

<Title> <Initials> <Surname>
<Trustee Postal Address Line 1>
<Trustee Postal Address Line 2>
<Trustee Postal Address Line 3>
<Trustee Postal Address Line 4>
<Trustee Postal Address Line 5>

Date: <18 February 2019>

Dear <Title and Surname of Trustee>

Proposed transfer of your workplace pension plan to Scottish Widows

To simplify our business, Zurich is in the process of transferring the majority of its workplace pensions and savings business to Scottish Widows.

We would like to explain what the transfer (the transfer of plans from Zurich Assurance Ltd to Scottish Widows Limited) means for you and your members and to reassure you that your plan details, benefits, rights and obligations will not change as a result of the transfer and you will receive the same benefits under your plan (the contract held with us relating to your workplace pension).

This transfer is subject to court approval, as required under the applicable financial services legislation. If the proposal is approved, we will transfer the workplace pension plan to Scottish Widows on the effective date, which we expect to be 1 July 2019 (the effective date). Scottish Widows will then take over responsibility for administering your plan.

In order to enable us to complete the transfer, there will be a period before and after the effective date when certain services relating to your plan will be suspended. Further details on the trading suspension period are set out below.

Stay up-to-date at:

www.zurich.co.uk/transfer

Plan name:

<XXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXX>

Plan number:

<XXXXXXXXXXXXXX>

Contact details

Email:

transfer@uk.zurich.com

Dedicated helpline:

0800 678 3515 (if calling from UK)

+44 1242 664016 (if calling from overseas)

Lines are open Monday to Friday 8am to 6.30pm (excluding bank holidays) and 9.30am to 12.30pm Saturday

We may record or monitor calls to improve our service

Address:

Zurich Corporate Savings
PO Box 1308
Cheltenham
GL50 9BY
United Kingdom

How does this affect my members' pensions and investments?

From the effective date, the funds in which your members have chosen to invest will be provided by Scottish Widows rather than Zurich. As a result of moving to Scottish Widows, there will be no change to the nature or investment objectives of the funds in which the plan is invested, the fund range that is available, or the charges that will be paid. The value of your members' investments will not change as a result of the transfer. However, the names of some funds will change from the effective date. For example:

- 'Zurich Property ZP' to 'SW Property'
- 'Zurich BlackRock UK Corporate Bond AP' to 'SW BlackRock UK Corporate Bond'.

Some of these funds will invest in funds managed by Zurich. Scottish Widows has made arrangements with Zurich to allow your members to continue to access these Zurich-managed funds.

How will this affect any payments made?

If you make payments by Direct Debit there is no action needed and Direct Debits will continue. The only change you will notice is that Scottish Widows Limited will collect Direct Debits once the transfer has completed, and will also appear on bank/building society statements. Please be assured that there is no need to complete a new Direct Debit Instruction, as details of the change will have been supplied to your bank independently. You will continue to enjoy the benefits of the Direct Debit Guarantee, as detailed below.

Will there be any changes to my terms and conditions or my client service agreement?

Following the transfer, the provider of your plan will become Scottish Widows Limited, rather than Zurich, and the terms and conditions of your plan and your client service agreement will be amended to reflect this.

In addition, in order to simplify the terms and conditions and to reflect the way Scottish Widows will administer your plan after the transfer, we are proposing to amend your terms and conditions to remove the separate roles of "payment agent" and "platform operator", as follows:

- **Removing the role of payment agent:** at the moment, payments in relation to your plan are made to a "payment agent", who then passes the payments on to Zurich, rather than to Zurich directly. Since April 2018, this payment agent has been Scottish Widows Administration Services Limited. Following the transfer, payments will be made directly to Scottish Widows Limited. A separate payment agent will therefore no longer be required.
- **Removing the role of platform operator:** at the moment, certain services in relation to your plan (such as access to the online platform) are provided by Sterling ISA Managers Limited (another member of the Zurich Group). Following the transfer, Scottish Widows Limited will be directly responsible for providing all of these services.

You can obtain a table that sets out the amendments we are proposing to make to your terms and conditions in relation to the "payment agent" and "platform operator" roles by visiting our website at www.zurich.co.uk/transfer or by getting in touch using the contact details set out in section 2.4 of the enclosed 'planholder guide'.

The terms of the transfer will also amend your client service agreement so that Scottish Widows is responsible for carrying out all obligations under that agreement, including those currently carried out by Sterling ISA Managers Limited as platform operator.

Important note: limited service availability during the transfer

Changes need to be made to the systems through which your plan is managed so that Scottish Widows can administer your plan following the transfer.

In order to ensure the implementation of the changes is carried out as smoothly as possible, Zurich and Scottish Widows need to temporarily suspend certain services relating to your plan. Our aim is to minimise disruption to you.

The trading suspension period will begin on Tuesday 25 June 2019 and is expected to continue until 9am on Wednesday 3 July 2019, after the effective date (the trading suspension period).

During the trading suspension period no transactions will be carried out in relation to your plan, such as investing contributions, switching funds or making a claim.

Any investment instructions or payments received during this time will not be processed by Scottish Widows until after the trading suspension period. This also applies to regular contributions (for example payroll processes or by Direct Debit) and the taking of fund related charges.

If you think you or your members need to carry out any transactions during the trading suspension period, then these will be processed as soon as possible after the period ends. Please contact us on your usual customer number (which you will find on previous letters we have sent to you) if you think you or your members will need to carry out any transactions during the trading suspension period.

Please see section 1.10 of the enclosed 'planholder guide' for further information regarding the trading suspension period.

How are my members' interests protected?

The interests of you and your scheme members are protected by a rigorous approval process that includes:

- the appointment of an independent expert to review the terms of the transfer. The independent expert's appointment has been approved by the Prudential Regulation Authority (PRA), in consultation with the Financial Conduct Authority (FCA), and they have produced a report for the court highlighting the likely impacts of the transfer on planholders;
- consultation with the PRA and FCA;
- the ability for you and other planholders to raise concerns and object to the transfer; and
- the requirement that the court approves the transfer – the court will only approve the transfer if it considers it appropriate to do so in all the circumstances.

How can I find out more?

You can find more information about the transfer, including the 'scheme' (the legal document that sets out the terms of the transfer) and the independent expert's full report, on our website at www.zurich.co.uk/transfer

If the court approves the transfer, or if there are any changes to the process (such as to the date of the court hearing) we will update our website accordingly.

If you or your members are unsure about how the proposals may affect you, have questions or want clarification, and would prefer to speak to us over the phone, our dedicated team are on hand to help. Alternatively, you and your members can write to us (please quote your scheme name and plan number in all correspondence). Details are provided on the front of this letter.

What should I do next?

As a trustee of the plan we would request that you let any members or other plan beneficiaries know about the transfer.

Attached is an example cover letter template we have prepared for your planholders. If you would like any assistance in contacting your pension scheme members, please get in touch with us.

We recommend that you read the enclosed 'planholder guide'. This includes questions and answers regarding the transfer, a summary of the terms of the scheme, a summary of the report written by the independent expert and other information regarding the relevant court hearing. If you are not sure about any of the terms or phrases in this letter or enclosed guide, please see the 'Glossary of terms', in Appendix D of the 'planholder guide'.

Unless you or your members want to raise any concerns or have any objections you do not have to take any further action.

If after reading this letter and the enclosed 'planholder guide' you believe you and/or your members may be adversely affected by the transfer, you or any of your members can contact us by email, phone or post and we will ensure your concerns are passed to all relevant parties, including the court, the PRA, the FCA and the independent expert. You or any of your members also have the right to raise any concerns you may have at the court hearing, which is expected to be on 12 June 2019, either in person or by legal representation. We explain the process in more detail in section 2.5 of the enclosed 'planholder guide'.

Yours sincerely



Jim Sykes

Head of Life Manufacturing, UK Inforce and Operations

Enclosed:

planholder guide

sample member letter



The Direct Debit Guarantee

- This Guarantee is offered by all banks and building societies that accept instructions to pay Direct Debits.
- If there are any changes to the amount, date or frequency of your Direct Debit Scottish Widows Limited will notify you 10 working days in advance of your account being debited or as otherwise agreed. If you request Scottish Widows Limited to collect a payment, confirmation of the amount and date will be given to you at the time of the request.
- If an error is made in the payment of your Direct Debit, by Scottish Widows Limited or your bank or building society, you are entitled to a full and immediate refund of the amount paid from your bank or building society.
- If you receive a refund you are not entitled to, you must pay it back when Scottish Widows Limited asks you to.
- You can cancel a Direct Debit at any time by simply contacting your bank or building society. Written confirmation may be required. Please also notify us.

SAMPLE MEMBER LETTER

<Title> <Initials> <Surname>
<Member Postal Address Line 1>
<Member Postal Address Line 2>
<Member Postal Address Line 3>
<Member Postal Address Line 4>
<Member Postal Address Line 5>

Date: <18 February 2019>

Dear <Title and Surname of member>

Proposed transfer of your workplace pension plan to Scottish Widows

To simplify their business, Zurich is in the process of transferring the majority of its workplace pensions and savings business to Scottish Widows.

We would like to reassure you that Zurich have informed us your plan details, benefits, rights and obligations will not change as a result of the transfer (the transfer of plans from Zurich Assurance Ltd to Scottish Widows Limited) and you will receive the same benefits under the plan (the contract held with Zurich relating to your workplace pension).

The transfer is subject to court approval, as required under the applicable financial services legislation. If the proposal is approved, Zurich will transfer your pension plan to Scottish Widows on the effective date, which is expected to be 1 July 2019 (the effective date). Scottish Widows will then take over responsibility for administering your plan.

In order to enable Zurich to complete the transfer, there will be a period before and after the effective date when certain services relating to your plan will be suspended. Further details on the trading suspension period are set out below.

Stay up-to-date at:

www.zurich.co.uk/transfer

Plan name:

<XXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXX>

Plan number:

<XXXXXXXXXXXXX>

Contact details

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We may record or monitor calls to improve our service

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PO Box 1308
Cheltenham
GL50 9BY
United Kingdom

How does this affect my pension and investments?

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- 'Zurich Property ZP' to 'SW Property'
- 'Zurich BlackRock UK Corporate Bond AP' to 'SW BlackRock UK Corporate Bond'.

Some of these funds will invest in funds managed by Zurich. Scottish Widows has made arrangements with Zurich to allow you to continue to access these Zurich-managed funds.

Important note: limited service availability during the transfer

Changes need to be made to the systems through which your plan is managed so that Scottish Widows can administer your plan following the transfer.

In order to ensure the implementation of the changes is carried out as smoothly as possible, Zurich and Scottish Widows need to temporarily suspend certain services relating to your plan. Zurich's aim is to minimise disruption to you.

The trading suspension period will begin on Tuesday 25 June 2019 and is expected to continue until 9am on Wednesday 3 July 2019, after the effective date (the trading suspension period).

During the trading suspension period no transactions will be carried out in relation to your plan, such as investing your contributions, switching funds or making a claim.

Any investment instructions or payments received during this time will not be processed by Scottish Widows until after the trading suspension period. This also applies to regular contributions (for example through your employer's payroll process or by Direct Debit) and the taking of fund related charges.

If you think you need to carry out any transactions during the trading suspension period, then these will be processed as soon as possible after the period ends. Please contact Zurich on your usual customer number (which you will find on previous letters sent to you) if you think you will need to carry out any transactions during the trading suspension period.

Please see section 1.10 of the enclosed planholder guide for further information regarding the trading suspension period.

How are my interests protected?

Your interests and the interests of other planholders are protected by a rigorous approval process that includes:

- the appointment of an independent expert to review the terms of the transfer. The independent expert's appointment has been approved by the Prudential Regulation Authority (PRA), in consultation with the Financial Conduct Authority (FCA), and they have produced a report for the court highlighting the likely impacts of the transfer on planholders;
- consultation with the PRA and FCA;
- the ability for you and other planholders to raise concerns and object to the transfer; and
- the requirement that the court approves the transfer – the court will only approve the transfer if it considers it appropriate to do so in all the circumstances.

How can I find out more?

You can find more information about the transfer, including the 'scheme' (the legal document that sets out the terms of the transfer) and the independent expert's full report, on Zurich's website at www.zurich.co.uk/transfer

If the court approves the transfer, or if there are any changes to the process (such as to the date of the court hearing) Zurich will update their website accordingly.

If you are unsure about how the proposals may affect you, have questions or want clarification, and would prefer to speak to Zurich over the phone, their dedicated team are on hand to help. Alternatively, you can write to them (please quote your scheme name and plan number in all correspondence). Details are provided on the front of this letter.

What should I do next?

You can find a 'planholder guide' explaining more about the Transfer, and including a set of questions and answers at www.zurich.co.uk/transfer. You may also request hard copies of the booklet and questions and answers directly from Zurich using the details provided on the front of this letter.

If you are not sure about any of the terms or phrases in this letter or planholder guide, please see the 'Glossary of terms', in Appendix D of the 'planholder guide'.

If there is any other person with an interest in, or entitlement to, the benefits under your plan, such as another beneficiary (person(s) potentially entitled to pension benefits under your plan), a trustee in bankruptcy, executor or personal representative, please make them aware of these proposals as soon as possible.

Unless you want to raise any concerns or have any objections you do not have to take any further action.

If after reading the relevant documentation you believe you may be adversely affected by the transfer, you can:

- contact us by <insert trustee contact details>;
- contact Zurich (via the details provided on the front of this letter) who will ensure your concerns are passed to all relevant parties, including the court, the PRA, the FCA and the independent expert; or
- raise any concerns you may have at the court hearing, which is expected to be on 12 June 2019, either in person or by legal representation. Zurich explain the process in more detail in section 2.5 of the 'planholder guide', which can be found on Zurich's website: www.zurich.co.uk/transfer

Yours sincerely