

IN THE HIGH COURT OF JUSTICE

CR-2018-006267

**BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMPANIES COURT (ChD)**

IN THE MATTER OF

ROYAL & SUN ALLIANCE INSURANCE PLC

AND

IN THE MATTER OF

RSA LUXEMBOURG S.A.

AND

IN THE MATTER OF

PART VII OF THE FINANCIAL SERVICES AND MARKETS ACT 2000

SCHEME DOCUMENT

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1. DEFINITIONS AND INTERPRETATION

1.1 In this Scheme Document, unless the context otherwise requires, the following words or phrases have the following meanings:

Branch IT: all computer systems, communication systems, software and hardware which is owned, leased or used by the Transferor in connection with the Transferring Branch Business.

Business IPR: all Intellectual Property Rights owned by the Transferor in the trademark Péren'Assur, including registrations of that mark in France, details of which are set out in Schedule 1, and for the avoidance of doubt excluding any Intellectual Property Rights consisting of, or in any way including, the Retained IPR.

Court: the High Court of Justice of England and Wales.

Data Protection Legislation: the GDPR, any laws implementing or supplementing the GDPR and any other data protection legislation, including any subordinate legislation and/or regulation issued by the competent statutory or supervisory or regulatory authority responsible for data protection in the relevant jurisdiction, in each case to the extent applicable to the Transferor or the processing of personal data by or on behalf of the Transferor immediately prior to the Effective Date.

EEA Branch Jurisdictions: the Netherlands, Belgium, Germany, France and Spain.

EEA State: has the meaning given in FSMA.

Effective Date: the date and time on which this Scheme shall take effect in accordance with clause 14.

Excluded Assets: the following assets of the Transferor:

- (a) any books and records pertaining to Tax matters of the Transferor's Group;
- (b) the Retained Records;
- (c) the Retained IPR;
- (d) the Tax Claims;
- (e) any Third Party Branch Contracts that, to the extent that they relate to the Transferor, do not relate exclusively to the (re)insurance business of the RSAI EEA Branches;
- (f) any Branch IT to the extent not relating exclusively to the (re)insurance business of the RSAI EEA Branches;
- (g) all rights, benefits, and powers of the Transferor arising under or by virtue of the Excluded Policies; and

- (h) any other asset of the Transferor that the Transferor designates shall be excluded from the Scheme where such designation is made in writing before the Effective Date.

Excluded Liabilities:

- (a) any liability whatsoever of the Transferor which is attributable to or connected with any Excluded Asset; and
- (b) any liability to Tax in respect of all transactions, income, profits and gains effected, accrued or received on, or in respect of, the Transferring Business on or before the Effective Date.

Excluded and Residual Policies Reinsurance Agreement: a reinsurance agreement, or agreements, to be entered into between the Transferor and the Transferee in respect of the Excluded Policies and, if any are identified, Residual Policies in the form, or forms, to be agreed between the parties.

Excluded Policy: each Excluded Reinsurance Policy and any Policy of the Transferor that would form part of the Transferring Business but:

- (a) in respect of which:
- i. the establishment from which the business containing such Policy is to be transferred is in an EEA State other than the UK and the PRA has not prior to the date of the Order provided the certificate referred to in paragraph 3 of Part 1 of Schedule 12 of FSMA with respect to such EEA State; or
 - ii. the contract of insurance (other than reinsurance) was concluded in an EEA State other than the UK and the PRA has not prior to the date of the Order provided the certificate referred to in paragraph 3A of Part 1 of Schedule 12 to FSMA with respect to such EEA State;
- together with the rights, benefits and powers and debts, liabilities and obligations of the Transferor under any such Policy; or
- (b) which the Court for any reason determines not to transfer by virtue of the Order; or
- (c) which is not capable of being transferred pursuant to section 111 of FSMA as at the Effective Date.

Excluded Reinsurance Jurisdictions: Argentina, Bolivia, Brazil, Canada, Chile, China, Colombia, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Puerto Rico, Ukraine, Uruguay, Venezuela and India.

Excluded Reinsurance Policies: reinsurance policies written or assumed by any or all of the RSAI EEA Branches to the extent that they are in respect of reinsureds domiciled in the Excluded Reinsurance Jurisdictions (and **Excluded Reinsurance Policy** means any one of them).

FCA: the Financial Conduct Authority or its successors from time to time, or such other governmental, statutory or other authority or authorities as shall from time to time carry out such functions in relation to the regulation of the

Transferring Business carried on in the United Kingdom as are at the date of this Scheme Document carried out by the FCA.

FCA Handbook: the handbook of rules and guidance issued by the FCA from time to time pursuant to FSMA.

FSMA: the Financial Services and Markets Act 2000 together with the rules and regulations implemented pursuant thereto.

GDPR: Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016.

Group: in relation to the Transferor or the Transferee, such party and any subsidiary or parent undertaking of such party and any subsidiary of any such parent undertaking, in each case from time to time.

HMRC: Her Majesty's Revenue & Customs and any successor Tax Authority in the UK from time to time.

Intellectual Property Rights: rights in the nature of passing off, registered designs and unregistered designs and design rights, trade mark rights, topography rights, copyright (including copyright in software), moral rights, database rights, rights in inventions, patents, know-how, trade secrets and other confidential information, and all other intellectual property rights and rights of a similar or corresponding character which may exist now or in the future subsist in any part of the world (whether registered or not or the subject of an application for registration) and including all rights to apply for, and obtain, registrations in respect of any and all of the foregoing, each for their full term including extensions, revivals and renewals thereof.

Order: an order of the Court pursuant to section 111 of FSMA sanctioning the Scheme and any order (including any subsequent order) in relation to the Scheme made by the Court pursuant to section 112 of FSMA.

Policy and Policyholder: each has the meaning set out in section 424(2) of FSMA and articles 2 and 3 of the Financial Services and Markets Act 2000 (Meaning of "Policy" and "Policyholder") Order 2001 (S.I. 2001/2361) save that Policy shall include general insurance and/or general reinsurance binders, policies and slips, any indemnity or other similar obligation covering or having the effect of covering insurance liability (and including at any time any constituent part of a policy, binder, slip, indemnity or other similar obligation which gives rise to a separately identifiable benefit) written by or on behalf of the Transferor and any endorsements or amendments thereto (where such policy, binder, slip, indemnity or other similar obligation was not written solely by or on behalf of the Transferor, to the extent and only for and in respect of the proportion written by or on behalf of the Transferor).

PRA: the Prudential Regulation Authority or its successors from time to time, or such other governmental, statutory or other authority or authorities as shall from time to time carry out such functions in relation to the regulation of the Transferring Business carried on in the United Kingdom as are at the date of this Scheme Document carried out by the PRA.

Residual Asset: any asset of the Transferor that would form part of the Transferring Assets (including any right, benefit or power of the Transferor under any Transferring Branch Policy or Transferring London Policy) but:

- (a) in respect of which the Court has declined to order the transfer to the Transferee under section 111 or section 112 of FSMA;
- (b) in respect of which the Transferor and the Transferee have agreed in writing prior to the Effective Date that the transfer of such asset should be delayed beyond the Effective Date or that such asset should not be transferred at all;
- (c) the transfer of which is outside of the jurisdiction of the Court;
- (d) which is subject to the law of any country or territory outside the UK and such law does not recognise the transfer of such asset to the Transferee pursuant to the Order; or
- (e) which cannot be transferred to or vest in the Transferee for any other reason at the Effective Date,

together with any proceeds of sale or income or other accrual or return, whether or not in the form of cash, earned or received from time to time after the Effective Date in respect of any asset referred to in paragraphs (a) to (e) of this definition.

Residual Liability: any liability of the Transferor that would form part of the Transferring Liabilities (including any liability of the Transferor under any Transferring Branch Policy or Transferring London Policy) but:

- (a) which is attributable to or connected with a Residual Asset and arises at any time before the Subsequent Transfer Date applicable to that Residual Asset;
- (b) in respect of which the Court has declined to order the transfer to the Transferee under section 111 or section 112 of FSMA;
- (c) in respect of which the Transferor and the Transferee have agreed in writing prior to the Effective Date that the transfer of such liability should be delayed beyond the Effective Date or that such liability should not be transferred at all;
- (d) the transfer of which is outside of the jurisdiction of the Court;
- (e) which is subject to the law of any country or territory outside the UK and such law does not recognise the transfer of such liability to the Transferee pursuant to the Order;
- (f) which cannot be transferred to the Transferee for any other reason at the Effective Date.

Residual Policy: any Policy of the Transferor that would form part of the Transferring Policies save that:

- (a) both:

- i. such Policy is subject to the law of any country or territory outside of the EEA; and
 - ii. such law does not recognise the transfer of such Policy to the Transferee pursuant to the Order; or
- (b) in respect of which the Court has declined to order the transfer of such Policy to the Transferee or the Order requires further steps be taken to make the transfer of such Policy to the Transferee fully effective;
 - (c) the transfer of which is outside of the jurisdiction of the Court;
 - (d) such Policy cannot be transferred to the Transferee for any other reason at the Effective Date; or
 - (e) the Transferor and the Transferee agree in writing prior to the Effective Date that the transfer of such Policy should be delayed beyond the Effective Date or that such Policy should not be transferred at all.

Residual Third Party Contract: any Third Party Branch Contract or Third Party London Claims Handling Agreement that is a Residual Asset.

Retained IPR: the Intellectual Property Rights owned by any member of the Transferor's Group which consist of or include the names "RSA", "Royal & Sun Alliance", "Royal & Sun Alliance Insurance plc", "RSAI" or "RSA Group" together with all other trade mark rights owned by any member of the Transferor's Group and used in the Transferring Business, other than the Business IPR, and in each case any associated or confusingly similar domain names, names, words, marks or logos, and any goodwill associated with any of them.

Retained Records: all documents, files, books and other records (held in whatever medium) of the Transferor in relation to or in connection with the Transferring Business (including and all accounting and financial records) which the Transferor is required by law to retain.

RSAI EEA Branches: the Transferor's existing branch establishments in each of the EEA Branch Jurisdictions.

RSAL EEA Branches: [the Transferee's existing branch establishments in each of the Netherlands, Belgium, Germany, France and Spain.]¹

Scheme: the insurance business transfer scheme set out herein in its original form or with, or subject to, any modification or addition thereto made in accordance with clause 15.

Scheme Document: this document setting out the Scheme.

Subsequent Transfer Date: in relation to:

- (a) any Residual Asset or Residual Liability, the date after the Effective Date on which such Residual Asset or Residual Liability is to be transferred to the Transferee, namely:

¹ Expected position as at the date of the Sanction Hearing.

- i. in respect of any Residual Asset falling within paragraph (a), (c), (d) or (e) of the definition of "Residual Asset", and of any Residual Liability which is attributable to or connected with that Residual Asset, or which falls within paragraph (a) (c), (d), (e) or (f) of the definition of Residual Liability, the first date on which any impediment to its transfer shall have been removed or overcome; and
 - ii. in respect of any Residual Asset falling within paragraph (b) of the definition of "Residual Asset", and of any Residual Liability which is attributable to or connected with that Residual Asset, and of any Residual Liability falling within paragraph (c) of the definition of Residual Liability, the date on which the Transferor and the Transferee agree that the transfer should take effect; and
- (b) in relation to any Residual Policy, the date (and each date) after the Effective Date on which such Residual Policy is or is to be transferred to the Transferee, namely:
- (i) in respect of a Residual Policy falling within paragraphs (a) to (d) of the definition of Residual Policy, the first date on which any impediment to its transfer shall have been removed or overcome; and
 - (ii) in respect of a Residual Policy falling within paragraph (e) of the definition of Residual Policy, the date on which the Transferor and the Transferee agree that the transfer should take effect; and
- (c) in relation to any Excluded Policy, the date following the Effective Date on which the novation or transfer of all of the rights, benefits and powers, together with all the obligations and liabilities relating to such Excluded Policy is fully effective under applicable law.

Tax or Taxation: any form of taxation, levy, duty, charge, contribution, withholding or impost of whatever nature (including any related fine, penalty, surcharge or interest) imposed, collected or assessed by, or payable to, a Tax Authority and includes, for the avoidance of doubt, income tax and amounts equivalent to or in respect of income tax required to be deducted or withheld from or accounted for in respect of any payment.

Tax Authority: any taxing or other authority competent to impose any liability in respect of Taxation or responsible for the administration and/or collection of Tax or the enforcement of any applicable law in relation to Taxation, including HMRC.

Tax Claims: all rights and claims of the Transferor against any relevant Tax Authority in respect of Taxation in relation to the Transferring Business arising at any time whether before or after the Effective Date, including all advance payments of insurance premium tax made by the Transferor, including any of the RSAI EEA Branches, to the Italian Agency of Revenue ("*Agenzia delle Entrate*") in respect of Italian insurance premium tax registrations.

Third Party Branch Contracts: all contracts and arrangements (including leases, service agreements, broker agreements, intermediary agreements, engagements, licences, guarantees and other commitments) to which the

Transferor is a party at the Effective Date and which relate to the (re)insurance business of the RSAI EEA Branches, other than:

- (a) the Transferring Branch Policies;
- (b) the Transferring Outwards Reinsurances; and
- (c) to the extent not provided for under (a) and (b) above, any other contracts excluded pursuant to the Excluded Assets.

Transferee: RSA Luxembourg S.A. a public limited company (société anonyme) incorporated in Luxembourg with registered number B219154 and whose registered office is at 19, rue de Bitbourg L-1273 Luxembourg, Grand Duchy of Luxembourg.

Transferor: Royal & Sun Alliance Insurance plc, a company incorporated in England and Wales with registered number 00093792 and whose registered office is at St Mark's Court, Chart Way, Horsham, West Sussex, RH12 1XL.

Transferring Assets: the Transferring Branch Assets and the Transferring London Assets.

Transferring Business: the Transferring Branch Business and the Transferring London Business.

Transferring Branch Assets: all rights, benefits, and powers of the Transferor in relation to the Transferring Branch Business as at the Effective Date whatsoever and whenever arising, including the following:

- (a) all rights, benefits, and powers of the Transferor arising under or by virtue of:
 - i. the Transferring Branch Policies;
 - ii. the Third Party Branch Contracts that, to the extent that they relate to the Transferor, relate exclusively to the (re)insurance business of the RSAI EEA Branches;
 - iii. the Transferring Outwards Reinsurances, to the extent covering the Transferring Branch Policies;
 - iv. the Transferring Branch Claims;
- (b) the Transferring Branch IT to the extent relating exclusively to the (re)insurance business of the RSAI EEA Branches; and
- (c) the assets maintained by the Transferor (and/or any other member of the Transferor's Group) and allocated as at the Effective Date by the Transferor to the Transferring Branch Business (including the Business IPR, the assets matching the technical provisions of the Transferring Branch Business and the assets recorded in the fixed asset registers of the Transferring Branch Business as at the Effective Date); and
- (d) the Transferring Records, to the extent relating to the Transferring Branch Business, and all rights, title and interest of the Transferor in such Transferring Records,

other than:

- i. the Excluded Assets; and
- ii. until the relevant Subsequent Transfer Date, the Residual Assets.

Transferring Branch Business: the general insurance and reinsurance business carried on by the RSAI EEA Branches immediately prior to the Effective Date but excluding:

- (a) until the relevant Subsequent Transfer Date, the Residual Policies, the Residual Assets and the Residual Liabilities; and
- (b) the Excluded Policies, the Excluded Assets and the Excluded Liabilities.

Transferring Branch Claims: all rights and claims of the Transferor arising at any time whether before or after the Effective Date exclusively in relation to the Transferring Branch Business, but excluding, for the avoidance of doubt, the Tax Claims.

Transferring Branch Liabilities: all liabilities in relation to or in connection with the Transferring Branch Business as at the Effective Date whatsoever and whenever arising, including all liabilities of the Transferor under or by virtue of the Transferring Branch Policies, the Third Party Branch Contracts that, to the extent that they relate to the Transferor, relate exclusively to the (re)insurance business of the RSAI EEA Branches and, to the extent covering the Transferring Branch Policies, the Transferring Outwards Reinsurances, other than:

- (a) the Excluded Liabilities; and
- (b) until the relevant Subsequent Transfer Date, the Residual Liabilities.

Transferring Branch Policies: any and all Policies written or assumed by the Transferor in relation to or in connection with the Transferring Branch Business, including:

- (a) such Policies written or assumed by the Transferor which have lapsed at or before the Effective Date and which are reinstated by the Transferee after the Effective Date; and
- (b) all proposals for insurance or reinsurance received by the Transferor in respect of a risk which would be allocated to the Transferring Branch Business before the Effective Date which have not become Policies in force by the Effective Date but which subsequently become Policies,

but excluding:

- i. until the relevant Subsequent Transfer Date, the Residual Policies; and
- ii. the Excluded Policies.

Transferring Liabilities: the Transferring Branch Liabilities and the Transferring London Liabilities.

Transferring London Assets: all of the following as at the Effective Date whatsoever and whenever arising:

- (a) all rights, benefits, and powers of the Transferor arising under or by virtue of:
 - i. the Transferring London Policies;
 - ii. the Transferring Outwards Reinsurances, to the extent covering the Transferring London Policies; and
 - iii. the Third Party London Claims Handling Agreement;
- (b) the Transferring Records, to the extent relating to the Transferring London Business, and all rights, title and interest of the Transferor in such Transferring Records; and
- (c) the assets maintained by the Transferor and allocated to the technical provisions of the Transferring London Business as at the Effective Date,

other than, until the relevant Subsequent Transfer Date, the Residual Assets.

Transferring London Business: the Transferring London Policies, Third Party London Claims Handling Agreement, Transferring London Assets and Transferring London Liabilities.

Transferring London Liabilities: all liabilities as at the Effective Date whatsoever and whenever arising under or by virtue of the Transferring London Policies, the Third Party London Claims Handling Agreement and, to the extent covering the Transferring London Policies, the Transferring Outwards Reinsurances, other than, until the relevant Subsequent Transfer Date, the Residual Liabilities.

Transferring London Policies: that part of all or any Policies (other than any Policies which evidence a contract of reinsurance) written or assumed by or on behalf of the UK establishment of the Transferor in respect of risks located in EEA States other than the UK, including:

- (a) such Policies written or assumed by the Transferor which have lapsed at or before the Effective Date and which are reinstated by the Transferee after the Effective Date; and
- (b) all proposals for insurance or reinsurance received by the Transferor in respect of a risk which would be allocated to the Transferring London Business before the Effective Date which have not become Policies in force by the Effective Date but which subsequently become Policies,

but excluding:

- i. until the relevant Subsequent Transfer Date, the Residual Policies; and
- ii. the Excluded Policies.

Transferring Outwards Reinsurances: that part of all or any contracts of reinsurance, together with any security arrangements or letters of credit which have been arranged by the relevant reinsurer for the benefit of the Transferor or

to which the Transferor is a party, which cover any part or all of any of the Transferring Policies as at or prior to the Effective Date, including those which have expired but in respect of which claims have been brought or may be brought.

Third Party London Claims Handling Agreement: to the extent relating to the Transferring London Policies and/ or the Transferring Branch Policies, the claims handling delegated authority agreement dated 1 January 2012 (as amended) between the Transferor and AON Italia.

Transferring Policies: the Transferring Branch Policies and Transferring London Policies.

Transferring Records: all documents, files, books and other records (held in whatever medium) exclusively in relation to or in connection with the Transferring Business in the possession or control of the Transferor up to the Effective Date including any such records relating to underwriting and outstanding claims in respect of the Transferring Business; and all accounting and financial records exclusively in relation to or in connection with the Transferring Business, to the extent not already provided to the Transferee.

UK: the United Kingdom of Great Britain and Northern Ireland.

- 1.2 In this Scheme Document unless the context otherwise requires or expressly provides:
- 1.2.1 references to clauses and Schedules are to clauses and Schedules to this Scheme Document;
 - 1.2.2 **assets** includes any assets, property, rights and powers of any kind or description wherever located, whether real, personal or mixed, tangible or intangible, whether owned, leased or licensed including all rights, benefits and powers under any contract and all rights, claims and powers against any third party;
 - 1.2.3 **liabilities** includes liabilities, debts, duties and obligations of every description (whether present or future, actual or contingent or otherwise);
 - 1.2.4 **novation** includes transfer or assignment;
 - 1.2.5 **property** includes money, goods, things in action, land and every description of property wherever situated and also obligations and every description of interest (whether present or future, actual or vested or contingent), arising out of, or incidental to, property;
 - 1.2.6 **rights** includes benefits, powers and claims of every description (whether present or future, actual or contingent) including rights to the repayment of taxation, duties or other imposts;
 - 1.2.7 **transfer** includes (as the context may require) "assign", "assignment" or "assignment", "dispose" or "disposal" or "convey" or "conveyance"
 - 1.2.8 the singular includes the plural and vice versa and any reference to one gender includes the other;

- 1.2.9 headings are for convenience only and shall not affect the interpretation of this Scheme Document;
- 1.2.10 save as expressly provided otherwise, any reference in this Scheme Document 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 after the date of this Scheme Document and to any instrument or order made from time to time after the date of this Scheme Document under such enactment, statutory provision or subordinate legislation;
- 1.2.11 any reference to a person shall include a reference to any individual, company, firm, partnership, joint venture, association, organisation, trust or agency, whether or not having a separate legal personality;
- 1.2.12 if a period of time is specified from a given day or date or from the day or date of an actual event, it shall be calculated exclusive of that day or date;
- 1.2.13 any reference to writing shall include any modes of reproducing words in a legible and non-transitory form;
- 1.2.14 the expression "variation" or "varied" shall include any variation, supplement, deletion, replacement or termination, however effected;
- 1.2.15 a "subsidiary undertaking" or "parent undertaking" is to be construed in accordance with section 1162 (and schedule 7) of the Companies Act 2006 and a "subsidiary" or "holding company" is to be construed in accordance with section 1159 of the Companies Act 2006;
- 1.2.16 references to "freedom of establishment" and "freedom of services" or similar phrases are references to the right of establishment and freedom of services set out in Chapters 2 and 3 (respectively) of Title IV of the Treaty on the Functioning of the European Union (C 326/49);
- 1.2.17 the expression "risk(s) located in EEA States" or similar expressions shall include risk(s) situated in EEA States as determined in accordance with paragraph 6 of Part I of Schedule 12 to FSMA or in respect of any Policy such other basis as may be required or appropriate having regard to the nature of the cover provided under the Policy and / or the EEA State or States with which the Policy or its subject matter is connected; and
- 1.2.18 any reference to **including** shall mean **including without limitation**.

2. INTRODUCTION

- 2.1 The Transferor is an "authorised person" under Section 31 and Part 4A of FSMA and its Part 4A permission includes (amongst others) permission to effect and carry out contracts of general insurance in the UK falling within classes of business 1 to 18 (inclusive) as set out in Part I of Schedule 1 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544). The Transferor is, therefore, authorised with permission to effect and carry out contracts of insurance in the UK. The Transferor is authorised by

the PRA and regulated by the FCA and the PRA and is registered on The Financial Services Register with Firm Reference Number 202323. The Transferor is incorporated in the UK and is therefore a "UK authorised person" for the purposes of Part VII FSMA.

- 2.2 The Transferor has established the RSAI EEA Branches and is permitted to effect and carry out contracts of general insurance on a freedom of establishment basis in the Netherlands (classes 1-18), Belgium (classes 1-4, 6-10, 12, 13, 15-18), Germany (classes 1-9, 12, 13, 15-18), France (classes 1-18) and Spain (classes 1, 4, 6-9, 12-16, 18). The Transferor is permitted to effect and carry out contracts of general insurance on a freedom of services basis into other EEA States from the RSAI EEA Branches as set out in Part A of Schedule 2.
- 2.3 In addition, the Transferor is permitted to effect and carry out contracts of general insurance from the UK on a freedom of services basis (unless otherwise stated under all classes of business) into Austria, Belgium, Bulgaria (1-4, 6-9, 12-18), Croatia (1, 3, 4, 6-9, 12, 13, 15, 16, 18), Cyprus (1-4, 6-10, 12-18), Czech Republic (1-4, 6-10, 12-18), Denmark, Estonia (1-4, 6-10, 12-18), Finland, France, Germany, Gibraltar (1-9, 11-16, 18), Greece, Hungary (1-4, 6-10, 12-18), Iceland, Ireland, Italy, Latvia (1-4, 6-10, 12-18), Liechtenstein, Lithuania (1-4, 6-10, 12-18), Luxembourg, Malta (1-4, 6-10, 12-18), Netherlands, Norway, Poland (1-4, 6-10, 12-18), Portugal, Romania (1-4, 6-10, 12-18), Slovak Republic (1-10, 12-18), Slovenia (1-4, 6-10, 12-18), Spain (1-10, 12-18) and Sweden.
- 2.4 The Transferee is an insurance company authorised in Luxembourg by the Luxembourg Minister of Finance and supervised by the Commissariat Aux Assurance (**CAA**) and is authorised under the amended Luxembourg Law of 7 December 2015 (**LIS**) on the insurance sector to effect and carry out contracts of general insurance in Luxembourg under classes of business 1 to 10 and 12 to 17 set out in Part A of Annex 1 of the LIS, which are the same classes of business for which the Transferor is authorised except for class 11 (*Aircraft Liability*) and class 18 (*Assistance*), which classes of business are not included in the Transferring Business as no such classes of business have ever been written or assumed by any of the RSAI EEA Branches, or by the Transferor on a freedom of services basis in respect of risks located in EEA States other than the UK.
- 2.5 [The Transferee's authorisation permits it to carry on non-life reinsurance activity, including on a freedom of services basis throughout the EEA and on a freedom of establishment basis from each of the RSAL EEA Branches.]²
- 2.6 [The Transferee has established the RSAL EEA Branches and is authorised to effect and carry out contracts of general insurance in the Netherlands, Belgium, Germany, France and Spain on a freedom of establishment basis as follows: the Netherlands (classes 1, 3-4, 6-10, 12-13, 15-16), Belgium (classes 1, 3-4, 6-9, 12, 13, 16-17), Germany (classes 4, 6-9, 12) France (classes 1-9, 12-17) and Spain (classes 1, 4, 6-9, 12-13, 16), in each case being the same classes of business for which the RSAI EEA Branch established in the same jurisdiction is authorised to effect and carry out contracts of insurance, save that: (i) none of the RSAL EEA Branches is authorised to effect and carry out contracts of insurance in respect of class 11 (Aircraft Liability) and class 18 (Assistance),

² Expected position as at the date of the Sanction Hearing.

which classes of business are not included in the Transferring Business; (ii) the RSAL EEA Branch established in the Netherlands is, in addition, not authorised to effect and carry out contracts of insurance in respect of classes 2 (Sickness), 5 (Aircraft), 14 (Credit) and 17 (Legal Expenses), which classes of business are not included in the Transferring Business written or assumed by the RSAI EEA Branch established in the Netherlands; (iii) the RSAL EEA Branch established in Belgium is, in addition, not authorised to effect and carry out contracts of insurance in respect of classes 2 (Sickness), 10 (Motor Vehicle Liability) and 15 (Suretyship), which classes of business are not included in the Transferring Business written or assumed by the RSAI EEA Branch established in Belgium; (iv) the RSAL EEA Branch established in Germany is, in addition, not authorised to effect and carry out contracts of insurance in respect of classes 1 (Accident), 2 (Sickness), 3 (Land vehicles (excluding railway rolling stock)), 5 (Aircraft), 13 (General liability), 15 (Suretyship), 16 (Miscellaneous financial loss) and 17 (Legal Expenses), which classes of business are not included in the Transferring Business written or assumed by the RSAI EEA Branch established in Germany; (v) the RSAL EEA Branch established in France is, in addition, not authorised to effect and carry out contracts of insurance in respect of class 10 (Motor Vehicle Liability), which class of business is not included in the Transferring Business written or assumed by the RSAI EEA Branch established in France; and (vi) the RSAL EEA Branch established in Spain is, in addition, not authorised to effect and carry out contracts of insurance in respect of classes 14 (Credit) and 15 (Suretyship), which classes of business are not included in the Transferring Business written or assumed by the RSAI EEA Branch established in Spain.]³

- 2.7 [The Transferee is authorised to effect and carry out contracts of general insurance on a freedom of services basis into other EEA States from each of the RSAL EEA Branches as set out in Part B of Schedule 2, being the same jurisdictions into which the RSAI EEA Branches are authorised to effect and carry out contracts of insurance on a freedom of services basis and covering the same classes of business, save that: (i) none of the RSAL EEA Branches is authorised to effect and carry out contracts of insurance in respect of class 18 (Assistance), which class of business is not included in the Transferring Business written or assumed by the RSAI EEA Branches; (ii) the RSAL EEA Branch established in the Netherlands is, in addition, not authorised to effect and carry out contracts of insurance on a freedom of services basis into other EEA States in respect of classes 2 (*Sickness*) and 17 (*Legal Expenses*), which classes of business are not included in the Transferring Business written or assumed by the RSAI EEA Branch established in the Netherlands; (iii) the RSAL EEA Branch established in Belgium is, in addition, not authorised to effect and carry out contracts of insurance on a freedom of services basis into other EEA States in respect of classes 2 (*Sickness*), 10 (*Motor Vehicle Liability*) and 15 (*Suretyship*), which classes of business are not included in the Transferring Business written or assumed by the RSAI EEA Branch established in Belgium; (iv) the RSAL EEA Branch established in Germany is, in addition, not authorised to effect and carry out contracts of insurance on a freedom of services basis into other EEA States in respect of classes 1 (*Accident*), 2 (*Sickness*), 3 (*Land vehicles (excluding railway rolling stock)*), 13 (*General Liability*), 15 (*Suretyship*), 16 (*Miscellaneous financial loss*) and 17 (*Legal Expenses*), which class of business are not included in the Transferring Business written or assumed by the RSAI EEA Branch established in Germany; and (v) the RSAL EEA Branch established in Spain is, in addition, not

³ Expected position as at the date of the Sanction Hearing.

authorised to effect and carry out contracts of insurance on a freedom of services basis into other EEA States in respect of classes 14 (*Credit*) and 15 (*Suretyship*), which classes of business are not included in the Transferring Business written or assumed by the RSAI EEA Branch established in Spain.]⁴

- 2.8 In addition, the Transferee is authorised to effect and carry out contracts of general insurance from Luxembourg on a freedom of services basis (unless otherwise stated under classes of business 1-10 and 12-17) into Austria, Belgium, Bulgaria (1-4, 6-9, 12-17), Croatia (1, 3, 4, 6-9, 12, 13, 15, 16), Cyprus (1-4, 6-10, 12-17), Czech Republic (1-4, 6-10, 12-17), Denmark, Estonia (1-4, 6-10, 12-17), Finland, France, Germany, Gibraltar (1-9, 12-16), Greece, Hungary (1-4, 6-10, 12-17), Iceland, Ireland, Italy, Latvia (1-4, 6-10, 12-17), Liechtenstein, Lithuania (1-4, 6-10, 12-17), Luxembourg, Malta (1-4, 6-10, 12-17), Netherlands, Norway, Poland (1-4, 6-10, 12-17), Portugal, Romania (1-4, 6-10, 12-17), Slovak Republic, Slovenia (1-4, 6-10, 12-17), Spain, Sweden, and the UK being both: (i) the same jurisdictions into which the Transferor is authorised to effect and carry out contracts of general insurance on a freedom of services basis (save that neither the Transferor nor the Transferee requires a freedom of services authorisation in respect of the jurisdiction of its head office, being, in the case of the Transferor, the UK and, in the case of the Transferee, Luxembourg); and (ii) in respect of each such jurisdiction, the same classes of business for which the Transferor is authorised in respect of that jurisdiction, with the exception of class 11 (Aircraft Liability) and class 18 (Assistance), which are not included in the Transferring Business.

3. **TRANSFER OF THE TRANSFERRING BUSINESS, TRANSFERRING ASSETS AND TRANSFERRING LIABILITIES**

- 3.1 On and with effect from the Effective Date, the Transferring Business shall be transferred to, and vest in, the Transferee subject to, and in accordance with, the terms of this Scheme, so that:

3.1.1 subject to clause 9, on and with effect from the Effective Date, the Transferring Assets and all the rights, benefits, powers and interests of the Transferor in them shall, by the Order and without any further act or instrument, be transferred to and vest in, the Transferee;

3.1.2 subject to clause 9, on and with effect from each Subsequent Transfer Date, each Residual Asset to which such Subsequent Transfer Date applies and the rights, benefits, powers and interests of the Transferor in it shall, by the Order and without any further act or instrument, be transferred to, and vest in, the Transferee;

3.1.3 on and with effect from the Effective Date, the Transferring Liabilities shall, by the Order and without any further act or instrument, be transferred to, and become liabilities of, the Transferee and shall cease to be liabilities of the Transferor; and

3.1.4 on and with effect from each Subsequent Transfer Date, each Residual Liability to which such Subsequent Transfer Date applies shall, by the Order and without any further act or instrument, be transferred to, and become a liability of, the Transferee and shall cease to be a liability of the Transferor.

⁴ Expected position as at the date of the Sanction Hearing.

- 3.2 On and with effect from the Effective Date, the Transferee shall discharge on behalf of the Transferor or, failing which, shall indemnify and keep indemnified the Transferor against any loss, liability or expense incurred by, or demand made against, the Transferor in relation to the Transferring Liabilities and the Residual Liabilities on the terms set out in clause 6.
- 3.3 The transfer of any Transferring Asset, Transferring Liability, Residual Asset or Residual Liability to the Transferee shall have effect notwithstanding any provision (whether express or implied) to the contrary in any contract or arrangement with any Policyholder or any other person.
- 3.4 The transfers effected pursuant to clause 3.1 above shall have effect whether or not the Transferor would, other than pursuant to the terms of this Scheme, have capacity to effect the same.
- 3.5 The Transferee shall accept without investigation, requisition or objection such title as the Transferor shall have at the Effective Date to the Transferring Assets and, at each Subsequent Transfer Date, to each Residual Asset transferred on that Subsequent Transfer Date.
- 3.6 Where any of the Transferring Assets are held by the Transferor as trustee, the Transferee shall hold those assets as trustee subject to the same trusts with effect from the Effective Date.
- 3.7 On and with effect from the Effective Date, the Transferor shall pay to the Transferee all sums, and account to the Transferee for all benefits, which may be received by the Transferor in relation to or in connection with the Transferring Business. Such sums and benefits shall include all premiums and reinsurance recoveries attributable or referable to the Transferring Business and all salvage or subrogation recoveries, commissions paid and received, all recoveries actually received under security posted as at the Effective Date in connection with any Transferring Policies, and all other recoveries which become due thereon after the Effective Date.
- 3.8 As soon as reasonably practicable after the Effective Date, the Transferor shall, to the extent in its possession or control, deliver or cause to be delivered to the Transferee any of the Transferring Records which are capable of being transferred by delivery and which have not previously been delivered to the Transferee.
- 3.9 Such records (which may include personal data protected under the Data Protection Legislation) may be used by the Transferee for, and disclosed by the Transferee to, and used by, any agent or contractor of the Transferee to the same extent that they were used by the Transferor and its agents or contractors prior to the Effective Date for all purposes in relation to or in connection with the Transferring Business including, in particular, the administration of the Transferring Policies and all matters relevant or incidental thereto, and, without prejudice to clause 10, no consent from the individual Policyholders in respect of such disclosure, transfer of records and use shall be required.
- 3.10 No Excluded Assets or Excluded Liabilities shall be transferred to or vest in or become liabilities of the Transferee under or by virtue of the terms of this Scheme.

4. **TRANSFER OF TRANSFERRING POLICIES, TRANSFERRING OUTWARDS REINSURANCES AND THIRD PARTY BRANCH CONTRACTS**

- 4.1 Without prejudice to clause 3, on and with effect from the Effective Date, the Transferee shall, by the Order and without any further act or instrument, be entitled to all the rights, benefits and powers under the Transferring Policies, the Transferring Outwards Reinsurances and the Third Party Branch Contracts that, to the extent that they relate to the Transferor, relate exclusively to the (re)insurance business of the RSAI EEA Branches, and shall be subject to all the obligations and liabilities of the Transferor thereunder whatsoever subsisting on the Effective Date.
- 4.2 Save as provided in this Scheme Document, every Transferring Policy, Transferring Outwards Reinsurance and Third Party Branch Contract (that, to the extent that it relates to the Transferor, relates exclusively to the (re)insurance business of the RSAI EEA Branches) shall have effect on and from the Effective Date as if the Transferee had always been an original party thereto from inception instead of the Transferor such that the relevant Transferring Policy, Transferring Outwards Reinsurance or Third Party Branch Contract (each a **Relevant Contract**) shall continue in force as between the Transferee and the relevant Policyholder or other counterparty thereto (each a **counterparty**) on the terms which applied to that Relevant Contract prior to the Effective Date, but without prejudice to any right which the Transferee may subsequently have to vary, terminate or avoid such Relevant Contract, whether under the terms thereof or at law (and such Relevant Contract shall be construed accordingly).
- 4.3 Every counterparty shall, on and with effect from the Effective Date, and to the exclusion of any rights the counterparty may have against the Transferor under its Transferring Policy or other Relevant Contract, be entitled to the same rights against the Transferee as were available to him against the Transferor under such Transferring Policy or other Relevant Contract.
- 4.4 All premiums and other amounts under or by virtue of the Transferring Policies and, where applicable, the Transferring Outwards Reinsurances and Third Party Branch Contracts shall, on and with effect from the Effective Date, be payable to the Transferee and shall be receivable and received by the Transferee.
- 4.5 The Transferee shall be entitled to any and all defences, claims, counterclaims and rights of set-off under each Transferring Policy and other Relevant Contract that would have been available to the Transferor.
- 4.6 Every Transferring Policyholder and other counterparty to each Relevant Contract shall, on and with effect from the Effective Date, in substitution for any liability or obligation owed by the Transferring Policyholder or other counterparty under its Transferring Policy or Relevant Contract (as the case may be) to the Transferor, be under the same liability or obligation to the Transferee.
- 4.7 All references in any Transferring Policy or other Relevant Contract to the Transferor, its offices, the RSAI EEA Branches, the board of directors of the Transferor or any other officers, employees or agents of the Transferor shall, with effect from the Effective Date, be read as references to the Transferee, its offices, the RSAL EEA Branches, the board of directors of the Transferee and any other officers, employees or agents of the Transferee. In particular, but without limitation, all rights and/or duties exercisable or expressed to be

exercisable or responsibilities to be performed by the Transferor, the RSAI EEA Branches, the board of directors of the Transferor or any other officers, employees or agents of the Transferor in relation to any of the Transferring Policies or other Relevant Contracts shall, with effect from the Effective Date, be exercisable or required to be performed by the Transferee, the RSAL EEA Branches, the board of directors of the Transferee or any other officers, employees or agents of the Transferee, as the case may be.

4.8 Any applications for Policies to be issued by the RSAI EEA Branches or that would form part of the Transferring London Business if issued prior to the Effective Date or applications for endorsements in respect of Transferring Policies received, but not accepted, by the Transferor before the Effective Date shall be treated as if they were applications for Policies or endorsements in respect of Transferring Policies made to the Transferee after the Effective Date.

4.9 In respect of any Policy written or assumed by the Transferor that is in part (and not wholly) a Transferring London Policy, on and with effect from the Effective Date:

4.9.1 in respect of that part of the Policy that is not a Transferring London Policy (the **Retained Policy**), subject to clause 4.9.2, it shall continue in force on its original terms as if it did not apply to the risks located in EEA States other than the UK;

4.9.2 both the Retained Policy and Transferring London Policy shall be deemed to be amended to the extent necessary to ensure that any limits or sub-limits, deductions or retentions and any other provisions of similar effect contained in the Policy immediately prior to the Effective Date shall, on and with effect from the Effective Date, apply in respect of claims brought under the Retained Policy or the Transferring London Policy in the same manner as they applied to claims brought under the Policy immediately prior to the Effective Date so that, with respect to such provisions, the Retained Policy and the Transferring London Policy shall behave as a single Policy and any references to the insurer shall be construed as referring to both the Transferor and the Transferee taken together, and as between the Transferor and the Transferee the benefit and/ or burden of such provisions, and any premiums payable after the Effective Date, shall be apportioned between them in a fair and equitable manner or in such other manner as they may from time to time agree,

provided that nothing in this clause 4.9 shall make the Transferor and Transferee jointly liable for claims brought under any Retained Policy or Transferring London Policy.

4.10 In respect of any contract of reinsurance, together with any security arrangements or letters of credit which have been arranged by the relevant reinsurer for the benefit of the Transferor or to which the Transferor is a party, that is in part (and not wholly) a Transferring Outwards Reinsurance (a **Relevant Reinsurance Arrangement**), on and with effect from the Effective Date:

4.10.1 in respect of that part of the Relevant Reinsurance Arrangement that is not a Transferring Outwards Reinsurance (the **Retained Reinsurance**),

subject to clause 4.10.2, it shall continue in force on its original terms as if it did not apply to the relevant Transferring Policies; and

4.10.2 both the Retained Reinsurance and Transferring Outwards Reinsurance shall be deemed to be amended to the extent necessary to ensure that any limits or sub-limits, deductions or retentions and any other provisions of similar effect contained in the Relevant Reinsurance Arrangement immediately prior to the Effective Date shall, on and with effect from the Effective Date, apply in respect of claims brought under the Retained Reinsurance or the Transferring Outwards Reinsurance in the same manner as they applied to claims brought under the Relevant Reinsurance Arrangement immediately prior to the Effective Date so that, with respect to such provisions, the Retained Reinsurance and the Transferring Outwards Reinsurance shall behave as a single reinsurance arrangement and any references to the reinsured shall be construed as referring to both the Transferor and the Transferee taken together, and as between the Transferor and the Transferee the benefit and/ or burden of such provisions shall be apportioned so as to achieve an equitable division of liability between them or in such other manner as they may from time to time agree.

4.11 The provisions of clause 4.1 to 4.9 shall apply, with the necessary changes, to all Residual Policies save that (i) references to the Effective Date shall be read as references to the relevant Subsequent Transfer Date (if any) applicable to a Residual Policy and (ii) in the case of any outwards reinsurance agreement relating to a Residual Policy, references to the Effective Date shall be read as references to the Subsequent Transfer Date applicable to the Residual Policy to which the outwards reinsurance agreement relates.

5. EXCLUDED POLICIES AND RESIDUAL POLICIES

Residual Policies

5.1 All liabilities under or by virtue of the Residual Policies shall, pending their transfer to the Transferee (whether pursuant to this Scheme or otherwise), remain liabilities of the Transferor but shall at all times after the Effective Date be reinsured in their entirety to the Transferee on terms consistent with those described in clauses 5.5 and 5.6.

5.2 On and with effect from each Subsequent Transfer Date, each Residual Policy to which such Subsequent Transfer Date applies and all assets and liabilities relating to such Residual Policy shall, to the extent not previously transferred, by the Order and without any further act or instrument, be transferred to, and vest in or become liabilities of, the Transferee, whereupon such Residual Policy shall constitute a Transferring Policy under this Transfer and the reinsurance arrangements set out in clauses 5.5 and 5.6 shall cease to apply to that Residual Policy.

Excluded Policies

5.3 The Excluded Policies shall not be transferred to the Transferee by this Scheme and, subject to clause 5.4, all liabilities under the Excluded Policies shall remain liabilities of the Transferor but shall at all times on and with effect from the Effective Date be reinsured in their entirety to the Transferee on terms consistent with those described in clauses 5.5 and 5.6.

- 5.4 If any Excluded Policy is novated or otherwise transferred to the Transferee, the assets and liabilities relating to such Policy shall, to the extent not previously transferred, be transferred to the Transferee and such Policy shall, with effect from the applicable Subsequent Transfer Date in respect of such Excluded Policy, thereafter be treated by the Transferee under the provisions of this Scheme in all respects as if such Excluded Policy were a Transferring Policy and the reinsurance arrangements set out in clauses 5.4 and 5.6 shall cease to apply to that Excluded Policy.

Excluded and Residual Policies Reinsurance Agreement

- 5.5 If there are any Excluded Policies or Residual Policies, the Transferor and the Transferee shall enter into the Excluded and Residual Policies Reinsurance Agreement pursuant to which, on and with effect from the Effective Date, all the liabilities of the Transferor attributable to such of the Excluded Policies and Residual Policies as the Transferor and Transferee may agree, and all other amounts paid or payable by the Transferor in respect of such Excluded Policies and Residual Policies (including amounts paid or payable in connection with the surrender of any of them), shall be reinsured in their entirety to the Transferee.
- 5.6 The premiums payable under the Excluded and Residual Policies Reinsurance Agreement shall comprise an amount equal to:
- 5.6.1 the aggregate amount of the reserves and any associated provisions relating to the Excluded Policies and Residual Policies reinsured on and with effect from the Effective Date, which shall be deemed to have been satisfied by the transfer to the Transferee of the appropriate proportion of the Transferring Assets; and
- 5.6.2 all subsequent premium payments and all other amounts received by the Transferor in respect of such reinsured Excluded Policies and Residual Policies at any time after the Effective Date.

6. INDEMNITY

- 6.1 With effect from the Effective Date, the Transferee shall discharge on behalf of the Transferor or, failing which, shall indemnify and keep indemnified the Transferor against any loss, liability or expense incurred by, or demand made against, the Transferor in relation to the Transferring Liabilities and the Residual Liabilities, whether arising before or after the Effective Date.
- 6.2 With effect from the Effective Date, the Transferor shall indemnify and keep indemnified the Transferee against any loss, liability or expense incurred by, or demand made against, the Transferee in relation to any Excluded Liability.

7. LEGAL PROCEEDINGS AND CONTINUITY

- 7.1 On and with effect from the Effective Date, any judicial, quasi-judicial, administrative or arbitration proceedings or any complaint or claim to any ombudsman or other proceedings for the resolution of a dispute or claim (whether pending, current or threatened, or which may be brought in the future, including those not yet in contemplation) (**Proceedings**) by, against or in relation to the Transferor and/ or any of the RSAI EEA Branches:

- 7.1.1 in respect of, or in connection with, the Transferring Branch Business or, on and with effect from the Subsequent Transfer Date applicable to it, any Residual Asset, Residual Liability or Residual Policy that would form part of the Transferring Branch Business; or
- 7.1.2 arising under or by virtue of the Transferring London Business or, on and with effect from the Subsequent Transfer Date applicable to it, any Residual Asset, Residual Liability or Residual Policy that would form part of the Transferring London Business,

shall be commenced and/or continued by, against or in relation to the Transferee and/ or the relevant RSAL EEA Branch(es) and the Transferee and the RSAL EEA Branches shall be entitled to all defences, claims, counterclaims and rights of set-off that would have been available to the Transferor and the RSAI EEA Branches in relation to such Proceedings and neither the Transferor nor any of the RSAI EEA Branches shall have any liability under those Proceedings and, for the avoidance of doubt, the Transferee, in its absolute discretion, may discontinue any such Proceedings brought by the Transferor.

- 7.2 Any judgment, order or award obtained by or against the Transferor that relates to any part of the Transferring Branch Business or as a result of any Proceedings arising under or by virtue of the Transferring London Business, whether before or after the Effective Date (or in the case of any Residual Asset, Residual Liability or Residual Policy, the Subsequent Transfer Date applicable to it) shall, on and from the Effective Date (or in the case of any Residual Asset, Residual Liability or Residual Policy, the Subsequent Transfer Date applicable to it), become enforceable by or against (and in the case of a judgment, order or award against the Transferor shall be satisfied by) the Transferee and/ or the relevant RSAL EEA Branch(es).
- 7.3 Any judicial, quasi-judicial, administrative or arbitration proceedings or any complaint or claim to any ombudsman or other proceedings for the resolution of a dispute or claim (whether pending, current or threatened, or which may be brought in the future, including those not yet in contemplation) by, against or in relation to the Transferor in respect of, or in connection with, any Excluded Liability shall be commenced and/or continued by, against or in relation to the Transferor and any such proceedings after the Effective Date commenced in error against the Transferee shall be deemed to have been commenced and shall be continued against the Transferor without the need for further order, whether for substitution of parties or otherwise.
- 7.4 In respect of the Transferring London Business, following the Effective Date the Transferee undertakes to comply with:
 - 7.4.1 those rules set out in the Dispute resolution: Complaints part of the FCA Handbook (**DISP**) that apply to the handling of complaints brought to the UK Financial Ombudsman Service under its Compulsory Jurisdiction in accordance with DISP; and
 - 7.4.2 any award or direction made or given by the UK Financial Ombudsman Service with respect to complaints brought to the UK Financial Ombudsman Service under its Compulsory Jurisdiction in accordance with DISP or any settlement which is agreed by the Transferee in relation to any such complaint,

provided that this undertaking shall apply only in respect of complaints (a) made by persons who are, subject to and in accordance with the rules set out in DISP 2.7, eligible complainants with respect to such complaints and (b) to the extent such complaints relate to acts or omissions by the Transferor in the course of carrying on regulated activities prior to the Effective Date.

7.5 Notwithstanding clause 13, policyholders may enforce the provisions of clause 7.4.2 against the Transferee.

8. **MANDATES**

8.1 Any direct debit mandate, standing order or other instruction or authority in force as at the Effective Date (or thereafter in respect of any Residual Asset, Residual Liability or Residual Policy which subsequently transfers to the Transferee) including any such mandate or other instruction given to a bank by its customer and providing for payment by a bank or other intermediary of premiums or other sums payable to the Transferor under or in respect of any Transferring Policy or other contract that forms part of the Transferring Business, shall thereafter take effect as if it had provided for and authorised such payment to the Transferee.

8.2 Any mandate or other instruction or authority in force as at the Effective Date as to the manner of payment by the Transferor of any sum payable under any Transferring Policy or any other contract which forms part of the Transferring Business (or thereafter in respect of any Residual Asset or Residual Liability or Residual Policy which subsequently transfers to the Transferee) shall continue in force as an effective mandate, instruction or authority to or of the Transferee.

9. **DECLARATION OF TRUST BY THE TRANSFEROR**

9.1 If:

9.1.1 any property of the Transferor which would otherwise form part of the Transferring Business, is not, or is not capable of being, by the Order, without further act or instrument, transferred to, and vested in, the Transferee as at the Effective Date by reason of such property being a Residual Asset; or

9.1.2 any Residual Asset is not, or is not capable of being, by the Order, without further act or instrument, transferred to, and vested in, the Transferee on the Subsequent Transfer Date applicable thereto; or

9.1.3 the transfer of any Transferring Asset outside the jurisdiction of the Court is not recognised by the laws of the jurisdiction in which such property is situated; or

9.1.4 in any circumstances where the Transferor and the Transferee shall agree in writing before the Effective Date (or, in the case of any Residual Asset, before the Subsequent Transfer Date applicable thereto) that it is expedient not to effect a transfer of any property which would otherwise form part of the Transferring Business,

the Transferor shall, from the Effective Date (but save to the extent that giving effect to such a trust would require a consent or waiver which has not been obtained or the Transferor and Transferee agree otherwise), hold such property or Residual Asset as referred to in clauses 9.1.1 to 9.1.4 together with any

proceeds of sale or income or other accrual or return, whether or not in the form of cash, earned or received from time to time after the Effective Date in respect thereof (including any payment, property or right within clause 9.3 below) on trust absolutely for the Transferee.

9.2 On and with effect from the Effective Date, the Transferor shall be subject to the exclusive directions of the Transferee in respect of any property held in trust by the Transferor referred to in clause 9.1 until the relevant property:

9.2.1 is transferred to, or otherwise vested in, the Transferee; or

9.2.2 is disposed of (whereupon the Transferor shall, so far as it is able, account to the Transferee for the proceeds of sale thereof).

9.3 In the event of any payment being made to, property being received by or right being conferred upon the Transferor after the Effective Date which would have formed part of the Transferring Business or would have been a Transferring Asset or Residual Asset held in trust by the Transferor as referred to in clause 9.1 had it been held by the Transferor at the Effective Date, the Transferor shall hold the same on trust for the Transferee. As soon as is reasonably practicable after its receipt, unless the parties agree in writing that such payment, property or right be retained by the Transferor as a Residual Asset, such Transferor shall pay over the full amount of such payment or (to the extent to which it is able to do so) transfer such property or right to, or in accordance with the directions of, the Transferee and the Transferee shall indemnify the Transferor on demand against any costs incurred in making any such payment or transfer.

9.4 If in respect of any Residual Third Party Contract, the Transferee is not lawfully able to perform or procure the performance of any Residual Third Party Contract or the impediment to the transfer of such Residual Third Party Contract at the Effective Date is not removed or overcome within 6 months of the Effective Date, the Transferor shall be entitled, or the Transferee shall be entitled to require the Transferor, to procure the termination of the relevant Residual Third Party Contract and the obligations of the relevant parties in relation to such Residual Third Party Contract and the trust arrangements contemplated in this clause 9 shall cease forthwith. The Transferee shall indemnify the Transferor against any liabilities, losses, costs and/or expenses incurred by the Transferor or any other member of the Transferor's Group in respect of such termination of the relevant Residual Third Party Contract.

10. **DATA PROTECTION**

10.1 On and with effect from the Effective Date, the Transferee shall:

10.1.1 succeed to all rights, liabilities and obligations of the Transferor in respect of any personal data which relates to the Transferring Business (other than any Excluded Liability) and which is subject to the Data Protection Legislation;

10.1.2 become the data 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; and

10.1.3 in respect of any personal data which relates to the Transferring Business be under the same duty by virtue of any law as the Transferor

was under to respect the confidentiality and privacy of any person in relation to that personal data and shall be bound, by any specific notice or consent given, or request made by, the data subject which was binding on the Transferor and which required a Transferor not to use the personal data for marketing purposes.

- 10.2 In any consent, permission or authority given by a data subject in respect of such data as is mentioned in clause 10.1, any reference to a Transferor (or to any other member of the Transferor's Group) shall be deemed to include a reference to the Transferee (and to any other member of the Transferee's Group) provided however that where any data subjects referred to in clause 10.1 continue also to be data subjects of that Transferor after the Effective Date then any such consent, permission or authority given by a data subject shall also continue to apply to that Transferor (and/or to any other member of the Transferor's Group).
- 10.3 Where used in this Scheme Document, the terms **personal data**, **data controller** and **data subject** have the meanings given to them in the Data Protection Legislation.

11. **EFFECT OF THE SCHEME**

Save as provided in this Scheme Document, the transfer and vesting of any asset or liability relating to any part of the Transferring Business by virtue of the Order and this Scheme shall not (a) invalidate or discharge any contract, security interest or any other agreement or arrangement having a similar effect (a **contract**); or (b) require further registration in respect of any security; or (c) constitute a breach of, or default under, or require any obligation to be performed sooner or later than would have otherwise been the case under, any contract or instrument to which the Transferee or the Transferor is a party or is bound; or (d) allow any party to a contract to which the Transferee or the Transferor is a party to terminate that contract when that party would not otherwise have been able to terminate it; or (e) entitle any party to any contract to which the Transferee or the Transferor is a party to vary the terms of that contract when that party would not otherwise have been able to vary those terms or confer a right or benefit on that party which it would not otherwise have had; or (f) confer any greater or lesser rights or benefits, or impose any greater or lesser obligations, on any party to any contract or agreement to which the Transferor or the Transferee is a party when that greater or lesser obligation would not otherwise have been imposed.

12. **FURTHER ASSURANCE**

The Transferor and the Transferee shall each take such steps and execute such documents and perform such other acts and things as may be required to effect or perfect the transfer and vesting in the Transferee of the Transferring Business and each Transferring Asset, Transferring Liability, Residual Asset and Residual Liability in accordance with the terms of this Scheme including, for the purposes of clarity, obtaining any required consent or waiver.

13. **THIRD PARTIES**

Other than for the purpose of enforcing rights of the Transferor's Group against the Transferee, no term of this Scheme Document shall be enforceable by any

person other than the parties pursuant to the Contracts (Rights of Third Parties) Act 1999 or otherwise.

14. THE EFFECTIVE DATE

14.1 Subject to clause 14.2 and the Court having made the Order, this Scheme shall take effect immediately after midnight (GMT) on:

14.1.1 1 January 2019; or

14.1.2 such other time and/or such other date falling after the making of the Order as the Transferor and the Transferee may agree.

14.2 Notwithstanding clause 14.1, this Scheme shall not take effect if the board of directors of the Transferor has resolved not to complete the transfer of the Transferring Business.

14.3 If this Scheme does not take effect at or before 22:59 (GMT), 29 March 2019, or such later date as the Court may allow upon the application of the Transferor and the Transferee, it shall lapse.

15. MODIFICATION

15.1 The Transferor and the Transferee may, at any time before the Effective Date, consent for and on behalf of the persons bound by this Scheme and all other persons concerned, other than the FCA and the PRA, to any modification of, or addition to, this Scheme or to any further condition or provision affecting the same which, prior to the sanction of this Scheme, the Court may approve or impose.

15.2 Any amendment to this Scheme after the Effective Date must:

15.2.1 be approved, if applicable, by the Court (such Court approval not being necessary in the event of minor and/or technical modifications to the terms of this Scheme, including modifications to correct manifest errors, provided that the FCA and the PRA have been notified in advance in accordance with clause 15.2.2 and have confirmed that they do not object to any such modification);

15.2.2 be notified in advance to the FCA and the PRA, who shall have the right to attend and be heard at any hearing of the Court (if applicable) at which such application is considered; and

15.2.3 be accompanied by a certificate from an independent expert to the effect that in his opinion the proposed amendment will not or will not be likely to materially adversely affect the security of the contractual rights and/or the levels of service of the holders of Transferring Policies.

16. SUCCESSORS AND ASSIGNS

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

17. **GOVERNING LAW**

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

[•] 2018

SCHEDULE 1
TRANSFERRING BRANCH IPR

Peren'Assur: registered trademark – registered in class 36 with the French national intellectual property office on 18 March 2016 with registration number 4228692

**SCHEDULE 2
OUTWARDS SERVICES PASSPORTS**

Part A – RSAI EEA Branches

RSAI EEA Branch	EEA States into which services are provided	Classes of business
Netherlands	Austria, Belgium, Bulgaria, Croatia*, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Norway, Poland, Portugal, Republic of Ireland, Romania, Slovak Republic, Slovenia, Spain, Sweden, UK	1-4, 6-9, 12, 13, 15-18 *Excluding classes 2 and 17
Belgium	Austria, Bulgaria, Croatia*, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Republic of Ireland, Romania, Slovak Republic, Slovenia, Spain, Sweden, UK	1-4, 6-10, 12, 13, 15-18 *Excluding classes 2, 10 and 17
Germany	Austria, Belgium, Bulgaria, Croatia*, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Republic of Ireland, Romania, Slovak Republic, Slovenia, Spain, Sweden, UK	1-4, 6-9, 12, 13, 15-18 *Excluding classes 2 and 17
France	Austria, Belgium, Bulgaria, Croatia*, Cyprus, Czech Republic, Denmark, Estonia, Finland, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Republic of Ireland, Romania, Slovak Republic, Slovenia, Spain, Sweden, UK	1-4, 6-9, 12, 13, 15-18 *Excluding classes 2 and 17
Spain	Austria, Belgium, Bulgaria, Croatia*, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Republic of Ireland, Romania, Slovak Republic, Slovenia, Sweden, UK	1, 4, 6-9, 12-16, 18 *Excluding class 14

Part B – RSAL EEA Branches⁵

RSAL EEA Branch	EEA States into which services are provided	Classes of business
Netherlands	Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Republic of Ireland, Romania, Slovak Republic, Slovenia, Spain, Sweden, UK	1, 3, 4, 6-10, 12, 13, 15, 16
Belgium	Austria, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Republic of Ireland, Romania, Slovak Republic, Slovenia, Spain, Sweden, UK	1, 3, 4, 6-9, 12, 13, 16, 17
Germany	Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Republic of Ireland, Romania, Slovak Republic, Slovenia, Spain, Sweden, UK	4, 6-9, 12
France	Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Republic of Ireland, Romania, Slovak Republic, Slovenia, Spain, Sweden, UK	1-9, 12-17
Spain	Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Republic of Ireland, Romania, Slovak Republic, Slovenia, Spain, Sweden, UK	1, 4, 6-9, 12, 13, 16

⁵ Expected position as at the date of the Sanction Hearing.

CR-2018-006267

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

IN THE MATTER OF

ROYAL & SUN ALLIANCE INSURANCE PLC

AND

IN THE MATTER OF

RSA LUXEMBOURG S.A.

AND

IN THE MATTER OF

**PART VII OF THE FINANCIAL
SERVICES AND MARKETS ACT 2000**

SCHEME DOCUMENT

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Reference: MG02/ROY25.23