b>	UL	Austria	249
<b>Maxxellence Invest Standard III</b>	UL	Germany	254

<b>PRODUCT NAME</b>	<b>PRODUCT TYPE</b>	<b>COUNTRY</b>	<b>PRODUCT ID</b>
<b>Basic</b>			
<b>Maxxellence Invest MA III Basic</b>	UL	Germany	255
<b>Maxxellence Invest Netto III Basic</b>	UL	Germany	256
<b>Maxxellence Invest Standard III</b>	UL	Germany	257
<b>Maxxellence Invest MA III</b>	UL	Germany	258
<b>Maxxellence Invest Netto III</b>	UL	Germany	259
<b>Maxxellence Invest Standard III Österreich</b>	UL	Austria	260
<b>Maxxellence Invest MA III Österreich</b>	UL	Austria	261
<b>Maxxellence Invest Netto III Österreich</b>	UL	Austria	262
<b>ParkAllee aktiv Standard II Österreich</b>	UL	Austria	263
<b>ParkAllee aktiv MA II Österreich</b>	UL	Austria	264
<b>ParkAllee aktiv Netto II Österreich</b>	UL	Austria	265
<b>ParkAllee komfort Standard II Österreich</b>	UL	Austria	266
<b>ParkAllee komfort MA II Österreich</b>	UL	Austria	267
<b>ParkAllee komfort Netto II Österreich</b>	UL	Austria	268
<b>ParkAllee aktiv Standard III</b>	UL	Germany	270
<b>ParkAllee aktiv MA III</b>	UL	Germany	271
<b>ParkAllee aktiv Netto III</b>	UL	Germany	272
<b>ParkAllee komfort Standard III</b>	UL	Germany	273
<b>ParkAllee komfort MA III</b>	UL	Germany	274

<b>PRODUCT NAME</b>	<b>PRODUCT TYPE</b>	<b>COUNTRY</b>	<b>PRODUCT ID</b>
<b>ParkAllee komfort Netto III</b>	UL	Germany	275
<b>ParkAllee aktiv Variabel III</b>	UL	Germany	276
<b>ParkAllee komfort Variabel III</b>	UL	Germany	277
<b>ParkAllee aktiv Standard III Österreich</b>	UL	Austria	278
<b>ParkAllee aktiv MA III Österreich</b>	UL	Austria	279
<b>ParkAllee aktiv Netto III Österreich</b>	UL	Austria	280
<b>ParkAllee komfort Standard III Österreich</b>	UL	Austria	281
<b>ParkAllee komfort MA III Österreich</b>	UL	Austria	282
<b>ParkAllee komfort Netto III Österreich</b>	UL	Austria	283
<b>Maxxellence Invest Standard IV Basic</b>	UL	Germany	286
<b>Maxxellence Invest MA IV Basic</b>	UL	Germany	287
<b>Maxxellence Invest Netto IV Basic</b>	UL	Germany	288
<b>Weitblick Standard</b>	UL	Germany	289
<b>Weitblick MA</b>	UL	Germany	290
<b>Weitblick Netto</b>	UL	Germany	291
<b>Weitblick Variabel</b>	UL	Germany	292
<b>B-Smart Invest</b>	UL	Austria	293
<b>Aktienrente</b>	Non-UL	Germany (HSL)	N/A
<b>Aktienrente Group</b>	Non-UL	Germany (HSL)	N/A
<b>Private Plus</b>	Non-UL	Germany	N/A

<b>PRODUCT NAME</b>	<b>PRODUCT TYPE</b>	<b>COUNTRY</b>	<b>PRODUCT ID</b>
		(HSL)	
<b>Job Plus</b>	Non-UL	Germany (HSL)	N/A
<b>Private Plus Group</b>	Non-UL	Germany (HSL)	N/A
<b>Job Plus Group DV</b>	Non-UL	Germany (HSL)	N/A
<b>Klassik Plus</b>	Non-UL	Germany (HSL)	N/A
<b>Klassik Plus Group</b>	Non-UL	Germany (HSL)	N/A

~~Schedule 2~~ **Schedule 2**  
**List of Transferred Contracts**

The Transferred Contracts shall include: (i) Contracts listed in this Schedule 2; and (ii) any Contract in force as at the Effective Time which amends, novates, supplements or restates from time to time any Contract listed in this Schedule 2.

The lists below are non-exhaustive.

**PART A: UK REAL ESTATE**

Real Estate located in England

<b>Address</b>	<b>Title Number</b>
45 Arcadian, Hurst Street, Birmingham B5 4TD	WM921867
28 Arcadian, Hurst Street, Birmingham B5 4TD	WM921866
2 Bauhaus, Arcadian, Birmingham B5 4TD	WM921861
13 Arcadian, Hurst Street, Birmingham B5 4TD	WM921865
59 Bauhaus, Arcadian, Birmingham B5 4TD	WM921869
Apt. 19, (Plot 49) Arena View, 26 Clement Street, Birmingham B1 2SL	WM940545
Apt. 8, (Plot 21) Arena View, 26 Clement Street, Birmingham B1 2SL	WM940558
Apt 54 Arena View, 26 Clement Street, Birmingham B1 2SL	WM932870
Apt 50 Arena View, 26 Clement Street, Birmingham B1 2SL	WM932754
Kingsway Square E1, Battersea, London	TGL317987
Kingsway Square E4, Battersea, London	TGL317993
Kingsway Square E3, Battersea, London	TGL317991
Kingsway Square E8, Battersea, London	TGL317951
Kingsway Square E9, Battersea, London	TGL317944
Kingsway Square E10, Battersea, London	TGL317941
Kingsway Square E11, Battersea, London	TGL317935
Kingsway Square E12, Battersea, London	TGL317978
404 Wenlock, 56 Wharf Road, London N1 3DB	EGL550704
Unit 20, Block C, Ducaine Apartments, London E3 4PG	EGL561678
Flat 1, 39 Morton Road, London N1 3 GF	EGL553038

<b>Address</b>	<b>Title Number</b>
Unit 26 (Flat 112) Derwent Foundry, Birmingham, B3 1BG	WM939612
17 Maskelyne Close London SW11 4AA	TGL164422
130 Wharfside, Heritage Way, Wigan WN3 4AW	MAN109335
Apartment 109, Block 3 Spectrum, Blackfriars Road, Salford, M3 7BP	MAN97655
119 South Stand Apartments, Highbury, Stadium Square, N5 1FB	EGL565556
Unit 195, Block C, NV Buildings, Salford Quays, Manchester M50 3BE	MAN60332
Apt 23 St Thomas Place, 30-38 Thomas Street, Bristol BS1 6JZ	BL103621
16 Cuckoo Point, 44 De Grey, Colchester, Essex CO4 5YE	EX848938
1 Parkside, Granville St. Birmingham B1 1RY	WM926413
Apt. 10, (Plot 40, Block A) Cutlass Court, Granville St., Birmingham B1 2LJ	WM923978

Real Estate located in Northern Ireland

<b>Address</b>	<b>Title Number</b>
10 Castlereagh Parade Belfast BT5 5GT	DN131556L

**The non-exhaustive lists of Transferred Contracts in Parts B (Reinsurance Contracts), C (Republic of Ireland), D (Germany) and E (Austria) of Schedule 2 are set out in the annex to this Schedule 2 which is contained on an accompanying memory stick.**

~~Schedule 3~~ Schedule 3  
**List of Excluded Contracts**

The Excluded Contracts shall include: (i) Contracts listed in this Schedule 3; and (ii) any Contract in force as at the Effective Time which amends, novates, supplements or restates from time to time any Contract listed in this Schedule 3.

The list of Excluded Contracts is not exhaustive.

**The non-exhaustive list of Excluded Contracts is set out in the annex to this Schedule 3 which is contained on an accompanying memory stick.**

**Schedule 4**

**Amendments and additions to Existing Schemes**

**Part A: Amendments and additions to the 2006 Scheme**

**Part B: Amendments and additions to the 2011 Scheme**

~~Schedule 5~~ Schedule 4  
**Reinsurance termination principles**

**Part A: Principles upon termination of the HWPF Reinsurance Agreement**

- Due regard to the past experience and the reasonable expectations of holders of SL Intl HWPF WP Policies
- Due regard to the ~~2006~~Phoenix Scheme ~~and 2011 Scheme~~
- Due regard to the UK regulation applying to the ~~SLAL HWPF~~Phoenix Heritage WP Fund
- Due regard to the fact that the holders of certain SL Intl HWPF WP Policies will have previously been policyholders of The Standard Life Assurance Company
- Due regard to the historic level of risk run within the ~~SLAL HWPF~~Phoenix Heritage WP Fund

**Part B: Principles upon termination of the GWPF Reinsurance Agreement**

- Due regard to the past experience and the reasonable expectations of holders of SL Intl GWPF WP Policies
- Due regard to the context of UK regulation that informed the management of the ~~SLAL GWPF~~Phoenix German WP Fund until the termination of the GWPF Reinsurance Agreement
- Due regard to the historic level of risk run within the ~~SLAL GWPF~~Phoenix German WP Fund

**Part C: Principles upon termination of the GSMWPF Reinsurance Agreement**

- Due regard to the past experience and the reasonable expectations of holders of SL Intl GSMWPF WP Policies
- Due regard to the context of UK regulation that informed the management of the ~~SLAL GSMWPF~~Phoenix German SM WP Fund until the termination of the GSMWPF Reinsurance Agreement
- Due regard to the historic level of risk run within the ~~SLAL GSMWPF~~Phoenix German SM WP Fund

## ~~Schedule 6~~ Schedule 5 Internal PPFM principles

### Part A: General principles

The principles set out in each Internal PPFM must:

- be enduring statements of the standards that SL Intl adopts in managing the relevant fund; and
- describe the business model that SL Intl uses to meet its duties to policyholders in the relevant fund and to respond to longer-term changes in the business and economic environment.

The practices set out in each Internal PPFM must:

- describe how SL Intl manages the relevant fund and how it responds to shorter-term changes in the business and economic environment; and
- be sufficiently detailed for a knowledgeable observer to understand the material risks and rewards from effecting or maintaining a with profits policy in that fund.

For the avoidance of doubt, the requirements of this Schedule may be met either directly (i.e. by direct inclusion in the Internal PPFM) or indirectly (i.e. by reference in the Internal PPFM to another document).

### Part B: Content requirements

Each Internal PPFM must include the following content:

#### 1. ~~4.~~ Amounts payable under a with profits policy

- Methods used to guide determination of the amount that is appropriate to pay individual with profits policyholders, including:
  - ~~⊖~~ the aims of the methods and approximations used;
  - ~~⊖~~ how the current methods, including any relevant historical assumptions used and any systems maintained to deliver results of particular methods, are documented; and
  - ~~⊖~~ the procedures for changing the current method or any assumptions or parameters relevant to a particular method.
- Approach to setting bonus rates.
- Approach to smoothing maturity payments and surrender payments, including:
  - ~~⊖~~ the smoothing policy applied to each type of with profits policy;

- ~~–~~  
= ~~⊖~~ the limits (if any) applied to the total cost of, or excess from, smoothing;  
and
- ~~–~~  
= ~~⊖~~ any limits applied to any changes in the level of maturity payments  
between one period to another.

## 2. ~~2.~~ Investment strategy

- Significant aspects of SL Intl's investment strategy for its with profits business or, if different, the relevant with profits fund, including:
  - ~~–~~  
= ~~⊖~~ the degree of matching to be maintained between assets relevant to the with profits business and liabilities to with profits policyholders and other creditors;
  - ~~–~~  
= ~~⊖~~ SL Intl's approach to assets of different credit or liquidity quality and different volatility of market values;
  - ~~–~~  
= ~~⊖~~ the presence among the assets relevant to with profits business of any assets that would not normally be traded because of their importance to SL Intl, and the justification for holding such assets; and
  - ~~–~~  
= ~~⊖~~ SL Intl's controls on using new asset or liability instruments and the nature of any approval required before new instruments are used.

## 3. ~~3.~~ Business risk

- The exposure of the with profits business to business risks (new and existing), including SL Intl's:
  - ~~–~~  
= ~~⊖~~ procedures for deciding if the with profits business may undertake a particular business risk;
  - ~~–~~  
= ~~⊖~~ arrangements for reviewing and setting a limit on the scale of such risks;  
and
  - ~~–~~  
= ~~⊖~~ procedures for reflecting the profits or losses of such business risks in the amounts payable under with profits policies.

## 4. ~~4.~~ Charges and expenses

- The way in which SL Intl applies charges and apportions expenses to its with profits business, including (if material) any interaction with connected firms.
- The cost apportionment principles that will determine which costs are, or may be, charged to a with profits fund and which costs are, or may be, charged to the other parts of its business of its shareholders.

**5. ~~5.~~ Management of inherited estate (if applicable)**

- Management of any inherited estate and the uses to which SL Intl may put that inherited estate.

**6. ~~6.~~ Volumes of new business and arrangement on stopping taking new business**

- If the relevant with profits fund is accepting new with profits business, SL Intl's practice for review of the limits on the quantity and type of new business and the actions that SL Intl would take if it ceased to take on new business of any significant amount.

**7. ~~7.~~ Equity between the with profits fund and any shareholders**

- The way in which the interests of with profits policyholders are, or may be, affected by the interests of any shareholders of SL Intl.

**8. ~~8.~~ Material changes**

- Material changes to the Internal PPFM can only be made if, in the reasonable opinion of the SL Intl Board the change is justified to:
  - (a) ~~(a)~~ respond to changes in the business or economic environment; or
  - (b) ~~(b)~~ protect the interests of policyholders; or
  - (c) ~~(c)~~ change the practices to better achieve the principles set out in the Internal PPFM; or
  - (d) ~~(d)~~ correct an error or omission; or
  - (e) ~~(e)~~ comply with Regulatory Requirements.

~~Schedule 7~~ Schedule 6  
**Internal Annuities Reinsurance Arrangements**

**1 INTERPRETATION**

**1.1** In this Schedule ~~7~~6:

<b>“2006 Scheme Effective Time”</b>	means the “Effective Time” as defined in the 2006 Scheme;
<b>“Actual Annuity Payments”</b>	means all payments made or due and payable (and, for the purposes of this Schedule <del>7</del> <u>6</u> , amounts which are not permitted to be paid to annuitants by SL Intl pursuant to rules of pension schemes are neither payments made nor payments due and payable) by SL Intl in respect of Covered Policies during each Calculation Period, but excluding: (i) payments made (or due and payable) by SL Intl in respect of Annuity Augmentations; and (ii) any such payments made by SL Intl after the death of the annuitant which are not recovered;
<b>“Adjustment Amount”</b>	has the meaning given to it in clause 7.4;
<b>“Annuity Augmentation”</b>	means any augmentation or increase to an annuity which was paid, due and payable or secured after the 2006 Scheme Effective Time in respect of a Covered Policy, but excluding any contractual or automatic increase to an annuity (other than a contractual increase which is an Increased Annuity Payment);
<b>“Annuity Augmentation Costs”</b>	has the meaning given in clause 4.2;
<b>“Annuity Augmentation Coverage Payments”</b>	means annuity augmentation premiums, being all premiums received or applied by the SL Intl HWPF to secure New Annuity Augmentations including the single premium cost to the SL Intl HWPF (calculated using SL Intl HWPF’s nil commission immediate annuity premium basis then in force) in respect of Increased Annuity Payments;
<b>“Business Day”</b>	means any day (other than a Saturday or Sunday) on which banks are open for the transaction of general banking business in Dublin;

- “Calculation Date”** means, in respect of each Calculation Period, the last Business Day of that Calculation Period;
- “Calculation Period”** means each calendar month during the term of the arrangements set out in this Schedule ~~7~~6 or, in respect of the Coverage Effective Month, the period from and including the HWPF Reinsurance Termination Date to and including the last day in the Coverage Effective Month;
- “Coverage Effective Month”** means the calendar month in which the HWPF Reinsurance Termination Date falls;
- “Covered Liabilities”** means:
- (A) ~~(A)~~ the longevity risk in respect of all of the Covered Policies; and
  - (B) ~~(B)~~ all Annuity Augmentations;
- except to the extent that such liabilities are reinsured pursuant to third party reinsurance arrangements;
- “Covered Policies”** means:
- (A) ~~(A)~~ all SL Intl HWPF Transferred Policies in respect of which a non profit annuity was in payment or had vested (including where such vesting has arisen on retirement or death) prior to the 2006 Scheme Effective Time, excluding all EEA Policies; and
  - (B) ~~(B)~~ all reinsurances ceded to SL Intl in respect of which a non profit annuity was in payment or had vested (including where such vesting has arisen on retirement or death) prior to the 2006 Scheme Effective Time, other than Policies, and reinsurances ceded, where the liability in respect of the Policy, or reinsurance, has been reinsured by SL Intl pursuant to a third party reinsurance arrangement;
- “EEA Policies”** means all Policies written in the course of carrying on insurance business in any EEA State other than the

	Republic of Ireland;
<b>“Existing Annuity Augmentations”</b>	means Annuity Augmentations that are not New Annuity Augmentations;
<b>“Increased Annuity Payment”</b>	means any payment in respect of an annuity to the extent that such payment arises as a result of the trustees of the relevant pension scheme varying the rules of the pension scheme to remove restrictions on the amount which can be paid to annuitants in respect of the annuity;
<b>“Initial Expenses”</b>	means distribution and issue expenses allocated to the SL Intl HWPF in respect of the Covered Policies in accordance with paragraph <del>23</del> <u>23</u> of this Scheme;
<b>“Interim Refund Amount”</b>	has the meaning given in clause 7.2;
<b>“HWPF Reinsurance Termination Date”</b>	means the date on which the HWPF Reinsurance Agreement is terminated;
<b>“Monthly Amount”</b>	has the meaning given to it in clause <del>55</del> <u>55.7</u> ;
<b>“Monthly Coverage Payment”</b>	means, in respect of a Calculation Period, such amount as is specified in (and determined in accordance with the provisions of) schedule 3 to the SLIF EB Annuities Reinsurance Agreement to the extent that it relates to the Covered Policies, the provisions of and data contained in that schedule applying mutatis mutandis to the determination of such amount and any reference in that schedule to a “Monthly Reinsurance Premium” being, for the purposes of this Schedule <del>76</del> <u>76</u> , a reference to a Monthly Coverage Payment;
<b>“Monthly Coverage Payment Deduction”</b>	means, in respect of a Calculation Period, such amount as is specified in (and determined in accordance with the provisions of) schedule 7 to the SLIF EB Annuities Reinsurance Agreement to the extent that it relates to the Covered Policies, the provisions of and data contained in that schedule applying mutatis mutandis to the determination of such amount and any reference in that schedule to a “ <b>Monthly Reinsurance Premium Deduction</b> ” being, for the purpose of this Schedule <del>76</del> <u>76</u> ,

	a reference to a Monthly Coverage Payment Deduction;
<b>“Monthly Settlement Date”</b>	means the Business Day immediately following each Calculation Date;
<b>“Net Monthly Coverage Payment”</b>	means, in respect of a Calculation Period, the Monthly Coverage Payment less the Monthly Coverage Payment Deduction in respect of that Calculation Period;
<b>“New Annuity Augmentation”</b>	means any Annuity Augmentation which was paid, due and payable or secured after the 2006 Scheme Effective Time;
<b>“Restricted Annuity Adjustment”</b>	means, in respect of a Calculation Period, an amount equal to the Unrestricted Annuity Payments in respect of that Calculation Period less the Actual Annuity Payments in respect of that Calculation Period;
<b>“SLIF EB Annuities Agreement”</b>	means the agreement entitled “Reinsurance Agreement: Existing Business (Annuities)” entered into between SLAL (as cedant) and Standard Life Investment Funds Limited (as reinsurer) and dated 7 July 2006 (as varied from time to time and <del>subsequently</del> replaced by the arrangements set out in Schedule 2 to the 2011 Scheme <u>and subsequently replaced by the arrangements set out in paragraph 3 of Part 2 of Schedule 11 of the Phoenix Scheme</u> );
<b>“Technical Provisions”</b>	means technical provisions as described in regulation 83(2) of the European Communities (Insurance and Reinsurance) Regulations 2015; and
<b>“Unrestricted Annuity Payments”</b>	means, in respect of a Calculation Period, the Actual Annuity Payments that otherwise would be made or due and payable in respect of that Calculation Period had the rules of pension schemes not restricted the application of fixed rate escalation to the amount of such Actual Annuity Payments.

1.2 Unless otherwise defined in this Schedule [76](#), capitalised expressions shall have the meaning ascribed to them in this Scheme.

## **2 COVERED LIABILITIES: COVERED POLICIES AND ANNUITY AUGMENTATIONS**

2.1 The coverage by the SL Intl ~~GBP~~Euro PBF of the Covered Liabilities on the basis set out in this Schedule ~~76~~ shall satisfy the requirements of paragraph ~~35.1~~35.1 of this Scheme.

2.2 The coverage by the SL Intl ~~GBP~~Euro PBF of:

(A) ~~(A)~~ the longevity risk in respect of the Covered Policies; and

(B) ~~(B)~~ the liabilities in respect of Existing Annuity Augmentations,

shall be borne by the SL Intl ~~GBP~~Euro PBF on the basis set out in this Schedule ~~76~~.

2.3 The coverage by the SL Intl ~~GBP~~Euro PBF of the liabilities in respect of any New Annuity Augmentation shall:

(A) ~~(A)~~ be effected immediately and automatically on, and with effect from, the acceptance of liability in respect of such New Annuity Augmentation by the SL Intl HWPF; and

(B) ~~(B)~~ otherwise be implemented on the basis set out in this Schedule ~~76~~.

## **3 CONSIDERATION FOR COVERED LIABILITIES**

3.1 In consideration for the SL Intl ~~GBP~~Euro PBF bearing the coverage of the Covered Liabilities on the terms set out in this Schedule ~~76~~, an amount equal to the aggregate value of the Interim SL Intl Refund Amount and the SL Intl Adjustment Amount (as those terms are defined in ~~Schedule 2 to the 2011~~paragraph 3 of Part 2 of Schedule 11 of the Phoenix Scheme) shall be debited from the SL Intl HWPF and credited to the SL Intl ~~GBP~~Euro PBF.

## **4 COMMISSIONS AND BROKERAGE; EXPENSES**

4.1 Subject to clause 4.2, the SL Intl HWPF shall be responsible for and bear:

(A) ~~(A)~~ all administration and management costs and expenses in respect of the Covered Policies; and

(B) ~~(B)~~ all amounts which become due and payable as commission and/or brokerage in respect of the Covered ~~Policies~~Policies.

4.2 The SL Intl ~~GBP~~Euro PBF shall be responsible for and bear:

(A) ~~(A)~~ the Initial Expenses incurred by SL Intl in accepting liability in respect of a New Annuity Augmentation; and

(B) ~~(B)~~ all amounts which become due and payable by SL Intl as commission and/or brokerage in respect of New Annuity Augmentations,

(together, the “**Annuity Augmentation Costs**”) and the SL Intl ~~GBP~~Euro PBF shall reimburse such amounts to the SL Intl HWPF in accordance with clause 5.

- 4.3 Without prejudice to clauses 4.1 and 4.2, each of the SL Intl HWPF and the SL Intl ~~GBP~~Euro PBF shall bear the costs of investment management in respect of the assets held by it in respect of the Covered Liabilities.

## 5 SETTLEMENT AND RECONCILIATION

On each Monthly Settlement Date, the SL Intl ~~GBP~~Euro PBF shall reimburse the SL Intl HWPF with an amount equal to:

- 5.1 all Actual Annuity Payments;
- 5.2 all Annuity Augmentation Costs;
- 5.3 all payments made (or due and payable) by SL Intl to policyholders or other beneficiaries in respect of Annuity Augmentations (excluding any payments made by SL Intl after the death of an annuitant which are not recovered by SL Intl); and
- 5.4 the Restricted Annuity Adjustment,
- less:
- 5.5 the Net Monthly Coverage Payment;
- 5.6 the Annuity Augmentation Coverage Payments; and
- 5.7 all amounts recovered by SL Intl in respect of (i) Actual Annuity Payments made by SL Intl; and (ii) all payments made by SL Intl in respect of Annuity Augmentations, in each case where such amounts are recovered as a result of the death of the annuitant,

in each case in respect of the immediately preceding Calculation Period (such amount being the “**Monthly Amount**”).

## 6 TERMINATION

- 6.1 Subject to clause 6.2 and clause 6.3, the arrangements set out in this Schedule ~~76~~ may be terminated by the SL Intl Board at any time.
- 6.2 The arrangements set out in this Schedule may not be terminated under clause 6.1 without the prior written consent of the SL Intl WP Actuary, given on the basis that the proposed termination is expected to materially and adversely affect neither:

(A) ~~(A)~~ the contractual rights of the holders of SL Intl HWPF With Profits Policies;  
nor

(B) ~~(B)~~ the reasonable expectations of the holders of SL Intl HWPF With Profits Policies regarding non-contractual rights under such Policies.

6.3 If it is proposed, intended or envisaged that the arrangements set out in this Schedule [76](#) will be terminated, the SL Intl Board shall procure that, no later than the date on which the arrangements are so terminated, an alternative arrangement is implemented to provide reinsurance of or otherwise to transfer the longevity risk in respect of the Covered Liabilities, on terms determined by the SL Intl Board to be not materially less beneficial to the SL Intl HWPF than the arrangements set out in this Schedule [76](#) (any such determination to be made having regard to the advice of the SL Intl WP Actuary). Such alternative arrangement may, at the discretion of the SL Intl Board, be provided by a SL Intl Fund (other than the SL Intl HWPF), any member of SL Intl's Group and/or any other person.

## 7 CONSEQUENCES OF TERMINATION

7.1 If the arrangements set out in this Schedule [76](#) are terminated pursuant to clause [66](#), the provisions of this clause 7 shall apply.

7.2 The SL Intl [GBPEuro](#) PBF shall, within 3 Business Days of the termination becoming effective, refund an amount to the SL Intl HWPF that is equal to the SL Intl Board's good faith estimate of 100% of the Technical Provisions (gross of external reinsurance) held by the SL Intl [GBPEuro](#) PBF in relation to the Covered Liabilities as at the end of the Calculation Period immediately preceding the date on which the termination took effect (the "Interim Refund Amount"), such Interim Refund Amount to be calculated in accordance with all applicable law and regulation.

7.3 The liability of the SL Intl [GBPEuro](#) PBF to cover the Covered Liabilities on the terms of this Schedule [76](#) shall cease.

7.4 Within three months of the termination taking effect, the SL Intl Board shall determine the appropriate adjustment to be made to the Interim Refund Amount (by making a transfer from the SL Intl HWPF to the SL Intl [GBPEuro](#) PBF or from the SL Intl [GBPEuro](#) PBF to the SL Intl HWPF (as the context requires)) in order to ensure that 100% of the Technical Provisions (gross of external reinsurance) required to be held by the SL Intl [GBPEuro](#) PBF in relation to the Covered Liabilities as at the date of termination (the "Adjustment Amount") has been transferred to the SL Intl HWPF.

7.5 Any determination by the SL Intl Board under clause 7.4 shall be made having regard to the advice of the SL Intl WP Actuary.

## 8 WAIVERS AND VARIATIONS

The arrangements set out in this Schedule ~~7~~6 and any part thereof may be varied or waived without the consent of the Court if such variation or waiver (as the case may be) has been consented to in writing by the SL Intl WP Actuary, such consent given on the basis that the proposed waiver or variation is expected to materially and adversely affect neither:

- (A) ~~(A)~~ the contractual rights of the holders of SL Intl HWPF With Profits Policies;  
nor
- (B) ~~(B)~~ the reasonable expectations of the holders of SL Intl HWPF With Profits Policies regarding non-contractual rights under such Policies.

**Schedule 7**  
**Alternative versions of paragraphs 31, 43 and 52**

**Part A**  
**Alternative version of Paragraph 31**

**31 Annuity benefits (SL Intl HWPF)**

**31.1** Following the termination of the HWPF Reinsurance Agreement, if an HWPF Annuity Benefit is to be provided on the vesting of a Policy written in, or allocated to, the SL Intl HWPF, then the following shall apply:

- (a) Subject to paragraph ~~31.1(e)~~31.1(c), SL Intl shall provide the HWPF Annuity Benefit from within a SL Intl Fund (other than the SL Intl HWPF) or procure its provision by another member of SL Intl's Group, and an amount equal to the cost of such HWPF Annuity Benefit, as determined in accordance with paragraph ~~31.1(b)~~31.1(b) (for the purposes of this paragraph ~~31.1~~31.1, the "**Annuity Benefit Cost**"), shall be debited from the SL Intl HWPF and credited to the relevant SL Intl Fund or paid to the relevant member of SL Intl's Group (as appropriate).
- (b) The Annuity Benefit Cost is to be determined by SL Intl's Board on the basis of:
  - (i) the most favourable annuity rates being offered to purchasers of annuities of a similar type and in the same country as the relevant HWPF Annuity Benefit by members of SL Intl's Group and SL Intl Funds (other than the SL Intl HWPF) at the time at which such HWPF Annuity Benefit is to be provided; or
  - (ii) if such rates are unavailable, such rates as are determined by SL Intl's Board.
- (c) If the SL Intl WP Actuary considers that the Annuity Benefit Cost exceeds that which is reasonable, then he may require that SL Intl shall provide such HWPF Annuity Benefit from within the SL Intl HWPF. In such circumstances, SL Intl's Board shall be informed as to how the SL Intl WP Actuary has reached his conclusion under this paragraph ~~31.1(e)~~31.1(c).
- (d) All costs and liabilities relating to the provision of the HWPF Annuity Benefit will be reassured by, transferred to, or remain in, as the case may be, the SL Intl Fund or member of SL Intl's Group from which the HWPF Annuity Benefit is to be provided. This paragraph ~~31.1(d)~~31.1(d) shall not prevent the liabilities in respect of any HWPF Annuity Benefit from being reinsured with a third party, such reinsurance to be on terms acceptable to the SL Intl WP Actuary.

- 31.2** If, in the event of vesting of a Policy written in, or allocated to, the SL Intl HWPF in respect of which the principal benefits are expressed in terms of cash (otherwise than where an annuity arises under an option in respect of a Policy which requires annuities to be issued at a guaranteed rate), the policyholder elects to take all or part of the benefits as an annuity, SL Intl shall transfer the cash (or relevant proportion of the cash) from the SL Intl HWPF:
- (a) where the annuity is to be provided by another SL Intl Fund, to the SL Intl Fund which is to provide the annuity, and the annuity shall be provided on the basis of the annuity rate determined by SL Intl's Board; or
  - (b) where the annuity is to be provided by another member of SL Intl's Group, to the relevant member of SL Intl's Group, and the annuity shall be provided on the basis of the annuity rate being offered by the relevant member of SL Intl's Group.

**Part B**  
**Alternative version of paragraph 43**

**43** ~~43~~ **Annuity benefits (SL Intl GWPF)**

**43.1** ~~43.1~~ If a German Annuity Benefit is to be provided on the vesting of a Policy where the WP Investment Element is allocated to the SL Intl GWPF, then SL Intl shall provide the German Annuity Benefit and allocate the same to a SL Intl Fund or procure its provision by another member of SL Intl's Group, and an amount equal to the cost of such German Annuity Benefit (for the purposes of this paragraph ~~43.1~~43.1, the "Annuity Benefit Cost") shall be debited from the SL Intl GWPF and credited to the relevant SL Intl Fund or paid to the relevant member of SL Intl's Group (as appropriate).

- 43.2** ~~43.2~~ The Annuity Benefit Cost is to be determined by SL Intl's Board on the basis of:
- (a) the most favourable annuity rates being offered to purchasers of annuities of a similar type and in the same country as the relevant German Annuity Benefit by members of SL Intl's Group and SL Intl Funds (other than the SL Intl GWPF) at the time at which such German Annuity Benefit is to be provided; or
  - (b) if such rates are unavailable, such rates as are determined by SL Intl's Board.

**Part C**  
**Alternative version of paragraph 52**

**52**    ~~52.~~    **Annuity benefits (SL Intl GSMWPF)**

**52.1**    ~~52.1~~    If a German Annuity Benefit is to be provided on the vesting of a Policy where the WP Investment Element is allocated to the SL Intl GSMWPF, then SL Intl shall provide the German Annuity Benefit:

- (a)    from the SL Intl Euro PBF; or
- (b)    by allocating the same to a SL Intl Fund (other than the SL Intl GSMWPF) or procuring its provision by another member of SL Intl's Group, and an amount equal to the cost of such German Annuity Benefit (for the purposes of this paragraph ~~52.1~~52.1, the "Annuity Benefit Cost") shall be debited from the SL Intl Euro PBF and credited to the relevant SL Intl Fund or paid to the relevant member of SL Intl's Group (as appropriate).

**52.2**    ~~52.2~~    The Annuity Benefit Cost is to be determined by SL Intl's Board on the basis of:

- (a)    the most favourable annuity rates being offered to purchasers of annuities of a similar type and in the same country as the relevant German Annuity Benefit by members of SL Intl's Group and SL Intl Funds (other than the SL Intl GSMWPF) at the time at which such German Annuity Benefit is to be provided; or
- (b)    if such rates are unavailable, such rates as are determined by SL Intl's Board.

**Schedule 9** ~~Schedule 8~~  
**Terms of reference**

**Part A: SL Intl WP Committee**

- 1.1** The role of the SL Intl WP Committee is to report on and provide advice and recommendations to the directors on:
- (A) the way in which each with profits fund that is not reinsured to SLAL is being managed and whether the relevant Internal PPFM properly reflects this;
  - (B) compliance with the principles and practices in the relevant Internal PPFM;
  - (C) whether customers have been treated fairly (and how any competing or conflicting rights and interests of with profit policyholders and other policyholders or shareholders have been addressed); and
  - (D) any other issues as necessary to ensure that the interests of with profits policyholders are appropriately considered within SL Intl.
- 1.2** The SL Intl WP Committee should consider for each with profits fund that is not reinsured to SLAL:
- (A) the identification of surplus or excess capital and whether such capital should be distributed;
  - (B) the exercise of discretion in relation to that fund's with profits business;
  - (C) how the firm is communicating with ~~with profits~~[with-profits](#) policyholders;
  - (D) any significant changes to the investment profile of each such with profits fund;
  - (E) costs incurred in operating each such with profits fund;
  - (F) proposed changes to the Internal PPFM;
  - (G) relevant management information; and
  - (H) other specific matters that it considers necessary in order to carry out its role in the particular circumstances of that fund at that time.
- 1.3** All material discretionary actions proposed in relation to the with profits business of SL Intl will be discussed by the SL Intl WP Committee with the SL Intl WP Actuary.

- 1.4 The SL Intl WP Committee must be formed of three or more members and the quorum must be at least half of its members (with 2 being the minimum number that can constitute a quorum). At least half the members shall be independent members. Independent members shall have been determined as being independent of the activities of SL Intl and of SL Intl's Group, and at least one of them shall have recent relevant experience in the conduct of with profits business and the fair treatment of with profits policyholders. The SL Intl WP Committee must be chaired by an independent member. Any person appointed to the SL Intl WP Committee must be sufficiently qualified to carry out their role.
- 1.5 The SL Intl WP Committee shall meet at least quarterly.
- 1.6 The SL Intl WP Committee must advise the directors on the suitability of a proposed SL Intl WP Actuary and assess the performance of that actuary at least once a year.
- 1.7 The SL Intl WP Committee has a right of access to the SL Intl Board. It has the right to the information it needs from SL Intl and SL Intl's Group to perform its duties. It is authorised to obtain external legal or other professional advice, including advice from consulting actuaries, as it may reasonably require.
- 1.8 The SL Intl Board will allow the SL Intl WP Committee sufficient time to enable it to provide fully considered input on the issues to be considered. It will consider fully and gives due regard to the input of the SL Intl WP Committee when determining issues concerning the management of the with profits funds and the interests of with profits policyholders. If the SL Intl Board decides to depart in any material way from the advice or recommendations of the SL Intl WP Committee, it will set out fully its reasons and allows the SL Intl WP Committee a reasonable period to consider them and respond; and the SL Intl Board will consider any further representations from the SL Intl WP Committee and, if appropriate, sets out fully any additional reasons if it continues to depart from the SL Intl WP Committee's advice or recommendation.

**Part B: SL Intl WP Actuary**

- 1.9 The roles and responsibilities of the SL Intl WP Actuary in relation to any with profits business that is not reinsured to SLAL shall include:
  - (A) advising management in relation to key aspects of the discretion to be exercised affecting the with profits business and on decisions that have an impact on that with profits business;
  - (B) reporting to the directors at least once a year on the key aspects of the discretion exercised in relation to that with profits business including the application of the Internal PPFMs;

- (C) requesting appropriate information and explanations to allow the role to be undertaken effectively;
  - (D) advising on data and systems required to undertake the role effectively;
  - (E) liaising with the SL Intl WP Committee and providing an opinion on proposed new members; and
  - (F) fulfilling any requirement laid upon the SL Intl WP Actuary by this or other Court approved Scheme.
- 1.10** SL Intl must keep the SL Intl WP Actuary informed of the firm's business and other plans (including, where relevant, those of any related firm, to the extent it is aware of these). This includes providing relevant information even when the SL Intl WP Actuary does not request it – as the SL Intl WP Actuary may be unaware of certain business developments and so unable to request relevant information.
- 1.11** SL Intl must provide the SL Intl WP Actuary with sufficient resources to fulfil the role including holding such data and establishing such systems as reasonably required.
- 1.12** SL Intl must request the advice of the SL Intl WP Actuary about the likely effect of material changes in SL Intl's business plans, practices or other circumstances on the fair treatment of the with profits policyholders. SL Intl must pay due regard to the advice of the SL Intl WP Actuary, whether requested or otherwise. The SL Intl WP Actuary has a right of access to the SL Intl Board.
- 1.13** SL Intl must ensure that where a conflict of interest may arise in relation to the role of SL Intl WP Actuary (for example due to reporting lines or remuneration process), the potential conflict is identified and managed in order to minimise the possible effect of the potential conflict on the advice given.

<b>Summary report:</b>	
<b>Litera Compare for Word 11.5.0.74 Document comparison done on 28/09/2023 13:01:24</b>	
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<b>Intelligent Table Comparison:</b> Active	
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Format changes	0
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