

**THE HIGH COURT**

**2024 / No. 162 COS**

**2024 / No. 43 COM**

IN THE MATTER OF **PHOENIX LIFE ASSURANCE EUROPE DESIGNATED  
ACTIVITY COMPANY**

**-and-**

IN THE MATTER OF **STANDARD LIFE INTERNATIONAL DESIGNATED  
ACTIVITY COMPANY**

**-and-**

IN THE MATTER OF **THE ASSURANCE COMPANIES ACT 1909 (AS AMENDED),  
THE INSURANCE ACT 1989 (AS AMENDED), AND THE EUROPEAN UNION  
(INSURANCE AND REINSURANCE) REGULATIONS 2015 (AS AMENDED)**

**To:** The High Court

The Humble Petition of the Directors of Phoenix Life Assurance Europe Designated Activity Company (**PLAE**) and the Directors of Standard Life International Designated Activity Company (**SLIntl**) (whose respective names and residential addresses are set out in the **First Schedule** hereto) (together, the **Petitioners**) shows as follows:

**1. OBJECT OF PETITION**

1.1. This Petition seeks the sanction of this Honourable Court, in accordance with the provisions of Section 13 of the Assurance Companies Act 1909 (as amended) (the **1909 Act**), Section 36 of the Insurance Act, 1989 (as amended) (the **1989 Act**) and Regulation 41 of the European Union (Insurance and Reinsurance) Regulations 2015 (as amended) (the **Irish Regulations**), to an arrangement for the transfer of all of the insurance business (including conventional with-profits, unitised with-profits, conventional non-profit, annuities and unit-linked policies) of PLAE (as more particularly described in the Scheme contained in the **Second Schedule** hereto (the **Scheme**)), incorporating, in particular, the Transferred Policies, the Transferred Assets, the Transferred Liabilities, the Transferred Contracts and the Transferred Reinsurance Agreements (as applicable) (all as defined in the Scheme) (collectively the **Transferred Business**), to SLIntl, pursuant to the terms of the Scheme.

**2. INTERPRETATION**

2.1. In this Petition, words and expressions shall have the meanings as set out in the Scheme unless otherwise defined herein.

### 3. CONSTITUTION AND BUSINESS

- 3.1. The particulars, pertinent powers and principal objects of PLAE are as follows:
- 3.2. PLAE is a designated activity company which was incorporated in Ireland on 10 December 2020 under company number 684882. PLAE is a direct and wholly owned subsidiary of ReAssure Limited, a company incorporated under the laws of England and Wales (company registration number: 00754167) which is, in turn a subsidiary of ReAssure Midco Limited, incorporated in England and Wales (company registration number: 02970583). The ultimate parent company is Phoenix Group Holdings plc, a company incorporated under the laws of England and Wales (company registration number: 11606773) with a registered office address at 20 Old Bailey, London, England, EC4M 7AN, United Kingdom. Both PLAE and SLIntl are companies within the same group of companies (the "**Phoenix Group**").
- 3.3. PLAE's registered office is at 90 St. Stephen's Green, Dublin, D02F653, Ireland.
- 3.4. PLAE has an authorised share capital of €100,000,000 divided into 100,000,000 Ordinary Shares of €1.00 each. PLAE's total issued share capital is €10,685,001 divided into 10,685,001 Ordinary Shares of €1.00 each. According to its most recent audited accounts, as at 31 December 2023, PLAE had total assets of €1,181,829 million.
- 3.5. PLAE's principal objects, as set out in clause 2 of its Constitution are, *inter alia*:
  - " 3 *The objects for which the Company is established are:*
    - 3.1 *to undertake and to carry on (whether alone or by way of coinsurance or otherwise howsoever) all kinds of life assurance business whether of a kind now known or hereafter devised, and in*

*particular without prejudice to the generality of the foregoing on all or any classes of life assurance business or any combination of the same listed in Schedule 2 to the European Union (Insurance and Reinsurance) Regulations 2015 (the Regulations) or any amendment, modification, replacement or re-enactment of the same including without prejudice to the generality of the foregoing:*

*3.1.1 Life assurance and contracts to pay annuities on human life;*

*3.1.2 Accident insurance, sickness insurance;*

*3.1.3 Contracts of insurance to provide a sum on marriage or on the birth of a child, being contracts expressed to be in effect for a period of more than one year;*

*3.1.4 Assurances referred to at 3.1.1 above which are linked to investment funds;*

*3.1.5 Permanent health insurance as described in Schedule 2 of the Regulations;*

*3.1.6 Tontines;*

*3.1.7 Capital redemption operations (within the meaning of the Regulations);*

*3.1.8 Management of group pension funds.*

*3.2 to effect and carry out contracts of insurance, whether effected by the issue of policies, bonds or endowment certificates or otherwise, whereby, in return for*

*one or more premiums paid to the insurer, a sum or a series of sums is to become payable to the insured in the future;*

- 3.3 to undertake, accept and enter into contracts, agreements and treaties of reinsurance and counter-insurance of life assurances risks and liabilities of any kind granted or accepted by other persons or bodies (with full power to retrocede all and any reinsurance or counter-insurance business);*
- 3.4 to counter-insure or reinsure any insurance risks or liabilities undertaken by the Company;*
- 3.5 to carry on all or any kind of indemnity or guarantee business whether of a kind now known or hereafter devised;*
- 3.6 to pay, satisfy or compromise any claims made against the Company in respect of any policies or contracts granted by or dealt in or entered into or guaranteed or secured or reinsured by the Company that the Company may deem it expedient to pay, satisfy or compromise notwithstanding that the same may not be valid in law and to settle or compromise any claims made by the Company which the Company may deem it expedient to settle or compromise;*
- 3.7 to contract with leaseholders, borrowers, lenders, annuitants, and others for the establishment, accumulation, provision, and payment of sinking funds, redemption funds, depreciation funds, renewal funds, endowment funds, and any other special funds, either in consideration of a lump sum, or of an annual premium, or*

*otherwise and generally on such terms and conditions as may be arranged;*

*3.8 to give to any class or section of those who assure or have other dealings with the Company, any rights over or in relation to any fund or funds, or a right to participate in the profits of the Company, or in the profits of any particular branch or part of its business, or any other special privileges, advantages or benefits.”*

3.6. On 26 September 2022, PLAE was authorised by the CBI to undertake the business of life insurance in Classes I, III, IV and VII as such classes are described and defined in the Irish Regulations (described by reference to the appropriate classes set out in Annex II to Directive 2009/138/EC) and as more particularly described in the **Fourth Schedule** hereto.

3.7. On the basis of PLAE's actuarial data as at 31 December 2023, the Transferred Policies (as defined in the Scheme) consist of approximately 23,340 policies, being all the policies of PLAE.

3.8. The Transferred Policies are made up of both with-profits (including conventional with-profits, unitised with-profits, conventional non-profit, annuities and unit-linked policies) which are split between four PLAE WP Funds:

- 3.8.1. the PLAE 90% WP Fund;
- 3.8.2. the PLAE Alba WP Fund;
- 3.8.3. the PLAE Phoenix WP Fund; and
- 3.8.4. the PLAE SPI WP Fund.

and non-profit policies which are included in the PLAE Non-Profit Fund.

- 3.9. A summary description of the product types which constitute the Transferred Policies is set out in the **Third Schedule** to this Petition.
- 3.10. PLAE passports on a Freedom of Services basis, into the following jurisdictions: Austria, Belgium, Cyprus, Denmark, Estonia, Finland, France, Germany, Iceland, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Slovenia, Spain and Sweden.
- 3.11. PLAE is empowered to transfer the Transferred Policies under object 3.20 of its Constitution, which permits PLAE to “*sell, improve, manage, develop, exchange, lease, mortgage, enfranchise, dispose of, turn to account or otherwise deal with all or any part of the property, undertaking, rights or assets of the company and for such consideration as the company might think fit and generally to purchase, take on lease or in exchange or otherwise acquire any real and personal property and rights or privileges.*”
- 3.12. PLAE had approximately €486 million of net best estimate liabilities (**BEL**) (meaning the BEL net of external (i.e. non-group) reinsurance) as at 31 December 2023. BEL means the best estimate liabilities in respect of the Transferred Policies, calculated using generally accepted actuarial techniques and in a manner consistent with the applicable PPFM and Solvency II and providing for future policy-related liabilities.
- 3.13. PLAE proposes to transfer the Transferred Business to SLIntl.
- 3.14. The particulars, pertinent powers and principal objects of SLIntl are as follows:
- 3.15. SLIntl is a designated activity company which was incorporated as a private limited company in Ireland on 27 September 2005 under company number 408507. SLIntl was incorporated under the name Standard Life International Limited and it was converted to a designated activity company on 5 April 2016. SLIntl is a wholly owned subsidiary of Phoenix Group Holdings plc.

- 3.16. SLIntl has an authorised share capital of €60,000,000 divided into 60,000,000 Ordinary Shares of €1.00 each. SLIntl's total issued share capital is €50,020,438 divided into 50,020,438 Ordinary Shares of €1.00 each.
- 3.17. SLIntl's registered office is 90 St. Stephen's Green, Dublin, D02 F653, Ireland.
- 3.18. SLIntl's principal objects, as set out in clause 3 of its Constitution are, *inter alia*:

" 3 *The objects for which the Company is established are:*

*A.*

*(i) to carry on all kinds of life assurance business whether of a kind now known or hereafter devised, and in particular without prejudice to the generality of the foregoing;*

*(ii) to carry on all or any classes of life assurance business or any combination of the same listed in the European Communities (Life Assurance) Regulations 1994 (as amended) or any statutory modification, amendment or re enactment of the same;*

*(iii) to effect and carry out contracts of insurance on human life or contracts to pay annuities on human life.*

*(iv) to effect and carry out contracts of insurance, whether effected by the issue of policies, bonds or endowment certificates or otherwise, whereby, in return for one or more premiums paid to the insurer, a sum or a series of sums is to become payable to the insured in the future;*



*(v) subject to the provisions of Section 22(1 )(a) of the Insurance Act, 1989 or any statutory modification, amendment or re-enactment of the same and any other applicable laws, rules and regulations, to undertake reinsurance and counter-insurance of life assurances and liabilities of any kind granted or accepted by other persons or bodies and for such consideration and upon such terms and conditions generally as may be thought fit;*

*(vi) to re-insure or counter-insure any insurance or liabilities undertaken by the Company;*

*(vii) to carry on all or any kind of indemnity or guarantee business whether of a kind now known or hereafter devised;*

*(viii) to pay, satisfy or compromise any claims made against the Company in respect of any policies or contracts granted by or dealt in or entered into or guaranteed or secured or reinsured by the Company which claims the Company may deem it expedient to pay, satisfy or compromise notwithstanding that the same may not be valid in law.*

*(ix) to contract with leaseholders, borrowers, lenders, annuitants, and other for the establishment, accumulation, provisions, and payment of sinking funds, redemption funds, depreciation funds, renewal funds, endowment funds, and any other special funds, and that either in consideration of a lump sum, or of an annual premium, or otherwise and generally on such terms and conditions as may be arranged.*

*(x) to give to any class or section of those who assure or have other dealings with the Company any rights over or in relation to any fund or finds, or a right to participate in the profits of the Company, or in the profits of any particular branch or part of its business, or any other special privileges, advantages or benefits.”*

- 3.19. On 6 January 2006, SLIntl was authorised by the CBI to undertake the business of life insurance in Classes I, II, III, IV and VII as such classes are described and defined in the Irish Regulations (described by reference to the appropriate classes set out in Annex II to Directive 2009/138/EC) and as more particularly described in the **Fifth Schedule** hereto. The CBI is the supervisory authority in Ireland which has granted SLIntl's authorisation and supervises it in that capacity.
- 3.20. SLIntl passports on a Freedom of Services basis for Class III business, into the following jurisdictions: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia and Sweden. In advance of the Effective Date, SLIntl will comply with the necessary notification requirements under the 2015 Regulations in order to passport on a Freedom of Services basis into all relevant jurisdictions.
- 3.21. As recorded in its annual audited accounts for the financial year ended 31 December 2023, SLIntl had total assets of €33,889,954,000, gross premiums written of €1,441,358,000 and net premiums written of €702,908,000.
- 3.22. SLIntl is empowered to accept the transfer of business from PLAE under object 3B (v) of its Constitution, which permits SLIntl to *“acquire and undertake the whole or any part of the business, property, goodwill and assets of any person, firm or company carrying on or proposing to carry on any of the businesses which the Company is authorised to*

*carry on, or which can be conveniently carried on in connection with the same, or may seem calculated directly or indirectly to benefit the Company.”*

3.23. For the purposes of Article 41(3)(a) of the Irish Regulations, SLIntl will possess the necessary eligible own funds to cover the Solvency Capital Requirement referred to in Regulation 113 of the Irish Regulations after taking the Transferred Business into account and will request the CBI to issue a certificate to that effect.

3.24. PLAE and SLIntl hereby agree that the Transferred Business be transferred from PLAE to SLIntl in accordance with the terms of the Scheme.

#### **4. BACKGROUND TO THE SCHEME**

4.1. The background to the transfer of the Transferred Business is as follows:

4.2. On 1 January 2023, the EEA business of Phoenix (including its Irish branch) and ReAssure Life was transferred to PLAE under the PLAE 2022 Scheme. The purpose of the PLAE 2022 Scheme was to ensure that, following the UK’s departure from the EU, the EEA business could be carried out by an insurer authorised in an EEA State with passporting rights to all other EEA States. The Transferred Business is comprised of all of the business transferred to PLAE under the PLAE 2022 Scheme.

4.3. The Scheme would address the cost inefficiencies of the Phoenix Group having two authorised life insurance companies in Ireland by consolidating the Phoenix Group’s EEA business in a single Irish-authorized life insurer. Following the proposed transfer, PLAE would have no remaining Long-Term Business and it is intended that the Phoenix Group would apply for PLAE’s de-authorisation and winding up. For the Transferred Policyholders of PLAE, integration into SLIntl (which is a larger, well-established Irish life insurer), will provide them with more long-term certainty of the strategic future of their insurance provider and better economies of scale to support ongoing provision of

services. Following the proposed transfer, the Transferred Business would be under the oversight of a single SLIntl management team focussed on the interests of all the Phoenix Group's non-UK European operations.

- 4.4. Following the Effective Date, it is intended that PLAE will begin the process of voluntarily surrendering its authorisation to the CBI and, subsequently, will begin the process of winding up its operations in Ireland.
- 4.5. As set out in paragraph 3.2 and paragraph 3.15 above, SLIntl's parent company, Phoenix Group Holdings plc, is also the indirect parent company of PLAE.
- 4.6. PLAE and SLIntl consider that SLIntl is well placed to support the Transferred Business and to safeguard policyholders' interests. In addition, transfer of the Transferred Business will bring the benefits set out at paragraph 4.3 above. For these reasons PLAE and SLIntl believe that the transfer of the Transferred Business to SLIntl is in the best interests of PLAE, SLIntl and that the PLAE and SLIntl policyholders will not be prejudiced by the proposal.
- 4.7. The CBI has been kept informed of the transaction on a regular basis and is aware of the key phases of the proposed transfer. No objections or material queries have been raised to date.
- 4.8. At a meeting held on 18 June 2024, the PLAE Directors approved PLAE proceeding with the proposals and resolved to delegate authority to a sub-committee of the board of directors of the PLAE Directors (the **PLAE Sub-Committee**) to, among other things, undertake any actions or steps that are necessary or desirable to approve and implement the Scheme. At a meeting held on 10 June 2024, the SLIntl Directors approved SLIntl proceeding with the proposals and delegated authority to a sub-committee of the board of directors of the SLIntl Directors (the **SLIntl Sub-Committee**)

to, among other things, undertake any actions or steps that are necessary or desirable to approve and implement the Scheme.

## 5. ACTUARIES REPORTS

- 5.1. At a meeting of the PLAE Sub-Committee held on 1 July 2024, the PLAE Sub-Committee considered the financial and actuarial aspects of the proposed transfer. In that context, the proposal to transfer the Transferred Business was discussed in detail. The PLAE Sub-Committee concluded that it would be in the interests of PLAE and the policyholders of PLAE if PLAE were to transfer the Transferred Business to SLIntl.
- 5.2. At a meeting of the SLIntl Sub-Committee held on 1 July 2024, the SLIntl Sub-Committee considered the financial and actuarial aspects of the proposed transfer. In that context, the proposal to transfer the Transferred Business was considered in detail by the SLIntl Sub-Committee. The SLIntl Sub-Committee concluded that it would be in the interests of SLIntl and the policyholders of SLIntl if PLAE were to transfer the Transferred Business to SLIntl.
- 5.3. The Independent Actuary has considered the Scheme in light of the assets and liabilities of PLAE and its effect on the holders of the Transferred Policies. The CBI has not objected to the Independent Actuary's appointment as Independent Actuary.
- 5.4. The Independent Actuary has prepared an independent actuarial report (the **Independent Actuary's Report**) in which he has concluded that he is satisfied that the implementation of the proposed Irish Scheme will not have a material adverse effect on:
  - 5.4.1. the security of benefits of the Transferred Policyholders or policyholders of SLIntl;

- 5.4.2. the reasonable expectations of the Transferred Policyholders or policyholders of SLIntl in respect of their benefits; and
  - 5.4.3. the standards of administration, service, management and governance that will apply to the Transferred Policyholders or policyholders of SLIntl.
- 5.5. The Independent Actuary intends to prepare a supplementary report in advance of the hearing of this Petition (the **Supplementary Report**). The Supplementary Report will cover any relevant matters which may have arisen since the date of the Independent Actuary's Report, including any such matters which may impact on the Independent Actuary's conclusions therein.

## 6. **NOTABLE FEATURES OF THE SCHEME**

- 6.1. The Grounding Affidavit of Michael Woodcock will confirm in detail the notable features of the Scheme. However, in short, those notable features relate to:
- 6.1.1. fund structuring and reinsurance arrangements;
  - 6.1.2. continuity of benefits while the with-profits reinsurance agreements are in force;
  - 6.1.3. security arrangements;
  - 6.1.4. cessation of with-profits funds and reinsurance;
  - 6.1.5. debits and credits allowed from new with-profits funds;
  - 6.1.6. linked funds and reinsurance; and
  - 6.1.7. hybrid policies.

## **7. PUBLICITY, COSTS AND CONSULTATION**

- 7.1. As required by the 1909 Act and the Irish Regulations, it is intended to publish notice of the intention to make this application in *Iris Oifigiúil* and (given that the Irish Regulations require Irish advertising for any transfer involving an Irish transferor (in this case, PLAE)), it is proposed that notice will be published in the *Irish Times*, the *Irish Independent*, the *Financial Times (International Edition)*, as well as in each EEA State which is a member state of the commitment (as defined in the Irish Regulations) in accordance with the law of that EEA State, and otherwise as/if the Court directs. Taking into account the position described above, the known EEA States which are the member states of the commitment are Belgium, Cyprus, Denmark, Estonia, Finland, France, Germany, Iceland, Italy, Liechtenstein, Luxembourg, Netherlands, Norway, Poland, Portugal, Slovenia, Spain and Sweden.
- 7.2. In addition, it is intended to undertake additional advertising in four other daily newspapers. Those publications are:
- 7.2.1. the *Irish Examiner*;
  - 7.2.2. the *Irish Daily Mirror*;
  - 7.2.3. the *Irish Daily Sun*; and
  - 7.2.4. the *Irish Sunday World*.
- 7.3. Subject to this Honourable Court granting an appropriate direction to PLAE and SLIntl, it is proposed that a statement of the nature of the transfer and the related information required under Section 13(3)(b) of the 1909 Act will be sent to Transferred

Policyholders and the Grounding Affidavit of Michael Woodcock will explain the manner in which this process will be undertaken.

7.4. Section 13(c) of the 1909 Act provides that the Petitioners must make certain documents available for the inspection of policyholders. This Petition (incorporating the Scheme), a copy of the Communication Pack (which will be defined in the Grounding Affidavit of Michael Woodcock) and the Independent Actuary's Report shall each be made available for inspection by the policyholders and shareholders of PLAE and SLIntl at their registered office at 90 St. Stephen's Green, Dublin, D02F653, Ireland, between the hours of 9.00 a.m. and 5.00 p.m. (Irish time) on each working day between 15 July 2024 and 12 November 2024 inclusive. When available, the Supplementary Report shall also be made available for inspection by the policyholders and shareholders of PLAE and SLIntl at the registered office address above. In addition, copies of those documents will also be accessible for viewing from the following webpages/websites from 15 July 2024 and for a period of no less than three months after the Effective Date:

7.4.1. for PLAE: [www.plae.thephoenixgroup.com/transfer24](http://www.plae.thephoenixgroup.com/transfer24); and

7.4.2. for SLIntl: [www.standardlife.ie](http://www.standardlife.ie), [www.standardlife.de](http://www.standardlife.de) and [www.standardlife.at](http://www.standardlife.at) (noting that the Communication Pack will be made available via links from these websites to the PLAE webpage above).

7.5. Regulation 41(5)(b) of the Irish Regulations also requires notice of the proposed transfer to be published in each EEA State in which risks under the Transferred Policies are situated in accordance with the law of that EEA State. The risks under the Transferred Policies are situated in the following EEA jurisdictions: Belgium, Cyprus,



Denmark, Estonia, Finland, France, Germany, Iceland, Italy, Liechtenstein, Luxembourg, Netherlands, Norway, Poland, Portugal, Slovenia, Spain and Sweden.

- 7.6. The Petitioners have sought legal advice in relation to the local law requirements for each of the relevant EEA jurisdictions and intend to publish details of the proposed transfer in each of those EEA jurisdictions in which the risks under the Transferred Policies are situated, where so required by the laws of that jurisdiction.
- 7.7. For the purpose of Regulation 41 of the Irish Regulations, PLAE has consulted with the CBI as to the Scheme. It is the Petitioners' understanding that, in accordance with Regulation 41 of the Irish Regulations, the CBI will determine whether it is appropriate to consult with other appropriate EEA supervisory authorities based on the information provided to the CBI by PLAE. The appropriate EEA supervisory authorities are those of the EEA States where the contracts were concluded in accordance with Regulation 41(3)(b) and Regulation 41(4) of the Irish Regulations. The Petitioners understand that the CBI has commenced the process of consulting the EEA supervisory authorities in Germany, Iceland, Norway and Sweden in this regard.
- 7.8. The Grounding Affidavit of Michael Woodcock will confirm the additional actions being proposed in relation to publicising the proposed transfer.
- 7.9. Except as otherwise agreed in writing, PLAE shall bear its own costs and expenses in relation to the preparation and carrying into effect of the Scheme. For the avoidance of doubt, neither PLAE nor SLIntl may allocate any such costs to a PLAE WP Fund or, as the case may be, a SLIntl WP Fund.

## **8. IMPACT OF THE PROPOSED TRANSFER ON EMPLOYEES**

- 8.1. The Petitioners have ensured that all Phoenix Group employees potentially impacted by the proposed transfer have been made aware of the proposed transfer and will ensure that all relevant steps are taken to comply with the requirements of the European Communities (Protection of Employees on Transfer of Undertakings) Regulations 2003

## 9. **ANCILLARY ORDERS**

- 9.1. The Petitioners intend to seek one or more ancillary Orders under Section 36 of the 1989 Act to transfer certain assets/liabilities closely connected with PLAE's business (further particulars in respect of which will be provided in advance of the hearing of the Petition, if so) from PLAE to SLIntl, on the basis that this is reasonably necessary in order to ensure that certain third parties (e.g. counterparties to certain reinsurance arrangements) are not prejudiced by the proposals.

## 10. **APPLICATION TO COURT**

- 10.1. The Petitioners do not believe that there is or could be any objection, or any sufficient basis for an objection, to be made to the Scheme and the Petitioners respectfully submit that, in the circumstances, it is just and equitable that the Scheme be sanctioned by this Honourable Court.
- 10.2. The Petitioners believe that, for the reasons outlined above, the interests of holders of Transferred Policies would be best served by the Scheme.
- 10.3. The Petitioners therefore pray as follows:
  - 10.3.1. an Order pursuant to the provisions of Section 13 of the 1909 Act sanctioning the Scheme;

- 10.3.2. such Order(s) pursuant to the provisions of the 1909 Act, Section 36 of the 1989 Act and Regulation 41 of the Irish Regulations, as may be appropriate, to transfer the Transferred Policies to SLIntl as and to the extent intended by the terms of the Scheme;
- 10.3.3. such Orders pursuant to the provisions of the 1909 Act, the 1989 Act and the Irish Regulations, as may be appropriate, to transfer those assets and liabilities of PLAE, which are the subject matter of the Scheme, to SLIntl as and to the extent intended by the terms of the Scheme;
- 10.3.4. an Order pursuant to Section 36(1)(c) of the 1989 Act providing for the continuation by or against SLIntl of any legal proceedings pending or commenced, by or against PLAE on the Effective Date, relating to the Transferred Business;
- 10.3.5. such orders as the circumstances may require to provide for the transfer to SLIntl of the whole or any part of the undertaking and of the property or liabilities of SLIntl to provide for any incidental, consequential or supplementary matters as are necessary to secure that the intended transfer should be fully and effectively carried out; and
- 10.3.6. such other directions as may be appropriate.

Dated this 1<sup>st</sup> day of July 2024

Signed: \_\_\_\_\_

A&L Goodbody LLP

Solicitors for Phoenix Life Assurance Europe Designated Activity Company

3 Dublin Landings

North Wall Quay

Dublin 1, D01 C4E0

**NOTE:** It is intended to serve a copy of this Petition together with the Schedules on such parties as this Honourable Court may direct.

Duly presented in the Central Office on the                      day of July 2024 by A&L Goodbody LLP, 3 Dublin Landings, North Wall Quay, Dublin 1, D01 C4E0

**FIRST SCHEDULE**

**DIRECTORS' NAMES AND ADDRESSES  
PHOENIX LIFE ASSURANCE EUROPE DESIGNATED ACTIVITY  
COMPANY**

1. Katherine Jones - 36 St Edmunds Road, Ipswich, United Kingdom
2. David Phillips - 7 Woodstown Hill, Knocklyon, Dublin 16, Ireland
3. Claudia Lang-Keck - Amselsweg 1, 61479, Glashuetten, Germany
4. Patricia Ruane - Rainbows End, Johnstown Avenue, Kilpedder, Co. Wicklow, Ireland
5. Sean Casey - 83 Avoca Park, Blackrock, Dublin, Ireland
6. Michael Woodcock - 41 Kennedy Road, Shrewsbury, SY3 7AA , United Kingdom

**STANDARD LIFE INTERNATIONAL DESIGNATED ACTIVITY COMPANY**

1. Naomi Dolly - Beachfield, Strand Road, Sutton, Dublin, D13KT93, Ireland

2. Thomas Ground - 46 Batoum Gardens, Hammersmith, London, United Kingdom
3. Katherine Jones - 36 St Edmunds Road, Ipswich, United Kingdom
4. Ann Kelleher - 16 Frankfort Park, Dundrum, Dublin, Dublin 14, D14CD89, Ireland
5. Claudia Lang-Keck - Amselsweg 1, 61479, Glashuetten, Germany
6. Aidan Brady - 6A Shaws Lane, Bath Avenue, Dublin 4, Dublin, Ireland
7. Sean Casey - 83 Avoca Park, Blackrock, Dublin, Ireland
8. Michael Mckenna - 51 Oaktree Road, Stillorgan, Co. Dublin
9. Nigel Dunne - 30 Crannagh Park, Rathfarnham, Dublin 14

**SECOND SCHEDULE**

**SCHEME**

**THE HIGH COURT OF IRELAND**

**2024 / No. 162 COS**

**2024 / No. 43 COM**

**IN THE MATTER OF PHOENIX LIFE ASSURANCE EUROPE DESIGNATED ACTIVITY  
COMPANY**

**AND IN THE MATTER OF STANDARD LIFE INTERNATIONAL DESIGNATED ACTIVITY  
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**AND IN THE MATTER OF THE ASSURANCE COMPANIES ACT 1909 (AS AMENDED),  
THE INSURANCE ACT 1989 (AS AMENDED), AND THE EUROPEAN UNION  
(INSURANCE AND REINSURANCE) REGULATIONS 2015 (AS AMENDED)**

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**SCHEME**

**(pursuant to Section 13 of the Assurance Companies Act 1909 (as amended), Section 36 of the Insurance Act 1989 (as amended) and Regulation 41 of the European Union (Insurance and Reinsurance) Regulations 2015 (as amended), for the transfer to Standard Life International Designated Activity Company of the life insurance business of Phoenix Life Assurance Europe Designated Activity Company).**



## PART A - DEFINITIONS AND INTERPRETATION

### 1 Definitions and interpretation

1.1 In this Scheme, unless the subject or context requires otherwise, the following expressions bear the meanings respectively set opposite them

<b>"1909 Act"</b>	means the Assurance Companies Act, 1909 (as amended)
<b>"1936 Act"</b>	means the Insurance Act, 1936 (as amended)
<b>"1989 Act"</b>	means the Insurance Act, 1989 (as amended)
<b>"Adjusted Best Estimate Liabilities"</b>	means the best estimate liabilities for the Transferred Policies to be allocated to the SLIntl Non-Profit Fund (net of reinsurance). This is calculated using generally accepted actuarial techniques and in a manner consistent with the applicable PPFM and Solvency II (using the assumptions and methodology of the Transferor reporting save in respect of maintenance expenses where the Expense Model will apply).
<b>"Agreed Assets"</b>	means assets, the nature and value (calculated in accordance with sub-paragraph (e) of the definition of Transferred Assets) of which are agreed from time to time by the Transferor and SLIntl and identified as such in writing or, failing such agreement by the due date for payment provided herein, cash
<b>"Annuity Benefit"</b>	means a non-profit immediate annuity or non-profit deferred annuity to be provided on vesting of a SLIntl WP Fund Policy (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
<b>"Annuity Benefit Cost"</b>	has the meaning given to it in paragraph 26.1.1
<b>"CBI"</b>	means the Central Bank of Ireland or such other governmental, statutory or other authority or authorities as shall from time to time perform such regulatory and supervisory functions in relation to life assurance business carried on in Ireland as are at the date of this Scheme allocated to the Central Bank of Ireland

<b>"Chief Actuary"</b>	means, in relation to Phoenix or ReAssure Life, the person approved to perform the "Chief Actuary function" on behalf of Phoenix or ReAssure Life, as the case may be, in accordance with the Insurance – Senior Management Functions part of the PRA Rulebook, or such other person performing an equivalent role under any amended or replacement regulatory requirement
<b>"Closing Phoenix WP Fund"</b>	has the meaning given to it in paragraph 21.2.1
<b>"Closure Uplift"</b>	means such increase (if any) in the benefit entitlement of a Policy, on a guaranteed or non-guaranteed basis as determined by the SLIntl Board: <ul style="list-style-type: none"> <li>a) where paragraph 21.2.1 applies, being no less than the Minimum Closure Uplift, having regard to paragraph 17 and the Phoenix 2009 Scheme; and</li> <li>b) in all other cases, taking into account the guiding principles in paragraph 21.6, resulting from applying the termination amount received by SLIntl under the relevant With-Profits Reinsurance Agreement on SLIntl ceasing to maintain the relevant SLIntl WP Fund in accordance with paragraph 21 of this Scheme</li> </ul>
<b>"Completion Accounts"</b>	means the profit and loss account for PLAE and the balance sheet of the Transferor for the financial year ending 31 December 2024
<b>"Court"</b>	means the High Court of Ireland
<b>"Data Protection Legislation"</b>	means: <ul style="list-style-type: none"> <li>a) EU General Data Protection Regulation (EU) 2016/679 (the "EU GDPR");</li> <li>b) the Data Protection Act 2018;</li> <li>c) the Privacy and Electronic Communications (EU Directive) Regulations 2003 (SI 2003/2426); and/or</li> <li>d) any other applicable laws, directives, statutes, regulations or</li> </ul>

codes of practice (to the extent that such codes of practice have legal effect) in relation to data protection or the privacy of individuals

- "Deposit"** has the meaning given to it in paragraph 27.3.1
- "EEA"** means the European Economic Area
- "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 Economic Area; or
  - (b) any other state which at that time is party to the EEA Agreement
- "Effective Date"** means the time and date on which this Scheme shall take effect in accordance with paragraph 29.1
- "Eligible Own Funds"** has the meaning given to it under Solvency II
- "Encumbrance"** means any mortgage, charge, pledge, security assignment, 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 agreements) having a similar effect
- "Excluded Assets"** means:
- (a) the corporate minute books, records and files of the Transferor that the Transferor is required by regulatory requirements to retain (and any other books and records to the extent relating to any other Excluded Asset);
  - (b) all property or part thereof not used in the conduct of the operation of the Transferred Business;
  - (c) the Retained Records; and/or
  - (d) any property of the Transferor attributable to the Transferred Business (including any right or benefit of the Transferor under

any Transferred Policy) which the Transferor and SLIntl agree prior to the Effective Date should not be transferred at all

<b>"Excluded Liabilities"</b>	means any liability whatsoever of the Transferor: (a) that is attributable to or connected with an Excluded Asset; (b) which the Transferor and SLIntl agree prior to the Effective Date should not be transferred at all; and/or (c) that is to make a payment of or in respect of or of an amount representing, equal to, equivalent to, or deemed to be, Tax (whether actual, present, future, contingent or deferred)
<b>Expense Model</b>	means the calculation of the best estimate liability of maintenance expenses as agreed between the Transferor and SLIntl in respect of this Scheme.
<b>"FCA"</b>	means the Financial Conduct Authority, or such other governmental, statutory or other authority or authorities as shall from time to time perform such regulatory and supervisory functions in relation to Long-Term Business carried on in the United Kingdom as are at the date of this Scheme allocated to the Financial Conduct Authority under FSMA
<b>"FCA Handbook"</b>	means the handbook of rules and guidance issued by the FCA from time to time pursuant to FSMA
<b>"Fixed Charge Arrangements"</b>	means the deed of fixed charge between Phoenix as chargor and SLIntl as secured party which will be executed prior to the sanction of this Scheme by the Court, the Account Control Agreement and Custody Agreement (each as defined in the deed of fixed charge)
<b>"Floating Charges"</b>	means the deeds of floating charge, which will be executed prior to the sanction of this Scheme by the Court, between: (a) Phoenix as chargor and SLIntl as secured party; and (b) ReAssure Life as chargor and SLIntl as secured party
<b>"Freedom of Services"</b>	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
<b>"FSMA"</b>	means the Financial Services and Markets Act 2000
<b>"Group"</b>	means:

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

**"Guaranteed Annuity Option"** means a term of a Transferred Policy giving the holder the right to elect to convert a cash benefit under the policy into an annuity at a guaranteed rate.

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

**"Hybrid Policy"** has the meaning given to it in paragraph 28.1

**"Independent Actuary"** means Mr. Michael Claffey of Milliman LLP or any other actuary appointed for the purposes of Section 13(3)(b) of the 1909 Act

**"Intermediary"** means any broker, agent, employee benefit consultant, independent financial adviser or other intermediary that has entered into an agreement (whether or not reduced to writing) with the Transferor to administer (including collecting premiums in respect of) the Transferor's products in respect of the Transferred Business from time to time

**"Irish Policyholder Principles"** means the following general principles contained within the CBI's Consumer Protection Code 2012 (as updated with effect from 1 January 2015) which, among other matters, 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 Regulations"** means the European Union (Insurance and Reinsurance) Regulations 2015 (SI 485/2015)

**"liability to Tax"** means a liability to make an actual payment of Tax

<b>"Linked Assets"</b>	means, in relation to an insurer, assets that are, for the time being, identified in the records of the insurer as being assets by reference to the value of which benefits under Linked Policies are to be determined
<b>"Linked Funds"</b>	means the internal linked funds maintained by the Transferor or (as the context requires) SLIntl for the purposes of calculating benefits, other than benefits determined by reference to the value of the WP Units, payable under the Linked Policies
<b>"Linked Policy"</b>	means any Policy which falls within Paragraph 3 of Schedule 2 to the Irish Regulations, under which the benefits are wholly or partly determined by reference to the value of, or the income from, property of any description (whether or not specified in those Policies) or by reference to fluctuations in, or in an index of, the value of specified property of any description (whether or not so specified)
<b>"Longstop Date"</b>	means 1 April 2025
<b>"Long-Term Business"</b>	means the business of effecting or carrying out long term insurance contracts as principal, being contracts falling within Schedule 2 to the Irish Regulations
<b>"Minimum Closure Uplift"</b>	has the meaning given to it in paragraph 21.2.1(ii)
<b>"Mis-selling/Mal-administration Liabilities"</b>	<p>means any liabilities, losses, costs and/or expenses (whether incurred as a result of any agreed settlement or compromise (including any ex gratia payment) or otherwise and including the costs of investigating, dealing with, challenging or defending any matter from time to time) in respect of the promotion, marketing, arrangement, sale, administration or investment performance of, or investment management service provided under or in connection with, any Transferred Policy (or any policies or options whose proceeds were used, wholly or in part, to pay the premium for a Transferred Policy) by or on behalf of the Transferor or its predecessors (including advice provided by or on behalf of the Transferor and whether in written, electronic or other form), including liabilities, losses, costs and/or expenses arising from:</p> <p>(a) any complaint, claim, legal action or proceedings (including arbitration, mediation or any other dispute resolution</p>

procedure) brought against the Transferor by or on behalf of any person or group of persons;

- (b) the Transferor complying with (or failing to comply with) applicable law or with rules, regulations, directions, guidance or industry practice (whether formal or informal) set by or given by any regulatory or governmental authority; and/or
- (c) any penalty or fine levied, or which results from or arises in connection with any disciplinary action undertaken, by any regulatory or governmental authority,

but excluding liabilities relating to the period prior to the date on which the PLAE 2022 Scheme took effect which will remain liabilities of Phoenix and/or ReAssure Life in accordance with the terms of the PLAE 2022 Scheme

**“MSA Agreement”** shall have the meaning given in the With-Profits Reinsurance Agreements

**“Nile Scheme”** means the scheme approved by the High Court of England & Wales providing for the transfer of the whole of the business from Phoenix Life Assurance Limited, Standard Life Assurance Limited and Standard Life Pensions Funds Limited to Phoenix in October 2023

**“Non-Profit Policy(ies)”** means a Policy falling within Schedule 2 to the Irish Regulations that is not a With-Profits Policy

**“NTMA”** means the National Treasury Management Agency or such other successor or replacement body or authority performing similar functions in relation to dormant or unclaimed life assurance policies in Ireland

**"NTMA Policies"** means the PLAE Policies registered with the NTMA

**"Order"** means the order made, or to be made, as the case may be, by the Court granting the sanction of the Court to this Scheme pursuant to Section 13 of the 1909 Act and Regulation 41 of the Irish Regulations, and making such further orders as the Parties shall seek and as the Court shall deem appropriate pursuant to Section 36 of the 1989 Act

<b>"Original Linked Fund"</b>	means the relevant Linked Fund of Phoenix or ReAssure Life (as the context requires) in which the Unit-Linked Reinsured Business shall be reinsured pursuant to the Unit-Linked Reinsurance Agreements
<b>"Payment"</b>	has the meaning set out in paragraph 10.4
<b>"Phoenix"</b>	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
<b>"Phoenix 2009 Scheme"</b>	means the scheme approved by the High Court of England & Wales providing for the transfer to Phoenix of the business of Scottish Mutual Assurance Limited and Scottish Provident Limited in February 2009 (as amended, modified or replaced (including where superseded by the Nile Scheme) from time to time)
<b>"Phoenix 90% WP Fund"</b>	means the with-profits fund bearing the name "90% With-Profits Fund" maintained by Phoenix as at the Effective Date
<b>"Phoenix Alba WP Fund"</b>	means the with-profits fund bearing the name "Alba With-Profits Fund" maintained by Phoenix as at the Effective Date
<b>"Phoenix Phoenix WP Fund"</b>	means the with-profits fund bearing the name "Phoenix With-Profits Fund" maintained by Phoenix as at the Effective Date
<b>"Phoenix SPI WP Fund"</b>	means the with-profits fund bearing the name "SPI With-Profits Fund" maintained by Phoenix as at the Effective Date
<b>"Phoenix With-Profits Actuary"</b>	means the person appointed by Phoenix from time to time to perform the "with-profits actuary function", as set out in SUP 4.3.16AR of the FCA Handbook, in respect of the relevant Phoenix WP Fund
<b>"Phoenix With-Profits Committee"</b>	means the With-Profits and Supervisory Committee of Phoenix from time to time fulfilling the role of a "with-profits committee" in accordance with the FCA Handbook and the SPI With-Profits Fund supervisory committee
<b>"Phoenix WP Fund(s)"</b>	means the Phoenix 90% WP Fund, the Phoenix Alba WP Fund, the Phoenix Phoenix WP Fund and/or the Phoenix SPI WP Fund, as the case may be
<b>"PLAE"</b>	means Phoenix Life Assurance Europe DAC, a designated activity company incorporated in the Republic of Ireland with



registered number 684882 whose registered office is at 90 St. Stephen's Green, Dublin, D02 F653

<b>"PLAE Scheme"</b>	<b>2022</b>	means the scheme(s) approved by the High Court of England & Wales and the Court (as the context requires) providing for the transfer to PLAE of the EEA business of Phoenix and ReAssure Life (as amended, modified or replaced from time to time)
<b>"PLAE Fund "</b>	<b>90% WP</b>	means the with-profits fund bearing the name "PLAE 90% With-Profits Fund" maintained by the Transferor as at the Effective Date
<b>"PLAE Fund "</b>	<b>Alba WP</b>	means the with-profits fund bearing the name "PLAE Alba With-Profits Fund" maintained by the Transferor as at the Effective Date
<b>"PLAE Board"</b>		means the board of directors of the Transferor from time to time
<b>"PLAE Fund"</b>		means (as the context requires) the PLAE Non-Profit Fund, a PLAE WP Fund or any other fund or sub-fund (including a with-profits fund) from time to time within the Transferor
<b>"PLAE Fund"</b>	<b>Non-Profit</b>	means the fund bearing the name "Non-Profit Fund" which is maintained by the Transferor as at the Effective Date for accounting purposes to identify Long-Term Business which is shareholder-backed business and is not allocated to a PLAE WP Fund (and which includes shareholder surpluses (if any) relating to that Long-Term Business)
<b>"PLAE WP Fund "</b>	<b>Phoenix</b>	means the with-profits fund bearing the name "PLAE Phoenix With-Profits Fund" maintained by the Transferor as at the Effective Date
<b>"PLAE Policies"</b>		means any and all of the Policies (whether or not in force as at the Effective Date and in respect of which liability has not been extinguished) written or assumed by or on behalf of the Transferor on the Effective Date (including, for the avoidance of doubt, any Suspended Policies falling within this definition), excluding any such Policies that are contracts of reinsurance, and "PLAE Policy" shall mean any one of them
<b>"PLAE Fund"</b>	<b>SPI WP</b>	means the with-profits fund bearing the name "PLAE SPI With-Profits Fund" maintained by the Transferor as at the Effective Date

<b>"PLAE Fund(s)"</b>	<b>WP</b> means the PLAE 90% WP Fund, the PLAE Alba WP Fund, the PLAE Phoenix WP Fund and/or the PLAE SPI WP Fund, as the case may be
<b>"Policy"</b>	means as the context requires: <ul style="list-style-type: none"> <li>a) any "policy" that has the meaning assigned to it by section 3 of the 1936 Act; and/or</li> <li>b) any constituent part of such a policy which, in the reasonable opinion of the SLIntl Board, gives rise to any separately identifiable benefit and which the SLIntl Board determines is a Policy</li> </ul> <p>and '<b>Policies</b>' will be interpreted accordingly</p>
<b>"PPFM"</b>	means the Principles and Practices of Financial Management maintained by Phoenix in effect from time to time in accordance with applicable law and regulation for each of the relevant Phoenix WP Funds
<b>"PRA"</b>	means the Prudential Regulation Authority, or such other governmental, statutory or other authority or authorities as shall from time to time perform such prudential and supervisory functions in relation to Long-Term Business carried on in the United Kingdom as are at the date of this Scheme allocated to the Prudential Regulation Authority under FSMA
<b>"PRA Rulebook"</b>	means the rulebook of rules and guidance applicable to insurers incorporated in the United Kingdom that are subject to the Solvency II regime issued by the PRA from time to time pursuant to FSMA
<b>"Proceedings"</b>	means any action or other legal or administrative proceedings or step (whether direct or indirect, by way of a claim, demand, legal proceedings, execution of judgment, arbitration, complaint or otherwise howsoever), whether pending, current or future, including: (a) any judicial, quasi-judicial, administrative or regulatory review or process; (b) any complaint or claim to any ombudsman; (c) arbitration; (d) mediation; and (e) any other dispute resolution procedure (whether or not it involves submission to any court)

- "ReAssure Life"** means ReAssure Life Limited, a company incorporated in England and Wales with registered number 01363932 whose registered office is at Windsor House, Telford Centre, Telford, TF3 4NB
- "Regulators"** means the CBI, the PRA and the FCA or any one or more of them (as the context may require)
- "Residual Assets"** means:
- (a) the Residual Policies and the rights, benefits and powers of the Transferor under or by virtue of the Residual Policies;
  - (b) any property of the Transferor attributable to Residual Policies (including a premium paid by a customer under a Residual Policy to the Transferor) or the Transferred Business (including any right, benefit or power of the Transferor under any Transferred Policy) in respect of which the Court has declined to order the transfer to SLIntl on the Effective Date;
  - (c) any Agreed Assets held by the Transferor in an amount equal to the best estimate liabilities for Residual Policies as reflected in the books and records of the Transferor;
  - (d) any property of the Transferor attributable to Residual Policies or the Transferred Business which is outside the jurisdiction of the Court or in respect of which the transfer pursuant to an order of the Court is not recognised by the laws of the jurisdiction in which the property is situated or in respect of which further steps are necessary to effect the transfer pursuant to the laws of the jurisdiction in which such property is situated;
  - (e) any property of the Transferor attributable to Residual Policies or the Transferred Business which cannot be transferred to or vested in SLIntl on the Effective Date for any other reason;
  - (f) any other property of the Transferor attributable to Residual Policies or the Transferred Business (including any right, benefit or power under a Residual Policy, a Transferred Policy or the Transferred Reinsurance Agreement referred to as *SPIGen1801* in Schedule 2) in respect of which:

- (i) the Court makes an order providing for the delay of (or exclusion from) transfer of a particular asset or property; or
  - (ii) the Transferor and SLIntl have agreed in writing prior to the Effective Date that its transfer should be delayed;
- (g) any 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 Date but prior to any relevant Subsequent Transfer Date in respect of any such property referred to in paragraphs (a) to (f) of this definition; and/or
- (h) assets of an amount which would have been calculated under paragraph (f) of the definition of Transferred Assets in relation to any Transferred Policies falling within paragraph (a) or (b) of the definition of Transferred Policies,
- for as long as one or more of paragraphs (a) to (h) above applies to them but excluding any Excluded Assets

**"Residual Liability"**

means any liability whatsoever of the Transferor relating to the Transferred Business:

- (a) to the extent that is attributable to or connected with a Residual Asset or Residual Policy and arises at any time before the Subsequent Transfer Date applicable to that Residual Asset or, as the case may be, Residual Policy;
- (b) in respect of which the Court makes an order providing for the delay of (or exclusion from) transfer of a particular liability;
- (c) in respect of which the Transferor and SLIntl agree prior to the Effective Date that its transfer should be delayed; and/or
- (d) which cannot be transferred to or vested in SLIntl for any other reason on the Effective Date,

for as long as one of more of paragraphs (a) to (d) above applies to them but excluding any Excluded Liabilities

**"Residual Policies"**

means Policies comprised in the Transferred Business:

- (a) written or assumed by the Transferor in the course of carrying on insurance business in Ireland and, for the purpose of Regulation 41 of the Irish Regulations, a

Regulator in an EEA State where the Policies were concluded, has not consented to its assignment pursuant to Regulation 41(3)(b) of the Irish Regulations or is not deemed to have so consented pursuant to Regulation 41(4) of the Irish Regulations;

- (b) written or assumed by the Transferor in the course of carrying on Long-Term Business but which are not otherwise capable of being transferred under this Scheme at the Effective Date;
- (c) in respect of which the Court has declined to order the transfer to SLIntl under this Scheme; and/or
- (d) in respect of which further steps are necessary to be taken following the Order before any such Policies can be transferred and the Transferor and SLIntl agree that such steps should be taken,

but excluding any Policy that is or becomes a Transferred Policy as described in paragraph 7.4

**"Retained Records"**

means any accounting and financial and other records of the Transferor which the Transferor is required by law or regulation to retain, including ad valorem Tax records

**"Scheme"**

means this scheme in its original form or with or subject to any modification, addition or condition which may be approved, imposed or made in accordance with paragraph 31

**"Scheme Reinsurance Agreements"**

means:

- (a) the With-Profits Reinsurance Agreements; and
- (b) the Unit-Linked Reinsurance Agreements,

and **"Scheme Reinsurance Agreement"** means any one of them

**SLIntl**

means Standard Life International DAC, a designated activity company incorporated in the Republic of Ireland with registered number 408507 whose registered office is at 90 St. Stephen's Green, Dublin 2, D02 F653

**"SLIntl 90% WP Fund"**

means the with-profits fund bearing the name "90% With-Profits Fund" maintained by SLIntl from the Effective Date

**"SLIntl Actuary"**

means SLIntl's head of actuarial function within the meaning of Solvency II or, if those requirements are no longer in effect, the person appointed by SLIntl from time to time as head of the

function described at Regulation 50 of the Irish Regulations or, if SLIntl is no longer required to maintain such a function, a person possessing appropriate actuarial qualifications nominated for the purposes of this Scheme by SLIntl

<b>"SLIntl Alba WP Fund"</b>	means the with-profits fund bearing the name "Alba With-Profits Fund" maintained by SLIntl from the Effective Date
<b>"SLIntl Board"</b>	means the board of directors of SLIntl from time to time
<b>"SLIntl Fund"</b>	means (as the context requires) the SLIntl Non-Profit Fund, a SLIntl WP Fund or any other fund or sub-fund (including a with-profits fund) from time to time within SLIntl
<b>"SLIntl Phoenix WP Fund"</b>	means the with-profits fund bearing the name "Phoenix With-Profits Fund" maintained by SLIntl from the Effective Date
<b>"SLIntl SPI WP Fund"</b>	means the with-profits fund bearing the name "SPI With-Profits Fund" maintained by SLIntl from the Effective Date
<b>"SLIntl Non-Profit Fund"</b>	means the fund bearing the name "Non-Profit Fund" which is maintained by SLIntl from the Effective Date for accounting purposes to identify Long-Term Business which is shareholder-backed business and is not allocated to a SLIntl WP Fund (and which includes shareholder surpluses (if any) relating to that Long-Term Business)
<b>"SLIntl WP Funds"</b>	means the SLIntl 90% WP Fund, the SLIntl Alba WP Fund, the SLIntl Phoenix WP Fund and the SLIntl SPI WP Fund, as the case may be
<b>"Solvency II"</b>	means, in relation to the Transferor and SLIntl, Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance and legislation made pursuant to it
<b>"Solvency Capital Requirement" or "SCR"</b>	means the level of capital, currently of that name, that the parties are required to maintain under Solvency II
<b>"Subsequent Transfer Date"</b>	means in relation to any Residual Asset or Residual Liability, the date (and each date) after the Effective Date on which such

Residual Asset or Residual Liability as the case may be is or is to be transferred to SLIntl, namely:

- (a) in respect of any Residual Asset falling within paragraphs (a), (b), (c), (d), (e) and (f)(i) of the definition of Residual Assets and of any Residual Liability which is attributable to or connected with that Residual Asset or which falls within paragraphs (a), (b) or (d) of the definition of Residual Liability, the date on which any impediment to its transfer shall have been removed or overcome;
- (b) in respect of any Residual Asset falling within paragraph **Error! Reference source not found.** (ii) of the definition of Residual Assets and of any Residual Liability which is attributable to or connected with that Residual Asset or which falls within paragraph (c) of the definition of Residual Liability, the date on which the Transferor and SLIntl agree the transfer should take effect; and
- (c) in respect of any Residual Asset falling within paragraph (f) of the definition of Residual Assets and of any Residual Liability which is attributable to or connected with that Residual Asset, the date on which such Residual Asset is received or earned by the Transferor, and
- (d) in respect of any Residual Asset falling within paragraph (h) of the definition of Residual Assets, the date on which such Transferred Policy is reinstated or underwritten, as the case may be, by SLIntl (with such assets to be allocated to the same SLIntl Fund as such Transferred Policies)

**"Suspended Policies"**

means any PLAE Policies which are (1) annuities considered suspended because death is suspected to have occurred and in respect of which the Transferor no longer holds any reserves and (2) the NTMA Policies

**"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, Iceland, Germany, Norway, Sweden 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 paragraph (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

**"Transferor"**

means PLAE

**"Transferor Actuary"**

means PLAE's head of actuarial function within the meaning of Solvency II or, if those requirements are no longer in effect, the person appointed by the Transferor from time to time as head of the function described at Regulation 50 of the Irish Regulations or, if the Transferor is no longer required to maintain such a function, a person possessing appropriate actuarial qualifications nominated for the purposes of this Scheme by the Transferor

**"Transferor's Board"**

means the board of directors of the Transferor

**"Transferred Assets"**

means any and all property of the Transferor whatsoever and wheresoever situated comprised in or attributable to the Transferred Business as at the Effective Date including (without prejudice to the generality of the foregoing):

- (a) the rights, benefits and powers of the Transferor under or by virtue of the Transferred Policies;
- (b) all rights and claims (present or future, actual or contingent and known or unknown) against any third party in relation to the Transferred Business or arising as a result of the Transferor having carried on the Transferred Business including, for the avoidance of doubt, any rights, benefits and powers of the Transferor against Phoenix and/or ReAssure Life in connection with the PLAE 2022 Scheme;
- (c) the rights, benefits and powers of the Transferor under the Transferred Reinsurance Agreement referred to as *SPIGen1801* in Schedule 2;
- (d) the rights, benefits and powers of the Transferor under the Transferred Contracts;
- (e) Agreed Assets with an aggregate market value at the Effective Date equal to the amount of:
  - (i) 114% of the Adjusted Best Estimate Liabilities; and
  - (ii) any other Transferred Liabilities including liabilities covered by the Scheme Reinsurance Agreements



(excluding any amount covered in paragraphs (a) to (e) (i) above),

the value of (i) and (ii) to be adjusted in accordance with paragraph 11;

- (f) all bank accounts, notes, premiums (including, for the avoidance of doubt, any increments or top up premiums relating to the Policies), reinsurance, retrocession and subrogation recoveries and other receivables that primarily relate to the Transferred Business;
- (g) all books, records, files and papers, whether in hard copy or computer format, of the Transferred Business, including insurance contracts, claims and underwriting files, sales and promotional literature, manuals and data, sales and purchase correspondence and lists of present and former customers, excluding the Retained Records;
- (h) assets equal in value to any amount held by the Transferor on its balance sheet in respect of reserves for any remediation liabilities as at the Effective Date, to the extent that these liabilities do not form part of the best estimate liabilities; and
- (i) an amount of cash (which could be negative) representing the difference between the transferred current accounting liabilities and the transferred current accounting assets (both as calculated in accordance with the Completion Accounts) related to the Transferred Policies,

but excluding: (A) the Residual Assets; (B) any rights, benefits and powers under or relating to the Residual Policies; (C) the Excluded Assets; (D) any right to repayment of Tax or any available Tax credits (other than any repayment of Tax or Tax credit to which paragraph 9.4 applies or any repayment of Tax or Tax credit which is a Linked Asset)

**"Transferred Business"**

means the business of the Transferor relating to the Transferred Policies and all activities carried on in connection therewith which also includes:

- (a) the Transferred Contracts;

- (b) the Transferred Reinsurance Agreement referred to as *SPIGen1801* in Schedule 2;
- (c) the Transferred Assets; and
- (d) the Transferred Liabilities

**"Transferred Contracts"**

means each intermediary terms of business agreement between the Transferor and an Intermediary relating to the Transferred Business

**"Transferred Liabilities"**

means any and all liabilities whatsoever of the Transferor comprised in or attributable to the Transferred Business or otherwise arising in connection with or in relation to the carrying on of the Transferred Business:

as at the Effective Date including (without prejudice to the generality of the foregoing):

- (a) all liabilities under and in connection with the Transferred Policies;
- (b) all liabilities under and in connection with the Transferred Reinsurance Agreement referred to as *SPIGen1801* in Schedule 2;
- (c) all liabilities under and in connection with the Transferred Contracts; and/or
- (d) any Mis-selling/Mal-administration Liabilities and/or any other liability of the Transferor arising from a breach of any statutory or regulatory duty prior to the Effective Date including any fine, penalty, levy or other amount imposed on the Transferor by any regulatory or governmental authority (including the Regulators, Her Majesty's Revenue and Customs and the Irish Revenue Commissioners)

but excluding: (A) the Residual Liabilities; (B) any liabilities under or relating to the Residual Policies; (C) the Excluded Liabilities; (D) any liability to Tax of the Transferor

**"Transferred Policies"**

means the PLAE Policies under which any liability remains unsatisfied or outstanding at the Effective Date but also to include:

- a) Policies written or assumed by the Transferor which have lapsed on or before the Effective Date and which are reinstated by SLIntl after the Effective Date (which will become Transferred

Policies in all respects as from the date they are reinstated, in line with paragraph (d) of the definition of Subsequent Transfer Date); and

- b) all proposals for insurance made to the Transferor and every offer or invitation for insurance made by the Transferor before the Effective Date which would have become PLAE Policies if they had been accepted by the Transferor prior to the Effective Date but which are subsequently accepted by SLIntl after the Effective Date (which will become Transferred Policies in all respects as from the date on which they become Transferred Policies, in line with paragraph (d) of the definition of Subsequent Transfer Date),

but (subject to paragraphs 7.1 to 7.5 inclusive) excluding the Residual Policies

**"Transferred Policyholder"**

means a holder of a Transferred Policy

**"Transferred Reinsurance Agreements"**

means the contracts, agreements, policies and other arrangements made between the Transferor and a third party in the nature of reinsurance under or in connection with the Transferred Business which are listed in Schedule 2

**"UL Units"**

mean notional units whose value or number vary by reference to the value of a Linked Fund for the purposes of calculating benefits payable under Linked Policies and Hybrid Policies, excluding WP Units

**"Unit-Linked Reinsurance Agreements"**

means:

- a) the unit-linked reinsurance agreement between SLIntl and Phoenix in relation to the investment by the Transferred Policies transferred from Phoenix in Linked Funds of Phoenix; and
- b) the unit-linked reinsurance agreement between SLIntl and ReAssure Life in relation to the investment by the Transferred Policies transferred from ReAssure Life in Linked Funds of ReAssure Life

<b>"Unit-Linked Reinsured Business"</b>	means the "Business Reinsured" as defined in the Unit-Linked Reinsurance Agreement, being the investment element of the Transferred Policies that are Linked Policies and increments to those Policies other than WP Units
<b>"With-Profits Policy(ies)"</b>	means any Policy (i) in respect of which from time to time the relevant policyholder is eligible to participate in any part of any established surplus, or (ii) to which WP Units are from time to time allocated
<b>"With-Profits Reinsurance Agreements"</b>	<p>means:</p> <ul style="list-style-type: none"> <li>(a) the with-profits reinsurance agreement between SLIntl and Phoenix in relation to the SLIntl 90% WP Fund;</li> <li>(b) the with-profits reinsurance agreement between SLIntl and Phoenix in relation to the SLIntl Alba WP Fund;</li> <li>(c) the with-profits reinsurance agreement between SLIntl and Phoenix in relation to the SLIntl Phoenix WP Fund; and</li> <li>(d) the with-profits reinsurance agreement between SLIntl and Phoenix in relation to the SLIntl SPI WP Fund (the "<b>PLAE SPI WP Fund Reinsurance Agreement</b>"),</li> </ul> <p>and "<b>With-Profits Reinsurance Agreement</b>" means any one of them</p>
<b>"WP Investment Element"</b>	means that part of any premium (including any amount derived from a rebate of charges) in respect of a Policy as has been applied or is applicable to investment in a with-profits investment (whether by the allocation of WP Units or otherwise) after any adjustment in accordance with the terms of the relevant Policy (including any policy charges and the bid/offer spread) or the liabilities referable to such WP Units as the context shall require, and
<b>"WP Unit"</b>	means a notional unit whose value or number varies, by reference to premiums paid and bonuses declared or surpluses distributed, for the purposes of calculating benefits payable under unitised with-profit policies and Hybrid Policies, or which can have a smoothed price on cancellation.

**1.2** In this Scheme:

- (a) "**assets**" and "**property**" include property, assets, interests, rights, benefits and powers of every description (whether present or future, actual or contingent) and include property held on trust and securities, benefits, powers of any description and any interest whatsoever in any of the foregoing;
- (b) "**liabilities**" includes duties and obligations of every description (whether present or future, actual or contingent);
- (c) "**transfer**" includes (as the context may require) "**assign**", "**assignment**" or "**assignment**", "**dispose**" or "**disposal**" or "**convey**" or "**conveyance**";
- (d) any words denoting the singular shall include the plural and vice versa and words denoting any gender shall include all genders;
- (e) any reference to an enactment, a statutory provision or any subordinate legislation shall be deemed to include a reference to that enactment, statutory provision or subordinate legislation as amended, replaced or re-enacted from time to time and to any instrument or order made from time to time under such enactment, statutory provision or subordinate legislation;
- (f) any reference to any rules, regulations or guidance made by the PRA and/or the FCA (as applicable), or the CBI (as applicable), shall be deemed to include a reference to such rules or regulations as amended or replaced from time to time, and any reference to any provision of the PRA Rulebook or the FCA Handbook, or any requirement of the CBI, which is not in force at the date of this Scheme but will be in force by the Effective Date shall, in respect of the period before it comes into force, be deemed to include a reference to such rules or regulations issued by the PRA and/or the FCA (as applicable), or the CBI (as applicable), as most closely corresponded to that provision at the date of this Scheme;
- (g) expressions used which have meanings under FSMA or the Irish legislation referred to in this Scheme shall bear those meanings,
- (h) the expression "**subsidiary**" shall have the meaning given in section 7 of the Companies Act 2014 and the expression "**holding company**" shall have the meaning given in section 8 of the Companies Act 2014;
- (i) any reference to "**this Scheme**" shall include the Schedules to it and, except as the context may otherwise require, references to paragraphs or Schedules are to paragraphs of or Schedules to this Scheme;
- (j) headings are inserted for convenience only and shall not affect the construction/interpretation of this Scheme;
- (k) any references in this Scheme to legislation shall:

- be to Irish legislation, unless otherwise stated; and
- include a reference to any legislation subordinate to such legislation,

and, save where the context otherwise requires, words and expressions used in such legislation and any regulations made under any of the foregoing shall have the same meanings in this Scheme;

- (l) any reference to a **"person"** shall be construed to include a reference to any individual, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing. Any reference to a person includes his successors, personal representatives, executors or administrators and permitted assigns and, for the avoidance of doubt, shall include a trustee;
- (m) 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;
- (n) any reference to writing shall include any modes of reproducing words in a legible and non-transitory form;
- (o) any reference to a calculation, decision, determination or opinion of the Transferor's Board or the SLIntl Board (or any similar expression) shall be deemed to include a calculation, decision, determination or opinion of a duly constituted committee or duly authorised representative of the Transferor's Board or the SLIntl Board (as appropriate);
- (p) the expression **"variation"** shall include any variation, amendment, modification, supplement, deletion, replacement or termination, however effected;
- (q) 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;
- (r) **"including"** or **"includes"** means including or includes without limitation;
- (s) any reference to an amount shall be exclusive of any applicable value added or other Tax;
- (t) any reference to time is to Dublin time; and
- (u) a document expressed to be in the **"agreed form"** means a document in a form which has been agreed by the parties on or before the date of this Scheme and signed or initialled by them or on their behalf or agreed through email exchange through their respective solicitors, for the purposes of identification.

- 1.3** Where, in this Scheme, it is stated that a certificate is required from an independent actuary, such certificate must be accompanied by a report that is based on the latest financial information that can reasonably be made available to the independent actuary at the time of the report.

## **PART B - INTRODUCTION**

### **2 Introduction**

- 2.1** The Transferor is a designated activity company incorporated in the Republic of Ireland with registered number 684882. The registered office of the Transferor is 90 St. Stephen's Green, Dublin, D02 F653. The Transferor's ultimate parent company is Phoenix Group Holdings plc.
- 2.2** The Transferor is authorised as an insurance undertaking (as defined in Regulation 3 of the Irish Regulations) by the CBI to carry on Long-Term Business in classes I, III, IV and VII as such classes are described in Schedule 2 to the Irish Regulations. The CBI is the supervisory authority in Ireland which has granted the Transferor's authorisation and supervises it in that capacity.
- 2.3** The Transferor passports, on a Freedom of Services basis, into the following jurisdictions: Austria, Belgium, Cyprus, Denmark, Estonia, Finland, France, Germany, Netherlands, Iceland, Italy, Luxembourg, Norway, Poland, Portugal, Slovenia, Spain and Sweden.
- 2.4** SLIntl is a designated activity company which was incorporated as a private limited company in Ireland on 27 September 2005 under company number 408507. SLIntl was incorporated under the name Standard Life International Limited and was converted to a designated activity company on 16 March 2016. SLIntl is a wholly owned subsidiary of Phoenix Group Holdings plc.
- 2.5** SLIntl is authorised as an insurance undertaking (as defined in Regulation 3 of the Irish Regulations) by the CBI to carry on Long-Term Business in classes I, III, IV, VI and VII as such classes are described in Schedule 2 to the Irish Regulations. The CBI is the supervisory authority in Ireland which has granted SLIntl's authorisation and supervises it in that capacity.
- 2.6** SLIntl passports on a Freedom of Services basis for Class III business, into the following jurisdictions: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia and Sweden. In advance of the Effective Date, SLIntl will comply with the necessary notification requirements under the 2015 Regulations in order to passport on a Freedom of Services basis into all relevant jurisdictions.
- 2.7** It is proposed that, subject to the sanction of this Scheme by the Court, the Transferred Business carried on by the Transferor shall pursuant to and in accordance with this Scheme, be transferred to SLIntl.



## **PART C - THE TRANSFER**

### **3 Transfer of the Transferred Business**

- 3.1** Each part of the Transferred Business, the Residual Assets and the Residual Liabilities shall be transferred to and be vested in SLIntl in accordance with this Scheme, so that:
- 3.1.1** subject to paragraph 7, with effect on and from the Effective Date, each Transferred Asset and all the property of the Transferor in it shall, by the Order and without any further act or instrument, be transferred to and be vested in SLIntl, subject to all Encumbrances (if any) affecting such property in accordance with this Scheme;
  - 3.1.2** subject to paragraph 7, with effect on and from each Subsequent Transfer Date, each Residual Asset to which such Subsequent Transfer Date applies and all the property of the Transferor in that Residual Asset shall, by the Order and without any further act or instrument, be transferred to and be vested in SLIntl, subject to all Encumbrances (if any) affecting such property in accordance with this Scheme;
  - 3.1.3** with effect on and from the Effective Date, each Transferred Liability shall, by the Order and without any further act or instrument, be transferred to and become a liability of SLIntl in accordance with this Scheme and shall cease to be a liability of the Transferor; and
  - 3.1.4** with effect on and 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 SLIntl in accordance with this Scheme and shall cease to be a liability of the Transferor.
- 3.2** SLIntl shall accept without investigation or requisition such title as the Transferor shall have at the Effective Date to the Transferred Assets and, at any Subsequent Transfer Date, to each Residual Asset then transferred and the Transferor shall not be liable for any charges, expenses, costs, claims, losses or any other liabilities in connection thereto that arise after the Effective Date, save as otherwise agreed between the parties in writing or as set out in this Scheme.
- 3.3** The Transferor and SLIntl shall take all such steps, and execute all such documents, as may be necessary or desirable:
- 3.3.1** to effect or perfect the transfer to and vesting in SLIntl of any Transferred Asset or Residual Asset pursuant to this Scheme;
  - 3.3.2** to correct any errors in the identity or amount of the property so transferred; and

- 3.3.3 to effect or perfect the transfer to and assumption by SLIntl of any Transferred Liability or Residual Liability pursuant to this Scheme.
- 3.4 The Transferred Assets, Residual Assets, Transferred Liabilities and Residual Liabilities shall be allocated in accordance with Part D.
- 3.5 The transfer under this Scheme of the Transferred Business, each Transferred Asset and each Transferred Liability shall, by the Order and without any further act or instrument, prevail over and take effect notwithstanding:
- 3.5.1 any requirement that would otherwise exist for the consent or waiver of any person (other than the Court) to the transfer; and/or
- 3.5.2 any right that any third party would otherwise have to terminate an agreement with the Transferor or claim compensation in damages or otherwise, in each case as a result of the transfer.
- 3.6 On and from the Effective Date, SLIntl shall:
- 3.6.1 succeed to all rights, liabilities and obligations of the Transferor in respect of any personal data which relates to the Transferred Business and which is subject to the Data Protection Legislation;
- 3.6.2 become the controller of any personal data which relates to the Transferred Business and which is subject to the Data Protection Legislation in place of the Transferor and shall be deemed to have been the controller of all such data at all times when personal data was processed; and
- 3.6.3 in respect of any personal data which relates to the Transferred Business, be subject to the same duty, by virtue of any law to which the Transferor was subject, to respect the confidentiality and privacy of each data subject of that personal data and shall be bound by any specific notice or consent given, or request made by, the data subject which was binding on the Transferor including those which required the Transferor not to use the personal data for marketing purposes,
- and in any consent given by a data subject in respect of such data as is mentioned in this paragraph 3.6, any reference to the Transferor (or to any member of the Transferor's Group) shall be deemed to include a reference to SLIntl (and to any member of SLIntl's Group).
- 3.7 In paragraph 3.6, the expressions **controller**, **personal data** and **data subject** shall have the meanings set out in the Data Protection Legislation.
- 3.8 On and from the Effective Date, SLIntl shall owe to the policyholders of the Transferred Business or to any other person the same duties of confidentiality and privacy (whether pursuant to statute or contract) as those which the

Transferor owed under the Transferred Business immediately prior to the Effective Date.

#### **4 Proceedings**

**4.1** With effect on and from the Effective Date, any Proceedings (or any relevant part thereof) which:

**4.1.1** prior to the Effective Date, have been issued, served, commenced, threatened or contemplated;

**4.1.2** as at the Effective Date are pending or are continued, or which are issued, served, commenced, threatened or contemplated;

**4.1.3** as at the Effective Date may be brought in the future including those not yet in contemplation; or

**4.1.4** as at the Effective Date, are pending or are continued on or after the Effective Date,

by or against the Transferor in connection with the Transferred Business, the Transferred Policies, the Transferred Assets or the Transferred Liabilities, shall be continued or commenced by, against or in relation to SLIntl (and for the avoidance of doubt any future Proceedings (or any relevant part thereof) in connection with the Transferred Business, the Transferred Policies, the Transferred Assets or the Transferred Liabilities shall be brought by, against or in relation to SLIntl) and SLIntl 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 the Transferor in relation to the Transferred Business, the Transferred Policies, the Transferred Assets or the Transferred Liabilities in any such Proceedings (or any relevant part thereof).

**4.2** With effect on and from the Subsequent Transfer Date applicable thereto, any Proceedings (or any relevant part thereof) which:

**4.2.1** prior to the Subsequent Transfer Date, have been issued, served, commenced or threatened or contemplated;

**4.2.2** as at the Subsequent Transfer Date, are pending or are continued, or which are issued, served, or commenced, threatened or contemplated;

**4.2.3** as at the Subsequent Transfer Date, may be brought in the future, including those not yet in contemplation; or

**4.2.4** as at the Subsequent Transfer Date, are pending or are continued on or after the Subsequent Transfer Date,

by or against the Transferor in connection with the Residual Policies, the Residual Assets or the Residual Liabilities which are to be transferred on such Subsequent Transfer Date, shall be continued or commenced by, against or in

relation to SLIntl (and for the avoidance of doubt any future Proceedings (or any relevant part thereof) in connection with such Residual Policies, Residual Assets or Residual Liabilities shall be brought by, against or in relation to SLIntl) and SLIntl 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 the Transferor in relation to the Residual Policies, the Residual Assets and the Residual Liabilities. Until such Subsequent Transfer Date, the relevant Proceedings (or any relevant part thereof) shall be commenced or continued by or against the Transferor and the Transferor shall conduct such Proceedings (or any relevant part thereof) in accordance with the reasonable instructions of SLIntl and at the cost of SLIntl.

- 4.3** Any judgment, settlement, order or award (or any relevant part thereof) obtained by or against the Transferor whether before or after the Effective Date to the extent that it relates to any part of the Transferred Business, the Transferred Policies, the Transferred Assets, the Transferred Liabilities, the Residual Policies, the Residual Assets or the Residual Liabilities and which is not fully satisfied before the Effective Date or, as the case may be, the applicable Subsequent Transfer Date, shall, on that date and to the extent to which it was enforceable by or against the Transferor immediately prior to such date (or, if later, the date on which the judgment, settlement, order or award (or any relevant part thereof) is obtained), become enforceable by or against SLIntl (to the exclusion of the Transferor).
- 4.4** All documents which would before the Effective Date have been evidence in respect of any matter for or against the Transferor shall on and from the Effective Date be evidence in respect of the same matter for or against SLIntl.
- 4.5** The Transferor and SLIntl hereby each undertake to the Court that they:
- 4.5.1** will not challenge the validity, effectiveness and/or enforceability of the Scheme or the PLAE 2022 Scheme in any court in any jurisdiction;
  - 4.5.2** will not assert or claim to any person that the Scheme or the PLAE 2022 Scheme are not valid, effective and/or enforceable in accordance with its/their terms; and
  - 4.5.3** will meet their respective commitments to Transferred Policyholders in the manner envisaged under the Scheme (only addressing any such invalidity, ineffectiveness or lack of enforceability as a matter solely between the Transferor and SLIntl in each case).

## **5 Rights and obligations in relation to the Transferred Business**

- 5.1** With effect on and from the Effective Date, SLIntl shall become entitled to all the rights, benefits, powers and other property, and subject to all the obligations,

of the Transferor whatsoever subsisting on the Effective Date under or by virtue of the Transferred Policies.

**5.2** Without prejudice to the generality of paragraph 5.1, where the benefits of any Transferred Policy are held under the terms of a trust, such terms (together with the terms of any rules applicable to any pension scheme in the case of any pension scheme under which benefits are referable to a Transferred Policy) shall operate and be construed on and with effect from the Effective Date on a basis which is consistent with the transfer of such Transferred Policy in accordance with the provisions of this Scheme. For the avoidance of doubt:

**5.2.1** where the consent of the Transferor is required under any such terms, the consent of SLIntl shall, on and with effect from the Effective Date, instead be required; and

**5.2.2** where a power to appoint trustees under such terms is conferred on the Transferor, that power shall, with effect from the Effective Date, instead be conferred on SLIntl.

**5.3** Every person who is a policyholder of any of the Transferred Policies or is a party to, or has the benefit of, any of the agreements with the Transferor comprising the Transferred Business shall with effect on and from the Effective Date become entitled, in succession to, and to the exclusion of, any rights which he may have had against the Transferor under any of the Transferred Policies or any other such agreement comprising the Transferred Business, to the same rights against SLIntl subject to the terms of this Scheme as were available to him against the Transferor under such Transferred Policies or such other agreement comprising the Transferred Business and (as regards Transferred Policies under which premiums or other sums attributable or referable thereto continue to be payable) shall with effect on and from the Effective Date account to SLIntl for any further or additional premiums or other sums attributable or referable thereto as and when the same become due and payable.

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

**5.4.1** the right or option provides for a new, additional or replacement Policy to be issued; or

**5.4.2** it is appropriate, in the opinion of SLIntl, 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 SLIntl 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 SLIntl of such a Policy, if SLIntl 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, SLIntl shall be entitled to offer to such person as an alternative (and, if accepted, in lieu thereof) a Policy commonly offered by SLIntl (or any other member of SLIntl's Group). Any such alternative Policy shall be a Policy which SLIntl considers to be the nearest equivalent Policy by reference to the terms and conditions applicable to Policies of SLIntl at that time, provided that where the issue of such alternative Policy would, in the opinion of the SLIntl 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, SLIntl 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 arising from the issue of such alternative Policy and issue, or procure the issue by another member of SLIntl's Group of, such alternative Policy pursuant to this paragraph 5.4.

- 5.5** All references in any Transferred Policy or other agreement comprising the Transferred Business to the Transferor, the Transferor's Board, the Transferor Actuary or any other officers, employees or agents of the Transferor shall from and after the Effective Date be read as references to SLIntl, the SLIntl Board, the SLIntl Actuary or any other officers or employees of SLIntl or, where appropriate, agents of SLIntl to which the administration of the relevant part of the business carried on by SLIntl has been delegated. In particular, but without limitation, all rights and duties exercisable or expressed to be exercisable or responsibilities to be performed by the Transferor, the Transferor's Board, the Transferor Actuary or any other officers, employees or agents of the Transferor in relation to any of the Transferred Policies or other agreements relating to the Transferred Business shall, from and after the Effective Date, be exercisable or required to be performed by SLIntl, the SLIntl Board, the SLIntl Actuary or any other officers, employees or agents of SLIntl.
- 5.6** The transfer of any rights, benefits, liabilities and obligations under or in connection with any Transferred Policy, Transferred Asset, Residual Policy, Residual Asset, Transferred Liability or Residual Liability pursuant to this Scheme shall take effect and shall be valid and binding on all parties having any interest in the same notwithstanding any restriction howsoever arising (including at law, in equity, 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.

## **6 Transferred Reinsurance Agreements**

- 6.1** With effect on and from the Effective Date, all the rights, benefits and powers conferred on or vested in the Transferor and all the liabilities imposed on the Transferor by or under the Transferred Reinsurance Agreement referred to as *SPIGen1801* in Schedule 2 which is governed by Irish law, whether express or implied, shall, under the Order (availing of the ancillary order facility under Section 36 of the 1989 Act), be transferred to and vest in SLIntl which shall, where appropriate, be substituted as a party in place of the Transferor as if SLIntl had always been the original party to the Transferred Reinsurance Agreement referred to as *SPIGen1801* in Schedule 2 from inception.
- 6.2** All Transferred Reinsurance Agreements listed in Schedule 2 (including, for consistency, the Transferred Reinsurance Agreement referred to as *SPIGen1801* in Schedule 2, shall be novated under various novation agreements, on the Effective Date, in accordance with the terms and conditions of the novation agreements.
- 6.3** All references in the Transferred Reinsurance Agreement referred to as *SPIGen1801* in Schedule 2 to the Transferor, the Transferor's Board, or any other officers, employees or agents of the Transferor shall from and after the Effective Date be read as references to SLIntl, the SLIntl Board, or any other officers or employees of SLIntl or, where appropriate, agents of SLIntl to which the administration of the business carried on by SLIntl has been delegated. In particular, but without limitation, all rights and/or duties exercisable or expressed to be exercisable or responsibilities to be performed by the Transferor, the Transferor's Board, or any other officers, employees or agents of the Transferor in relation to the Transferred Reinsurance Agreement referred to as *SPIGen1801* in Schedule 2 shall, from and after the Effective Date, be exercisable or required to be performed by SLIntl, the SLIntl Board or any other officers, employees or agents of SLIntl.

## **7 Residual Policies**

- 7.1** Subject to paragraphs 7.4 and 7.5, the Residual Policies shall not be transferred to SLIntl by this Scheme on the Effective Date and all liabilities attributable to the Residual Policies shall remain liabilities of the Transferor pending their transfer.
- 7.2** On and from the Effective Date, SLIntl shall indemnify the Transferor against all liabilities of the Transferor under or referable to the Residual Policies, in consideration for which the Transferor shall pay to the SLIntl all monies received on or after the Effective Date in respect of, and all assets representing reserves held by the Transferor in connection with, the Residual Policies and SLIntl shall pay to the Transferor or discharge on the Transferor's behalf all of the Transferor's liabilities under or referable to the Residual Policies.

- 7.3** SLIntl shall assume from the Transferor the administration of the Residual Policies and shall bear all expenses and liabilities in relation thereto, save as otherwise agreed in writing between the parties.
- 7.4** If all consents, permissions or other requirements for the transfer of a Residual Policy from the Transferor to SLIntl are obtained:
- 7.4.1** such Residual Policy shall be (deemed to be) automatically transferred to SLIntl and shall thereafter be treated in all respects as if it were a Transferred Policy save that references in this Scheme to the Effective Date shall be deemed for these purposes to be references to the Subsequent Transfer Date applicable to such Residual Policy; and
- 7.4.2** any Residual Asset or Residual Liability attributable to such Residual Policy (which, if it were attributable to a Transferred Policy, would be a Transferred Asset or (as the context requires) a Transferred Liability) shall be transferred to SLIntl and shall thereafter be treated in all respects as if it were a Transferred Asset or (as the context requires) a Transferred Liability save that references in this Scheme to the Effective Date shall be deemed for these purposes to be references to the Subsequent Transfer Date applicable to such Residual Asset or Residual Liability (as the case may be).
- 7.5** If any Residual Policy is novated by written agreement to SLIntl, the property and liabilities relating to such Residual Policy shall, to the extent not previously transferred, be transferred to SLIntl and such Residual Policy shall thereafter be dealt with by SLIntl under the provisions of this Scheme in all respects as if such Residual Policy were a Transferred Policy save that references in this Scheme to the Effective Date shall be deemed for these purposes to be references to the Subsequent Transfer Date applicable to such Residual Policy.

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

- 8.1** All premiums payable to the Transferor in respect of the Transferred Policies shall with effect on and from the Effective Date be payable to SLIntl and shall be allocated to the SLIntl Fund to which the Policy to which they relate is allocated pursuant to paragraph 14.
- 8.2** Any mandate or other instruction in force on the Effective Date (including any instruction given to a bank by its customer in the form of a direct debit or standing order) and providing for the payment by a banker or other Intermediary of premiums payable to the Transferor under or in respect of any of the Transferred Policies shall thereafter take effect as if it had provided for and authorised such payment to SLIntl.
- 8.3** Any mandate or other instruction in force on the Effective Date as to the manner of payment of any sum payable by the Transferor under any of the Transferred



Policies shall, with effect on and from the Effective Date, continue in force as an effective authority to SLIntl in place of the Transferor.

## **9 Declaration of trust by the Transferor**

- 9.1** In the case of any Residual Asset, the Transferor shall, from the Effective Date until the relevant Subsequent Transfer Date, hold any such Residual Asset as trustee for SLIntl.
- 9.2** The Transferor shall be subject to SLIntl's directions in respect of any property referred to in paragraph 9.1 from the Effective Date until the relevant property is transferred to or otherwise vested in SLIntl or is disposed of (whereupon the Transferor shall account to SLIntl for the proceeds of sale thereof), and SLIntl shall have authority to act as the attorney of the Transferor in respect of such property for all such purposes.
- 9.3** In the event of any payment being made to, property being received by or right being conferred upon the Transferor after the Effective Date in respect of the Transferred Business, the Transferred Policies, any Transferred Asset, the Residual Policies or any Residual Asset, the Transferor shall, as soon as is reasonably practicable after its receipt, pay over the full amount of such payment or (to the extent to which it is able to do so) transfer such property or right to, or in accordance with the directions of, SLIntl.
- 9.4** In the event of any repayment of Tax being made to the Transferor after the Effective Date in respect of the Transferred Business, any Transferred Asset or any Residual Asset, the Transferor shall, as soon as is reasonably practicable after its receipt, pay over the full amount of such repayment or (to the extent to which it is able to do so) transfer such property or right to, or in accordance with the directions of, SLIntl. The provisions of this paragraph shall only apply to the extent that such repayment is a Linked Asset or would have been a Linked Asset if the value of such repayment had been known at the Effective Date.
- 9.5** SLIntl shall indemnify the Transferor 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 9.

## **10 Indemnities**

- 10.1** With effect on and from the Effective Date, SLIntl shall discharge on the Transferor's behalf or, failing that, shall indemnify the Transferor against:
- 10.1.1** charges, costs, expenses and claims and any other liabilities (which, in each case, the Transferor shall procure are reasonable to the extent such matters are within its control) arising in respect of all Residual Liabilities (other than liabilities which would otherwise be the subject of double recovery under paragraph 10.1.2 or paragraph 10.1.3 below) until the relevant liability is transferred to or becomes a liability of SLIntl;

- 10.1.2 any amount paid by the Transferor in respect of any Residual Liabilities that are, whether wholly or in part, the subject of a policy of indemnity insurance or a claim or right of recovery against a third party, but only to the extent that the Transferor, having made a claim under such a policy or against such third party, shall have failed to recover any such amount pursuant to rights it may have under such policy, claim or right of recovery (having used all reasonable endeavours to do so, including complying with paragraph 10.3); and
  - 10.1.3 charges, costs and claims arising in respect of any relevant Proceedings continued by or against the Transferor in accordance with the instructions of SLIntl as contemplated by paragraph 4.2.
- 10.2 For the avoidance of doubt, SLIntl shall not be required under paragraph 10.1 to discharge or indemnify the Transferor against Excluded Liabilities or for any charges, costs, expenses and claims or any other liabilities arising in respect of any Excluded Liabilities.
- 10.3 SLIntl shall indemnify the Transferor against any reasonable costs and/or expenses which it may incur in pursuing any claim under any such policy of indemnity insurance or against any such third party as is referred to in paragraph 10.1.2. Subject thereto, the Transferor shall take such steps as SLIntl shall require in order to pursue the rights it may have under any such policy of indemnity insurance or against any such third party. SLIntl shall be entitled, upon notice to the Transferor, to have conduct of all litigation or other proceedings in respect of any such claim. In that connection, the Transferor shall give all such assistance as SLIntl may reasonably require in conducting any such proceedings.
- 10.4 Where the Transferor is entitled to receive an amount pursuant to the indemnities contained in paragraphs 10.1 or 10.3, it shall be entitled to receive such amount on the basis that the amount payable by SLIntl pursuant to such obligation (the "**Payment**") shall be calculated in such a manner as will ensure that the Transferor is in the same position as that in which it would have been if the matter giving rise to the Payment had not occurred, including by taking into account:
  - 10.4.1 any Tax required to be deducted or withheld by SLIntl from the Payment;
  - 10.4.2 the amount of any additional Tax which becomes payable by the Transferor as a result of the Payment being subject to Tax in the hands of the Transferor; and
  - 10.4.3 the amount of any Tax relief which is obtained by the Transferor or another member of the Transferor's Group, to the extent that such Tax

relief is attributable to the matter giving rise to the Payment or as a result of receiving the Payment,

(which Tax and Tax relief is to be determined, by taking into account its value, certainty of its availability and timing of its utilisation, by the Transferor, acting reasonably and in good faith, to the reasonable satisfaction of SLIntl).

- 10.5** For the avoidance of doubt, the Transferor shall not be entitled to obtain payment or indemnity more than once in respect of any shortfall or other event or any other circumstances which give rise to a claim under this Scheme or any other related agreement between the parties.

## **11 Adjustment of Agreed Assets valuation**

- 11.1** The value of the Agreed Assets shall be adjusted following the Effective Date as follows:

**11.1.1** If the Completion Accounts show that the Agreed Assets are less than the amount calculated in accordance with sub-paragraph (e) of the definition of Transferred Assets, the Transferor shall, on the Payment Date, pay to SLIntl the amount by which the Agreed Assets are less than the amount calculated.

**11.1.2** If the Completion Accounts show that the Agreed Assets are more than the amount calculated in accordance with sub-paragraph (e) of the definition of Transferred Assets, SLIntl shall, on the Payment Date, pay to the Transferor the amount by which the Agreed Assets are more than the amount calculated.

- 11.2** For the purposes of this paragraph, **Payment Date** means a date which is within 3 months after the date on which the Completion Accounts have been approved by the PLAE Board.

## **PART D - FUND STRUCTURE**

### **12 Establishment of the new SLIntl Funds**

**12.1** At and with effect from the Effective Date, SLIntl shall establish and maintain as separate funds:

**12.1.1** the SLIntl 90% WP Fund as a new with-profits fund;

**12.1.2** the SLIntl Alba WP Fund as a new with-profits fund;

**12.1.3** the SLIntl Phoenix WP Fund as a new with-profits fund; and

**12.1.4** the SLIntl SPI WP Fund as a new with-profits fund,

in addition to the SLIntl Non-Profit Fund established by SLIntl prior to, and maintained as at, the Effective Date of this Scheme.

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

**12.3** Subject to compliance with regulatory requirements, nothing in this Scheme shall prevent SLIntl from establishing further new SLIntl Funds, or from ceasing to maintain the SLIntl Non-Profit Fund, at any time after the Effective Date as the SLIntl Board may determine and, subject to any restrictions in this Scheme, allocating new Policies or re-allocating Transferred Policies or Residual Policies to such new SLIntl Funds, in each case, as approved by the SLIntl Board, 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 SLIntl Board shall not provide such approval.

### **13 Purpose of Allocations**

Any allocation of property or liabilities, and any re-allocation of the same, which is made under the terms of this Scheme are for the purpose of establishing policyholder entitlements from time to time and shall not be taken to limit the availability of all the property from time to time of SLIntl to meet the liabilities which it is obliged by law to meet.

### **14 Allocation of Policies**

**14.1** On and with effect from the Effective Date, the Transferred Policies comprised in the Transferred Business shall be allocated on the basis that:

**14.1.1** those within the PLAE 90% WP Fund immediately prior to the Effective Date shall be allocated to the SLIntl 90% WP Fund;

- 14.1.2 those within the PLAE Alba WP Fund immediately prior to the Effective Date shall be allocated to the SLIntl Alba WP Fund;
  - 14.1.3 those within the PLAE Phoenix WP Fund immediately prior to the Effective Date shall be allocated to the SLIntl Phoenix WP Fund;
  - 14.1.4 those within the PLAE SPI WP Fund immediately prior to the Effective Date shall be allocated to the SLIntl SPI WP Fund; and
  - 14.1.5 those within the PLAE Non-Profit Fund immediately prior to the Effective Date shall be allocated to the SLIntl Non-Profit Fund.
- 14.2 On and with effect from the applicable Subsequent Transfer Date, each Residual Policy shall be allocated to the SLIntl Fund to which the relevant Residual Policy would have been allocated in accordance with the provisions of paragraph 15.1 had it been, a Transferred Policy on the Effective Date.

## **15 Allocation of Assets**

- 15.1 On and with effect from the Effective Date, all Transferred Assets allocated:
- 15.1.1 to the PLAE 90% WP Fund immediately prior to the Effective Date, shall be allocated to the SLIntl 90% WP Fund;
  - 15.1.2 to the PLAE Alba WP Fund immediately prior to the Effective Date, shall be allocated to the SLIntl Alba WP Fund;
  - 15.1.3 to the PLAE Phoenix WP Fund immediately prior to the Effective Date, shall be allocated to the SLIntl Phoenix WP Fund;
  - 15.1.4 to the PLAE SPI WP Fund immediately prior to the Effective Date, shall be allocated to the SLIntl SPI WP Fund; and
  - 15.1.5 to the PLAE Non-Profit Fund immediately prior to the Effective Date, shall be allocated to the SLIntl Non-Profit Fund.
- 15.2 On and with effect from the applicable Subsequent Transfer Date, each Residual Asset shall be allocated to the SLIntl Fund to which it would have been allocated in accordance with the provisions of paragraph 15.1 had it been a Transferred Asset on the Effective Date.

## **16 Allocation of Liabilities**

- 16.1 On and with effect from the Effective Date, all Transferred Liabilities allocated:
- 16.1.1 to the PLAE 90% WP Fund immediately prior to the Effective Date, shall be allocated to the SLIntl 90% WP Fund;
  - 16.1.2 to the PLAE Alba WP Fund immediately prior to the Effective Date, shall be allocated to the SLIntl Alba WP Fund;

- 16.1.3 to the PLAE Phoenix WP Fund immediately prior to the Effective Date, shall be allocated to the SLIntl Phoenix WP Fund;
  - 16.1.4 to the PLAE SPI WP Fund immediately prior to the Effective Date, shall be allocated to the SLIntl SPI WP Fund; and
  - 16.1.5 to the PLAE Non-Profit Fund immediately prior to the Effective Date, shall be allocated to the SLIntl Non-Profit Fund.
- 16.2 On and with effect from the Effective Date, SLIntl's liability to indemnify the Transferor pursuant to paragraphs 9.5, 10.1 and 10.3 shall be allocated to the SLIntl Non-Profit Fund.
- 16.3 On and with effect from the applicable Subsequent Transfer Date, each Residual Liability shall be allocated to the SLIntl Fund to which it would have been allocated in accordance with the provisions of paragraph 16.1 or 16.2 had it been a Transferred Liability.
- 16.4 If any doubt or difference shall arise as to the allocation of any of the Transferred Business, any Transferred Policy, Transferred Asset, Transferred Liability, any Residual Policy, Residual Asset or Residual Liability in accordance with this Scheme, the same shall be determined by the Transferor's Board, having regard to appropriate actuarial advice, provided that such determination shall not result in any increase in liability of or loss of benefit to SLIntl.

## **17 Preservation of benefits while With-Profits Reinsurance Agreements in force**

- 17.1 Pursuant to paragraph 16 of the PLAE 2022 Scheme, various clauses were included in that scheme connected with the preservation of benefits and the interpretation of policies. This Scheme does not purport to make any changes to that position but, due to the fact that the underlying policies still need to be interpreted in the same way as under the PLAE 2022 Scheme, the same protections have been retained under this paragraph 17.
- 17.2 In order to support the preservation of benefits and benefit expectations of the Transferred Policyholders, on and with effect from the Effective Date, this paragraph 17 shall apply (only) to Transferred Policies which are from time to time, or become, With-Profits Policies until the With-Profits Reinsurance Agreement, under which the liabilities of the relevant SLIntl WP Fund are from time to time reinsured, terminates in accordance with its terms.
- 17.3 Notwithstanding that the Transferred Policies, Transferred Assets and Transferred Liabilities are allocated to a SLIntl WP Fund in the manner described in paragraphs 14, 15 and 16 above:
- 17.3.1 benefits payable, including Closure Uplifts falling within (a) of that definition, will continue to be calculated, from the Effective Date (or Subsequent Transfer Date, as the case may be), by reference to the

Phoenix WP Fund which the Transferred Policy was allocated prior to its transfer to the Transferor in accordance with the PLAE 2022 Scheme and as if the relevant Transferred Policies remained Policies of Phoenix allocated to the relevant Phoenix WP Fund;

- 17.3.2 for the avoidance of doubt, any provision in a Transferred Policy which envisages or requires the "*Insurer*", the "*Association*", the "*Institution*" (or any other term referring to the insuring entity) to maintain and/or administer the with-profits funds underpinning the Transferred Policies shall be interpreted as permitting SLIntl to utilise the Phoenix WP Funds as a result of the relevant With-Profits Reinsurance Agreement for this purpose;
- 17.3.3 any provision in a Transferred Policy which envisages an action to be taken, decision to be made or discretion to be exercised by the "*Insurer*", the "*Association*", the "*Institution*" (or any other term referring to the insuring entity) in relation to valuation, calculation or similar matters may be effected based on an equivalent action, decision or discretion by Phoenix or its personnel in accordance with the relevant With-Profits Reinsurance Agreement and Phoenix's established practices (including as set out in its PPFM) in relation to the relevant Phoenix WP Fund and as notified to SLIntl; and
- 17.3.4 in particular, the actions, decisions and/or discretions referred to in paragraph 17.3.3 may include the following:
- (i) determining premiums payable;
  - (ii) determining the value of an assured sum (including a final maturity sum assured, an early retirement sum assured, and/or cash value of a policy);
  - (iii) determining the value of benefits, including:
    - (a) guaranteed benefits;
    - (b) discretionary benefits; and
    - (c) ensuring that any determination is in accordance with SLIntl practices and policies;
  - (iv) determining surcharges (including situations where a policy is cancelled, where premium payments are late and charges are imposed or where charges are payable for the management and provision of benefits); and
  - (v) determining the amounts payable under the Transferred Policy where the policyholder is transferred to a different benefit scheme.

17.4 For the avoidance of doubt, supported by the relevant With-Profits Reinsurance Agreement, benefits payable shall be no less than the sum which would be recoverable if the relevant Transferred Policy was still allocated to the relevant Phoenix WP Fund which the Transferred Policy was allocated prior to its transfer to the Transferor in accordance with the PLAE 2022 Scheme, at the date of calculation of that benefit.

17.5 The Transferor undertakes to provide SLIntl with all relevant information reasonably necessary in order to achieve what is set out in this paragraph 17.

## 18 Linked Funds

18.1 On and with effect from the Effective Date:

18.1.1 SLIntl shall establish within the SLIntl Non-Profit Fund, Linked Funds corresponding to the PLAE Linked Funds;

18.1.2 the Linked Assets and any associated liabilities forming part of the Transferred Business comprised in each PLAE Linked Fund or part thereof of the Transferor immediately prior to the Effective Date shall be allocated to and become comprised in the corresponding Linked Fund established by SLIntl comprising, immediately following the Effective Date, units of the same aggregate value as were comprised in respect of the Linked Policies which are Transferred Policies in the relevant PLAE Linked Fund or part thereof of the Transferor immediately prior to the Effective Date; and this shall be effected on a basis such that the rights transferred enable SLIntl to retain the same basis for unit pricing and the same level of charges as was applied by the Transferor immediately prior to the Effective Date;

18.1.3 benefits under any Transferred Policy which, immediately prior to the Effective Date, were linked to any one or more PLAE Linked Fund(s) of the Transferor shall become linked to the corresponding Linked Fund(s) of SLIntl and SLIntl shall with effect from the Effective Date allocate to each such Transferred Policy the same number and classes of units in the corresponding Linked Fund(s) of SLIntl as the number and classes of units in the relevant PLAE Linked Fund(s) of the Transferor which were allocated to the Transferred Policy immediately prior to the Effective Date; and

18.1.4 subject always to the provisions of this paragraph 18, in relation to any benefits under Transferred Policies which are linked to a Linked Fund of SLIntl, SLIntl shall become entitled to the same rights and powers and be subject to the same duties and liabilities as applied to the Transferor in relation to the corresponding PLAE Linked Fund of the Transferor immediately prior to the Effective Date.



- 18.2** Immediately after the Effective Date, the Unit-Linked Reinsured Business shall be reinsured to the relevant Original Linked Funds pursuant to the Unit Linked Reinsurance Agreements
- 18.3** If any property comprised in a Linked Fund of the Transferor falls within the provisions of paragraph 9.1, all interests and rights in relation to such property pursuant to paragraph 9.1 shall be allocated as it would have been allocated pursuant to this paragraph 18 had it been a Transferred Asset, and the liabilities relating to such property shall be reinsured to the relevant Original Linked Fund pursuant to the Unit Linked Reinsurance Agreements.
- 18.4** On and with effect from each Subsequent Transfer Date each Residual Asset which is comprised in a PLAE Linked Fund shall be allocated as it would have been allocated pursuant to this paragraph 18 had it been a Transferred Asset, and the liabilities relating to such Residual Asset shall on the relevant Subsequent Transfer Date be reinsured to the relevant Original Linked Fund pursuant to the Unit Linked Reinsurance Agreements.

## **19 Future changes to Linked Funds**

- 19.1** Subject to the terms of the Unit-Linked Reinsurance Agreements and all applicable legislation (including any regulatory requirements or rules stipulated by the Regulators) and to the extent not prohibited by the terms of the relevant Linked Policies, the SLIntl Board, having regard to the advice of the SLIntl Actuary and having regard to the interests of the relevant policyholders shall be at liberty at any time and from time to time to:
- 19.1.1** close to new or further investment any Linked Funds established by it pursuant to paragraph 18.1 or this paragraph 19;
  - 19.1.2** wind up in accordance with paragraph 19.2 any Linked Funds established by it pursuant to paragraph 18.1 or this paragraph 19;
  - 19.1.3** amalgamate any Linked Funds established by it pursuant to paragraph 18.1 or this paragraph 19, or any part or parts thereof with any other Linked Fund (including any other Linked Fund);
  - 19.1.4** divide any Linked Fund established by it pursuant to paragraph 18.1 or this paragraph 19 into one or more Linked Funds;
  - 19.1.5** effect any combination of the actions referred to in paragraphs 19.1.1 to 19.1.4; and/or
  - 19.1.6** modify or enlarge the investment objectives of any of the Linked Funds established by it pursuant to paragraph 18.1 or this paragraph 19 to permit investment in assets which are reasonably similar to, or provide reasonably similar investment exposure to, those already held or permitted to be held in that Linked Fund,

on such terms as the SLIntl Board shall consider equitable as between the policyholders affected thereby having regard to the advice of the SLIntl Actuary (or another appropriate senior manager approved as a "Pre-Approval Controlled Function" role-holder under the CBI's Fitness and Probity regime) but, in each case, provided that: (a) SLIntl shall, subject to paragraph 19.4, have first consulted with Phoenix and/or ReAssure Life (as the context requires) to the extent that such action affects or has the potential to affect the business of, or any fund of, Phoenix and/or ReAssure Life (as the context requires) or any of their policyholders; and (b) for so long as the relevant Linked Fund is reinsured under a Unit-Linked Reinsurance Agreement, such action reflects similar actions being taken by Phoenix and/or ReAssure Life (as the context requires) in relation to the Original Linked Fund into which the SLIntl Linked Fund is reinsured. Where SLIntl consults Phoenix and/or ReAssure Life (as the context requires) in accordance with this paragraph 19.1, the SLIntl Board shall have due regard to the position of Phoenix and/or ReAssure Life (as the context requires), their business, funds and policyholders and the terms of the Unit-Linked Reinsurance Agreements and provided always that this paragraph 19.1 shall not restrict any similar rights which Phoenix and/or ReAssure Life (as the context requires) may have prior to the Effective Date and SLIntl may have after the Effective Date under the terms of the Linked Policies.

- 19.2** In the event that SLIntl determines to wind up a Linked Fund pursuant to paragraph 19.1.2, it shall cancel units in that Linked Fund allocated to Policies and allocate to the relevant policyholders, without charge, new units of an equal value (as determined by the SLIntl Board having regard to the advice of the SLIntl Actuary or another appropriate senior manager approved as a 'Pre-Approval Controlled Function' role-holder under the CBI's Fitness and Probity regime) in a different Linked Fund in substitution for the cancelled units. The substitute Linked Fund shall be a fund from among those available from SLIntl at the time to holders of Policies of the same class as the Policies held by the relevant policyholders and which, in the opinion of the SLIntl Board, having regard to the advice of the SLIntl Actuary or another appropriate senior manager approved as a 'Pre-Approval Controlled Function' role-holder under the CBI's Fitness and Probity regime), provides reasonably equivalent investment exposure to the Linked Fund so wound up, if such a Linked Fund is available.
- 19.3** Where any policyholder may be affected by the application of paragraph 19.1 and elects to switch from the Linked Fund to which his or her Linked Policy is, at that time, linked into one or more other Linked Fund(s) of SLIntl:
- 19.3.1** without prejudice to any entitlement for a policyholder to effect such a switch under the terms of the Linked Policy, one such switch shall be permitted by SLIntl, even where such switch was not permitted under the terms of the Linked Policy, provided that it is effected within twelve (12) months after the later of: (i) the relevant policyholders being

notified of the relevant change; or (ii) the relevant change having occurred; and

- 19.3.2 any switching charge that would otherwise apply as a consequence of such switch during such twelve (12)-month period shall be waived in respect of the first (but not any subsequent) occasion when such charge would have applied.

If such a Linked Policy is linked to two (2) or more Linked Funds, this paragraph 19.3 shall apply separately in respect of each such Linked Fund that is the subject of the application of paragraph 19.1.

- 19.4 In the event that the SLIntl Board considers, having regard to the advice of the SLIntl Actuary or another appropriate senior manager approved as a 'Pre-Approval Controlled Function' role-holder under the CBI's Fitness and Probity regime, that any group of policyholders may be disadvantaged financially by any action taken pursuant to the provisions of this paragraph 19, the SLIntl Board shall ensure that appropriate adjustments are made to the property of, or the charges levied on, the applicable Linked Fund in order to provide appropriate compensation to such policyholders.

## **20 General provisions in respect of allocation**

- 20.1 If, in the opinion of the SLIntl Board (having taken appropriate actuarial advice), the allocation of any property or liability under this Scheme is uncertain, then such property or liability shall be allocated to such SLIntl Fund (or SLIntl Funds) in such manner as the SLIntl Board shall determine.
- 20.2 The allocation(s) of property and liabilities pursuant to this Scheme are subject to any contrary regulatory requirements and SLIntl shall comply with the provisions of this Scheme insofar as is possible within the constraints imposed by such regulatory requirements.
- 20.3 The SLIntl Board may, at any time, change the name of any of the SLIntl 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 SLIntl WP FUNDS**

### **21 Cessation of the SLIntl WP Funds following cessation of relevant Phoenix WP Funds or With-Profits Reinsurance Agreement**

- 21.1 For the purposes of this paragraph 21, the "**Relevant With-Profits Fund Closure Date**" shall be the date determined by the SLIntl Board on which the relevant SLIntl WP Fund shall cease to be maintained.
- 21.2 If:

- 21.2.1 Phoenix, pursuant to the provisions of the Phoenix 2009 Scheme is to be released from its obligation to maintain a Phoenix WP Fund (the "**Closing Phoenix WP Fund**"), to which the liabilities of a SLIntl WP Fund are at that time reinsured under a With-Profits Reinsurance Agreement (other than where the Closing Phoenix WP Fund is to be merged into another Phoenix WP Fund), then SLIntl shall cease to maintain the relevant SLIntl WP Fund and paragraphs 21.4 and 21.5 shall apply and:
- (i) in settling its obligation to pay the termination amount to SLIntl under the relevant With-Profits Reinsurance Agreement, Phoenix shall not pay from the Closing Phoenix WP Fund an amount in excess of that set out in the calculation in Schedule 3; and
  - (ii) any Closure Uplifts determined by the SLIntl Board shall be no less than the amount determined by the Phoenix Board for these Policies as if they were Policies in the Closing Phoenix WP Fund (the "**Minimum Closure Uplift**"), having regard to paragraph 17 and the Phoenix 2009 Scheme; or
- 21.2.2 a With-Profits Reinsurance Agreement terminates in accordance with its terms other than in the circumstances set out in paragraph 21.2.1 above, then Schedule 1 shall apply except that this paragraph 21 shall apply where the SLIntl Board resolves, having considered the matters referred to in Schedule 1, to take the steps set out in paragraphs 21.4 to 21.6 to cease to maintain the relevant SLIntl WP Fund.
- 21.3 Where the SLIntl Board resolves, having considered the matters referred to in Schedule 1, to continue to maintain a SLIntl WP Fund, amounts to be received by SLIntl on termination of the With-Profits Reinsurance Agreement under which the relevant SLIntl WP Fund is reinsured will be allocated to the relevant SLIntl WP Fund.
- 21.4 In the case of SLIntl ceasing to maintain the relevant SLIntl WP Fund as contemplated by paragraph 21.2:
- 21.4.1 amounts to be received by SLIntl on termination of the With-Profits Reinsurance Agreement under which the closing SLIntl WP Fund is reinsured will be allocated to the relevant SLIntl WP Fund;
  - 21.4.2 SLIntl shall take such steps as are required to transfer the Policies, assets (including amounts allocated under paragraph 21.4.1) and liabilities allocated or reinsured to the relevant SLIntl WP Fund to the SLIntl Non-Profit Fund (or such other non-profit sub-fund of SLIntl as the SLIntl Board may consider appropriate), and cease to maintain the

relevant SLIntl WP Fund on the Relevant With-Profits Fund Closure Date in accordance with this paragraph 21.4;

21.4.3 other than where paragraph 21.2.1 applies, the SLIntl Board shall determine, having regard to advice from the SLIntl Actuary, which option under paragraphs (i), (ii) and (iii) below would be fair and in the best interests of the holders of relevant SLIntl WP Fund Policies to pursue in relation to that SLIntl WP Fund, including having paid due regard to the nature of the with-profits benefits being lost, following which, from the Relevant With-Profits Fund Closure Date:

- (i) guaranteed increases in benefits in accordance with the Closure Uplift shall be applied to Policies which were SLIntl With-Profits Policies allocated to the relevant SLIntl WP Fund immediately prior to the Relevant With-Profits Fund Closure Date which may include a scale of guaranteed increases in benefit applicable for all future years until the termination (in accordance with their terms) of such Policies; or
- (ii) units in Linked Funds of SLIntl having a value equal to the value (taking into account any Closure Uplift) of the SLIntl With-Profits Policies which were allocated or reinsured to the relevant SLIntl WP Fund immediately prior to the Relevant With-Profits Fund Closure Date shall be allocated to those Policies and those Policies shall thereafter continue as Linked Policies of SLIntl; or
- (iii) or a combination of paragraphs 21.4.3(i) and 21.4.3(ii) which the SLIntl Board determines to be appropriate to the relevant SLIntl With-Profits Policies in the relevant SLIntl WP Fund shall be effected; and

21.4.4 where paragraph 21.2.1 applies, the benefits payable to the holders of the relevant SLIntl With-Profits Policies on the cessation of the relevant SLIntl WP Fund shall be determined by the SLIntl Board having regard to paragraph 21.2.1,

in each case, such SLIntl WP Fund Policies shall have no right or eligibility to participate in any of the profits of SLIntl arising after the Relevant With-Profits Fund Closure Date.

**21.5** From the Relevant With-Profits Fund Closure Date:

21.5.1 all references in this Scheme to the relevant SLIntl WP Fund shall be disregarded; and

21.5.2 each Policy allocated or reinsured to the relevant SLIntl WP Fund immediately prior to the Relevant With-Profits Fund Closure Date shall be deemed to be amended with effect from the Relevant With-Profits

Fund Closure Date to reflect the relevant provisions of this paragraph 21.

- 21.6** Other than where paragraph 21.2.1 applies, the guiding principles for the SLIntl Board in determining the appropriate Closure Uplift for SLIntl WP Fund Policies (which the SLIntl Board may depart from) shall be:
- 21.6.1** (subject to paragraphs 21.6.2 to 21.6.5) the entirety of the assets allocated to the relevant SLIntl WP Fund, including amounts received by SLIntl on termination of the relevant With-Profits Reinsurance Agreement, shall be used to secure benefits for the Policies in the Fund in a way that fairly reflects the rights and expectations of the various policy groups at that time (including as set out in the Schedule to the Phoenix 2009 Scheme that relates to the Phoenix WP Fund corresponding to the relevant SLIntl WP Fund);
  - 21.6.2** once a decision has been made to cease to maintain a SLIntl WP Fund, all costs associated with the exercise (including tracing unclaimed Policies, customer communications, administrations costs and the costs of any independent actuary) shall be met by the shareholder rather than the relevant SLIntl WP Fund;
  - 21.6.3** where applicable, when comparing the available assets against the liabilities to determine the benefits for holders of relevant SLIntl WP Fund Policies, an allowance may be made to reflect the ongoing costs the shareholder will incur in operating the Policies on a non-profit basis, including in respect of tax, cost of capital and future expenses; and
  - 21.6.4** where the relevant SLIntl WP Fund Policies are to be converted to Non-Profit Policies:
    - (i) the amount in accordance with paragraph 21.6.1 shall be used to determine a one-off closure bonus and/or a scale of guaranteed increases in benefit for each type of With-Profits Policy then allocated or reinsured to that Fund; and
    - (ii) any scale of guaranteed increases in benefit will be applicable for all future years until the termination (in accordance with their terms) of each of the relevant With-Profits Policies once converted to Non-Profit Policies;
  - 21.6.5** where the relevant SLIntl WP Fund Policies are to be converted to Linked Policies:
    - (i) the amount in accordance with paragraph 21.6.1 shall be used to determine increases in (non-guaranteed) benefit for With-Profits Policies then allocated or reinsured to that Fund;

- (ii) any scale of increases in benefit will be used to calculate an uplifted Policy value for each With-Profits Policy which will then be applied in allocating to that Policy (once converted to a Linked Policy) the number and value of units within the relevant Linked Fund which, together with other applicable benefits under the relevant Linked Policy, provide a Linked Policy with a value equal to that uplifted Policy value; and
- (iii) in deciding the Linked Fund or Linked Funds into which the relevant Policy values would be allocated, the following shall be considered:
  - (a) the appropriateness of the investment link;
  - (b) whether to provide for a choice of Linked Funds and/or a default Linked Fund;
  - (c) whether to provide for a free switch between Linked Funds after this allocation; and
  - (d) the level of charges that would be borne by the Policies until termination (in accordance with their terms).

## **22 Writing of new SLIntl WP Funds business**

**22.1** The only new business which may be written in, or allocated to, the SLIntl WP Funds after the Effective Date shall be:

**22.1.1** Residual Policies in accordance with Part C of this Scheme;

**22.1.2** New Policies issued:

- (i) as replacements for SLIntl WP Fund Policies that are cancelled;
- (ii) in accordance with the terms of a group scheme;
- (iii) where there is a requirement to reactivate NTMA Policies; or
- (iv) where there is a need to reinstate a Policy or write a new Policy following an error in administration of a Policy.

**22.1.3** increases to premiums or benefits in respect of SLIntl WP Fund Policies, in accordance with the terms of those Policies;

**22.1.4** Policies which would, had they been written at or prior to the Effective Date, have been administered as increments to Policies allocated to the relevant PLAE WP Fund;

**22.1.5** Policies issued on the exercise of options or rights under SLIntl WP Fund Policies (other than non-profit immediate annuities issued on the vesting of Policies, to which paragraph 26 applies);

- 22.1.6 investment in a SLIntl WP Fund in relation to a Hybrid Policy; and/or
- 22.1.7 Policies written by SLIntl in the SLIntl SPI WP Fund pursuant to:
  - (i) a court order (or “qualifying agreement” (as defined in the Welfare Reform and Pensions Act 1999 (and related regulations)) relating to pension sharing on divorce and resulting from divorce or nullity proceedings commenced after 1 December 2000; and/or
  - (ii) any other equivalent legislation/powers under a law relevant/applicable in the circumstances, and

which shall in each case be written in, or, as the case may be, allocated to, the SLIntl WP Fund to which the relevant SLIntl WP Fund Policy is from time to time allocated.

### **23 Surplus arising in the SLIntl WP Funds**

Except as expressly permitted or required by this Scheme, no part of any surplus in any SLIntl WP Fund 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 relevant SLIntl WP Fund (including to meet liabilities of the same). The manner and timing of the distribution of such surplus shall be determined by the SLIntl Board in accordance with, and subject to, paragraph 17 where applicable 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 relevant SLIntl WP Fund in accordance with this Scheme.

### **24 Tax (SLIntl WP Funds)**

**24.1** Subject to the Tax provisions set out in Part 3 of Schedule 3 to the Phoenix 2009 Scheme which shall apply to the SLIntl SPI WP Fund, Tax attributable to each SLIntl WP Fund shall be calculated, so far as is practicable, on the basis that each SLIntl WP Fund is a separate mutual life assurance company and the amount so calculated shall be charged or credited to the relevant SLIntl WP Fund.

**24.2** For the purposes of the calculation referred to in paragraph 24.1:

- 24.2.1 no charge shall be made to any SLIntl WP Fund in respect of any Tax which becomes due and payable on or after the Effective Date as a result of the transfers of the Transferred Assets, the Transferred Liabilities, the Residual Assets, the Residual Liabilities and the Transferred Policies under this Scheme, or the reinsurance of the Residual Policies pursuant to this Scheme, which would not have become so payable had this Scheme not been effected; and



- 24.2.2** all appropriate allowances, reliefs and rights to repayments which would be reasonably expected to be claimed or received by a fund in such circumstances are successfully claimed and received.
- 24.3** In the event that there is a material change to the basis upon which Tax is charged to mutual life assurance companies in the Republic of Ireland, SLIntl may change the basis upon which Tax is attributable to each SLIntl WP Fund, subject to prior notification to the CBI, to the extent that the SLIntl Board, having obtained appropriate advice, considers necessary to ensure that the effect of paragraph 24.1 continues to be, so far as possible, that intended as at the Effective Date.
- 24.4** The SLIntl Board, having regard to the advice of the SLIntl Actuary, shall attribute Tax to the relevant SLIntl WP Fund only to the extent that it is satisfied that such attribution does not adversely affect the reasonable expectations of the holders of SLIntl WP Fund Policies. The amount charged or credited to a SLIntl WP Fund in accordance with paragraph 24.1 may be reduced or increased to the extent that the SLIntl Board, having obtained appropriate advice, believes necessary in order to comply with the Irish Policyholder Principles.
- 24.5** Deferred Tax calculated on the same basis as that applied to SLIntl generally for an accounting period shall be attributed to the relevant SLIntl WP Fund, but only to the extent that it relates to the assets, liabilities and operations of that SLIntl WP Fund, provided, however, that although that SLIntl WP Fund shall be charged with the deferred Tax, assets equal in value to any provision for deferred Tax shall be retained in that SLIntl WP Fund.
- 24.6** If, and to the extent, that any amount debited from, or credited to, a SLIntl WP Fund pursuant to this paragraph 24 is subsequently shown to have been incorrect, an appropriate credit to, or debit from, a SLIntl WP Fund in respect of such amount shall be made. Any amount credited or debited under this paragraph 24 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.
- 24.7** The allocation of credits and debits in respect of Tax to a SLIntl WP Fund under this Scheme, including pursuant to this paragraph 24, 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 SLIntl's Group, no amounts in respect of Tax shall be debited from, or credited to, the relevant SLIntl WP Fund in excess of the amounts which would have been so debited or credited on a fair and arm's length basis.

**24.8** No amounts in respect of Tax shall be debited from a SLIntl WP Fund if, and to the extent that, such amounts represent penalties which have arisen because of any act or omission occurring after the Effective Date.

## **25 Credits and Debits in respect of the SLIntl WP Funds**

### **25.1 Credits**

From the Effective Date, there shall be credited to any SLIntl WP Fund all of the following:

- 25.1.1 all premiums received by SLIntl in respect of all relevant SLIntl WP Fund Policies;
- 25.1.2 all investment gains, earnings, income and profits arising from the assets or business within a SLIntl WP Fund;
- 25.1.3 all amounts received under reinsurance arrangements made in respect of liabilities of a SLIntl WP Fund which are reinsured;
- 25.1.4 the amount or value (in whatever form or manner it shall be received) of any financial assistance or support properly given to a SLIntl WP Fund;
- 25.1.5 all amounts payable to a SLIntl WP Fund in accordance with paragraph 27;
- 25.1.6 any amounts which are allocated to a SLIntl WP Fund in accordance with any amounts transferred or allocated from a SLIntl Fund other than a SLIntl WP Fund to a SLIntl WP Fund pursuant to paragraph 22;
- 25.1.7 all amounts payable to a SLIntl WP Fund in accordance with paragraph 24; and/or
- 25.1.8 any other amounts which are:
  - (i) permitted or required by this Scheme to be credited to or received by the SLIntl WP Fund; or
  - (ii) determined by SLIntl Board (having regard to the advice of the SLIntl Actuary) in accordance with the principles underlying this Scheme to be properly attributable to or properly received by a SLIntl WP Fund.

### **25.2 Debits**

On and with effect from the Effective Date, SLIntl shall be entitled to transfer from or debit or charge to any SLIntl WP Fund:

- 25.2.1 any amount permitted by law;

- 25.2.2 any amount to the extent that consideration equal to the fair market value at the date of transfer (as determined by the SLIntl Board having obtained appropriate actuarial advice) of the amount transferred, debited or charged is paid by the transferee to that SLIntl WP Fund;
- 25.2.3 any amount that the SLIntl Board (who shall in turn have regard to the views of the SLIntl Actuary) considers appropriate for the servicing or repayment of capital (if any) contributed to the relevant SLIntl WP Fund;
- 25.2.4 any amount in accordance with the contractual obligations of SLIntl from time to time in respect of relevant SLIntl WP Fund Policies, including any amounts paid under reinsurance arrangements made in respect of SLIntl WP Fund Policies;
- 25.2.5 all amounts payable in respect of relevant SLIntl WP Fund Policies 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);
- 25.2.6 all costs, liabilities, losses and declines in value of investments arising from the property allocated to the SLIntl WP Fund;
- 25.2.7 all costs, expenses, charges, losses and liabilities resulting from the purchase, holding, valuation or sale of any property allocated to the SLIntl WP Fund;
- 25.2.8 any amount for the purposes of investment and re-investment in the ordinary course of business;
- 25.2.9 all amounts payable (in whatever form or manner) in respect of any financial assistance or support properly given to a SLIntl WP Fund; or
- 25.2.10 all amounts which are debited or charged to the SLIntl WP Fund in accordance with paragraph 24;
- 25.2.11 all amounts payable by, or transferred or allocated from, a SLIntl WP Fund in accordance with this paragraph 25; and/or
- 25.2.12 any other amounts which are:
  - (i) permitted or required by this Scheme to be debited from or charged to the relevant SLIntl WP Fund; or
  - (ii) determined by the SLIntl Board (having regard to the advice of the SLIntl Actuary) to be properly debited from, or properly charged to, the relevant SLIntl WP Fund,

provided that amounts to be debited from a SLIntl WP Fund for expenses and charges, and other matters that are also provided for in

the Phoenix 2009 Scheme in relation to a corresponding Phoenix WP Fund, shall not exceed:

- (a) the total amounts which may be so debited under the Phoenix 2009 Scheme from the corresponding Phoenix WP Fund in respect of Policies reinsured to that Phoenix WP Fund under the relevant With-Profits Reinsurance Agreement; less
- (b) any such amounts already debited from that corresponding Phoenix WP Fund in respect of Policies reinsured to that Phoenix WP Fund under the relevant With-Profits Reinsurance Agreement.

## 26 Annuity benefits in the SLIntl WP Funds

26.1 If an Annuity Benefit is to be provided on the vesting of a SLIntl WP Fund Policy, then the following shall apply:

26.1.1 subject to paragraph 26.1.3, SLIntl shall provide the Annuity Benefit and allocate the same to its Non-Profit Fund, and an amount equal to the cost of such Annuity Benefit, as determined in accordance with paragraph 26.1.3 (for the purposes of this paragraph 26, the "**Annuity Benefit Cost**"), shall be debited from the relevant SLIntl WP Fund and credited to the SLIntl Non-Profit Fund.

26.1.2 the Annuity Benefit Cost is to be determined by the SLIntl Board based on:

- (i) the appropriate annuity rates used at that time by SLIntl for the provision of such an Annuity Benefit; or
- (ii) if such rates are unavailable, such rates as are generally available in the market in the Republic of Ireland to purchasers of annuities of a similar type to the relevant Annuity Benefit,

in each case, having regard to applicable law and market practice;

26.1.3 if the With-Profits Reinsurance Agreement for the relevant SLIntl WP Fund

- (i) remains in force and the Phoenix Board (having regard to the advice of the Phoenix With-Profits Committee and the Phoenix With-Profits Actuary) considers that the Annuity Benefit Cost determined by the SLIntl Board in accordance with paragraph 26.1.2 exceeds that which is reasonable based on annuity rates for such Annuity Benefit generally available in the market at the relevant time, then the Phoenix Board may recommend that SLIntl (and on such recommendation SLIntl shall) provide such

Annuity Benefit and allocate the same to the relevant SLIntl WP Fund (which shall in turn be reinsured to the relevant Phoenix WP Fund pursuant to the relevant With-Profits Reinsurance Agreement). Where the Phoenix Board has made such a recommendation in accordance with this paragraph 26.1.3(i), the Phoenix Board shall inform the SLIntl Board as to how the Phoenix Board has concluded that it should make that recommendation under this paragraph 26.1.3(i); or

- (ii) has been terminated and the SLIntl Actuary (having regard to the advice of the SLIntl with-profits committee to be established pursuant to paragraph 3.6.2 of Schedule 1) considers that the Annuity Benefit Cost determined by the SLIntl Board in accordance with paragraph 26.1.2 exceeds that which is reasonable, based on annuity rates for such Annuity Benefit generally available in the market at the relevant time, then the SLIntl Actuary may require that SLIntl shall provide such Annuity Benefit from within the relevant SLIntl WP Fund. In such circumstances, the SLIntl Board shall be informed as to how the SLIntl Actuary has reached their conclusion, and the SLIntl with-profits committee has advised, under this paragraph 26.1.3(ii).

**26.1.4** all costs and liabilities relating to the provision of the Annuity Benefit will be allocated to the relevant SLIntl Fund from which the Annuity Benefit is to be provided; and

**26.1.5** such Policy or that part of such Policy as relates to the provision of the Annuity Benefit shall cease to be entitled to share in the profits of the relevant SLIntl WP Fund.

**26.2** If, in the event of vesting of a Policy written in, or allocated to, the SLIntl SPI WP Fund 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 to be provided by SLIntl, where the annuity is to be provided from the SLIntl Non-Profit Fund, SLIntl shall transfer the cash (or relevant proportion of the cash) from the SLIntl SPI WP Fund to the SLIntl Non-Profit Fund, and the annuity shall be provided on the basis of the annuity rate determined the SLIntl Board ((1) for so long as the With-Profits Reinsurance Agreement for the SLIntl SPI WP Fund is in force, with the approval of the Phoenix With-Profits Actuary, such approval not to be unreasonably withheld or delayed; and (2) if the With-Profits Reinsurance Agreement for the SLIntl SPI WP Fund is no longer in force, with the approval of the SLIntl Actuary (having regard to the advice of the SLIntl with-profits committee to be established pursuant to paragraph 3.6.2 of Schedule 1)). Such

vesting Policy shall cease to be entitled to share in the profits of the SLIntl SPI WP Fund.

## **27 Guaranteed Annuity Options on Linked Policies**

- 27.1** SLIntl shall establish and maintain arrangements equivalent to reinsurance whereby, with effect from the Effective Date, 100% of the assets and liabilities in respect of the Guaranteed Annuity Options applying to Transferred Policies which are Linked Policies shall be deemed to be reinsured by the SLIntl Non-Profit Fund to the SLIntl SPI WP Fund.
- 27.2** The reinsurance will be on the basis that upon the making of a claim (on maturity, death or otherwise) where a Guaranteed Annuity Option applies in respect of any Policy to which this paragraph 27 applies, such additional amount as the SLIntl Actuary determines (in consultation with the Phoenix With-Profits Actuary) is required to be added to the cash benefit under that Policy to enable the purchase of an annuity at the relevant guaranteed rate shall be transferred from the SLIntl SPI WP Fund to the SLIntl Non-Profit Fund in settlement of the obligations of the SLIntl SPI WP Fund in respect of that Policy.
- 27.3** In respect of any Linked Policies to which this paragraph 27 applies:
- 27.3.1** if the SLIntl Actuary (for so long as the SLIntl SPI WP Fund Reinsurance Agreement remains in force, having obtained and had regard to the views of the Phoenix Chief Actuary) determines from time to time that, due to the requirements of any applicable laws or regulations, liabilities are required to be matched by assets within a Linked Fund of the SLIntl Non-Profit Fund, a deposit arrangement shall be instituted whereby assets of such amount as the SLIntl Actuary shall determine shall be transferred from the SLIntl SPI WP Fund to the SLIntl Non-Profit Fund (such assets from time to time held in the SLIntl Non-Profit Fund being the "Deposit" which shall not at any time be less than zero);
- 27.3.2** if the SLIntl Actuary (for so long as the SLIntl SPI WP Fund Reinsurance Agreement remains in force, having obtained and had regard to the views of the Phoenix Chief Actuary) determines, from time to time, that assets deposited by the SLIntl SPI WP Fund with the SLIntl Non-Profit Fund are no longer required to be held in the SLIntl Non-Profit Fund in order to satisfy the requirements set out in paragraph 27.3.1 (whether as a result of a claim under paragraph 27.2 or otherwise), assets of such amount as the SLIntl Actuary determines are excess shall be transferred from the SLIntl Non-Profit Fund to the SLIntl SPI WP Fund;
- 27.3.3** assets transferred from the SLIntl SPI WP Fund to the SLIntl Non-Profit Fund or transferred from the SLIntl Non-Profit Fund to the SLIntl SPI WP Fund pursuant to paragraphs 27.3.1 and 27.3.2 shall from time to time be deemed invested in or disinvested from (as the case may be)

the Linked Funds of SLIntl by reference to which benefits under such Linked Policies are calculated, and units in those Linked Funds representing the Deposit shall be notionally allocated to or de-allocated from (as the case may be) the Deposit at the bid price; and

- 27.3.4 promptly at the end of each calendar month, assets of an amount equal to such part of the annual management charge applicable in that month in respect of units notionally allocated to the Deposit shall be transferred from the SLIntl Non-Profit Fund to the SLIntl SPI WP Fund or credited to the Deposit by allocation of additional units at the bid price, as the SLIntl Actuary (for so long as the SLIntl SPI WP Fund Reinsurance Agreement remains in force, having obtained and had regard to the views of the Phoenix Chief Actuary) may determine from time to time.

## **28 Unitised with-profits policies (SLIntl SPI WP Fund)**

28.1 This paragraph 28 applies to any Transferred Policy that is, immediately prior to the Effective Date, written in or allocated to the Non-Profit Fund of the Transferor if and to the extent that the WP Investment Element is transferred or allocated to, or reinsured by, the Phoenix SPI WP Fund. Any Policy referred to in this paragraph 28.1 is referred to as a "**Hybrid Policy**".

28.2 Under paragraphs 14, 15 and 16 of this Scheme:

28.2.1 each Hybrid Policy shall be allocated to the SLIntl Non-Profit Fund;

28.2.2 the WP Investment Element of each Hybrid Policy (including any assets representing the WP Investment Element) will be allocated to the SLIntl SPI WP Fund;

28.2.3 the liability under each Hybrid Policy relating to the WP Investment Element of the Hybrid Policy (however this arises) will be allocated to the SLIntl SPI WP Fund; and

28.2.4 the other assets and liabilities relating to each Hybrid Policy will be allocated to the SLIntl Non-Profit Fund.

28.3 The operation of the Hybrid Policies in SLIntl shall continue in the same way as the operation of the Hybrid Policies immediately prior to the Effective Date in the Transferor including where applicable:

28.3.1 any premium received by SLIntl on or after the Effective Date in respect of a Hybrid Policy to which this paragraph 28 applies shall be credited to the SLIntl Non-Profit Fund and the WP Investment Element in respect thereof shall be debited from the SLIntl Non-Profit Fund and credited to the SLIntl SPI WP Fund and applied in allocating WP Units in respect of such Hybrid Policy;

- 28.3.2 any amounts in respect of a Hybrid Policy to be allocated to WP Units on or after the Effective Date 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 SLIntl Non-Profit Fund and credited to the SLIntl SPI WP Fund and applied in allocating WP Units in respect of the relevant Policy and, where appropriate, units in the relevant Linked Funds shall be cancelled;
- 28.3.3 if any event occurs (other than an event pursuant to paragraph 26.1) which, under the terms of a Hybrid Policy, gives rise to the cancellation of WP Units attaching to such Hybrid Policy-an amount shall be debited from the SLIntl SPI WP Fund and credited to the SLIntl Non-Profit Fund equal to the amount which the terms of the relevant Hybrid Policy provide shall be payable, or transferable, on cancellation of WP Units in such circumstances and, in the case of a switch to unit-linked investment, applied to purchase units in relevant Linked Funds;
- 28.3.4 any transfer pursuant to paragraph 28.3.3 shall take account of any applicable final bonus or unit price adjustment (and other charges and deductions properly attributable to the SLIntl SPI WP Fund in accordance with paragraph 17 and the Phoenix SPI WP Fund 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 SLIntl Non-Profit Fund;
- 28.3.5 1% per annum. of the value of the WP Units, after allowing for any applicable final bonus or market value reductions, shall be debited from the SLIntl SPI WP Fund and credited to the SLIntl Non-Profit Fund; and
- 28.3.6 the liability of the SLIntl SPI WP Fund in respect of the Hybrid Policies shall cease at the same time as the liability of the SLIntl Non-Profit Fund ceases in respect of each such Hybrid Policy.

## **PART F - MISCELLANEOUS PROVISIONS**

### **29 Effective Date**

29.1 Subject to:

29.1.1 paragraphs 29.2 and 29.3; and

29.1.2 this Scheme having been approved by the Court,

this Scheme shall become effective at 00:01 a.m. (Dublin time) on 1 January 2025

29.2 Subject to paragraph 29.3, the Transferor and SLIntl may agree that the Effective Date should be deferred to a later date (with, for the avoidance of doubt, the later date being the Effective Date). The Transferor and SLIntl must



apply to the Court for a further order if they agree to delay the Effective Date until after the Longstop Date. Any such application may specify any date after the Longstop Date which, subject to the consent of the Court, shall then become the Effective Date for the purposes of this Scheme. This Scheme shall then become effective on and with effect from the date so specified, subject to the conditions in paragraph 29.1 being satisfied as at such date and provided that:

**29.2.1** the CBI, shall be notified and be provided with all relevant information and documentation reasonably available to the parties as soon as reasonably practicable, and in any case in advance, of any hearing of the Court at which such application is considered, and the CBI, shall have the right to be heard at any such hearing;

**29.2.2** such application shall be accompanied by a certificate from the Independent Actuary to the effect that the proposed Effective Date will not materially adversely affect: (i) policyholders of the Transferred Policies or the Residual Policies; or (ii) policyholders of the Transferor who do not hold Transferred Policies or Residual Policies, and such certificate shall be published on the respective websites of the Transferor and SLIntl at least five (5) days before the Court hearing; and

**29.2.3** a notice of the making of such order is published on the websites of the Transferor and SLIntl within five (5) days of the making of such further order by the Court.

**29.3** If the transfer of the Transferred Business pursuant to this Scheme has not become effective in accordance with the terms of this paragraph 29 on or before the later of (a) the Longstop Date; and (b) such later date, if any, that the Transferor and SLIntl may agree in accordance with the requirements of paragraph 29.2 and the Court may approve, the provisions of this Scheme shall lapse to the extent that they relate to such transfer.

**29.4** This Scheme will not become effective on the Effective Date unless on or prior thereto the Order shall have been made.

### **30 Costs and expenses**

Except as otherwise agreed, or to be agreed, in writing, the Transferor shall bear its own costs and expenses in relation to the preparation and carrying into effect of this Scheme. For the avoidance of doubt, neither the Transferor nor SLIntl may allocate any such costs to a PLAE WP Fund or, as the case may be, a SLIntl WP Fund.

### **31 Modification or additions**

**31.1** The Transferor and SLIntl may, as required, consent for and on behalf of the parties hereto and all other persons concerned to any modification of or addition

to this Scheme or to any further condition or provision affecting the same which, prior to its sanction of this Scheme, the Court may approve or impose.

**31.2** Subject to paragraphs 31.3 and 31.4, at any time after the sanction of this Scheme by the Court, SLIntl (or, if the Transferor is directly affected by the proposed amendment, SLIntl and the Transferor jointly), shall be at liberty to apply to the Court for consent to amend the terms of this Scheme, provided that in any such case:

**31.2.1** the CBI shall be notified in advance of (and in any event, not less than forty-two (42) days prior to) and shall have the right to attend and be heard at, any hearing of the Court at which such application is considered;

**31.2.2** any directions given by the Court as to publicity in relation to the proposed amendment have been complied with; and

**31.2.3** such application shall be accompanied by a certificate from an independent actuary (accompanied by a report that is based on the latest financial information that can reasonably be made available to the independent actuary at the time of the report) to the effect that in his or her opinion the proposed amendment will not materially adversely affect: (i) the policyholders of the Transferred Policies or the Residual Policies; or (ii) the other policyholders of the Transferor and SLIntl.

If the consent of the Court is granted, SLIntl may amend the terms of this Scheme in accordance with such consent.

**31.3** The consent of the Court shall not be required where:

**31.3.1** the proposed amendments are minor and/or technical (including amendments to correct manifest errors and/or to reflect changes required by law or regulation, including changes in generally accepted actuarial practice), are proposed by the Transferor or SLIntl and, if the Transferor is directly affected by the proposed amendment, have been agreed by the Transferor in writing;

**31.3.2** 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 SLIntl is obliged to comply (where the provision to which the proposed variation applies will (or is likely to be) materially affected by a variation to the Irish Regulations, Irish Policyholder Principles or other applicable legislation, regulation or rule, direction, requirement or guidance from any Regulator);

31.3.3 the variation is necessary to protect the rights and reasonable expectations of the holders of Transferred Policies; or

31.3.4 specific provision for such variation is made elsewhere in this Scheme (provided that such specific provision is fully complied with),

provided that:

31.3.5 the CBI has been notified of the same and has indicated that it does not object thereto or a period of twenty eight (28) days commencing on the date of receipt of the relevant notification by the CBI has passed without the CBI indicating any objection thereto (unless the CBI has confirmed non-objection prior to that date);

31.3.6 SLIntl has taken appropriate actuarial advice and that advice concludes that the proposed amendment will not materially adversely affect: (i) the policyholders of the Transferred Policies or the Residual Policies; or (ii) the other policyholders of the Transferor and SLIntl; and

31.3.7 in the case of the variations listed in paragraph 31.3.2 to 31.3.4 inclusive, where such variation involves the exercise of discretion or judgment by the SLIntl Board, SLIntl takes the advice of an independent expert, as appropriate.

31.4 SLIntl shall not be required to request the Transferor's consent to the extent that the Transferor has been wound-up, dissolved or otherwise ceased to exist prior to the date on which its consent is required pursuant to paragraph 31.2 or 31.3.1.

## 32 Ancillary documents

32.1 The Transferor and SLIntl shall procure that the following documents have been entered into (as novated, amended and/or replaced as the case may be) by them and the other parties thereto and dated on or prior to the Effective Date:

32.1.1 the Scheme Reinsurance Agreements;

32.1.2 the Floating Charges;

32.1.3 the Fixed Charge Arrangements;

32.1.4 the MSA Agreement.

(the "**Ancillary Documents**").

32.2 At the Effective Date, the Ancillary Documents shall take effect.

32.1 The Scheme Reinsurance Agreements shall be novated under various novation agreements and, in accordance with the terms and conditions of those novation agreements, Phoenix and ReAssure Life (which will, as the context requires, be

parties to the novation agreements) will agree to adhere to the relevant terms of this Scheme.

### **33 Third party rights**

**33.1** It is not intended that any person who is not a party to this Scheme may enforce any of its terms, whether by virtue of the Contracts (Rights of Third Parties) Act 1999 or otherwise.

**33.2** 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.

**33.3** The right of a Transferred Policyholder under paragraph 33.2 shall not in any way or at any time prevent the Transferor or SLIntl from varying the provisions of this Scheme.

### **34 Governing law**

This Scheme shall be governed by and construed in accordance with the laws of Ireland.

## **Schedule 1**

### **Steps to be taken prior to cessation of the SLIntl WP Funds in certain circumstances (paragraph 21)**

- 1** Other than where paragraph 21.2.1 applies, in the event of the termination of a With-Profits Reinsurance Agreement:
  - 1.1** paragraph 17 of the Scheme shall no longer apply to the relevant SLIntl WP Fund and, following the termination of all With-Profits Reinsurance Agreements, shall be deleted;
  - 1.2** without prejudice to the obligation of SLIntl to make payments in accordance with the terms of Transferred Policies, any other provision of this Scheme that applies to the relevant With-Profits Reinsurance Agreement and/or the Policies allocated to the relevant SLIntl WP Fund shall be immediately suspended, provided that:
    - 1.2.1** the SLIntl 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 SLIntl WP Fund Policies in the relevant SLIntl WP Fund; and
    - 1.2.2** such suspension shall last for a maximum of two years following the termination of the relevant SLIntl With-Profits Reinsurance Agreement, it being understood that the permanent variation, or removal, of any such provision shall require the approval of the Court.
  - 1.3** The SLIntl Board shall:
    - 1.3.1** take such steps as it regards as reasonable and appropriate in the circumstances to protect the rights and reasonable expectations of the holders of SLIntl WP Fund Policies in the relevant SLIntl WP Fund; and
    - 1.3.2** determine whether it is fair and in the best interests of the holders of those SLIntl WP Fund Policies to cease to maintain the relevant SLIntl WP Fund having regard to the matters, and on the basis, set out in paragraph 21 of this Scheme.
- 2** Without prejudice to the generality of paragraph 1.3, the steps taken by the SLIntl Board pursuant to paragraph 1.3 may include:
  - 2.1** the closure of the relevant SLIntl WP Fund and the conversion of the Policies allocated to it in accordance with the terms of paragraph 21 of the Scheme;
  - 2.2** (for the avoidance of doubt) the maintenance of the relevant SLIntl WP Fund as a standalone SLIntl WP Fund;

- 2.2.1 without the benefit of the relevant SLIntl With-Profits Reinsurance Agreement (including the appropriate provision for governance and management of the relevant SLIntl WP Fund); and
      - 2.2.2 in which 100% of the surplus arising in the relevant SLIntl WP Fund and determined by the SLIntl Board to be available for distribution shall be allocated to the holders of SLIntl WP Fund Policies eligible to participate in the surplus of the relevant SLIntl WP Fund; and/or
    - 2.3 the introduction of capital support arrangements (if appropriate).
- 3 In exercising any steps pursuant to paragraph 1.3 above, the SLIntl Board shall:
  - 3.1 have due regard to:
    - 3.1.1 past experience and reasonable expectations of holders of the relevant SLIntl WP Fund Policies;
    - 3.1.2 the provisions of the Phoenix 2009 Scheme;
    - 3.1.3 UK regulation that informed the management of the relevant SLIntl WP Fund until the termination of the relevant SLIntl With-Profits Reinsurance Agreement;
    - 3.1.4 the provisions of the PPFM for the relevant Phoenix WP Fund; and
    - 3.1.5 the historical level of risk run in the relevant Phoenix WP Fund;
  - 3.2 consult with, and obtain a certificate from, an independent actuary that in his or her opinion, the proposed changes pursuant to this Schedule 1 will not materially adversely affect the reasonable expectations of holders of the relevant SLIntl WP Fund Policies;
  - 3.3 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 (3) months from the date of first notification);
  - 3.4 comply with all regulatory requirements;
  - 3.5 comply with the Irish Policyholder Principles; and
  - 3.6 if the SLIntl Board resolves to maintain the relevant SLIntl WP Fund as a standalone SLIntl WP Fund without the benefit of the relevant SLIntl With-Profits Reinsurance Agreement, make full provision for governance and management of the relevant SLIntl WP Fund in line with and subject to Irish law and regulation including:
    - 3.6.1 establishing the with-profits operating principles document (in line with the Phoenix equivalent PPFM but subject to the necessary amendment including as set out in paragraph 2.2.2 of this Schedule 1);

- 3.6.2 considering whether enhanced governance arrangements should be established within SLIntl for the relevant SLIntl WP Fund provided that, notwithstanding whether this is required under Irish law and regulation, SLIntl shall establish a with-profits committee having terms of reference and a role in governance of the relevant SLIntl WP Fund equivalent to that of the Phoenix With-Profits Committee in the relevant Phoenix WP Fund immediately prior to the termination of the relevant With-Profits Reinsurance Agreement;
- 3.6.3 reviewing the terms covering what can be charged to the relevant SLIntl WP Fund and, if necessary, establishing revised terms;
- 3.6.4 considering financial principles for the management the fund, including in relation to investment and bonus policy; and
- 3.6.5 provision/ conditions for run off and closure of the relevant SLIntl WP Fund including having regard to the run off and closure provisions that applied to the relevant Phoenix WP Fund immediately prior to the termination of the relevant With-Profits Reinsurance Agreement.

**Schedule 2**  
**List of Transferred Reinsurance Agreements**

<b>Reinsurance Agreements</b>	<b>PLAE Cedant</b>	<b>Business type</b>	<b>Reinsurer</b>	<b>Risk reinsured</b>
ACT29 Ireland	PLAE Non-Profit Fund	Unit-Linked	SwissRe Europe SA (UK Branch)	Total permanent disability waiver of premium, mortality.
ACT35 Ireland	PLAE Non-Profit Fund	Unit-Linked	Swiss Re Europe SA (UK Branch)	Critical illness, hospital cash, mortality.
ACT48 Ireland	PLAE Non-Profit Fund	Unit-Linked, Term Assurance, Unitised With-Profits, Non-Profit	Swiss Re Europe SA (UK Branch)	Critical illness, total permanent disability waiver of premium, hospital cash, income protection, mortality.
SPIGen1801 Ireland	PLAE Non-Profit Fund	Non-Profit, Unit-Linked	General Reinsurance AG	Critical illness, disability waiver of premium, hospital cash, income protection, mortality.
SL107 German	PLAE Non-Profit Fund	ACI	Swiss Re Europe SA (UK Branch)	Critical Illness
SL110 Icelandic	PLAE Non-Profit Fund	ACI TA	Münchener Rückversicherungs-Gesellschaft	Mortality
German CI	PLAE Non-Profit Fund	Quota Share	Swiss Re Europe SA (UK Branch)	Critical Illness



**Schedule 3**  
**With-Profits Reinsurance Agreement termination amounts**

The maximum payment from the relevant Phoenix WP Fund referred to in paragraph **Error! Reference source not found.**(i) shall be an amount equal to the aggregate of paragraphs 1 to 4 below:

- 1 Phoenix's With-Profits BEL in respect of the Reinsured Liabilities as at the Termination Date;
- 2 The value of Phoenix's Non-Profit BEL in respect of the Reinsured Liabilities as at the Termination Date;
- 3 An amount equal to the percentage share of the Inherited Estate (less an amount equal to the present value of the shareholder's share of future distributions of surplus in accordance with the Phoenix 2009 Scheme from the relevant Phoenix WP Fund) in respect of the Reinsured Liabilities as at the Termination Date having regard to the prevailing methodology for estate distribution at the time, including having regard to the then current run-off plan (if any) prepared by Phoenix for the relevant Phoenix WP Fund in accordance with COBS 20.2 and SUP App 2.15 in the FCA Handbook prepared by the Phoenix With-Profits Actuary for the relevant Phoenix WP Fund, subject to paragraph 4 below;
- 4 An amount equal to the Accounting Liabilities in respect of the Reinsured Liabilities, to the extent those liabilities would fall to SLIntl as a result of termination as at the Termination Date, but only to the extent not already captured by paragraphs 1 to 2 above (for the avoidance of doubt, including any amounts owed to the custodian of the custodian accounts for the fixed charge security provided in connection with the With-Profits Reinsurance Agreements or any other third party); and
- 5 The percentage share of the Inherited Estate referred to in paragraph 3 above must be confirmed by the Independent Actuary to be fair both to holders of policies in the relevant SLIntl WP Fund and holders of policies in the relevant Phoenix WP Fund having regard to the estate distribution methodology referred to in paragraph 2 above and to the calculation in paragraphs 1 to 2 above, unless the Phoenix Board and the SLIntl Board:
  - 5.1 agree (on an arm's length and objective basis) that SLIntl's expected share as at the Termination Date of the Inherited Estate attributable to the Reinsured Liabilities identified and agreed as contemplated in paragraph 5.2 below, is less than £1 million; and
  - 5.2 agree the calculation of the Inherited Estate attributable to the Reinsured Liabilities (including the resulting value),

provided that such amounts shall be calculated in accordance with applicable law.

For the purposes of this Schedule 3, the following terms shall bear the following meanings (being the same terms and meanings as are used in the With-Profits Reinsurance Agreements):

<b>"Accounting Liabilities"</b>	means any provision held on Phoenix's balance sheet in respect of the Reinsured Liabilities of the relevant Phoenix WP Fund (in accordance with Surplus Funds 3.1(3) and (4) in the PRA Rulebook);
<b>"Independent Actuary"</b>	means the independent actuary appointed by the parties from time to time, or, where the parties are unable to agree, the UK Institute and Faculty of Actuaries shall nominate the independent actuary;
<b>"Inherited Estate"</b>	means the estimated realistic value of the assets less the estimated realistic value of the liabilities allocated from time to time to the relevant Phoenix WP Fund. It is calculated using realistic assumptions and generally accepted methodologies on a basis determined by the Phoenix Board, and consistent with COBS 20 in the FCA Handbook;
<b>"Non-Profit BEL"</b>	means the best estimate liabilities in respect of non-profit Reinsured Policies or non-profit elements of Reinsured Policies calculated using generally accepted actuarial techniques and in a manner consistent with the applicable PPFM and Solvency II;
<b>"Reinsured Liabilities"</b>	means: <ul style="list-style-type: none"> <li>(i) (in relation to a Phoenix WP Fund) any and all liabilities paid or settled, or which become due for payment or settlement, by (or on behalf of) SLIntl on or after the Effective Date, in respect of the Reinsured Policies and including any liabilities in respect of the relevant SLIntl WP Fund Policy in accordance with paragraph 26.1.3(i) of this Scheme; and</li> <li>(ii) the SPI NPF GAO Claim Amount;</li> </ul>
<b>"Reinsured Policies"</b>	means: <ul style="list-style-type: none"> <li>(i) (in relation to a Phoenix WP Fund) the life insurance and pensions policies which are transferred and allocated to the relevant SLIntl WP Fund pursuant to this Scheme;</li> <li>(ii) (in relation to the Phoenix SPI WP Fund only) any other policy if and only to the extent that the</li> </ul>

premiums in respect of that policy are allocated to the relevant SLIntl WP Fund; and

- (iii) the part of any Policy which comprises the With-Profits Investment Element (as defined in the PLAE 2022 Scheme) to the extent that With-Profits Investment Element is allocated, transferred or reinsured to the SLIntl SPI WP Fund;

**"Termination Date"**

means the date of receipt, by one party to a SLIntl WP Fund Reinsurance Agreement from the other party to that agreement of a termination notice in accordance with that agreement; and

**"With-Profits BEL"**

means the best estimate liabilities in respect of with-profits Reinsured Policies or with-profits elements of Reinsured Policies calculated using generally accepted actuarial techniques and in a manner consistent with the applicable PPFM and Solvency II and providing for future policy-related liabilities.

**THE HIGH COURT**

**2024 / No. 162 COS**

**2024 / No. 43 COM**

**IN THE MATTER OF PHOENIX LIFE  
ASSURANCE EUROPE DESIGNATED  
ACTIVITY COMPANY**

**AND IN THE MATTER OF STANDARD LIFE  
INTERNATIONAL DESIGNATED ACTIVITY  
COMPANY**

**AND IN THE MATTER OF THE ASSURANCE  
COMPANIES ACT 1909 (AS AMENDED), THE  
INSURANCE ACT 1989 (AS AMENDED) AND  
THE EUROPEAN UNION (INSURANCE AND  
REINSURANCE) REGULATIONS 2015 (AS  
AMENDED**

**SCHEME**

**A&L Goodbody LLP  
3 Dublin Landings  
North Wall Quay  
Dublin 1, D01 C4E0**

### **THIRD SCHEDULE**

#### **SUMMARY DESCRIPTION OF PLAE'S LIFE INSURANCE PRODUCT TYPES**

<p>The Scheme contains references to the Non-Profit Fund and various with-profits funds, through which investments are made to support the direct obligations to policyholders.</p>	
<b>Category</b>	<b>Description</b>
Annuity	An annuity would normally pay out a guaranteed income until death. Some variations will include an income to a second life on death of the first, or payment for at least a minimum guarantee period, and some may increase with an index.
Pension	Is a tax-efficient savings plan to build up a pot of money to support retirement. Also known as defined contribution, or money purchase, the pot available at retirement will depend on the amount that has been paid in and the investment growth achieved.
Deferred annuity	Unlike the other forms of annuity, the income from this type of annuity does not start immediately, the income payments will instead start at some point in the future. It may be possible to convert the expected annuity into a lump sum "fund".
Endowment	Endowments are investment policies designed to run for a set term, with premiums invested with the aim of meeting a target amount.

	<p>Money paid in also pays for life cover that pays out the target amount if one of the people covered dies during the policy term. Some endowments also provide the option for other insurance benefits, such as critical illness or disability cover.</p>
Whole of Life	<p>This product is designed to provide protection against a particular event (or events) throughout your life.</p>
Term Assurance	<p>The sum assured under the policy is only paid out if death (critical illness or terminal illness) occurs within a specified term. If the life assured survives until the end of the term, the policy will expire and there will be no monies payable.</p>
Bonds	<p>This product is a single premium unit linked investment which can provide regular income or a lump sum at a future point in time such as death.</p>
Savings	<p>These are a unit-linked regular or single premium savings arrangement which may include life cover. They do not contain any guarantees.</p>

## **FOURTH SCHEDULE**

### **CLASSIFICATIONS OF BUSINESS PLAE IS AUTHORISED TO CARRY ON**

Classes I, III, IV and VII as referred to in Schedule 2 to the Irish Regulations (described by reference to the appropriate classes set out in Annex II to Directive 2009/138/EC), namely the following:

**Class I** – Life insurance and contracts to pay annuities on human life (but excluding Classes 2 and 3).

**Class III** - Contracts linked to investment funds.

**Class IV** – Permanent health insurance.

**Class VII** – Management of group pension funds.

## **FIFTH SCHEDULE**

### **CLASSIFICATIONS OF BUSINESS WHICH IS AUTHORISED TO CARRY ON**

Classes I, III, IV and VII as referred to in Schedule 2 to the Irish Regulations (described by reference to the appropriate classes set out in Annex II to Directive 2009/138/EC), namely the following:

**Class I** – Life insurance and contracts to pay annuities on human life (but excluding Classes 2 and 3).

**Class III** - Contracts linked to investment funds.

**Class IV** – Permanent health insurance.

**Class VI** - Tontines

**Class VII** – Management of group pension funds.



**THE HIGH COURT**

**2024 / No. 162 COS**

**2024 / No. 43 COM**

**BETWEEN:**

IN THE MATTER OF **PHOENIX LIFE  
ASSURANCE EUROPE DESIGNATED  
ACTIVITY COMPANY**

AND IN THE MATTER OF **STANDARD  
LIFE INTERNATIONAL  
DESIGNATED ACTIVITY COMPANY**

AND IN THE MATTER OF **THE  
ASSURANCE COMPANIES ACT 1909  
(AS AMENDED), THE INSURANCE  
ACT 1989 (AS AMENDED) AND THE  
EUROPEAN UNION (INSURANCE  
AND REINSURANCE)  
REGULATIONS 2015 (AS AMENDED**

**PETITION, INCORPORATING THE  
SCHEME**

**A&L Goodbody LLP  
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