

## STATEMENT OF RESPONSIBILITIES – ZURICH ASSURANCE LTD (ZAL)

### With-Profits Independent Person

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| <b>Role Holder:</b>               | <b>Alison Carr</b>                                 | <b>Role main purpose:</b><br>The Independent Person's role is to consider all aspects of the management of and the exercise of discretion in respect of both the 90:10 With-Profits Fund and the 100:0 With-Profits Fund and to provide the ZAL Board with an independent opinion on whether these decisions were appropriate having regard to regulation and industry best practice. |
| <b>Senior Management Function</b> | SMF15 Chair of the With-Profits Committee function | <b>SMF15</b> - The Chair of the With-Profits Committee function is the function of acting in the capacity of independent person appointed to perform the With-Profits Advisory Arrangement.                                                                                                                                                                                           |
| <b>Key Function</b>               | N/A                                                | <b>Reporting lines:</b><br>The independent person appointed to perform the with-profits advisory arrangement acts in an advisory capacity to inform the decision-making of the ZAL Board.                                                                                                                                                                                             |
| <b>FRN</b>                        | 147672                                             |                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>IRN</b>                        | AEC01078                                           |                                                                                                                                                                                                                                                                                                                                                                                       |

| Ref | Prescribed Responsibility | Shared |
|-----|---------------------------|--------|
|     | None                      |        |

| Ref | Overall Responsibility                   | Shared                                                                                                                        |
|-----|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| 33  | <b>With-Profits Advisory Arrangement</b> | Responsible for the role of the With-Profits Advisory Arrangement (in accordance with section COBS 20.5 of the FCA Handbook). |

| Ref | Other Responsibility | Shared |
|-----|----------------------|--------|
|     | None                 |        |

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| Additional information about responsibilities |                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  |
|-----------------------------------------------|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| 33                                            | Report and Advice                 | <p>Responsible to assess, report on, and provide clear advice and, where appropriate, recommendations to the firm's governing body on:</p> <ul style="list-style-type: none"> <li>a) the way in which each with-profits fund is managed by the firm and whether this is properly reflected in the PPFM;</li> <li>b) whether the firm is complying with the principles and practices set out in the PPFM;</li> <li>c) whether the firm has addressed effectively the conflicting rights and interests of with-profits policyholders and other policyholders or stakeholders including, if applicable, shareholders, in a way that is consistent with FCA Principle 6 (treating customers fairly);</li> <li>d) any other issues with which the firm's governing body or advisory arrangement considers with-profits policyholders might reasonably expect the advisory arrangements to be involved</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  |
| 33                                            | With-Profits Advisory Arrangement | <p>Responsible to:</p> <ul style="list-style-type: none"> <li>a) decide on the specific matters it will consider in order to enable it to carry out its role as appropriate to the particular circumstances of the with-profits fund(s);</li> <li>b) give appropriate consideration to the following non-exhaustive list of specific matters: <ul style="list-style-type: none"> <li>i. the identification of surplus and excess surplus, the merits of its distribution or retention and the proposed distribution policy;</li> <li>ii. how bonus rates, smoothing and, if relevant, market value reductions have been calculated and applied;</li> <li>iii. the relative interests of policyholders with and without valuable guarantees;</li> <li>iv. the firm's with-profits customer communications such as annual policyholder statements and product literature and whether the advisory arrangement wishes to make a statement or report to with-profits policyholders in addition to the annual report made by a firm;</li> <li>v. any significant changes to the risk or investment profile of the with-profits fund including the management of material illiquid investments and the firm's obligations in relation to strategic investments;</li> <li>vi. the firm's strategy for future sales supported by the assets of the with-profits fund and its impact on surplus;</li> <li>vii. the impact of any management actions planned or implemented;</li> <li>viii. relevant management information such as customer complaints data (but not necessarily information relating to individual customer complaints);</li> </ul> </li> </ul> |  |

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|    |                                    | <ul style="list-style-type: none"> <li>ix. the drafting, review, updating of and compliance with run-off plans, court schemes and similar matters;</li> <li>x. the costs incurred in operating the with-profits fund;</li> <li>xi. the identification and extent of the firm's with-profits funds, with particular regard to the considerations as to whether a part of the with-profits fund constitutes a separate with-profits fund;</li> <li>xii. the use and purpose of, and terms under which, support assets are available to the with-profits fund.</li> </ul> <p>c) to provide the ZAL Board with an independent opinion on the effect of any of the above matters on the with-profits funds</p> |  |
| 33 | <b>With-Profits Actuary</b>        | <p>Responsible to:</p> <ul style="list-style-type: none"> <li>a) advise the governing body on the suitability of candidates proposed for appointment as the With-Profits Actuary;</li> <li>b) assess the performance of the With-Profits Actuary at least annually, and report its view to the governing body of the firm.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                     |  |
| 33 | <b>Industry developments</b>       | Responsible for advising on industry developments that may have an effect on the with-profits funds.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |
| 33 | <b>Policyholder Communications</b> | Responsible for reviewing policyholder communications and for providing an independent opinion on whether they are clear, fair and not misleading.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |
| 33 | <b>PPFM</b>                        | Responsible for reviewing any proposed changes to the PPFM and for providing the ZAL Board with an independent opinion on the effect of the proposals.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |
| 33 | <b>Reporting</b>                   | <p>Responsible for reporting annually to the ZAL Board on whether:</p> <ul style="list-style-type: none"> <li>• Conflicts of interest between policyholders and shareholders, or between groups of policyholders, have been addressed</li> <li>• Policyholders have been treated fairly</li> <li>• ZAL's management of each fund is consistent with the published Principles and Practices of Financial Management (PPFM).</li> </ul>                                                                                                                                                                                                                                                                     |  |
| 33 | <b>Review Reports</b>              | <p>Responsible for:</p> <ul style="list-style-type: none"> <li>• Reviewing the analyses and reports prepared by ZAL Finance or the With-Profits Actuary which impact on the with-profits funds.</li> <li>• Reviewing the WPA's report on compliance with the PPFM, and the company's reports to customers, and for producing a report which provides the ZAL Board with an independent assessment on how the company has managed the funds.</li> </ul>                                                                                                                                                                                                                                                    |  |

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|  | <b>Supplementary information</b> |
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| None |  |  |
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|--------------------------------|-----------------|-------------|---------------|
| <b>Version</b>                 | 1.2             | <b>Date</b> | 11 March 2020 |
| <b>Date commenced in SMF15</b> | 29 October 2019 |             |               |