

CLAIM NO: CR-2025-003092

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

IN THE MATTER OF
ZURICH INSURANCE COMPANY LTD

AND

IN THE MATTER OF
CATALINA WORTHING INSURANCE LIMITED

AND

IN THE MATTER OF
PART VII OF THE FINANCIAL SERVICES AND MARKETS ACT 2000

SCHEME

pursuant to Part VII of the Financial Services and Markets Act 2000

Slaughter and May
One Bunhill Row
London EC1Y 8YY
(JADM/RZXS/AYHC)

CONTENTS

1.	DEFINITIONS AND INTERPRETATION	3
2.	PARTIES AND BACKGROUND	16
3.	TRANSFER OF THE TRANSFERRED EL BUSINESS	17
4.	CONTINUITY OF PROCEEDINGS	18
5.	RIGHTS AND OBLIGATIONS UNDER THE SCHEME	19
6.	TREATMENT OF EXCLUDED POLICIES, ASSETS AND LIABILITIES	20
7.	DECLARATION OF TRUST AND WRONG POCKET	21
8.	INDEMNITY	21
9.	JERSEY SCHEME	21
10.	EFFECTIVE DATE	21
11.	EFFECT OF TRANSFER	22
12.	COSTS AND EXPENSES	22
13.	VARIATIONS	22
14.	SUCCESSORS AND ASSIGNS	23
15.	GOVERNING LAW	23
16.	EVIDENCE OF TRANSFER	24
17.	THIRD PARTY RIGHTS	24
	SCHEDULE 1 SPECIFIED POLICIES	25

PART A – DEFINITIONS AND INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Scheme, unless the subject or context requires otherwise, the following expressions shall bear the following meanings:

“Administration”	means the management, administration and performance of all obligations required to be performed in connection with a Policy;
“Affiliates”	means, with respect to any person, each person that controls, is controlled by, or is under common control with, such person and, for purposes of this definition, “control” of a person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through the ownership of voting securities, by power to appoint directors, by contract or otherwise;
“Applicable Law and Regulation”	means all applicable laws, statutes, regulations, binding regulatory guidance, rules, orders or directives of any Governmental Authority and circulars, judgments and written decisions of any Governmental Authority having jurisdiction over and binding the relevant party;
“Cape Settlement Agreement”	means the settlement agreement entered into, among others, between ZIP and Cape Industries plc, dated on or around 12 March 2017;
“Conduct Liabilities”	means, in respect of any Policy, a Liability of the Transferor that results from the sale or ongoing administration of the Policy in circumstances where actions and/or omissions of the Transferor (or any other persons or entities which were involved in such sale or administration, including any relevant predecessor of the Transferor, Intermediary or appointed representative) constituted, or are alleged to have constituted, a breach of relevant Regulatory Requirements and which Liability would not otherwise have been incurred;
“Court”	means the High Court of Justice of England and Wales;
“Data Subject Request”	means a request made by a data subject to exercise their rights under the DP Legislation in respect of Transferred Personal Data;
“DP Legislation”	means the FDPA, the General Data Protection Regulation (Regulation (EU) 2016/679) (“EU GDPR”), EU GDPR as it forms part of assimilated law by virtue of section 3 of the European Union (Withdrawal) Act 2018 (“UK GDPR”), the Data Protection Act 2018 and all other Applicable Law and Regulation from time to time relating to the processing of personal data and privacy, including (where applicable):

	(A) the Privacy and Electronic Communications (EC Directive) Regulations 2003; and (B) binding guidance and codes of practice or conduct issued by a Governmental Authority;
“Effective Date”	means the time and date on which this Scheme shall take effect in accordance with paragraph 10;
“EIROS Liabilities”	means any obligation of the Transferor to make any payment to Electricity Industry Run-Off Services Limited or in connection with the insurance pooling scheme operated by it;
“EL Public Scheme Liability”	means any obligation of any member of the Transferor Group to contribute to, or provide any indemnity or other payment in connection with, a scheme, levy or similar pooling arrangement relating to employers' liability insurance, to the extent any such Liability relates to the Transferred EL Assets and/or Transferred EL Liabilities;
“Encumbrance”	means any option, right to acquire, mortgage, charge, pledge, lien or other form of security and any agreement to create any of the foregoing, save for any such right conferred by one party in favour of the other party or any lien routinely imposed on securities in a relevant clearing system;
“Ex Gratia Payments”	means any payment the Transferor accounts for in its books and records as an <i>ex gratia</i> payment;
“Excluded Assets”	means all assets of the Transferor other than the Transferred EL Assets, including, for the avoidance of doubt: (A) the right to carry on any part of the Transferred EL Business under the name of any member of the Transferor Group; (B) all and any cash or non-cash assets held as, or in support of, the regulatory capital provisions imposed or required, or reserve held in respect of the Transferred EL Business; (C) the rights and benefits of the Transferor (subject to the burden) of, under or by virtue of: (i) the Excluded Policies (including contractual, tortious and statutory rights); (ii) any contract of reinsurance where the Transferor is, or of which the Transferor has the benefit as, the cedant and another member of the Transferor Group is the reinsurer; (iii) the Cape Settlement Agreement; and (iv) the Outwards Reinsurance Agreements to the extent not relating to the Policies;

- (D) all Intellectual Property Rights owned by a member of the Transferor Group;
- (E) all IT Systems;
- (F) all real property and any leases for real property and interests in real property;
- (G) any Tax asset or deferred Tax asset arising to any member of the Transferor Group in relation to the Transferred EL Business, including any Tax asset recognised in computing policyholder liabilities or policyholder funds, in respect of the period prior to the Effective Date, and any right of any member of the Transferor Group to a repayment of VAT (and any applicable interest or repayment supplement on such VAT) paid in respect of any supply made by any member of the Transferor Group in relation to the operation of the Transferred EL Business prior to the Effective Date;
- (H) any right of a member of the Transferor Group to a repayment of income or corporation Tax (including any applicable interest or repayment supplement) relating to the operation of the Transferred EL Business prior to the Effective Date; and
- (I) any undertaking, arrangement, agreement or understanding to acquire any of the assets referred to in paragraphs (A) to (H) above;

“Excluded Global Corporate Policy”

means a policy written by or on behalf of or transferred to the Transferor and issued under the Zurich Global Corporate brand or any similar or predecessor brand, or brands serving large or multinational commercial customers and recorded on the Transferor’s IMACS system as at 14 December 2018;

“Excluded Liabilities”

means:

- (A) any Liabilities arising from or in connection with the Policies to the extent not relating to employers’ liability;
- (B) any Liabilities in relation to: (i) the Excluded Policies; and (ii) the Cape Settlement Agreement;
- (C) any Liabilities in relation to the Excluded Assets; and
- (D) any Liabilities for or in respect of Taxation relating to the operation of the Transferred EL Business on or prior to the Effective Date;

“Excluded Policies”	means: (A) any Zurich Municipal Policy; (B) any Excluded Global Corporate Policy; (C) any policy originally issued on the Seller’s Cogen system and recorded on the Cogen system as at 14 December 2018 under any of the following product or line of business codes: (i) 1, 2, 3, 4 and 5 (Tradestar policies); (ii) 11 (Theatres Combined Professional policies); (iii) 12 (Amateur Theatres Combined policies); and (iv) 123 (Residential policies); and (D) any Specified Policies;
“FCA”	means the Financial Conduct Authority;
“FDPA”	means the Swiss Federal Data Protection Act;
“FINMA”	means the Swiss Financial Market Supervisory Authority;
“FSMA”	means the Financial Services and Markets Act 2000;
“General Insurance Business”	has the meaning given to it in the PRA Glossary;
“Governmental Authority”	means any national or state governmental bodies, authorities, courts of judicial authority, arbitrators and public and industry regulatory authorities, or political subdivision thereof, national or supranational body or any person or body exercising executive, legislative, judicial, regulatory, taxing or administrative functions on behalf of any of them and includes all relevant securities commissions, stock exchange authorities, foreign exchange authorities, foreign investment authorities, competition and antitrust authorities (including FINMA, the FCA and the PRA), financial and insurance regulatory authorities, data protection authorities, Tax Authorities and similar entities or authorities, in each case having jurisdiction over the relevant party;
“Guarantor”	means Catalina Holdings (Bermuda) Ltd., a company incorporated in Bermuda with registered number 40299, whose registered office is at The Belvedere Building, 2nd Floor, 69 Pitts Bay Road, Pembroke HM 08, Bermuda;

“Independent Expert”	means Philip Tippin of KPMG LLP or any other person approved to act as independent expert in relation to this Scheme pursuant to section 109(2)(b) of FSMA;
“Intellectual Property Rights”	means patents, trade marks, domain names, rights in designs, copyrights, database rights, topography rights (whether or not any of these is registered and including applications for registration of any such thing) and all rights or forms of protection of a similar nature or having equivalent or similar effect to any of these which may subsist anywhere in the world;
“Intermediary”	means a broker, agent, employee benefit consultant, independent financial adviser or other intermediary that is not an appointed representative (as defined in the Glossary of the FCA Handbook) and party to an agreement with the Transferor (or any relevant predecessor of the Transferor) to distribute products in respect of the Transferred EL Business at any relevant time;
“IT Systems”	means information technology systems comprising computer hardware, software and/or networks;
“Jersey Order”	means an order of the Royal Court of Jersey sanctioning the Jersey Scheme;
“Jersey Policies”	means the Policies effected or carried out as part of the insurance business carried on by the Transferor in or from within Jersey;
“Jersey Scheme”	means the scheme for the transfer of insurance business carried on in or from within Jersey by the Transferor (including the Jersey Policies), which scheme requires sanction by the Jersey Order;
“Liabilities”	means any claims, liabilities, losses, damages, costs (including legal costs and experts’ fees and the cost of remediation), payments, redress, or other forms of compensation, including any fines or penalties, statutory levies, Ex Gratia Payments, agreed settlements, buybacks, commutations or compromises, paid, suffered or incurred;
“Order”	means any order(s) made, or to be made, by the Court sanctioning the Scheme pursuant to section 111(1) of FSMA and such further order(s) as the parties shall seek and as the Court shall deem appropriate to grant, pursuant to section 112 of FSMA;
“Outwards Reinsurance Agreement”	means any contract of reinsurance (other than the Reinsurance and Transfer Deed) including any settlement agreements relating thereto entered into by the Transferor as cedant, or of which the Transferor has the benefit as cedant, at any time prior to 14 December 2018 with a person outside the Transferor Group as reinsurer under which any

obligations remain to be performed to the extent it relates to one or more of the Policies;

“Policy”

means any policy or policies (or parts of any policy or policies) written by or on behalf of, or transferred to or assumed by, the Transferor prior to the Effective Date that remains in force at the Effective Date (including any policies under which a valid claim may be made at or after the Effective Date), but excluding:

- (A) any policy written by or on behalf of the Transferor on or after the Relevant Cut-Off Date;
- (B) any policy transferred to or assumed by the Transferor prior to the Effective Date that was written on or after the Relevant Cut-Off Date;
- (C) any policy or policies (or parts of any policy or policies) to the extent it does not relate to employers' liability insurance; and
- (D) any Excluded Policy;

“PRA”

means the Prudential Regulation Authority (as defined in section 2A of FSMA);

“PRA Glossary”

means the Glossary of the PRA Rulebook;

“PRA Rulebook”

means the book of rules applicable to Solvency II firms issued by the PRA from time to time pursuant to FSMA;

“Proceedings”

means an action or other legal or administrative proceedings or step (whether direct or indirect, by way of a claim, demand, legal proceedings, execution of judgment, arbitration, complaint or otherwise howsoever) whether pending, current or future, including:

- (A) all judicial, quasi-judicial, administrative and regulatory reviews and processes;
- (B) all complaints and claims made to any ombudsman;
- (C) arbitration;
- (D) mediation; and
- (E) all other dispute resolution procedures (whether or not they involve submission to any court);

“RAO”

means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544);

“Regulatory Requirements”	means all applicable laws, statutes, regulations, rules, orders, directives, requirements, guidance, standards, guidelines and industry codes of practice in each case having legal effect stipulated by any legal, governmental or regulatory body with powers of direction over the relevant entity, including the rules of any stock exchange or listing authority, in each case existing and in force from time to time, wherever relevant in the context;
“Reinsurance and Transfer Deed”	means the reinsurance and transfer deed between the Transferor, the Transferee, the Guarantor and the Reinsurer dated 14 December 2018 and amended and restated on 30 November 2022;
“Reinsurer”	means Catalina General Insurance Ltd., a company incorporated in Bermuda with registered number 8116, whose registered office is at The Belvedere Building, 2nd Floor, 69 Pitts Bay Road, Pembroke HM 08, Bermuda;
“Relevant Cut-Off Date”	means 1 January 2007;
“Residual Assets”	means: (A) any property in respect of which the Court has declined to order the transfer to the Transferor pursuant to section 111(1) or 112 of FSMA; (B) any property, the transfer of which would result in a third party having a right to terminate an agreement with the Transferor or to claim compensation in damages or which would require the consent of any person or the waiver by any person of any right to acquire, or to be offered the right to, or to offer to, acquire or procure the acquisition by some other person of, all or any part of such property, being a right which directly or indirectly arises or is exercisable as a consequence of such transfer being proposed or taking effect; (C) any property where the Transferor and Transferee agree that transfer should be delayed; (D) any property which is outside the jurisdiction of the Court or, in respect of which, the transfer pursuant to an order of the Court is not recognised by the laws of the jurisdiction in which the property is situated; (E) the Jersey Policies for so long as the Royal Court of Jersey has not approved the Jersey Scheme or the Jersey Scheme has not become effective in accordance with its terms;

- (F) any Sanctioned Policy;
- (G) any property which cannot be transferred to or vested in the Transferee for any other reason; and
- (H) any proceeds of sale or income or other accrual or return whatsoever, whether or not in any case in the form of cash earned or received from time to time after the Effective Date in respect of any such property referred to in paragraphs (A) to (G) of this definition;

“Residual Liabilities”	means any Transferred EL Liability which is not transferred to or vested in the Transferee pursuant to the Scheme or otherwise at the Effective Date but is intended to transfer pursuant to the Scheme or otherwise at a subsequent date, including, for the avoidance of doubt, any Liability under the Jersey Policies that has not transferred to or vested in the Transferee pursuant to the Jersey Scheme at the Effective Date;
“Retained Business”	means the business carried on by the Transferor in the UK as at the Effective Date, but excluding the Transferred EL Business;
“Sanctioned Policy”	means any Policy which has a positive match on the Sanctions List;
“Sanctions List”	means the lists of designated sanctions targets maintained by the United Nations, the UK, the European Union and the United States, in each case as amended, supplemented or substituted from time to time, including the UK Sanctions List, the Consolidated List of Financial Sanctions Targets in the UK, the Consolidated United Nations Security Council Sanctions List, the US Specially Designated Nationals and Blocked Persons List and the Consolidated Sanctions List and in the case of the European Union, the Consolidated List of Persons, Groups and Entities Subject to EU Financial Sanctions;
“Scheme”	means this scheme in its original form or with or subject to any modification, addition or condition which may be approved or imposed in accordance with its terms;
“Specified Policies”	means the list of policies as set out in Schedule 1;
“Subsequent Transfer Date”	means, in relation to any Residual Asset or Residual Liability, the date (and each date) after the Effective Date on which such Residual Asset or Residual Liability is or is to be transferred to the Transferee, namely: (A) in respect of any Residual Asset which falls within paragraphs (A), (B), (D), (E) or (G) of the definition of Residual Assets, and of any Residual Liability which is attributable to or connected

with that Residual Asset, the date on which any impediment to its transfer shall have been removed or overcome;

(B) in respect of any Sanctioned Policy, and any Residual Liability which is attributable to or connected with that Sanctioned Policy, the date on which:

(i) all consents, orders, permissions or other requirements for the transfer or novation of such Sanctioned Policy are obtained; or

(ii) there is no longer a positive match in respect of such Policy on the Sanctions List; and

(C) in respect of any Residual Asset falling within paragraphs (C) or (H) of the definition of Residual Assets, and of any Residual Liability which is attributable to or connected with that Residual Asset, the date on which the Transferor and the Transferee agree the transfer should take place;

**“Tax” or
“Taxation”**

means:

(A) all forms of tax, levy, duty, charge, impost, withholding or other amount whenever created or imposed and whether of the UK, Switzerland or elsewhere; and

(B) all charges, interest, penalties and fines incidental or relating to any Taxation falling within paragraph (A) above or which arise as a result of the failure to pay any Taxation on the due date or to comply with any obligation relating to Taxation;

“Tax Authority”

means any authority responsible for the collection or management of any Tax;

“Transferee”

has the meaning given to it in paragraph 2.3;

**“Transferee
Group”**

means the Transferee and its Affiliates from time to time;

“Transferor”

has the meaning given to it in paragraph 2.1;

**“Transferor
Group”**

means the Transferor and its Affiliates from time to time;

**“Transferred EL
Assets”**

means:

- (A) the rights and benefits of the Transferor (subject to the burden) of, under or by virtue of the Policies (including contractual, tortious and statutory rights);
- (B) all rights and claims (present or future, actual or contingent) against any third party in relation to the Transferred EL Business or arising as a result of the Transferor having carried on the Transferred EL Business;
- (C) the Transferred EL Business Records of the Transferor and such rights as the Transferor or a member of the Transferor Group holds in the Transferred EL Business Records;
- (D) the rights and benefits of the Transferor (subject to the burden) under or by virtue of Part 2 (*Reinsurance*) of the Reinsurance and Transfer Deed;
- (E) the rights and benefits of the Transferor under the Trust Agreement as they are transferred to the Transferee pursuant to the terms of the Trust Agreement; and
- (F) the rights and benefits of the Transferor (subject to the burden) under or by virtue of the Transferred EL Contracts (including contractual, tortious and statutory rights),

but excluding the Excluded Assets and the Residual Assets;

“Transferred EL Business”

means the general insurance business carried on by the Transferor in relation to the Policies (including, without limitation, all Liabilities under any policies issued by or on behalf of the Transferor), comprising the Transferred EL Assets and the Transferred EL Liabilities, but excluding the Excluded Policies, the Excluded Assets and the Excluded Liabilities;

“Transferred EL Business Records”

means:

- (A) the policy records relating to the Policies held by the Transferor in archive;
- (B) the working files relating to open claims in respect of the Policies; and
- (C) the documents and records relating to the Outwards Reinsurance Agreements that are necessary to perform and comply with the obligations and exercise the rights of the Transferor under the Outwards Reinsurance Agreements,

in each case which are in the possession or control of and are capable of being provided by any member of the Transferor Group for the time being having used reasonable efforts to locate them;

“Transferred EL Contracts”

means the Outwards Reinsurance Agreements;

“Transferred EL Liabilities”

means all Liabilities of the Transferor arising from or in connection with the Transferred EL Business, including (without limitation):

- (A) the Transferor’s Liabilities arising from or in connection with the Policies (including, for the avoidance of doubt, any Liabilities of the Transferor to the extent connected with the sale and ongoing administration of the Policies, including any and all Conduct Liabilities);
- (B) the Liabilities of any member of the Transferor Group arising from or in connection with the Transferred EL Contracts;
- (C) the EIROS Liabilities;
- (D) any EL Public Scheme Liability; and
- (E) all Liabilities of the Transferred EL Business or arising as a result of the Transferor having carried on the Transferred EL Business,

but excluding the Residual Liabilities, the Excluded Liabilities and any Liability under or relating to the Excluded Policies or any Sanctioned Policy;

“Transferred Personal Data”

means the personal data comprised in the Transferred EL Business in respect of which the Transferor was the controller immediately prior to the Effective Date;

“Trust Agreement”

means the trust agreement entered into between, *inter alia*, the Transferor and the Transferee prior to completion of the Reinsurance and Transfer Deed, as replaced from time to time in accordance with the Reinsurance and Transfer Deed;

“UK”

means the United Kingdom of Great Britain and Northern Ireland;

“VAT”

means:

- (A) any Tax imposed in compliance with the council directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112);

- (B) to the extent not included in paragraph (A) above, any value added tax imposed by VATA and legislation and regulations supplemental thereto; and
- (C) any other Tax of a similar nature to the Taxes referred to in paragraph (A) or paragraph (B) above, whether imposed in a member state of the EU in substitution for, or levied in addition to, the Taxes referred to in paragraph (A) or paragraph (B) above or imposed elsewhere;

“VAT Group” means a group for VAT purposes within the meaning of sections 43A to 43D of VATA, and otherwise as applicable a group for VAT purposes under any Applicable Law and Regulation implementing Article 11 of EC Directive 2006/112;

“VATA” means the Value Added Tax Act 1994;

“ZIP” means Zurich Insurance plc; and

“Zurich Municipal Policy” means:

- (A) a policy written by or on behalf of or transferred to the Transferor and issued under the Zurich Municipal brand or recorded on the Transferor’s Unity or Fame systems as at the date of the Reinsurance and Transfer Deed; and
- (B) any policy written by Municipal Mutual Insurance Limited and not transferred to the Transferor in respect of which claims are handled by the Transferor pursuant to an administration agreement.

1.2 In this Scheme:

- (A) **“controller”**, **“personal data”** and **“data subject”** shall have the meanings set out in UK GDPR;
- (B) **“policy”** means any “policy” within the meaning set out in the Financial Services and Markets Act 2000 (Meaning of “Policy” and “Policyholder”) Order 2001 (SI 2001/2361) and any part of such policy, and **“policyholder”** shall be construed accordingly;
- (C) **“property”** shall include (without limitation) property, assets, rights and powers of every description (whether present or future, actual or contingent) and includes (i) property held on trust, (ii) benefits and powers of any description and (iii) any interest whatsoever in any of the foregoing;
- (D) **“transfer”** shall include (as the context may require) **“assign”**, **“assignment”** or **“assignment”**, **“dispose”**, **“disposition”** or **“disposal”** or **“convey”** or **“conveyance”**;

- (E) “**variation**” shall include any variation, supplement, deletion, replacement or termination, however effected;
- (F) any reference to the singular shall include a reference to the plural and vice versa, and any reference to the masculine shall include a reference to the feminine and vice versa;
- (G) any reference to any regulations, directives, decisions of the European Commission and any national enactment, a statutory provision or any subordinate legislation shall be deemed to include a reference to the same as it may have been, or may from time to time be, amended, modified, replaced, re-enacted or superseded from time to time under that regulation, directive, decision of the European Commission, national statute or statutory provision or subordinate legislation;
- (H) any reference to any rules, regulations or guidance made by the PRA, FCA and/or FINMA (as applicable) shall be deemed to include a reference to such rules or regulations as amended or replaced from time to time;
- (I) any reference to any regulator (including the PRA, FCA and/or FINMA) shall be deemed to include a reference to any successor regulators;
- (J) any reference to this Scheme shall include the Schedules to it, and references to paragraphs, sub-paragraphs, Parts or Schedules are to paragraphs, sub-paragraphs or Parts of or Schedules to this Scheme;
- (K) headings are inserted for convenience only and shall not affect the construction of this Scheme;
- (L) any reference to a person shall include a reference to a body corporate, a partnership, an unincorporated association or a person’s executors or administrators and, for the avoidance of doubt, shall include a trustee;
- (M) any reference to writing shall include any modes of reproducing words in a legible and non-transitory form;
- (N) general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words;
- (O) reference to “**costs**” and/or “**expenses**” incurred by a person shall not include any amount in respect of VAT comprised in such costs or expenses for which either that person or, if relevant, any other member of the VAT Group to which that person belongs is entitled to credit as input tax; and
- (P) any reference to an amount shall be exclusive of any applicable VAT or other Tax.

PART B – INTRODUCTORY PROVISIONS

2. PARTIES AND BACKGROUND

- 2.1 Zurich Insurance Company Ltd (the “**Transferor**”) is a company registered in the Commercial Register of the Canton of Zurich/Switzerland with registered number CHE-105.833.114. The registered office of the Transferor is Mythenquai 2, 8002 Zurich, Switzerland.
- 2.2 The Transferor is regulated by FINMA and is authorised to carry out non-life insurance business and reinsurance business. The UK branch of the Transferor has UK establishment number BR000105 (the “**ZIC UK Branch**”). The UK establishment office address of the ZIC UK Branch is The Zurich Centre 3000 Parkway, Fareham, Whiteley, PO15 7JZ. The ZIC UK Branch is a PRA-authorised person and has permission to carry on certain regulated insurance business (including all relevant classes of General Insurance Business set out in Part 1 of Schedule 1 of the RAO) in the UK.
- 2.3 Catalina Worthing Insurance Limited (the “**Transferee**”) is a company incorporated in England and Wales with registered number 05965916. The registered office of the Transferee is Second Floor, Units B-C, Downlands Business Park, Worthing BN14 9RX. The Transferee is a PRA-authorised person and is regulated by the PRA and FCA.
- 2.4 The Policies have been written by or on behalf of, or transferred to, the Transferor.
- 2.5 It is proposed that, subject to the sanction of the Scheme by the Court, the whole of the Transferred EL Business, including the Transferred EL Assets and the Transferred EL Liabilities, and the Residual Assets and Residual Liabilities, but excluding the Excluded Policies, the Excluded Assets, the Excluded Liabilities, and the Retained Business, shall, in accordance with this Scheme, be transferred to the Transferee.
- 2.6 Accordingly, it is further proposed that:
- (A) an Order be made for the sanction of this Scheme in accordance with the provisions of section 111(1) or 112 of FSMA, for the transfer of the Transferred EL Business to the Transferee; and
 - (B) by such Order, provision be made for the transfer of the Transferred EL Business from the Transferor to the Transferee in accordance with the terms of this Scheme.

PART C – TRANSFER

3. TRANSFER OF THE TRANSFERRED EL BUSINESS

- 3.1 On and with effect from the Effective Date, the Transferred EL Business shall, by the Order, be transferred to and be vested in the Transferee in accordance with this Scheme, so that:
- (A) the Transferred EL Assets and all the interest of the Transferor in them shall, by this Scheme and without any further act or instrument, be transferred to and vest in the Transferee, subject to all Encumbrances (if any) affecting such assets;
 - (B) on and with effect from each Subsequent Transfer Date, each Residual Asset to which such Subsequent Transfer Date applies and all the interest of the Transferor in it shall, by this Scheme and without any further act or instrument, be transferred to and be vested in the Transferee, subject to all Encumbrances (if any) affecting such asset;
 - (C) the Transferred EL Liabilities shall, by this Scheme 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
 - (D) on and with effect from each Subsequent Transfer Date, each Residual Liability to which such Subsequent Transfer Date applies and all the interest of the Transferor in it shall, by this Scheme 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.
- 3.2 The Transferee shall accept without investigation or requisition such title as the Transferor shall have at the Effective Date to the Transferred EL Assets and, at any Subsequent Transfer Date, to the Residual Asset then transferred, and the Transferor shall not be liable for any charges, expenses, costs, claims, losses or any other Liabilities in connection thereto, save as otherwise agreed between the parties in writing (including under any existing agreement between the Transferor and the Transferee) or as set out in this Scheme.
- 3.3 The Transferor and the Transferee shall take all such steps and execute all such documents as may be necessary or desirable:
- (A) to effect or perfect the transfer to and vesting in the Transferee of any Transferred EL Asset and Residual Asset pursuant to this Scheme; and
 - (B) to effect or perfect the transfer to and assumption by the Transferee of any Transferred EL Liability and Residual Liability pursuant to this Scheme.
- 3.4 From the Effective Date, the Transferor and the Transferee agree for the avoidance of any doubt that where the effect of this Scheme is to split any contract of insurance which in part constitutes a Policy and/or any contract of reinsurance which in part constitutes an Outwards Reinsurance Agreement:
- (A) the interest, title, rights and obligations of the Transferor in or under any part of such reinsurance contract which does not constitute an Outward Reinsurance Agreement

and any part of a contract of insurance which does not constitute a Policy shall remain with the Transferor;

- (B) the interest, title, rights and obligations of the Transferor in or under any part of such reinsurance contract which constitutes an Outward Reinsurance Agreement and any part of such contract of insurance which constitutes a Policy shall vest in the Transferee;
- (C) the terms and conditions of such contracts of insurance and reinsurance shall apply in aggregate across both the Transferor and Transferee so that the contractual counterparty has a contract with each of the Transferor and Transferee but is no better or worse off in respect of such contractual terms and conditions as a result of this Scheme and, so far as possible, the Transferor and Transferee are each able to enjoy the benefit of such contracts of insurance and reinsurance; and
- (D) each of the Transferor and the Transferee shall owe separate and individual (but not, for the avoidance of doubt, joint) obligations and duties under, and be liable for the performance of, only the respective contract of insurance or reinsurance created under this Scheme to which it is a party, in accordance with its terms, and not under any contract of insurance or reinsurance created under this Scheme to which it is not a party.

4. CONTINUITY OF PROCEEDINGS

- 4.1 On and with effect from the Effective Date, any Proceedings by or against the Transferor in connection with the Transferred EL Business, the Transferred EL Assets or the Transferred EL Liabilities shall be continued by or against the Transferee, and the Transferee shall be entitled to all defences, claims, counterclaims and rights of set-off that would have been available to the Transferor in relation to the Transferred EL Business, the Transferred EL Assets or the Transferred EL Liabilities and such proceedings, and the Transferor shall have no liability under those proceedings.
- 4.2 On and with effect from the Subsequent Transfer Date applicable thereto, any Proceedings by or against the Transferor in connection with the Residual Assets or Residual Liabilities shall be continued by or against the Transferee, and the Transferee shall be entitled to all defences, claims, counterclaims and rights of set-off that would have been available to the Transferor in relation to the Residual Assets or Residual Liabilities and such proceedings, and the Transferor shall have no liability under those proceedings.
- 4.3 Any judgment, settlement, order or award obtained by or against the Transferor whether before or after the Effective Date to the extent that it relates to the Transferred EL Business, the Transferred EL Assets or the Transferred EL Liabilities and which is not fully satisfied before the Effective Date shall, on that date and to the extent to which it was enforceable by or against the Transferor immediately prior to such date (or, if later, the date on which the judgment, settlement, or award is obtained), become enforceable by or against the Transferee (to the exclusion of the Transferor).
- 4.4 Any judgment, settlement, order or award obtained by or against the Transferor whether before or after the Subsequent Transfer Date to the extent that it relates to the Residual Assets or Residual Liability and which is not fully satisfied before the Subsequent Transfer Date shall, on

that date and to the extent to which it was enforceable by or against the Transferor immediately prior to such date (or, if later, the date on which the judgment, settlement, or award is obtained), become enforceable by or against the Transferee (to the exclusion of the Transferor).

- 4.5 All documents which would before the Effective Date have been evidence in respect of any matter for or against the Transferor shall from the Effective Date be evidence in respect of the same matter for or against the Transferee.
- 4.6 At and from the Effective Date, the Transferee shall owe to the holders of Policies and/or to any other relevant person(s) the same duties of confidentiality and privacy (whether pursuant to Regulatory Requirements or contract) as those which the Transferor owed in respect of the Transferred EL Business immediately prior to the Effective Date.

5. RIGHTS AND OBLIGATIONS UNDER THE SCHEME

- 5.1 On and with effect from the Effective Date or, as the context requires (and subject to paragraphs 7 and 8), the applicable Subsequent Transfer Date, the Transferee shall become entitled to all rights, benefits and powers, and subject to all Liabilities, under or related to the Policies, and the Transferor shall cease to be entitled to such rights, benefits and powers or subject to such Liabilities.
- 5.2 All references in any Policy or Transferred EL Contract to the Transferor, any member of the Transferor Group, or the board of directors, any officers or employees or agents of any member of the Transferor Group shall from and after the Effective Date be read as references to the Transferee, any member of the Transferee Group, or the board of directors, any officers or employees or agents of any member of the Transferee Group (as applicable). In particular, but without limitation, all rights and duties exercisable or expressed to be exercisable or responsibilities to be performed by the Transferor, any member of the Transferor Group, or the board of directors, any officers or employees or agents of any member of the Transferor Group in relation to any of the Policies and the Transferred EL Contracts shall, from and after the Effective Date, be exercisable or required to be performed by the Transferee, any member of the Transferee Group, or the board of directors, any officers or employees or agents of any member of the Transferee Group.
- 5.3 Unless and to the extent otherwise provided for in the Order, the transfer of any rights, benefits, Liabilities and obligations under or in connection with any Policy, Transferred EL Asset or Transferred EL Liability pursuant to this Scheme shall take effect and shall be valid and binding on all parties having any interest in the same notwithstanding any restriction on transferring, assigning or otherwise dealing with the same, and such transfer shall be deemed to take effect on the basis that:
 - (A) it does not contravene any such restriction and does not give rise to any right to terminate, modify, acquire or claim an interest or right, or to treat an interest or right as terminated or modified which might otherwise arise in respect of such transfer, or to treat any Liabilities or obligations as discharged, modified or released; and
 - (B) any entitlement which would or might arise to terminate, modify, acquire or claim an interest or right, or to treat an interest or right as terminated or modified, or to treat any

Liabilities or obligations as discharged, modified or released, as a result of anything done or pursuant to the Scheme will not be enforceable.

5.4 Data Protection

- (A) On and with effect from the Effective Date:
- (i) to the extent not already provided to the Transferee prior to the Effective Date, the Transferor shall take reasonable steps to enable the Transferred Personal Data to be disclosed or otherwise made available to the Transferee;
 - (ii) the Transferee shall succeed to any rights, benefits, Liabilities and obligations of the Transferor in respect of any Transferred Personal Data which is subject to applicable DP Legislation;
 - (iii) the Transferee shall become the controller in place of the Transferor of any Transferred Personal Data;
 - (iv) in respect of any Transferred Personal Data, the Transferee shall 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 data and be bound by any specific notice or consent given to or from, or request made by the data subject which was binding on the Transferor; and
 - (v) in any consent, notice or request given by or to a data subject in respect of the Transferred Personal Data, any reference to the Transferor (or to any past or present subsidiary or holding company of the Transferor or subsidiary of any such holding company) shall be deemed to include a reference to the Transferee and each other member of the Transferee Group.
- (B) As between the Transferor and Transferee, where a data subject has made a Data Subject Request to the Transferor before the Effective Date and the Transferor has not responded in accordance with the DP Legislation before the Effective Date the Transferee may respond to the request, in accordance with the DP Legislation, including by providing copies of personal data held by the Transferor immediately before the Effective Date and in respect of which the Transferee is now the data controller.
- (C) Nothing in this paragraph 5.4 shall be effective to the extent it would be unlawful under, or inconsistent with, DP Legislation.

6. TREATMENT OF EXCLUDED POLICIES, ASSETS AND LIABILITIES

The Excluded Policies, Excluded Assets and Excluded Liabilities shall not be transferred to the Transferee by this Scheme and shall remain those of the Transferor.

7. DECLARATION OF TRUST AND WRONG POCKET

- 7.1 On and with effect from the Effective Date, the Transferor shall, subject to having obtained any required consent or waiver, hold any Residual Assets as trustee and in trust for and on behalf of the Transferee absolutely, and the Transferor shall be subject to the Transferee's directions, in respect of any Residual Assets, until their respective Subsequent Transfer Dates, and the Transferee shall have authority to act as the attorney of the Transferor in respect of any such Residual Assets for all purposes.
- 7.2 In the event of any property being received by the Transferee after the Effective Date, in respect of the Retained Business or any Excluded Policy, the Transferee shall, as soon as is reasonably practicable after its receipt and to the extent to which it is able to do so, transfer such property to, or in accordance with the directions of, the Transferor.
- 7.3 In the event of any property being received by the Transferor after the Effective Date, in respect of the Transferred EL Business, the Transferor shall, as soon as is reasonably practicable after its receipt and to the extent to which it is able to do so, transfer such property to, or in accordance with the directions of, the Transferee.

8. INDEMNITY

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

- (A) discharge on the Transferor's behalf or, failing that, indemnify the Transferor against all Residual Liabilities until the applicable Subsequent Transfer Date; and
- (B) save as otherwise expressly provided in this Scheme, indemnify the Transferor against any other loss or demand made against the Transferor that is attributable to the Transferred EL Business, together with any reasonable costs, claims, charges and other Liabilities reasonably incurred by the Transferor in connection with the foregoing.

9. JERSEY SCHEME

- 9.1 In connection with the Scheme, the Jersey Scheme is being effected in Jersey.
- 9.2 If, on or prior to the Effective Date, the Royal Court of Jersey having jurisdiction to approve a transfer of the Jersey Policies to the Transferee has not approved the Jersey Scheme, or the transfers of the Jersey Policies under the Jersey Scheme have not become effective by the Effective Date, such Jersey Policies shall be reinsured by the Transferee.
- 9.3 The transfer of the Jersey Policies shall not take effect unless and until the Scheme has been sanctioned by the Court.

PART D – MISCELLANEOUS PROVISIONS

10. EFFECTIVE DATE

- 10.1 Subject to paragraph 10.2 below, this Scheme shall become effective at 23:59 on 31 March 2026 or such other time and date as may be specified in the Order.

10.2 In the event that the Court imposes any modification of or addition to this Scheme, or any further condition or provision effecting the same, this Scheme shall not become effective on the Effective Date unless each of the Transferor and the Transferee consents to such modification, addition or condition.

10.3 Unless this Scheme takes effect on or before 30 June 2026 or such later date as the Court may allow upon an application of the Transferor and the Transferee, it shall lapse.

11. EFFECT OF TRANSFER

The transfer and vesting of the Transferred EL Business shall not:

- (A) invalidate or discharge any contract, security or other thing;
- (B) require further registration in respect of any security or charge;
- (C) constitute a breach of, or default under, or require any obligation to be performed sooner or later than would otherwise be the case under, any instrument or contract or arrangement to which the Transferor is bound;
- (D) entitle any party to a Policy, contract or arrangement to which the Transferor is a party to vary, amend, disclaim, repudiate or terminate such contract or arrangement when, in the absence of this transfer, that party would not otherwise be entitled to vary, amend, disclaim, repudiate or terminate it;
- (E) save as provided elsewhere in this Scheme, confer any greater or lesser rights or benefits, or impose any greater or lesser obligations under a contract on any party to such contract to which the Transferor is a party where such greater or lesser rights, benefits or obligations would not otherwise have been conferred or imposed; or
- (F) affect the enforceability, priority or ranking of any Encumbrance.

12. COSTS AND EXPENSES

Except as may otherwise be agreed in writing, the Transferor and the Transferee shall each bear their own costs and expenses in relation to the preparation and carrying into effect of this Scheme.

13. VARIATIONS

13.1 Prior to the grant of the Order, the Transferor and the Transferee together may consent for and on behalf of the persons bound by this Scheme, and all other persons concerned (other than the FCA and PRA), to any variation of this Scheme.

13.2 Subject to paragraph 13.3, after the making of the Order any variation of this Scheme must:

- (A) be notified, with at least six weeks' notice in advance of any hearing of the Court at which such application is considered (if applicable), to the PRA, the FCA and FINMA,

who shall have the right to attend and be heard at such hearing of the Court (if applicable);

- (B) be accompanied by a certificate from the Independent Expert or from an alternative independent expert (in which case, such independent expert to be approved by the PRA, having consulted the FCA) to the effect that, in their opinion, the proposed variation will not materially and adversely affect the security or reasonable expectations of the policyholders of the Transferee or the Transferor;
- (C) be approved by the Court; and
- (D) where such variation is to be made under section 112(1)(d) of FSMA, be required to give full effect to the Scheme.

13.3 Notwithstanding paragraph 13.2, Court approval (and compliance with the other provisions of paragraph 13.2) will not be necessary in relation to any variation of this Scheme which is considered by the Transferee as a variation:

- (A) to correct manifest errors;
- (B) of a minor and/or technical nature;
- (C) to ensure that the provisions of this Scheme operate in a way which is consistent with the Scheme in circumstances where the provision to which the proposed variation applies will, or is likely to, be materially affected by a variation or a proposed variation to Regulatory Requirements;
- (D) necessary to reflect any changes in the Transferee's actuarial practices provided that these conform to generally accepted actuarial practices;
- (E) required to protect the rights and reasonable expectations of the policyholders of the Transferee or the Transferor;
- (F) for which specific provision is made elsewhere in this Scheme (provided that such specific provision is fully complied with),

provided that the PRA and FCA have been notified in writing of the same and have not objected thereto within a period of twenty-eight (28) days commencing from the date of acknowledgement of such notification.

14. SUCCESSORS AND ASSIGNS

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

15. GOVERNING LAW

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

16. EVIDENCE OF TRANSFER

The production of a copy of the Order, with any modifications, amendments and/or additions made pursuant to paragraph 13 shall, for all purposes, be evidence of the transfer to and vesting in the Transferee of the Transferred EL Business.

17. THIRD PARTY RIGHTS

It is not intended that any person who is not a party to this Scheme may enforce any of its terms, whether pursuant to the Contracts (Rights of Third Parties) Act 1999 or otherwise.

Dated this [•] day of [•] 202[•].

Schedule 1

Specified Policies

Policy Number

1. 11600702522003850
2. 11600702522003820
3. 11600702522004090
4. 11600702550963134
5. 11601351880963396
6. 11601351880963692
7. 11601351880963696
8. 11601351880965054
9. 11604460722003850
10. 11604460722003820
11. 11604796122003850
12. 11604796122003820