



**IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMPANIES COURT (ChD)**

CR-2025-004266

**The Honourable Mr Justice Cawson
8 September 2026**

**IN THE MATTER OF
FIL LIFE INSURANCE LIMITED
and
IN THE MATTER OF
SCOTTISH FRIENDLY ASSURANCE SOCIETY LIMITED
and
IN THE MATTER OF
PART VII OF THE FINANCIAL SERVICES & MARKETS ACT 2000**

ORDER

UPON THE APPLICATION by Part 8 Claim Form (the “**Claim Form**”) issued in the above matter on 17 March 2026 by FIL Life Insurance Limited, a company incorporated and registered in England and Wales under company registration number 03406905 (the “**Transferor**”) and Scottish Friendly Assurance Society Limited, a friendly society incorporated and registered under the Friendly Societies Act 1992 with registration number 3COLS (the “**Transferee**”) (together, the “**Claimants**”) for, inter alia, the sanctioning by the High Court of Justice in England and Wales (the “**Court**”) of an insurance business transfer scheme (as inserted at Schedule A hereto) (the “**Scheme**”) under Part VII of the Financial Services and Markets Act 2000 (“**FSMA**”) to transfer the annuities and section 32 policies business of the Transferor to the Transferee (the “**Application**”);

AND UPON HEARING Martin Moore KC, Counsel for the Claimants (there being no Counsel for the Prudential Regulatory Authority (the “**PRA**”) or the Financial Conduct Authority (the “**FCA**”), nor any objectors, in attendance);

AND UPON READING the Claim Form and the supporting evidence and the first report of the PRA dated 20 March 2026, the second report of the PRA dated 2 September 2026, the first report of the FCA dated 24 March 2026, and the second report of the FCA dated 4 September 2026, each on the Court file;

AND UPON THE COURT being satisfied that the appropriate certificates have been obtained as referred to in section 111 of FSMA;

AND IT APPEARING THAT, as directed in the order dated 27 March 2026, and as required by paragraphs 3(2)(a)(i) and (ii) of the Financial Services and Markets Act 2000 (Control of Business Transfers) (Requirements on Applicants) Regulations 2001 (SI 2001/3625) (as amended) (the “**Regulations**”), a notice in the form approved by the PRA has been published once in each of the London Gazette, the Edinburgh Gazette and the Belfast Gazette and once in each of the Times (including the international edition), the Daily Mail, the Herald and the Telegraph;

AND IT APPEARING THAT, as directed in the order dated 27 March 2026, and as required by paragraph 3(2)(c) of the Regulations, notice has been given to every reinsurer of the Transferor (or to an agent of such reinsurer) whose contracts of reinsurance (in whole or part) are to be transferred by the Scheme;

AND IT APPEARING THAT, as directed in the order dated 27 March 2026, and as required by paragraph 3(4) of the Regulations, a copy of the report on the Scheme prepared pursuant to section 109 of FSMA (the “**Scheme Report**”), together with a copy of a statement setting out the terms of the Scheme and containing a summary of the Scheme Report (the “**Scheme Statement**”), has been given free of charge to any person who has requested them from the Claimants prior to the final Court hearing;

AND IT APPEARING THAT a copy of the Application, the Scheme Report and the Scheme Statement has been given free of charge to the PRA and the FCA pursuant to Regulation 3(5) of the Regulations and a period of not less than 21 days has elapsed since the PRA and the FCA has been given those documents;

THE COURT HEREBY SANCTIONS the Scheme, pursuant to section 111 of FSMA;

AND IT IS ORDERED THAT all of the terms of the Scheme shall, as and from the dates and times therein provided, take effect under section 112 of FSMA without further act or instrument as if each were separately set out in this order (this “**Order**”). Without prejudice to the generality of the foregoing:

1. the transfer of the Transferring Business (such capitalised term as defined in the Scheme) provided for by paragraph 4 of the Scheme and the transfers of property and liabilities (as defined by sections 112(12) and (13) of FSMA, respectively) provided for thereby shall take effect pursuant to section 112(1)(a) of FSMA and vest or transfer as provided for by section 112(3) of FSMA as a result of this Order;
2. the provisions in paragraph 8 of the Scheme relating to the conduct of proceedings shall take effect pursuant to section 112(1)(c) of FSMA; and
3. the provisions of all other paragraphs of the Scheme, not referred to in (1) or (2), above, shall take effect pursuant to section 112(1)(d) of FSMA;

AND IT IS FURTHER ORDERED THAT, without prejudice to the generality of the foregoing:

1. the production of a copy of this Order and of the Scheme with any modifications, amendments or additions made under paragraph 16 of the Scheme shall, for all purposes, be evidence of the transfer to, and the vesting in, the Transferee:
 - (a) at and with effect from the Effective Date, of the Transferring Business, the Transferring Assets and the Transferring Liabilities (each such capitalised term as defined in the Scheme); and
 - (b) at and with effect from each relevant Subsequent Transfer Date, of the Residual Assets, the Residual Liabilities and the Residual Policies (each such capitalised term as defined in the Scheme);
2. the Transferee shall, in accordance with section 112(10) of FSMA, deposit two office copies of this Order with the PRA and shall do so within ten days of making of this Order, unless the PRA shall extend that period. On receipt of such copies, the PRA shall, in accordance with section 112ZA of FSMA, without delay, give a copy of this Order to the FCA; and

3. the Transferor and the Transferee shall each have liberty to apply for such orders as may be expedient or necessary for the purposes set out in section 112 of FSMA or pursuant to paragraph 16 of the Scheme and more generally.

SCHEDULE A
THE SCHEME

**IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMPANIES COURT (ChD)**

**IN THE MATTER OF
FIL LIFE INSURANCE LIMITED
and
IN THE MATTER OF
SCOTTISH FRIENDLY ASSURANCE SOCIETY LIMITED
and
IN THE MATTER OF
PART VII OF THE FINANCIAL SERVICES & MARKETS ACT 2000**

SCHEME

**for the transfer to Scottish Friendly Assurance
Society Limited of the annuities and section 32
policies business of FIL Life Insurance Limited
(pursuant to Part VII of the Financial Services
and Markets Act 2000)**

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PART A
DEFINITIONS AND INTERPRETATION

1. DEFINITIONS

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

“**Actuary**” means, in respect of a Party, the person appointed by such Party from time to time to perform the “Chief Actuary function (SMF 20)” in accordance with the “Insurance – Senior Management Functions” part of the PRA Rulebook;

“**Annuity**” means any Policy listed as an “annuity” in the List of Policies;

“**Applicable Law and Regulation**” means any and all:

- (a) laws (including statutes, statutory instruments, treaties, regulations, orders, directives, by-laws and decrees and common law);
- (b) regulations (including the principles, rules and binding guidance of any Responsible Authority, including the PRA Rules and the FCA Rules);
- (c) binding judgments, resolutions, decisions, orders, notices, injunctions, directions or demands of a competent court, tribunal, arbitrator or Responsible Authority; or
- (d) mandatory industry guidelines or codes of conduct,

in each case, in any jurisdiction and to the extent applicable to the relevant person in the context of the matters contemplated by this Scheme from time to time;

“**Appropriate Actuarial Advice**” means:

- (a) relevant advice from the relevant Actuary in relation to actuarial matters (including, for the avoidance of doubt, security or benefit expectations of Policyholders); and
- (b) such additional external actuarial guidance (if any) as the Transferor’s Board or the Transferee’s Board (as applicable) determines in its absolute discretion to obtain;

“**Asset**” means any asset and property of every kind and description, wherever located, whether real, personal or mixed, tangible or intangible, that is owned, leased or licensed by the Transferor (and comprised within the Transferring Business) or by the Transferee (as the context requires) including all rights, benefits and powers of the Transferor or the Transferee under any Transferring Asset and all rights, including any right to repayment or recovery of Tax relating to the Transferring Business, claims and powers of the Transferor or the Transferee against any third party and including (for the avoidance of doubt) any such asset or property to which legal title is held by another party, provided that the Transferor or the Transferee has an interest in such asset or property, including beneficial ownership of such asset or property;

“**BlackRock Authorised Contractual Scheme (2)**” means the authorised contractual scheme of that name, being an umbrella co-ownership scheme authorised by the FCA;

“**BlackRock FutureWise Asset Units**” means the units in FutureWise held by the Transferor immediately before the Effective Date in respect of the Section 32 Policies;

“**Board**” means in the case of the Transferor its board of directors from time to time; and in the case of the Transferee, its board of management;

“Business Day” means a day (other than a Saturday or Sunday) on which banks are generally open in London for normal business;

“Business Information” means the books and records of the Transferor relating to the Transferring Business:

- (a) as prepared and transferred in the format agreed between the Parties; and
- (b) as the Parties agree should be transferred to the Transferee in accordance with the Framework Agreement;

“Change in Interpretation” means either:

- (a) when implemented, a binding change made by the PRA or FCA to a previously prevailing general interpretation of Applicable Law and Regulation that has retrospective effect; or
- (b) when published in final form, guidance published by the PRA or FCA that is of general application to the UK life assurance and pensions industry as a whole (which also applies retrospectively);

“Controller” has the meaning given to that term in the Data Protection Legislation;

“Court” means the High Court of Justice in England and Wales;

“Data Protection Consent” has the meaning given to the term “consent” in the Data Protection Legislation;

“Data Protection Legislation” means any Applicable Law and Regulation relating to the protection of individuals with regards to the processing of Personal Data and privacy (as applicable to the Transferee or the Transferor, including:

- (a) the Data Protection Act 2018;
- (b) the Privacy and Electronic Communications (EC Directive) Regulations 2003;
- (c) the UK GDPR; and
- (d) any applicable rules, requirements, directions, guidelines and codes of practice issued by a competent authority in respect of the processing of Personal Data, in each case where binding;

“Data Subject” has the meaning given to that term in the Data Protection Legislation;

“Direct Marketing” has the meaning given to that term in the Data Protection Legislation;

“Effective Date” means the time and date on which this Scheme shall become effective in accordance with paragraph 15;

“Encumbrance” means any claim, option, charge (fixed or floating), mortgage, lien, pledge, equity, encumbrance, right to acquire, right of pre-emption, right of first refusal, title retention or any other third party right, or other security interest or any other agreement or arrangement having a similar effect or any agreement to create any of the foregoing;

“Excluded Assets” means all assets held by, or on behalf of, the Transferor or the Transferor Group, other than the Transferring Assets, including for the avoidance of doubt:

- (a) all and any cash or non-cash assets held as, or in support of, the regulatory capital provisions imposed or required in respect of the Transferring Business;
- (b) all IT Systems;

- (c) the Excluded Contracts;
- (d) the books and records and any Tax-related books and records, of any member of the Transferor Group or any of the benefits of any member of the Transferor Group (with the exception of the Business Information);
- (e) any rights and obligations under insurance policies which are not Transferring Policies or the Transferring Contract; and
- (f) any Transferor Group Insurance Policy;

“Excluded Business” means the Excluded Assets and the Excluded Liabilities;

“Excluded Contracts” means all written and unwritten contracts, agreements, arrangements or commitments other than the Transferring Policies and the Transferring Contract;

“Excluded Liabilities” means:

- (a) any fines or regulatory penalties incurred by the Transferor in respect of the Transferring Assets arising out of, or in connection with, any breach of Applicable Law and Regulation or legal or administrative proceedings or steps carried out by the Transferor at the direction of a Responsible Authority or ombudsman which were required as a result of acts or omissions of the Transferor or any member of the Transferor’s Group (or any of their agents, employees or third party service providers) in respect of the Transferring Assets, in each case at any time during the period prior to the Effective Date;
- (b) any Liabilities, obligations or commitments in respect of the Excluded Assets (for the avoidance of doubt, including in respect of the Transferor Group’s operation of PlanViewer and the Transferor Group making PlanViewer available to Policyholders (including Policyholders of the Transferring Policies) prior to, on or following the Effective Date);
- (c) any Liabilities for or in relation to Tax in connection with the Transferring Business and Transferring Assets in respect of the period prior to the Effective Date;
- (d) any liabilities of the Transferor in respect of the Transaction Documents, this Scheme and/or the Order;
- (e) any liabilities relating to the employment or engagement by the Transferor of any officer, employee and/or self- employed consultant in relation to the Transferring Business; and
- (f) all rights and liabilities of the Transferor or any a member of the Transferor’s Group in connection with the software and professional services agreement between FIL Pensions Management Limited and Equiniti PMS Limited dated 20 August 2024;

“FCA” means the Financial Conduct Authority of the UK (or, where the context requires, its predecessor or its successors from time to time);

“FCA Rules” means the rules and guidance from time to time adopted or made, and any direction from time to time made, by the FCA so far as applicable to the Transferor or the Transferee (as the case may be);

“Framework Agreement” means the framework agreement entered into between the Transferor and the Transferee, dated 17 March 2025 and including the schedules thereto;

“FSMA” means the Financial Services and Markets Act 2000;

“FutureWise” means the investment strategy consisting of a series of unit holdings in the range of FutureWise Funds (as defined in the Framework Agreement), being (as at the Effective Date) the

“BlackRock FutureWise Funds” (as defined within the prospectus of the BlackRock Authorised Contractual Scheme (2));

“Group” means the Transferor Group or the Transferee Group (as applicable);

“Historic Administration Error” means an error or omission in relation to the sale, underwriting, or Administration of, or processes relating to, one or more Policies or Policyholders (including any non-UK Policyholders) which:

- (a) was made prior to the Effective Date but does not arise out of Mis-selling, and;
- (b) results in or would result in:
 - (i) tax free lump sums or other lump sums being or having been paid (or amounts becoming due to be paid in the future) to one or more Policyholders which, by reference to the amount actually due (or becoming due in future) to such Policyholders under or in respect of their Policy, were (or will be) incorrect;
 - (ii) any of the following, but which is not a breach of any Policy or Applicable Law and Regulations:
 - A. incorrect statements or calculations being made to any Policyholders with respect to the Policies;
 - B. a Policy falling outside applicable underwriting guidelines at the time it was issued;
 - C. a Policy being provided to the relevant Policyholder which does not reflect the contractual benefits actually due to such Policyholder or the amount of premium actually payable by such Policyholder; or
 - (iii) a breach of the terms of any Policy or Applicable Law and Regulation;

“Independent Expert” means the independent expert appointed pursuant to section 109 of FSMA in relation to this Scheme;

“Information Technology” means hardware, software and networks;

“IT Systems” means Information Technology systems owned, used or leased or licensed by the Transferor;

“Liability” means any liabilities, claims, damages, actions, expenses, proceedings, demands, orders, suits, losses, costs (including legal costs and the cost of remediation or rectification), payments or other forms of compensation, including any fines or penalties, statutory levies, ex gratia payments and settlements or compromises, in each case whether deriving (whether directly or indirectly or vicariously) from contract, common law, statute, regulation or otherwise;

“List of Policies” means the list of Policies agreed between the Transferor and Transferee as being the list of Annuity and Section 32 Policies written by the Transferor which remain in force or under which any liability remains unsatisfied or outstanding as at the Effective Date;

“Long Term Business” means the business of effecting or carrying out long term insurance contracts as principal, being contracts falling within Part II of Schedule 1 to the RAO;

“Main Fund” means the single fund established and maintained by the Transferee in respect of its Long Term Business (excluding the closed notional sub-funds established in respect of certain business transferred to the Transferee), which bears the name, “Main Fund”;

“Mis-selling” means the sale of a Policy in circumstances where:

- (a) a Policyholder was not provided with appropriate information in relation to such Policy; and/or
- (b) there were actions and/or omissions of any member of the Transferor Group (or any other persons or entities which were involved in the sale of the Policy, including any agent or intermediary),

which, in either case, constituted a breach of or failure to comply with Applicable Law and Regulation (to the extent in force at that time or as a result of any change in, or Change in Interpretation of, Applicable Law and Regulation) and references to **“mis-sold”** and **“mis-sale”** shall be construed accordingly;

“Ombudsman” means (as the context permits) the Financial Ombudsman Service as established under Part XVI and Schedule 17 of FSMA and/or the Pension Ombudsman as established under Part XI of the Pensions Act 1990 (or, where the context requires, its predecessor or its successors from time to time);

“Order” means an order made by the Court pursuant to section 111 of FSMA sanctioning this Scheme and any order (including any subsequent order) in relation to this Scheme made by the Court pursuant to section 112 of FSMA;

“Parties” means the parties to this Scheme, each being a **“Party”**;

“Personal Data” has the meaning given to that term in the Data Protection Legislation;

“PlanViewer” means the online portal and mobile application, named “Fidelity PlanViewer”, provided by the Transferor Group, which enables Policyholders to manage their workplace retirement savings, view account information, monitor investments and access planning tools, guidance and documentation in respect of the same;

“Policy” and **“Policyholder”** shall have the meanings ascribed to them by the Financial Services and Markets Act 2000 (Meaning of “Policy” and “Policyholder”) Order 2000 (SI 2001/2361);

“PRA” means the Prudential Regulation Authority of the UK (or, where the context requires, its predecessor, or its successors from time to time);

“PRA Rules” means the rules and guidance from time to time adopted or made, and any direction from time to time made, by the PRA, including the PRA Rulebook, so far as applicable to the Transferor or the Transferee (as the case may be);

“PRA Rulebook” means the rules contained in the PRA Rulebook for Solvency II firms, issued by the PRA from time to time;

“Proceedings” has the meaning given to it in paragraph 8.1;

“RAO” means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544);

“Reinsurance Link Agreements” means:

- (a) the Transferring Contract; and
- (b) each of the following reinsurance link agreements in respect of the Section 32 Policies, which (pursuant to their terms) will each take effect on the Effective Date:
 - (i) the reinsurance link agreement entered into between the Transferee and BlackRock Life Limited on 17 August 2026; and

- (ii) the reinsurance link agreement entered into between the Transferee and Legal & General Assurance (Pensions Management) Limited on 18 August 2026;

“Responsible Authority” means any national or state governmental bodies, authorities, courts or judicial authority, arbitrators and public and industry regulatory authorities, political subdivision thereof, national or supranational body or any person or body exercising executive, legislative, judicial, regulatory, taxing or administrative functions on behalf of any of them and includes all relevant securities commissions, stock exchange authorities, foreign exchange authorities, foreign investment authorities, competition and anti-trust authorities, financial and insurance regulatory authorities (including the FCA and the PRA), the UK Information Commissioner, any Ombudsman, Tax Authorities, the London Stock Exchange, the Panel on Takeovers and Mergers and similar entities or authorities);

“Relevant Date” means the Effective Date, except in the case of any Residual Asset, Residual Liability or Residual Policy, in which case it means the applicable Subsequent Transfer Date;

“Residual Asset” means in relation to the Transferring Business:

- (a) any Asset of the Transferor that would otherwise be a Transferring Asset but which is agreed by the Transferor and the Transferee, or is provided by any third party, to be subject to the law of any country or territory other than the United Kingdom and that further steps, in addition to the Order, are required to secure that its transfer to the Transferee is fully effective under the law of that country or territory;
- (b) any Asset of the Transferor that would otherwise be a Transferring Asset but which: (i) the Court does not have jurisdiction to transfer pursuant to section 112 of FSMA without further steps being taken or waiver obtained (in addition to the Order) to secure the transfer of the relevant Asset to the Transferee (and which have not been completed or obtained at or before the Effective Date), but only to the extent of that part of the interest of the Transferor in any such Asset the transfer of which requires such steps and/or waiver, or (ii) in respect of which the Court declines to order the transfer;
- (c) any interest of the Transferor in any Asset that would otherwise be a Transferring Asset but which the Transferor and the Transferee agree in writing prior to the Effective Date is to be delayed;
- (d) any interest of the Transferor in any Asset that would otherwise be a Transferring Asset but which the Transferor and the Transferee agree in writing prior to the Effective Date is more conveniently to be transferred pursuant to this Scheme after the Effective Date in conjunction with any Asset referred to in paragraphs (a), (b) and/or (c) of this definition or in conjunction with a Residual Liability of the Transferor;
- (e) any interest of the Transferor in any Asset that would otherwise be a Transferring Asset but which cannot be transferred to or vested in the Transferee at the Effective Date for any other reason; and
- (f) any proceeds of sale or income or other accrual or return whatsoever, whether or not in any case in the form of cash, from time to time earned at or received after the Effective Date in respect of any such relevant Asset referred to in paragraphs (a) to (e) of this definition,

but only until, in respect of each such Asset, the Subsequent Transfer Date (at which point such Asset will become a Transferring Asset);

“Residual Liability” means in relation to the Transferring Business:

- (a) any Liability that would otherwise be a Transferring Liability but which is agreed by the Transferor and Transferee, or is provided by any third party, to be subject to the law of any country or territory other than the United Kingdom and that further steps, in addition to the Order, are required to secure that its transfer to the Transferee is fully effective under the law of that country or territory;
- (b) any Liability that would otherwise be a Transferring Liability but which: (i) the Court either does not have jurisdiction to transfer pursuant to section 112 of FSMA without further steps being taken (in addition to the Order) to secure the transfer of relevant Liabilities (which have not been completed at or before the Effective Date), but only to the extent of that part of the Liability the transfer of which requires such steps and/or waiver; or (ii) in respect of which the Court declines to order the transfer;
- (c) any other Liability that would otherwise be a Transferring Liability, but the transfer of which the Transferor and the Transferee agree prior to the Effective Date is to be delayed;
- (d) any other Liability that would otherwise be a Transferring Liability but which the Transferor and the Transferee agree prior to the Effective Date is more conveniently to be transferred pursuant to this Scheme after the Effective Date in conjunction with any relevant Liabilities referred to in paragraphs (a), (b) or (c) of this definition or in conjunction with a Residual Asset of the Transferor;
- (e) any Liability that would otherwise be a Transferring Liability but for the fact that it cannot be transferred to or vested in the Transferee for any other reason at the Effective Date; and
- (f) any Liability that is attributable to or connected with a Residual Asset or a Residual Liability referred to in paragraphs (a) to (e) of this definition of the Transferor that has arisen or arises at any time before the Subsequent Transfer Date applicable to that Residual Asset or Residual Liability,

but only until, in respect of each such Liability, the Subsequent Transfer Date (at which point such Liability will become a Transferring Liability);

“Residual Policy” means any Policy included in the List of Policies but which:

- (a) prior to the Effective Date, the Transferor and the Transferee agree shall not be transferred pursuant to this Scheme at the Effective Date;
- (b) is not capable of being transferred pursuant to this Scheme at the Effective Date;
- (c) the Court for any reason determines not to transfer by the Order; or
- (d) the Order specifies certain steps to be taken before such Policy can be transferred and such steps have not been completed at or before the Effective Date,

but only until, in respect of each such Policy, the Subsequent Transfer Date (at which point such Policy will become a Transferring Policy) or paragraph 10.6 applies (as applicable);

“Scheme” means this Scheme in its original form or with or subject to any modification, addition or condition which may be approved or imposed in accordance with paragraph 16;

“Section 32 Policy” means any Policy listed as a “section 32 Policy” in the List of Policies;

“Self-Select Units” means the units or shares (other than the BlackRock FutureWise Asset Units) held by the Transferor immediately before the Effective Date in one or more collective investment schemes in respect of the Section 32 Policies;

“Subsequent Transfer Date” means in relation to any Residual Asset, Residual Liability or Residual Policy, the date after the Effective Date on which such Residual Asset, Residual Liability or Residual Policy is transferred to the Transferee, including:

- (a) in respect of any Residual Asset or Residual Liability falling within paragraphs (a) or (b) of the respective definitions thereof and of any other Residual Liability which is attributable to or connected with any such Residual Asset, the date on which the requisite steps, or where applicable, the requisite consent or waiver to enable the same to be transferred from the Transferor to the Transferee upon the terms of this Scheme (where applicable, without any third party right to terminate or to compensation) is:
 - (i) obtained;
 - (ii) no longer required; or
 - (iii) dispensed with by an Order;
- (b) in respect of any Residual Asset or Residual Liability falling within paragraph (c) of the respective definitions thereof, and of any other Residual Liability which is attributable to or connected with any such Residual Asset, the date agreed in writing by the Transferor and the Transferee;
- (c) in respect of any Residual Asset or Residual Liability falling within paragraph (d) of the respective definitions thereof, and of any other Residual Liability which is attributable to or connected with any such Residual Asset, the transfer date applicable to the Assets or Liabilities (as the case may be) in conjunction with which it was determined to be a Residual Asset or Residual Liability;
- (d) in respect of any Residual Asset or Residual Liability falling within paragraph (e) of the respective definitions thereof, and of any other Residual Liability which is attributable to or connected with any such Residual Asset, the date on which the reason the relevant Residual Asset or Residual Liability cannot be transferred to or vested in the Transferee at the Effective Date ceases to apply;
- (e) in respect of any Residual Asset or Residual Liability falling within paragraph (f) of the respective definitions thereof, the date on which such Residual Asset is received or earned by the Transferor or, in the case of a Residual Liability, the date on which such Liability is incurred by the Transferor; and
- (f) in respect of any Residual Policy, the date on which all consents, orders, permissions or other requirements are obtained, or are no longer required or are dispensed with by an Order, in each case, for the transfer or novation of such Residual Policy from the Transferor to the Transferee as described in paragraph 10.5;

“Tax” means all taxes, levies, duties and imposts and any charges, deductions or withholdings in the nature of tax, including social security contributions, taxes on income, profits and gains and taxes on receipts, sales, use, transfer, occupation, development, franchise, employment, value added and personal property whether in the United Kingdom or elsewhere in the world together with all penalties, fines, charges, surcharges and interest relating to any of them or to any failure to file any return, comply with any reporting requirements or supply any information required for the purposes of any of them;

“Tax Authority” means any government, state or municipality or any local, state, federal or other fiscal, revenue, customs or excise authority, body or official competent to impose, administer, levy, assess or collect Tax in the UK or any other jurisdiction;

“Transaction Documents” means:

- (a) the Framework Agreement; and
- (b) the disclosure letter delivered by the Transferor to the Transferee, dated 17 March 2025 and including the schedules thereto;

“Transferee” means Scottish Friendly Assurance Society Limited (a friendly society incorporated and registered under the Friendly Societies Act 1992 with registration number 3COLS), the registered office of which is at Galbraith House, 16 Blythswood, Glasgow, G2 4HJ;

“Transferee Group” means the Transferee and its subsidiaries and subsidiary undertakings;

“Transferee Rules” means the Rules of the Transferee as amended from time to time;

“Transferor” means FIL Life Insurance Limited (incorporated and registered in England and Wales under company registration number 03406905), the registered office of which is at Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey, United Kingdom, KT20 6RP;

“Transferor Group” means the Transferor, its subsidiaries and subsidiary undertakings, any holding company of the Transferor and all other subsidiaries of any such holding company from time to time;

“Transferor Group Insurance Policy” means any insurance policy pursuant to which any member of the Transferor Group is insured (other than the Transferring Contract);

“Transferring Assets” means:

- (a) the rights, benefits, powers and property of the Transferor, under or by virtue of or otherwise arising in connection with the Transferring Policies;
- (b) the rights, benefits and property of the Transferor, under or by virtue of or otherwise arising in connection with the Transferring Contract;
- (c) the Business Information, including all rights, title and interest of the Transferor in the Business Information;
- (d) the Transferring Units;
- (e) any other asset, property or interest (whether tangible or intangible) which the Transferee and Transferor agree in writing prior to the Effective Date are to be transferred under this Scheme (in respect of which paragraph 16 shall apply); and
- (f) the rights of the Transferor to any defences, claims, counterclaims, settlement and rights of set-off and other rights that are available to the Transferor prior to the Effective Date to the extent that they relate to the Transferring Business, the Transferring Liabilities or the Transferring Assets as set out in paragraphs (a) to (e) of this definition (if capable of being assigned to the Transferee or a member of the Transferee Group),

including all associated rights, accrued rights, benefits, powers, authorities, property and security interests in respect thereof (to the extent applicable);

“Transferring Business” means:

- (a) the Transferring Policies;
- (b) the Transferring Assets;
- (c) the Transferring Contract; and
- (d) and the Transferring Liabilities,

and following each Subsequent Transfer Date, the relevant Residual Asset or Residual Liability, but does not include any part of the Excluded Business;

“**Transferring Contract**” means the reinsurance link agreement entered into between the Transferor and Schroder Pension Management Limited on 15 July 2026 held by the Transferor immediately before the Effective Date in respect of the Section 32 Policies;

“**Transferring Units**” means the Self-Select Units and the BlackRock FutureWise Asset Units;

“**Transferring Liabilities**” means all Liabilities of the Transferor (including those in respect of Mis-selling and Historic Administration Error) in respect of the Transferring Policies, Transferring Contract, Transferring Units and Business Information arising from facts, events or circumstances occurring before, at or after the Effective Date, but excluding the Excluded Liabilities;

“**Transferring Policies**” means the Policies as set out in the List of Policies;

“**UK GDPR**” has the meaning given in Section 3 of the Data Protection Act 2018; and

“**United Kingdom**” or “**UK**” means the United Kingdom of Great Britain and Northern Ireland.

2. INTERPRETATION

2.1 In this Scheme:

- 2.1.1 “**property**” includes property, Assets, rights (excluding contingent rights as to the repayment of tax) and powers of every description (whether present or future, actual or contingent) and includes property held on trust and securities, benefits, powers of any description and any interest whatsoever in any of the foregoing;
- 2.1.2 “**transfer**” includes (as the context requires) “**assign**”, “**assignation**” or “**assignment**”, “**dispose**” or “**disposal**” or “**convey**” or “**conveyance**”;
- 2.1.3 any reference to the singular shall include a reference to the plural and vice versa and any reference to the masculine shall include a reference to the feminine and neuter and vice versa;
- 2.1.4 any reference in this Scheme:
 - (a) 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;
 - (b) to any other document is a reference to that other document as validly amended, varied, novated or supplemented at any time; and
 - (c) to any handbook, rules or regulations issued (or deemed to have been issued) by the PRA or the FCA shall be deemed to include a reference to such handbook, rules or regulations as amended or replaced from time to time;
- 2.1.5 expressions used which have meanings under FSMA shall bear those meanings (unless the context otherwise requires);
- 2.1.6 any reference to “**holding company**”, “**subsidiary**” and “**subsidiary undertaking**” shall have the same meaning as in the Companies Act 2006;

- 2.1.7 any reference to this Scheme shall include the Schedules to it and references to paragraphs, Parts or Schedules are to paragraphs or Parts of or Schedules to this Scheme;
- 2.1.8 headings are inserted for convenience only and shall not affect the construction of this Scheme;
- 2.1.9 any reference to a person shall include a reference to a body corporate, a partnership, an unincorporated association or to a person's executors or administrators, and for the avoidance of doubt, shall include a trustee;
- 2.1.10 if a period of time is specified "**from**" a given day, date or time (or the day, date or time of an actual event), it shall be calculated exclusive of that day, date or time (save that, if a period of time is specified "**on and from**" a given day, date or time (or the day, date or time of an actual event), it shall be calculated inclusive of that day, date or time);
- 2.1.11 any reference to writing shall include any modes of reproducing words in a legible and non-transitory form;
- 2.1.12 any reference to the Transferee's Board or the Transferor's Board shall be deemed to include a reference to a duly constituted committee or duly authorised representative of such Board as appropriate;
- 2.1.13 any reference to "**includes**" or "**including**" shall mean "includes without limitation" or "including without limitation" and to "**in particular**" shall mean "in particular without limitation";
- 2.1.14 the expression "**variation**" or "**varied**" shall include any variation, supplement, deletion, replacement or termination, however effected;
- 2.1.15 references to the Transferor's Board or to the Transferee's Board "**having taken account of Appropriate Actuarial Advice**" means, the Transferor's Board or the Transferee's Board (as applicable) having given due regard to the relevant Appropriate Actuarial Advice (including the fact that the relevant Actuary is subject to duties imposed by regulation when giving such advice); and
- 2.1.16 references to a "**certificate from an independent actuary**" means a certificate prepared by an independent actuary considering all matters which the independent actuary considers appropriate in the context of the particular certificate, taking into account of any relevant regulatory guidance applicable to modifications of insurance business transfer schemes under Part VII of FSMA (or its successors).

PART B
INTRODUCTION

3. INTRODUCTION

- 3.1 The Transferor is a company incorporated and registered in England and Wales under company registration number 03406905.
- 3.2 The Transferee is a friendly society incorporated and registered under the Friendly Societies Act 1992 with registration number 3COLS.
- 3.3 The Transferor is an authorised person for the purposes of FSMA, and has a Part 4A permission under FSMA to effect and carry out contracts of Long Term Business in the United Kingdom in classes I, III and IV, as set out in Part II of Schedule 1 to the RAO.
- 3.4 The Transferee is an authorised person for the purposes of FSMA, and has a Part 4A permission under FSMA to effect and carry out contracts of Long Term Business in the United Kingdom in classes I, III and IV, as set out in Part II of Schedule 1 to the RAO.
- 3.5 It is proposed that, with effect on and from the Effective Date (or, to the extent applicable, at a Subsequent Transfer Date), the Transferring Business carried on by the Transferor shall be transferred from the Transferor to the Transferee in accordance with this Scheme.

PART C

TRANSFER

4. TRANSFER OF TRANSFERRING BUSINESS

- 4.1 The Transferring Business shall be transferred to, and be vested in, the Transferee in accordance with, and subject to the terms of, this Scheme, so that:
- 4.1.1 subject to the provisions of paragraph 11 (*Declaration of Trust by the Transferor*), with effect on and from the Relevant Date, each Transferring Asset and all interest of the Transferor in them shall, by the Order and without any further act or instrument, be transferred to and be vested in the Transferee, and the Transferee shall succeed to each Transferring Asset as if in all respects it were the same person in law as the Transferor, subject to all Encumbrances (if any) affecting such Transferring Asset in accordance with this Scheme; and
 - 4.1.2 with effect on and from the Relevant Date, each Transferring Liability shall, by the Order and without any further act or instrument, be transferred to and become a Liability of the Transferee, and the Transferee shall succeed to each Transferring Liability as if in all respects it were the same person in law as the Transferor, and such Transferring Liability shall cease to be a Liability of the Transferor.
- 4.2 This Scheme shall not operate to transfer, or have the effect of transferring, or be construed to operate to transfer or have the effect of transferring, to the Transferee all or any part of the Excluded Business.
- 4.3 For the avoidance of doubt and without limitation to the generality of the provisions of paragraph 4.1:
- 4.3.1 any Transferring Asset (including: (i) any legal or beneficial title arising pursuant to any trust; and (ii) any rights or Liabilities (other than Excluded Liabilities) pursuant to any custody arrangements) transferred to and vested in the Transferee by virtue of the Order and which (immediately prior to the Relevant Date) was held by the Transferor (whether alone or jointly with others) as a trustee, custodian or in a similar fiduciary capacity shall, with effect on and from the Relevant Date, be held by the Transferee (alone or jointly, as the case may be and in the capacity of a trustee, custodian or in a similar fiduciary capacity, as the case may be) subject to the rights, powers and duties previously applicable to the relevant trust, custody or other fiduciary arrangement in question;
 - 4.3.2 any Encumbrance in respect of any Transferring Asset which (immediately prior to the Relevant Date) was held by the Transferor, or by a nominee or agent of or trustee for the Transferor, as security for the payment or discharge of any Liability shall, on and from the Relevant Date, be held by the Transferee or, as the case may require, by that nominee, agent or trustee for the Transferee, and be available to the Transferee (whether for its own benefit or, as the case may be, for the benefit of any other person) as security for the payment or discharge of that Liability (and, if not physically delivered to the Transferee, shall be deemed to be so delivered at the Relevant Date);
 - 4.3.3 any existing indemnity, power of attorney, authority, declaration or consent given to or by the Transferor to the extent that it relates to any part of the Transferring Business shall have effect on and from the Relevant Date as if given to or, as the case may be, by the Transferee;
 - 4.3.4 the Transferee shall be entitled to rely on and enforce any consent, waiver, representation, statement or estoppel given or made to the Transferor by any person in relation to the Transferring Business prior to the Relevant Date as though such consent, waiver,

representation, statement or estoppel had been given or made to the Transferee, and to the same extent that that Transferor would have been able to rely on or enforce the same; and

- 4.3.5 the Transferring Business shall, on and from the Relevant Date, be allocated to the Main Fund.
- 4.4 The Transferee shall accept, without investigation or requisition, such title which (immediately prior to the Relevant Date) the Transferor had to each Transferring Asset.
- 4.5 Without prejudice to any other provision in this Scheme, the Transferor and the Transferee shall take all such steps, and execute all such documents, as may be reasonably necessary or desirable:
 - 4.5.1 to effect or perfect the transfer to, and vesting in, the Transferee of any Transferring Asset or Residual Asset pursuant to this Scheme;
 - 4.5.2 to effect or perfect the transfer to, and assumption by, the Transferee of any Transferring Liability or Residual Liability pursuant to this Scheme; and
 - 4.5.3 to correct any errors in the identity or amount of the Assets or Liabilities so transferred.
- 4.6 Any allocation of assets or Liabilities, and any re-allocation of the same, which is made under the terms of this Scheme for the purpose of the Transferee's business is for the purpose of establishing Policyholder entitlements from time to time and shall not be taken to limit the availability of all the assets from time to time of the Transferee to meet the Liabilities which it is obliged by law to meet.
- 4.7 At the Relevant Date:
 - 4.7.1 the Transferee will have established new unit linked funds within its Main Fund in respect of the Section 32 Policies (the "**New Linked Funds**"), such that there will be an equivalent New Linked Fund at the Relevant Date for each unit linked fund maintained by the Transferor (to the extent relating to the Section 32 Policies) immediately prior to the Relevant Date (the "**Original Linked Funds**");
 - 4.7.2 the Transferring Units and the Reinsurance Link Agreements (and Transferring Liabilities relating to the Transferring Units and Transferring Contract, and the Liabilities relating to the Reinsurance Link Agreements referred to in paragraph (b) of the definition of Reinsurance Link Agreements) shall be allocated by the Transferee to the relevant New Linked Funds; and
 - 4.7.3 for each Section 32 Policy:
 - (a) the Transferee will allocate to that Section 32 Policy a number of policyholder units in the relevant New Linked Funds, such that the value of policyholder units allocated to that Section 32 Policy in each relevant New Linked Fund (as determined by the Transferee, by reference to its policyholder unit prices) at the Relevant Date will be equal to the value of policyholder units allocated to that Section 32 Policy in each equivalent Original Linked Fund (as determined by the Transferor, by reference to its policyholder unit prices) immediately prior to the Relevant Date; and
 - (b) accordingly, the value of the benefit entitlements attributable to that Section 32 Policy will be equal to the value of the benefit entitlements attributable to that Section 32 Policy immediately prior to the Relevant Date.
- 4.8 Subject to paragraph 4.9:
 - 4.8.1 nothing in this Scheme shall at any time prevent the Transferee from:

- (a) establishing and maintaining other long-term insurance funds or other sub-funds of its Main Fund and writing in to any such other long-term insurance funds or sub-funds any new Long Term Business or any business of other long-term insurance funds or sub-funds of the Transferee;
- (b) writing in to its Main Fund (or any sub-fund thereof, including the New Linked Funds) any new business; or
- (c) writing in to its Main Fund (or any sub-fund thereof, including the New Linked Funds), policies issued pursuant to rights or options under the terms of the Transferring Policies; and

4.8.2 unless precluded by the terms of the relevant policies or unless the Transferee's Board, having regard to the advice of the Transferee's Actuary, should consider it impracticable or inappropriate having regard to the interests of the relevant Policyholders, the Transferee shall be at liberty at any time and from time to time to open any new linked funds within its Main Fund, close any linked funds maintained by it (including the New Linked Funds) the ("**Linked Funds**"), to merge or otherwise amalgamate or transfer any Linked Fund or any part or parts thereof with or to (as the context requires) any other Linked Fund maintained by it or any part or parts thereof or to divide any Linked Fund into one or more linked funds, to change the investment objectives, investment restrictions and/or investment policies of the Linked Fund or to effect any combination of the aforesaid, in each case on such terms as the Transferee's Board shall consider equitable as between the Policyholders affected thereby (having obtained the advice of the Transferee's Actuary).

4.9 Nothing in this Scheme shall operate to amend, supersede, disapply or otherwise affect the Transferee's obligations under the Framework Agreement (and/or any other agreement between the Parties or any member(s) of their respective Groups from time to time) relating in any way to the offering and/or maintenance of FutureWise in respect of the Section 32 Policies.

5. MEMBERSHIP RIGHTS

5.1 The Transferee shall procure that, with effect on and from the Effective Date, the Policyholders of the Transferring Policies who, in accordance with the Transferee Rules, are eligible to become members of the Transferee shall become members of the Transferee with the membership rights set out in the Transferee Rules.

6. DATA PROTECTION

6.1 With effect on and from the Relevant Date:

- 6.1.1 the Transferee shall succeed to all rights and obligations of the Transferor in respect of any Personal Data which relates to the Transferring Business, and which is subject to the Data Protection Legislation;
- 6.1.2 the Transferee shall become the Controller of any Personal Data which relates to the Transferring Business, and which is subject to the Data Protection Legislation in place of the Transferor;
- 6.1.3 in respect of any Personal Data which relates to the Transferring Business, the Transferee shall be bound by:

- (a) the same duties under all Applicable Law and Regulation as the Transferor (immediately prior to the Relevant Date) to respect and protect the confidentiality and privacy of any person in relation to that Personal Data; and
- (b) any specific notice or Data Protection Consent given, or request made by, the relevant Data Subject which (immediately prior to the Relevant Date) was binding on the Transferor and required the Transferor not to use that Personal Data for Direct Marketing purposes (and in any such Data Protection Consent given by a Data Subject, any reference to the Transferor and/or the Transferor Group shall be deemed to include a reference to the Transferee and/or the Transferee Group).

6.2 With effect on and from the Relevant Date, ownership and title to the Business Information relating to the Transferring Business, which may include Personal Data, shall be transferred to the Transferee and used by the Transferee and/or any agent or contractor of the Transferee to the same extent as they were used by the Transferor and/or any agent or contractor of the Transferor prior to the Relevant Date, in each case, for all purposes in connection with the Transferring Business (including, in particular, the Transferring Policies and administration thereof and all matters relevant or incidental thereto), and no consent from the individual Policyholders of a Transferring Policy in respect of such transfer and use (and related disclosure of such Business Information) shall be required.

6.3 To the extent that any authority in connection with a Transferring Policy has been given to the Transferor by the relevant Policyholder or by any other relevant person, whether pursuant to the Data Protection Legislation or otherwise, such authority shall, at and after the Relevant Date, be deemed to have been given to the Transferee and any agent or contractor of the Transferee for the purposes set out in paragraph 6.2.

7. OTHER EFFECTS OF THE TRANSFER

7.1 Unless and to the extent otherwise provided in the Order:

7.1.1 the transfer of any rights, benefits, Liabilities and obligations under or in connection with the Transferring Business 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 on transferring, assigning or otherwise dealing with the same and such transfer shall take effect on the basis that it does not contravene any such restriction, and neither the transfer of the Transferring Business nor this Scheme (nor anything done or omitted to be done in connection with the transfer of the Transferring Business or this Scheme) shall:

- (a) invalidate, discharge or result in the termination of any Policy, agreement, instrument, trust deed, indenture, Encumbrance, right, interest, benefit, power, obligation or title;
- (b) constitute a breach of or default, event of default, potential event of default, termination event, mandatory prepayment event, enforcement event, perfection event or other similar event or condition (however described) under, or allow any person to terminate, any Policy, agreement, instrument, trust deed, indenture, Encumbrance, right, interest, benefit, power, obligation or title;
- (c) require any registration, re-registration or filing or any amendment to any existing registration or filing in respect of any Policy, agreement, instrument, trust deed, indenture, Encumbrance, right, interest, benefit, power, obligation or title;
- (d) require any person to perform any new or additional obligation or to take any new or additional step or action, including the giving of any notice, the obtaining of

any consent, approval or determination, the accession to any agreement, the payment of any fee, cost, expense, interest or other amount, the granting of any new or additional Encumbrance or the transfer of any asset or property;

(e) entitle or require any person to exercise any right or remedy to reduce, suspend, delay, alter or discharge its rights or obligations, to accelerate, terminate, suspend, delay, alter or discharge the performance of any rights or obligations or otherwise to vary, amend, disclaim, repudiate or terminate any Policy, agreement, instrument, trust deed, indenture or Encumbrance; or

(f) affect the enforceability, priority or ranking of any Encumbrance; and

7.1.2 any entitlement which, but for section 112A of FSMA, would or might arise to terminate, modify, acquire or claim an interest or right, or to treat an interest or right as terminated or modified, in each case, as a result of anything done in connection with or pursuant to this Scheme, will not be enforceable.

8. CONTINUITY OF PROCEEDINGS

8.1 With effect on and from the Relevant Date, any proceedings or applications to any Responsible Authority (including any complaint or claim to any Ombudsman) whether pending, current or future (including those not yet in contemplation) by, against or in relation to and/or in respect of which the Transferor is a party (or, in the case of future proceedings, would have been a party but for this Scheme) (including as the plaintiff, claimant, applicant, defendant, respondent, pursuer, defender or petitioner) (“**Proceedings**”) to the extent connected with the Transferring Business shall be commenced or continued by or against the Transferee as if the Transferee was the original party thereto and the Transferee shall be entitled to all defences, claims, counterclaims, settlements, rights of set-off and any other rights that would have been available to the Transferor in relation to the Transferring Business and such Proceedings.

8.2 With effect on and from the Relevant Date, any judgment, settlement, order or award obtained by or against the Transferor which is not fully satisfied before the Relevant Date, to the extent relating to any part of the Transferring Business and to the extent to which it was enforceable by or against the Transferor immediately prior to the Relevant Date, shall become enforceable by or against the Transferee (to the exclusion of the Transferor) as if it was originally made by or against the Transferee.

9. RIGHTS AND OBLIGATIONS UNDER TRANSFERRING POLICIES AND TRANSFERRING CONTRACT

9.1 With effect on and from the Relevant Date, the Transferee shall become entitled to all the rights, benefits and powers of the Transferor whatsoever subsisting at the Relevant Date under the Transferring Business (including under or by virtue of the Transferring Assets).

9.2 Without prejudice to the generality of paragraph 9.1, where the benefits of any Transferring Policy are held under the terms of a trust, such terms shall operate and be construed on and from the Relevant Date on a basis which is consistent with the transfer of such Transferring Policy in accordance with the provisions of this Scheme. For the avoidance of doubt:

9.2.1 where the consent of the Transferor is required under any such terms, the consent of the Transferee shall, with effect on and from the Relevant Date, instead be treated as required; and

- 9.2.2 where a power to appoint trustees under such terms is conferred on the Transferor, that power shall, with effect on and from the Relevant Date, instead be treated as conferred on the Transferee.
- 9.3 Subject to the terms of this Scheme, every person who is a holder (or has the benefit) of any of the Transferring Policies or is a party to, or has the benefit of, the Transferring Contract shall, with effect on and from the Relevant Date, become entitled, in succession to, and to the exclusion of, any rights which such person may have had against the Transferor under any of the Transferring Policies or the Transferring Contract, to the same rights against the Transferee, subject to the terms of this Scheme as were available to such person against the Transferor under such Transferring Policies or the Transferring Contract and (as regards the Transferring Policies (or any other Transferring Asset) under which premiums or other sums attributable or referable thereto continue to be payable) shall, with effect on and from the Relevant Date, account to the Transferee for any further or additional premiums or other sums attributable or referable thereto as and when the same become due and payable.
- 9.4 On and from the Relevant Date, if any person entitled to do so with respect to a Transferring Policy exercises any right or option granted under the terms of that Transferring Policy and either:
- 9.4.1 that right or option provides for a new, additional or replacement Policy to be issued or amendments to be made to that Transferring Policy; or
- 9.4.2 it is appropriate in the opinion of the Transferee's Board, having regard to the advice of the Transferee's Actuary, in order to comply with that right or option, to issue a new, additional or replacement Policy or, as the case may be, amend that Transferring Policy,
- such person shall be entitled to require that the obligation thereby arising shall be satisfied by the issue by the Transferee of a Policy, or an amendment by the Transferee of that Transferring Policy (as the case may be), which complies with the terms of such right or option. Without prejudice to such entitlement, if the Transferee is not at the time of the exercise of such right or option writing Policies complying exactly with the Policy to which such person is entitled pursuant to such right or option, the Transferee shall be entitled to offer to such person as an alternative (and, if accepted, in lieu thereof) the Policy commonly offered by the Transferee which the Transferee in its absolute discretion considers to be the nearest equivalent Policy of the Transferee at that time.
- 9.5 All references in any Transferring Policy or any other agreement comprising part of the Transferring Business to the Transferor, its Board, the Transferor's Group, the Transferor's Actuary or any other officers, employees or agents of the Transferor shall, on and from the Relevant Date, be read as references to the Transferee, the Transferee's Board, the Transferee's Group, the Transferee's Actuary or any other officers or employees of the Transferee or, where appropriate, agents of the Transferee to which the administration or investment management of the relevant part of the business carried on by the Transferee has been delegated. In particular, all rights and duties exercisable or expressed to be exercisable or responsibilities to be performed by the Transferor, its Board, the Transferor's Actuary or any other officers, employees or agents of that Transferor in relation to any of the Transferring Policies or other agreements relating to the Transferring Business shall, from and after the Relevant Date, be exercisable or required to be performed by the Transferee, the Transferee's Board, the Transferee's Actuary or any other of its officers, employees or such agents, as appropriate.
- 9.6 The transfer of any rights, benefits, Liabilities and obligations under or in connection with the Transferring Business 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 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.

10. RESIDUAL POLICIES

- 10.1 Subject to paragraphs 10.4 to 10.6, the Residual Policies shall not be transferred to the Transferee by this Scheme and all Liabilities attributable to the Residual Policies shall remain Liabilities of the Transferor and shall be reinsured on the following basis:
- 10.1.1 all Liabilities of the Transferor (other than Excluded Liabilities) attributable to the Residual Policies and all other amounts paid or payable by the Transferor in respect of the Residual Policies (including amounts paid or payable in connection with the surrender of any Residual Policy) shall be reinsured in their entirety to the Transferee with effect on and from the Effective Date, save to the extent that a Liability has arisen as a result of a failure by the Transferor to comply with any directions given by the Transferee under paragraph 10.2;
 - 10.1.2 the Liability of the Transferee with effect on and from the Effective Date shall be such that the rights, benefits and powers provided to the Policyholders of Residual Policies shall, to the extent possible, be the same as the rights, benefits and powers which would have been provided to such Policyholders if the Residual Policies had been Transferring Policies;
 - 10.1.3 the premiums payable by the Transferor to the Transferee in connection with the provision of the reinsurance described in this paragraph 10.1 shall be deemed to have been satisfied by the transfer to the Transferee of the Transferring Assets which are not Transferring Policies, with the exception that (notwithstanding the acknowledgement at paragraph 12.1) all subsequent premium payments and other amounts received by the Transferor in respect of such Residual Policies at any time at or from the Effective Date shall be paid to the Transferee as soon as practicable after the same are received; and
 - 10.1.4 the Parties may agree in writing to terminate the arrangements in this paragraph 10 at any time, in which event the rights and obligations pursuant to paragraphs 10.1.1 to 10.1.3 (inclusive) shall terminate with immediate effect and the Transferee shall pay to the Transferor such amount as may be agreed in writing by the Parties in respect of the relevant Residual Policies.
- 10.2 The Transferor shall be subject to the Transferee's directions in respect of any Residual Policy on and from the Effective Date until such Residual Policy is transferred to the Transferee as described in paragraph 10.5 or **10.6** (as applicable) and the Transferee shall have authority to act as the attorney of the Transferor in respect of such Residual Policy for all such purposes.
- 10.3 The provisions of this paragraph 10 shall terminate automatically upon there ceasing to be any Residual Policies.
- 10.4 The Parties may agree in writing to amend the terms of the arrangements set out in this paragraph 10, in which event the provisions in this paragraph 10 shall be deemed to be amended accordingly provided always that said amendments shall not prejudice the interest of any Policyholder of a Residual Policy.

- 10.5 If all consents, orders, permissions or other requirements are obtained, or are no longer required or are dispensed with by an Order, in each case, for the transfer or novation of any Residual Policy from the Transferor to the Transferee:
- 10.5.1 such Residual Policy shall, without any further act or instrument, promptly be transferred to the Transferee, and shall thereafter be treated in all respects as if it was a Transferring Policy; and
- 10.5.2 to the extent not previously transferred, any Assets and Liabilities attributable to such Residual Policy (other than any part of the Excluded Business) shall be transferred to the Transferee, and any such Liability shall thereafter be treated in all respects as if it was a Transferring Liability.
- 10.6 If any Residual Policy is otherwise novated from the Transferor to the Transferee:
- 10.6.1 such Residual Policy shall thereafter be dealt with by the Transferee under the provisions of this Scheme in all respects as if it was a Transferring Policy; and
- 10.6.2 to the extent not previously transferred, any Assets and Liabilities attributable to such Residual Policy (other than any part of the Excluded Business) shall be transferred to the Transferee, and any such Liability shall thereafter be dealt with by the Transferee under the provisions of this Scheme in all respects as if it was a Transferring Liability.

11. DECLARATION OF TRUST BY THE TRANSFEROR

- 11.1 The Transferor shall, in relation to any and all Residual Assets (excluding Residual Policies, to which paragraph 10 applies) which are the property of the Transferor, on and from the Effective Date, hold any such Residual Asset, together with any proceeds of sale or income or other right accrued or return arising in respect thereof, as trustee for the Transferee.
- 11.2 The Transferor shall be subject to the Transferee's directions in respect of each Residual Asset referred to in paragraph 11.1 on and from the Effective Date until such Residual Asset is transferred to or otherwise vested in the Transferee or is disposed of (whereupon the Transferor shall account to the Transferee for the proceeds of sale thereof), and the Transferee shall have authority to act as the attorney of the Transferor in respect of such Residual Asset for all such purposes.
- 11.3 In the event of any payment being made to, Asset being received by, or right being conferred upon, the Transferor at or after the Effective Date in respect of the Transferring Business, any Transferring Asset, or any Residual Asset referred to in paragraph 11.1, the Transferor shall, as soon as is reasonably practicable after the same is received, pay the full amount of such payment or (to the extent to which it is able to do so) transfer such Asset or right to, or in accordance with the directions of, the Transferee, and the Transferee shall indemnify the Transferor on demand against any costs incurred in making any such payment or transfer.

12. PREMIUMS AND OTHER PAYMENTS

- 12.1 The Parties acknowledge that no further premiums or other payments attributable or referable to the Transferring Policies or the Transferring Contract are anticipated to be payable to the Transferor.
- 12.2 Notwithstanding the acknowledgement at paragraph 12.1, all premiums and any other amounts attributable or referable to the Transferring Policies or the Transferring Contract (as applicable) which (immediately prior to the Effective Date) are payable to the Transferor shall, at and after the Effective Date, be payable to the Transferee and shall be receivable and received by the Transferee.

- 12.3 Any other instruction as to the manner of payment of any sum payable by (or, notwithstanding the acknowledgement at paragraph 12.1, to) the Transferor under any of the Transferring Policies which (immediately prior to the Effective Date) is in force shall, on and from the Effective Date, thereafter continue in force as an effective authority to the Transferee.

13. INDEMNITIES

- 13.1 On and from the Effective Date, the Transferee shall discharge on behalf of the Transferor (or failing that, shall indemnify the Transferor against) all charges, claims, and Liabilities, together with all reasonable costs and expenses associated with those charges, claims and Liabilities, arising in respect of each Residual Liability (excluding in respect of Residual Policies which are dealt with pursuant to paragraph 10) until the relevant Liability is transferred to or becomes a Liability of the Transferee, save to the extent that such Liability has arisen as a result of a failure by the Transferor to comply with any directions given by the Transferee under paragraph 11.2.
- 13.2 If the Transferor becomes aware of a matter which constitutes or which would be reasonably likely to give rise to any claim under the indemnity in paragraph 13.1, the Transferor shall:
- 13.2.1 as soon as reasonably practicable after becoming aware of any such claim, give notice to the Transferee of the matter;
 - 13.2.2 provide to the Transferee such information and documents as are within the reasonable power or control of the Transferor and as the Transferee may reasonably request for the purposes of investigating the matter, subject to the preservation of any form of privilege or Applicable Law and Regulation;
 - 13.2.3 act reasonably and consult with the Transferee prior to taking any action in respect of any such claim, taking account of any reasonable representations it receives from the Transferee, in deciding whether and how to take any action to avoid, dispute, resist, appeal, compromise, defend, remedy or mitigate such claim; and
 - 13.2.4 not agree or settle or indicate an intention to agree or settle any such claim without the written consent of the Transferee.
- 13.3 On and from the Effective Date, the Transferor shall indemnify and keep indemnified the Transferee against any and all charges, claims and Liabilities, together with all reasonable costs and expenses associated with those charges, claims and Liabilities, arising in respect of an Excluded Liability.
- 13.4 If the Transferee becomes aware of a matter which constitutes or would be reasonably likely to give rise to any claim under the indemnity given in paragraph 13.3, the Transferee shall:
- 13.4.1 as soon as reasonably practicable after becoming aware of any such claim, give notice to the Transferor of the matter;
 - 13.4.2 provide to the Transferor such information and documents as are within the reasonable power or control of the Transferee and as the Transferor may reasonably request for the purposes of investigating the matter, subject to the preservation of any form of privilege or Applicable Law and Regulation;
 - 13.4.3 act reasonably and consult with the Transferor prior to taking any action in respect of any such claim, taking account of any reasonable representations it receives from the Transferee, in deciding whether and how to take any action to avoid, dispute, resist, appeal, compromise, defend, remedy or mitigate such claim; and

- 13.4.4 not agree or settle or indicate an intention to agree or settle any such claim without the written consent of the Transferor.

14. WITHHOLDINGS AND DEDUCTIONS

- 14.1 Any payment made by or due from the Transferee to the Transferor or vice versa pursuant to paragraph 11.3 or 13 shall be made free and clear of all deductions and withholdings whatsoever save only for any deductions or withholdings required by law.
- 14.2 If any deductions or withholdings are required by law from a payment pursuant to paragraph 11.3 or 13 then:
- 14.2.1 save in relation to interest, and save to the extent that the deduction or withholding has already been taken into account in determining the amount of the relevant payment, the payer shall be liable to pay to the recipient such further sums as shall be required to ensure that the net amount received by the recipient will equal the full amount which would have been received under the relevant provisions of paragraph 11.3 or 13 in the absence of any such deduction or withholding, provided that the payer shall not be liable to pay such further sums to the extent the requirement to deduct or withhold would not have arisen (or have been increased) but for: (i) a breach of Applicable Law and Regulation by the recipient (including in relation to Tax) or (ii) the recipient not being resident for Tax purposes solely in the United Kingdom;
- 14.2.2 the payer shall provide the recipient with a certificate of tax in respect of any such deduction or withholding and evidence that any appropriate payment has been paid to the relevant Tax Authority; and
- 14.2.3 if the recipient obtains and utilises a tax credit, or obtains a Tax repayment, which the recipient determines (acting in good faith) as being attributable to any increased payment made pursuant to this paragraph 14.1 or the deduction or withholding in respect of which such payment was made, the recipient shall pay an amount to the payer which the recipient (acting in good faith) determines will leave it with such amount that the recipient would have received under the relevant provisions of paragraph 11.3 or 13 in the absence of any such deduction or withholding.

PART D
MISCELLANEOUS PROVISIONS

15. EFFECTIVE DATE

- 15.1 This Scheme shall become effective at 23:59 (BST) on 30 September 2026 or such other time and date as may be agreed by the Parties and as notified to the PRA and FCA (being a date and time falling after the making of the Order and, in any case, no later than 23:59 (BST) on 31 December 2026, subject to paragraph 15.2).
- 15.2 If the Transferor and the Transferee agree that, due to a change in circumstances, the transfer to the Transferee of the Transferring Business should become effective after 23:59 (BST) on 31 December 2026, the Transferor and Transferee must apply to the Court for a further Order, specifying any time and date after 23:59 (BST) on 31 December 2026, which, subject to the consent of the Court, shall then become the Effective Date for the purposes of this Scheme and this Scheme shall then become operative on and from the time and date so specified, provided that:
- 15.2.1 the PRA and FCA shall be notified as soon as reasonably practicable and in advance of, and shall have the right to be heard at, any hearing of the Court at which such application is considered;
- 15.2.2 such application shall be accompanied by a certificate from the Independent Expert to the effect that in their opinion the proposed amendment will not materially adversely affect the Policyholders of the Transferring Policies or other existing Policyholders of the Transferor or the Transferee, including as to their benefit expectations;
- 15.2.3 the Independent Expert shall be provided with the most up-to-date financial information (audited and/or unaudited, as may be appropriate) available to the Transferor and the Transferee in respect of that Party; and
- 15.2.4 a notice of the making of such further Order is published on the website of the Transferor within five days of the making of such further Order.
- 15.3 Unless all the provisions of this Scheme have become effective on or before 23:59 (BST) on 31 December 2026 (or such later time and date as may be agreed by the Parties, consented to by the Court and as notified to the PRA and FCA), this Scheme shall lapse.
- 15.4 For the avoidance of doubt, paragraph 15.3 is not intended by either Party to operate as a waiver of any provision of the Framework Agreement in relation to achieving the Scheme before the Long Stop Date (as defined in the Framework Agreement).

16. MODIFICATIONS, AMENDMENTS OR ADDITIONS

- 16.1 The Transferor and the Transferee may, together, consent for and on behalf of themselves and all other persons concerned (other than the PRA and the FCA) 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.
- 16.2 At any time after the sanction of this Scheme by the Court, the Transferee shall be at liberty to apply to the Court for consent to amend the terms of this Scheme, provided that in any such case:
- 16.2.1 each of the PRA, the FCA and the Transferor shall have been given such prior and reasonable notice of the application of not less than 42 days, and shall have the right to be heard at any hearing of, the Court at which such application is considered;

- 16.2.2 the Transferee has complied with any directions given by the Court as to publicity in relation to the proposed amendment;
- 16.2.3 such application shall be accompanied by a certificate from an independent actuary, approved for the purpose by the PRA (having consulted with the FCA), to the effect that in their opinion the proposed amendment will not materially adversely affect the Policyholders of the Transferring Policies or other existing Policyholders of the Transferee, including as to their benefit expectations; and
- 16.2.4 the Transferor's consent (to the extent that it can reasonably be obtained, and not to be unreasonably withheld, delayed or conditioned) shall be required to the extent that it can reasonably be considered that the proposed amendment to the terms of this Scheme may have an adverse impact on the Transferor,

and, subject to paragraphs 16.2.1 to 16.2.4, if such consent from the Court is granted, the Transferee may amend the terms of this Scheme in accordance with such consent.

16.3 Following the sanction of this Scheme by the Court, and notwithstanding paragraph 16.2, the Transferee may (and without the need for the consent of the Court) make:

- 16.3.1 minor and/or non-material technical amendments to the terms of this Scheme (including amendments to correct manifest errors); or
- 16.3.2 provided, in each case, that an independent actuary has confirmed in writing that they support such view, amendments to the terms of this Scheme which are reasonably considered by the Transferee's Board, having taken account of Appropriate Actuarial Advice, to be:
 - (a) required as a consequence of a variation to Applicable Law and Regulation or required to address a variation to Applicable Law and Regulation which has or will have any implications for the Transferee in relation to the terms or operation of this Scheme or to the basis on which life assurance companies are subject to taxation in the UK;
 - (b) necessary to reflect any changes in generally accepted actuarial practices relating to the Transferring Policies; or
 - (c) required to protect the rights and reasonable expectations of the Policyholders of the Transferring Policies and which do not materially adversely affect the other existing Policyholders of the Transferee (including as to their benefit expectations),

provided, in each case, that each of the PRA, the FCA and the Transferor has been notified of the proposed amendments at least 28 days in advance of such proposed amendments and has not objected thereto (unless they each have confirmed their non-objection prior to that date). For the purposes of this paragraph 16.3, the Transferor may only object to the extent that it can reasonably be considered that the proposed amendments to the terms of this Scheme may have an adverse impact on the Transferor.

17. EVIDENCE OF TRANSFER

The production of a copy of the Order with any modifications, amendments and/or additions made under paragraph 16 shall, for all purposes, be evidence of the transfer to, and vesting in, the Transferee,

17.1.1 with effect on and from the Effective Date, of the Transferring Assets, the Transferring Liabilities and the Transferring Policies; and

17.1.2 with effect on and from each relevant Subsequent Transfer Date, of the Residual Assets, the Residual Liabilities and the Residual Policies.

18. COSTS AND EXPENSES

Except as otherwise agreed in writing (including under any existing agreement between the Parties) or as set out in this Scheme, the Transferor and Transferee shall each bear its own costs and expenses in relation to the preparation and carrying into effect of this Scheme.

19. SUCCESSORS AND ASSIGNS

This Scheme will bind and enure to the benefit of the successors and assigns of the Transferor and the Transferee respectively.

20. THIRD PARTY RIGHTS

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.

21. GOVERNING LAW

This Scheme shall be governed by and construed in accordance with English law.

**IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF
ENGLAND AND WALES
COMPANIES COURT (ChD)**

FIL LIFE INSURANCE LIMITED

and

**SCOTTISH FRIENDLY ASSURANCE SOCIETY
LIMITED**

**IN THE MATTER OF
PART VII OF THE FINANCIAL SERVICES &
MARKETS ACT 2000**

SCHEME

**for the transfer to Scottish Friendly Assurance Society
Limited of the annuities and section 32 policies
business of FIL Life Insurance Limited (pursuant to
Part VII of the Financial Services and Markets Act
2000)**

**CMS Cameron McKenna Nabarro Olswang LLP
Cannon Place
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101641.00050**

**IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF
ENGLAND AND WALES
COMPANIES COURT (ChD)**

**The Honourable Mr Justice Cawson
8 September 2026**

**IN THE MATTER OF
FIL LIFE INSURANCE LIMITED
and
IN THE MATTER OF
SCOTTISH FRIENDLY ASSURANCE SOCIETY
LIMITED
and
IN THE MATTER OF
PART VII OF THE FINANCIAL SERVICES &
MARKETS ACT 2000**

ORDER

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