

SUMMARY OF THE MAIN TERMS OF THE SCHEME

1. INTRODUCTION

Mobius Life Limited (“**Mobius**”) has agreed to transfer to Scottish Friendly Assurance Society Limited (“**SF**”) Mobius’s individual and bundled group pension business (the “**Transferred Business**”). The transfer will take place by means of an insurance business transfer scheme under Part VII of the Financial Services and Markets Act 2000 (as amended) (the “**Scheme**”). The Scheme will require the sanction of the High Court of Justice of England and Wales (the “**Court**”).

The Court hearing to consider the Scheme is expected to take place on 7 November 2018. If the Court approves the Scheme, (subject to certain specified conditions relating to regulatory permissions and to tax) the Transfer is expected to come into effect on 9 November 2018 (or such other later date as may be agreed) (the “**Effective Date**”). If the Scheme does not come into effect on or before 28 December 2018 Mobius and SF will have to seek the approval of the Court to agree a later date. If by 28 March 2019 (or any later date which the Court allows) the Scheme has not come into effect, it will lapse.

This document sets out a summary of the main terms of the Scheme.

2. THE TRANSFER

The Scheme is intended to transfer all of the insurance policies comprising the Transferred Business to SF on the Effective Date, together with all of Mobius’s property (the “**Transferred Assets**”) and liabilities (the “**Transferred Liabilities**”) related to and arising in respect of the Transferred Business.

Accordingly, on and from the Effective Date, SF will, in respect of those policies which comprise the Transferred Business (the “**Transferred Policies**”) replace Mobius as the insurer and shall be responsible for all the rights and obligations arising in respect of the Transferred Business.

The transfer of the policies to SF will not affect the terms and conditions, or the administration, of the Transferred Policies and policyholders will have the same rights, and be subject to the same obligations, in respect of SF as they had, or were subject to, in respect of Mobius. The administration of the Transferred Policies is currently delegated by Mobius to AEGON. AEGON will continue to administer these policies after the Effective Date.

From the Effective Date, SF will become the data controller in place of Mobius in relation to the Transferring Business. SF will be under the same obligation to respect the confidentiality and privacy

of this information as currently applies to Mobius and be bound by any specific notice or consent given, or request made, by a data subject.

All policyholders whose policies transfer to SF under the Scheme will become members of SF on the Effective Date.

3. POWER TO DEFER OR EXCLUDE THE TRANSFER OF ASSETS OR LIABILITIES

In case an unforeseen difficulty arises in relation to the transfer of a particular asset and /or liability under the Scheme, the Scheme contains provisions that make it possible to defer the transfer of that asset or liability until the difficulty has been overcome, or to exclude it from the Scheme.

4. TRUST PROPERTY

With certain limited exceptions, any property that is not able to be transferred to SF under the Scheme for any reason shall be held on trust by Mobius for SF. With effect from the Effective Date, SF shall provide Mobius with an indemnity against any liability of Mobius in respect of the Transferred Business.

5. MANDATES AND PROCEEDINGS

Any mandate or other instruction in force on the Effective Date relating to property and/or liabilities in connection with the Transferred Business shall, with effect from the date on which such property or liability is transferred, take effect as an instruction to, or in favour of, SF.

Any legal proceedings which at the Effective Date are pending by, or against, Mobius in connection with the Transferred Business or any Transferred Assets or Transferred Liabilities, shall be continued by, or against, SF.

6. ALLOCATIONS

All Transferred Assets and Transferred Liabilities are allocated, under the Scheme, to the SF Main Fund.

7. LINKED FUNDS

With effect from the Effective Date, the assets and liabilities comprised in each of Mobius's Linked Funds (i.e. the internal linked funds established in order to enable benefits under linked policies to be calculated) shall be allocated to a corresponding SF Linked Fund which shall comprise the same number, and value, of units as the Mobius Linked Fund comprised.

8. COSTS OF THE SCHEME

Policyholders will not bear the costs of the Scheme; all costs and expenses relating to the Scheme will be borne by Mobius and SF.