

**IN THE ROYAL COURT OF GUERNSEY
ORDINARY DIVISION**

IN THE MATTER OF

QUILTER INTERNATIONAL IRELAND DESIGNATED ACTIVITY COMPANY

- and -

IN THE MATTER OF

UTMOST PANEUROPE DESIGNATED ACTIVITY COMPANY

**AND IN THE MATTER OF AN APPLICATION PURSUANT TO
SECTION 44 OF THE INSURANCE BUSINESS (BAILIWICK OF GUERNSEY) LAW, 2002**

**LONG TERM INSURANCE BUSINESS
TRANSFER SCHEME**

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1. **DEFINITIONS AND INTERPRETATION**

1.1 In this Guernsey Scheme (defined below), unless inconsistent with the subject or context, the following expressions bear the meanings respectively set opposite them:

"Guernsey"	means all the islands of the Bailiwick of Guernsey, including Guernsey, Sark and Alderney;
"Guernsey Effective Time"	means the time and date on which this Guernsey Scheme becomes operative in accordance with its terms;
"Guernsey Order"	means an order made by the Royal Court pursuant to section 44 of the Insurance Business Law sanctioning the Guernsey Scheme and any order (including any subsequent order) in relation to the Guernsey Scheme made by the Royal Court pursuant to the Insurance Business Law;
"Guernsey Scheme"	means this scheme made pursuant to section 44 of the Insurance Business Law in its original form or with or subject to any modification, addition or condition which may be approved or imposed;
"Insurance Business Law"	means The Insurance Business (Bailiwick of Guernsey) Law, 2002;
"Irish Scheme"	the scheme pursuant to the Assurance Companies Act 1909 and the European Union (Insurance and Reinsurance) Regulations 2015 in respect of the Transferring Business (as defined therein), being Schedule 1 to this Guernsey Scheme, with or subject to any modification or amendment made in accordance with its terms;
"Regulator"	means the Guernsey Financial Services Commission;
"Royal Court"	means the Royal Court of Guernsey;
"Transferring Guernsey Assets"	means the assets of Quilter in connection with the Transferring Guernsey Business held by Quilter on or before the Guernsey Effective Time;
"Transferring Guernsey Business"	means the Transferring Guernsey Contracts, the Transferring Guernsey Assets and the Transferring Guernsey Liabilities;
"Transferring Guernsey Contracts"	means any contractual arrangements entered into by Quilter prior to the Guernsey Effective Time in connection with the Transferring Guernsey Business;

“Transferring Guernsey Liabilities”	means the entire amount of all debts, liabilities and obligations (whether actual, future or contingent and whether known or unknown at the Guernsey Effective Time) owed to or to be performed by Quilter to the Transferring Guernsey Policyholders or third parties arising out of or in connection with the Transferring Guernsey Policies or the Transferring Guernsey Assets;
“Transferring Guernsey Policies”	means the life assurance policies written by or assumed by Quilter up to and including the Guernsey Effective Time and which includes any proposal for new business made to Quilter which remains open for acceptance as of the Guernsey Effective Time issued to persons resident in Guernsey;
“Transferring Guernsey Policyholders”	means the holders of the Transferring Guernsey Policies up to and including the Guernsey Effective Time;
"Quilter"	means Quilter International Ireland designated activity company, a life assurance company incorporated in Ireland on 14 July 1999 under company number 309649 with its registered office and principal place of business at Ashford House, 18 – 23 Tara Street, Dublin 2 Ireland; and
"UPE"	means Utmost PanEurope designated activity company, a life assurance company incorporated in Ireland on 25 August 1999 under company number 311420 with its registered office and principal place of business at Navan Business Park, Athlumney, Navan, Co Meath, Ireland.

1.2 In this Guernsey Scheme, unless the subject or context requires otherwise:

1.2.1 words and expressions defined in the Irish Scheme shall have the same meanings as are given to them in the Irish Scheme; and

1.2.2 expressions used in the Guernsey Scheme which have meanings under the Insurance Business Law shall bear those meanings.

1.3 Without prejudice to the generality of paragraph 3.1 of this Guernsey Scheme, the principles of interpretation set out in clause 1 of the Irish Scheme shall be incorporated by reference into and shall form part of this Guernsey Scheme as if reproduced herein, *mutatis mutandis*.

2. INTRODUCTION

2.1 Quilter is authorised by the Central Bank under the 2015 Regulations to carry on life insurance business in the following classes: Class III (Contracts linked to investment funds), and Class VI (Capital redemption operations). Quilter is not licensed under the Insurance Business Law.

- 2.2 UPE is authorised by the Central Bank to carry on life insurance business in the following classes: Class I (Life assurance and contracts to pay annuities on human life, but excluding Classes II and III), Class III (Contracts linked to investment funds), Class IV (Permanent health insurance contracts), Class VI (Capital redemption operations) and Class VII (Management of group pension funds) in accordance with the 2015 Regulations. UPE is not licensed under the Insurance Business Law.
- 2.3 It is intended that UPE shall acquire the entirety of the insurance business carried on by Quilter (other than the Excluded Assets and the Excluded Liabilities). The Transferring Business which will transfer to UPE pursuant to the Irish Scheme excludes the Transferring Guernsey Business. The purpose of this Guernsey Scheme is to effect the transfer to UPE of the Transferring Guernsey Business whose transfer to UPE requires the sanction of the Royal Court. Nothing in this Guernsey Scheme shall operate so as to prevent or conflict with any transfer provided for by the Irish Scheme.
- 2.4 It is proposed that, in accordance with this Guernsey Scheme, a Guernsey Order shall be made to effect the transfer of the Transferring Guernsey Business to UPE on and with effect from the Guernsey Effective Time on the same terms as the terms of the Irish Scheme and as if the Transferring Guernsey Business was part of the Transferring Business.
- 2.5 At the same time as this Guernsey Scheme an Utmost group company, Utmost Worldwide Limited ("**UW**") will also transfer a book of specific policies to UPE. UW is a life assurance company registered in Guernsey under registration number 27151 and with its registered office at Utmost House, Hirzel Street, St Peter Port, Guernsey GY1 4PA. UW is licensed under the Insurance Business Law and regulated by the Guernsey Financial Services Commission. It is intended that transfer will also take effect from the Guernsey Effective Time but it is not dependant on or connected with the Irish Scheme or this Guernsey Scheme.

3. **TRANSFER OF BUSINESS BY INCORPORATION OF THE IRISH SCHEME**

- 3.1 The terms of the Irish Scheme shall apply to the Transferring Guernsey Business in the same manner as they apply to the Transferring Business, and (save to the extent inconsistent with any of the provisions of this Guernsey Scheme) the terms of the Irish Scheme (subject to the excluded paragraphs set out at Clause 3.2) shall be deemed to be part of the Guernsey Scheme as if reproduced herein *mutatis mutandis*. For this purpose, the following definitions of the Irish Scheme shall be read and construed as follows:

- 3.1.1 Court shall be read as the Royal Court;
- 3.1.2 Effective Time shall be read as the Guernsey Effective Time;
- 3.1.3 Order shall be read as the Guernsey Order;
- 3.1.4 Transferring Policies shall be read as Transferring Guernsey Policies;
- 3.1.5 Transferring Assets shall be read as Transferring Guernsey Assets;
- 3.1.6 Transferring Business shall be read as Transferring Guernsey Business;

- 3.1.7 Transferring Contracts shall be read as Transferring Guernsey Contracts;
 - 3.1.8 Transferring Liabilities shall be read as Transferring Guernsey Liabilities;
 - 3.1.9 Transferring Policyholders shall be read as Transferring Guernsey Policyholders;
 - 3.1.10 Scheme shall be read as this Guernsey Scheme and
- 3.2 Clauses 2.2 (*Effective Time*), 2.3 (*Conditions Precedent*), 6.6 (*Modifications or Additions*), 6.7 (*No Third Party Rights*), 6.10 (*Governing Law*), Schedule 1 (*Excluded Assets*), Schedule 2 (*relevant Regulators*) and Schedule 4 (*Transferring Contracts*) of the Irish Scheme shall not form part of and shall not be incorporated into this Guernsey Scheme.
- 3.3 This Guernsey Scheme is ancillary to the Irish Scheme. Nothing in this Guernsey Scheme shall operate so as to prevent or conflict with any transfer provided for by the Irish Scheme.

4. **GUERNSEY EFFECTIVE TIME**

Subject to paragraph 5, this Guernsey Scheme shall become operative at 22:59 on 30 September 2022 or such other time and date as may be specified in the Guernsey Order and unless this Guernsey Scheme shall become operative on or before 22:59 on 30 September 2022 or such later date as the Royal Court may allow upon the application of the Transferor and the Transferee, this Guernsey Scheme shall lapse.

5. **CONDITIONS PRECEDENT**

- 5.1 Notwithstanding paragraph 4, this Guernsey Scheme shall not become operative on the Guernsey Effective Time unless:
- (a) the Irish Scheme has been approved by the Court; and
 - (b) in the event that the Royal Court imposes a modification of or addition to this Guernsey Scheme or any further conditions or provisions affecting same before the Guernsey Effective Time, the Transferor and the Transferee consent to such modification, addition or condition before the Effective Time.
- 5.2 If at any time after the Royal Court has made the Guernsey Order sanctioning this Guernsey Scheme but before the Guernsey Effective Time, the Transferor and Transferee anticipate that the Irish Scheme will not become effective, or will not become effective at the time or on the terms anticipated, the parties agree that, upon the request of either party, the parties shall jointly apply to the Royal Court for any further order, including any order discharging or amending the Guernsey Order sanctioning the Guernsey Scheme as the parties consider necessary or desirable.

6. **MODIFICATIONS OR ADDITIONS**

- 6.1 Any modification of or addition to this Guernsey Scheme prior to the Guernsey Effective Time shall only be effective with the consent of UPE.

6.2 Subject to paragraph 6.3, at any time after the Guernsey Effective Time, UPE shall be at liberty to apply to the Royal Court for consent to amend its terms, provided that in any such case:

6.2.1 the Regulator shall be given written notice of the proposed amendment prior to the making of the application to the Royal Court and shall have the right to be heard at any hearing of the Royal Court at which such application is considered (including to make representations as to the appropriate publicity in relation to the proposed amendment);

6.2.2 UPE has complied with any directions given by the Royal Court as to publicity in relation to the proposed amendment; and

6.2.3 such application shall be accompanied by a certificate from an independent actuary to the effect that in his opinion the proposed amendment will not have a material adverse effect on the reasonable expectations of the holder of Transferring Guernsey Policy.

If such approval is granted, UPE may amend the terms of this Guernsey Scheme in accordance with such consent.

6.3 The consent or confirmation of the Royal Court shall not be required in relation to:

6.3.1 any amendment for which specific provision is made elsewhere in this Guernsey Scheme, provided that such provision is fully complied with;

6.3.2 minor and/or technical amendments to the terms of this Guernsey Scheme and amendments necessary to correct an error or omission in the Guernsey Scheme, provided that such amendments do not have a material adverse effect on the reasonable expectations of holder of Transferring Guernsey Policies, the Regulator has been notified of the same by UPE and has not raised any objection or query which has not been withdrawn within 45 days of such notification and the UPE Board has received Actuarial Advice in relation to the amendments and their impact on the Transferring Guernsey Policyholders; and

6.3.3 amendments to the provisions of this Guernsey Scheme which are reasonably considered by UPE to be necessary to ensure the provisions of this Guernsey Scheme operate in the intended manner in circumstances where the provision to which the proposed variation applies will be materially affected by a variation of applicable law, rule or regulation, provided that:

(a) the Regulator has been notified of the proposed amendments by UPE and has not objected thereto; and

(b) an independent actuary has provided UPE with a report to the effect that in his opinion the implementation of the proposed amendments will not materially adversely affect the reasonable expectations of the holders of the Transferring Guernsey Policies (which report has been provided to the Regulator).

7. **THIRD PARTY RIGHTS**

Unless and to the extent otherwise provided in this Guernsey Scheme, nothing in this Guernsey Scheme shall confer or purport to confer on any third party any benefit or the right to enforce any term of this Guernsey Scheme.

8. **GOVERNING LAW**

This Guernsey Scheme and any disputes or claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with Guernsey law.

SCHEDULE 1 – IRISH SCHEME