

CR-2018-003854

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

IN THE MATTER OF
ADMIRAL INSURANCE COMPANY LIMITED

- AND -

IN THE MATTER OF
ADMIRAL EUROPE COMPAÑÍA DE SEGUROS, S.A.

- AND -

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

SCHEME

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1. INTRODUCTION

1.1 Interpretation

The definitions and other provisions relating to interpretation set out in the Schedule apply throughout the Scheme.

1.2 Parties to the Scheme

1.2.1 Admiral Insurance Company Limited is a private limited liability company registered in England and Wales with company number 4080051 (the "**Transferor**") and is a "UK authorised person" as defined in Section 105(8) of FSMA, with permissions, *inter alia*, to effect and to carry out contracts of general insurance in the UK under Classes of Business 1, 3, 10, 16, 17 and 18, as defined in Part 1 to the Schedule of the RAO (the "**Classes**"). The Transferor is open to new business.

1.2.2 The Transferor established the Spanish Branch and is permitted to effect and carry out contracts of general insurance business in Spain in each of the Classes.

1.2.3 The Transferor is also licensed to conduct general insurance business on a services basis in Italy in Classes 10 and 3.

1.2.4 Admiral Europe Compañía de Seguros, S.A. (the "**Transferee**"), is a private limited company ("*sociedad anónima*") incorporated in Spain on 20 December 2017 and registered with the Commercial Registry of Madrid with registered address at Sanchez Pacheco 85, 28002 Madrid (formerly registered in Paseo de la Castellana, 163, 4th Floor, 28046 Madrid, Spain).

1.2.5 The Transferee is duly authorised and regulated by the *Dirección General de Seguros y Fondos de Pensiones* of the Spanish Ministry of Economy and Competitiveness (*Ministerio de Economía y Competitividad*) and holds the Spanish Tax Identification Number A-87987822, with permissions, *inter alia*, to conduct general insurance business in classes that equate to the Classes of Business 1, 2, 3, 8, 9, 10, 13, 16, 17 and 18 of Part 1 of the Schedule of the RAO. The Transferee also has permission to effect and carry out contracts of insurance under Classes 1, 2, 3, 8, 9, 10, 13, 16, 17 and 18 on a services basis in Italy (and France). The Transferee is open to new business but does not intend to write new business until the Effective Date.

1.2.6 The Transferee is a wholly owned subsidiary of the Transferor. The Transferor is a wholly owned subsidiary of Admiral Group plc, a public limited company incorporated in England and Wales.

1.3 Transferring Business

1.3.1 The Transferring Business comprises all of the Italian Business and all of the Spanish Business.

1.3.2 It is proposed that the Transferring Business be transferred to the Transferee in accordance with this Scheme and that an Order be sought for the sanction of this Scheme.

1.3.3 In consideration for the Transferor transferring the Spanish Business to the Transferee, the Transferee will increase its share capital and issue new shares to the Transferor, by means of a "contribution in kind" ("*aumento de capital mediante aportación no dineraria*") under Spanish law.

1.4 **Gibraltarian Scheme**

All the transferring Italian business is co-insured with another Admiral Group company, Admiral Insurance (Gibraltar) Limited (a company authorised and regulated by the Gibraltar Financial Services Commission) ("**AIGL**") and Great Lakes Insurance SE (a German insurance company and a subsidiary of Munich Re) in the following proportions: AICL: 45%; AIGL: 45%; and Great Lakes: 10%. The Italian business written by AIGL will be transferred to the Transferee under the Gibraltar equivalent to this Scheme ("**Gibraltarian Scheme**"). This Scheme and the Gibraltarian Scheme will be conditional on each other.

1.5 **Court Sanction**

Each of the Transferor and the Transferee have agreed to be represented by counsel on the hearing of the application to sanction this Scheme.

2. **TRANSFER OF INSURANCE BUSINESS**

2.1 **Transfer of Business**

On and with effect from the Effective Date, the Transferring Business shall by the Order and without any further act or instrument be transferred to and be vested in the Transferee in accordance with this Scheme.

2.2 **Transfer of Assets**

2.2.1 On and with effect from the Effective Date, the Transferring Assets shall, by the Order and without any further act or instrument, be transferred to and be vested in the Transferee subject to all Encumbrances (if any) affecting such Transferring Assets.

2.2.2 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 the Transferring Business.

2.2.3 The Transferor and the Transferee shall, as and when appropriate, execute all documents and perform all things as may be required to effect or perfect the transfer to, and vesting in, the Transferee of any Transferring Asset on the Effective Date in accordance with the terms of this Scheme, including without limitation, obtaining any required consent or waiver.

- 2.2.4 No Residual Assets, Residual Liabilities or Excluded Policies shall be transferred to or be vested in the Transferee under or by virtue of the terms of this Scheme.

2.3 **Transfer of Contracts**

- 2.3.1 In addition to the provisions of paragraph 2.2, 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, and be subject to all the obligations and liabilities of the Transferor whatsoever subsisting on the Effective Date under or by virtue of the Transferring Contracts and all such rights, benefits and powers shall be vested in the Transferee.
- 2.3.2 Every person who immediately prior to the Effective Date is a holder of or party to a Transferring Contract shall, from and after the Effective Date, in substitution for any liability or obligation owed thereunder to the Transferor, be under the same liability or obligation to the Transferee and shall become entitled, to the exclusion of any rights which he may have had against the Transferor under any of the Transferring Contracts, to the same rights against the Transferee as were available to him against the Transferor under such Transferring Contract.
- 2.3.3 All premiums and other amounts attributable or referable to the Transferring Contracts shall on and after the Effective Date be payable to the Transferee and shall be receivable and received by the Transferee and every person who is a holder of or party to any of the Transferring Contracts shall be liable to the Transferee for any outstanding, further or additional premiums or other sums attributable or referable to the Transferring Contracts as and when the same become due and payable.
- 2.3.4 The Transferee shall be entitled to any and all defences, claims, counterclaims and rights of set-off under or in respect of the Transferring Contracts which would have been available to the Transferor.
- 2.3.5 All references in any Transferring Contract to the Transferor or the Spanish Branch, the board of directors of the Transferor, or any other officers, employees or agents of the Transferor or the Spanish Branch shall from and after the Effective Date be read as references to the Transferee, the board of directors of the Transferee, or any other officers, employees or agents of the Transferee or, where appropriate, agents of the Transferee to which the administration carried on by the Transferee has been delegated. 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 board of directors of the Transferor, or any other officers, employees or agents of the Transferor in relation to any of the Transferring Contracts shall, from and after the Effective Date be exercisable or required to be performed by the Transferee, the board of directors of the Transferee or any other officers, employees or agents of the Transferee.

2.4 Transfer of Liabilities

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.

2.5 Mandates and other Instructions

2.5.1 Any mandate or other instruction in force immediately prior to the Effective Date (including, without limitation, any instruction given to a bank by its customer in the form of a direct debit or standing order) and providing for the payment by a bank or other intermediary of premiums payable under or in respect of any of the Transferring Policies shall, on and from the Effective Date, take effect as if it had provided for and authorised such payment to the Transferee.

2.5.2 Any mandate or other instruction in force on the Effective Date in respect of any of the Transferring Policies as to the manner of payment of any benefit or other amount by the Transferor shall, on and from the Effective Date, continue in force as an effective authority to the Transferee.

2.6 Continuity of Proceedings

2.6.1 On and with effect from the Effective Date, any judicial, quasi-judicial, arbitration proceedings or any complaint or claim to any ombudsman or other proceedings for the resolution of a dispute or claim which are:

- (a) pending current, pending or threatened or any other claims or complaints which may be brought in the future including those not yet in contemplation by or against the Transferor in connection with the Transferring Business; or
- (b) commenced by or against the Transferor in connection with the Transferring Business following the Effective Date,

shall be continued or commenced (as appropriate) by or against the Transferee and the Transferee shall be entitled to all defences, claims, counterclaims, settlement, rights of set-off and any other rights that would have been available to the Transferor in relation to any such proceedings.

2.6.2 In any event, the Transferee in its absolute discretion may determine to discontinue after the Effective Date any such proceedings which have been brought by the Transferor.

2.6.3 Without prejudice to the Transferee's rights under paragraph 2.6.1, on and with effect from the Effective Date, any award, order or judgment made by any applicable court, ombudsman, arbitrator or competent authority against the Transferor in connection with the Transferring Business will be recognised and accepted by the Transferee and shall be enforceable against the Transferee without the need for any further award, order or judgment of any court or other body.

2.6.4 For the avoidance of doubt, nothing in paragraphs 2.6.1 or 2.6.3 shall entitle the Transferee to raise any defence, claim, counterclaim, settlement, right of set-off or any other right that would not have been available to the Transferor.

2.6.5 Without prejudice to the Transferee's rights under ~~paragraphs 2.6.1,~~paragraph 2.6.1, on and with effect from the Effective Date, the Transferee agrees to comply promptly with~~-,~~ in respect of any proceedings in relation to the Transferring Business that are commenced but not settled before the Effective Date or commenced after the Effective Date in respect of acts or omissions of the Transferor prior to the Effective Date:

(a) the relevant provisions of the Dispute Resolution rules ("DISP") of the FCA Handbook that would apply to the handling of any complaints brought to the United Kingdom Financial Services Ombudsman that fall under its jurisdiction as such rules apply on the Effective Date; and

~~2.6.5(b)~~ any award or direction (including any settlement which the Transferee agrees at an earlier stage of proceedings) made by the United Kingdom Financial Services Ombudsman in relation to the Transferring Business under its jurisdiction as set out in DISP 2 of the FCA Handbook,

to the extent that such compliance is compatible with any rules, guidance or regulations issued by the DGSFP or other authority that are applicable to the Transferee.

2.6.6 Notwithstanding paragraph 3.6, Policyholders of Transferring Policies may enforce the provisions of paragraph 2.6.5(b) against the Transferee.

3. GENERAL PROVISIONS

3.1 Effective Date

3.1.1 Subject to paragraph 3.1.2, this Scheme shall become operative at 00:01 GMT on 1 January 2019 or such other time and date as may be specified in the Order and unless this Scheme shall become operative:

- (a) on or before 00:01 GMT on 1 March 2019; or
- (b) such later date as the Court may allow upon the application of the Transferor and the Transferee,

this Scheme shall lapse.

3.1.2 The Transferee and the Transferor shall provide the FCA and the PRA with at least fourteen (14) days prior written notice of any application to delay the Effective Date pursuant to clause 3.1.1(b).

3.1.3 Notwithstanding paragraph 3.1.1, this Scheme shall not become operative on the Effective Date unless:

- (a) in the event that the Court imposes any modification of or addition to this Scheme or any further condition or provision affecting the same,

the Transferor and the Transferee consent to such modification, addition or condition;

- (b) the transfer of business from AIGL to the Transferee pursuant to the Gibraltar Scheme is approved; and
- (c) the Transferor, in its capacity as the Transferee's sole shareholder, approves the transfer of the Spanish Business by way of an increase of share capital of the Transferee by means of a "contribution in kind" ("*aumento de capital mediante aportación no dineraria*") under Spanish law.

3.2 **Effect of Scheme**

3.2.1 The transfer and vesting of an asset or liability relating to any part of the Transferring Business shall not:

- (a) invalidate or discharge any contract, security or other thing; or
- (b) require further registration in respect of any security or charge; or
- (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 any of, or all of, the Transferor is a party or is bound; or
- (d) entitle any party to a contract or arrangement to which any of, or all of, the Transferor is a party to terminate such contract or arrangement when, in the absence of this transfer, that party would not otherwise be entitled to terminate it; or
- (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 any of, or all of, the Transferor is a party where such greater or lesser rights, benefits or obligations would not otherwise have been conferred or imposed.

3.3 **Records and Data Protection**

3.3.1 On and with effect from the Effective Date:

- (a) title, possession and control to and of the records relating to the Transferring Business, including any personal data processed in connection with the Transferring Business in respect of which the Transferor is the controller, shall be transferred to the Transferee, and those personal data may be processed by and on behalf of the Transferee to the same extent that they were processed by and on behalf of the Transferor before the Effective Date for all purposes in connection with the Transferring Business, including, in particular, administration of the Transferring Contracts and all matters relevant or incidental thereto;

- (b) the Transferee shall become the controller in place of the Transferor in respect of the personal data transferred to the Transferee under paragraph 3.3.1(a);
- (c) any information or request for consent made or made available to, or consent obtained or request or other notice received from, any data subject by or on behalf of the Transferor in connection with the Transferring Business will be deemed to have been made or made available to, obtained or received by the Transferee; and
- (d) the Transferee shall owe the Policyholders and other persons the same duties of confidentiality and privacy, and they shall have the same corresponding rights as against the Transferee, as those which the Transferor owed to them, and they had as against the Transferor, in connection with the Transferring Business immediately before the Effective Date.

3.3.2 No consent from the individual Policyholders or other individuals shall be required as a result of the transfer of personal data from the Transferor to the Transferee under paragraph 3.3.1(a).

3.3.3 Terms defined in EU General Data Protection Regulation 2016/679 have the same meanings when used in this paragraph 3.3.

3.4 **Costs and Expenses**

All costs and expenses relating to the preparation of the Scheme and application for the sanction of the Scheme, including the costs of the Independent Expert, counsel and complying with the Directions Order shall be borne by the Transferor or Admiral Group Plc.

3.5 **Modifications or Additions**

3.5.1 The Transferee and the Transferor may consent for and on behalf of themselves and may consent on behalf of all other persons concerned (other than the FCA and the PRA), to any amendment, modification or addition to this Scheme or to any further condition or provision affecting the Scheme, which the Court may approve or impose prior to the sanction of this Scheme.

3.5.2 After the Effective Date, the Transferee may vary the terms of this Scheme with the consent of the Court, including, without limitation, if at any time, the provisions of this Scheme, in the opinion of the board of directors of the Transferee, prove to be impossible, impracticable or inequitable to implement, provided that in any such case:

- (a) each of the PRA and the FCA shall be given reasonable advance notice in writing of the proposed amendments and have the right to be heard at any hearing of the Court at which such application is considered;
- (b) such application shall be accompanied by a certificate from an independent expert to the effect that in his opinion the proposed

amendment will not materially adversely affect the interests of the holders of policies affected by the proposed amendment; and

- (c) to the extent any such variation affects any right, obligation or interest of the Transferor, the Transferor has consented thereto.

If such consent is granted, the Transferee may amend the terms of this Scheme in accordance with such consent.

3.5.3 The consent of the Court is not required in relation to:

- (a) minor and/or technical amendments to this Scheme (including amendments to correct manifest errors), **provided that** each of the PRA and FCA have been given notice of such amendments and neither has objected thereto within 30 days of receipt of such notification and the Transferee board has, where appropriate taken account of appropriate actuarial and/or legal advice, as relevant in relation to the amendments; or
- (b) amendments to the terms of the Scheme which are reasonably considered by the Transferee board, having taken account of appropriate actuarial advice including from an independent actuary, to be necessary to ensure the provisions of this Scheme operate in the intended manner in circumstances where the provision to which the proposed variation applies will be materially affected by a variation to regulatory requirements, **provided that:**
 - (i) each of the PRA and the FCA has been notified in writing of the proposed amendments by the Transferee and has not objected thereto within 60 days of receipt of such notification; and
 - (ii) for the purposes of this provision the "intended manner" shall not include depriving Transferring Policyholders of a benefit which they would directly enjoy by virtue of a variation to regulatory requirement,

provided that in any such case, to the extent any such variation affects any right, obligation or interests of the Transferor, the Transferee has provided the Transferor with prior written notice of the proposed variation together with copies of the correspondence with the PRA, the FCA or the independent actuary and the Transferor has provided its prior written consent (which shall not be unreasonably withheld or delayed) to such variation.

3.6 **Contracts (Rights of Third Parties) Act 1999**

A person who is not party to the Scheme may not enforce any term of the Scheme pursuant to the Contracts (Rights of Third Parties) Act 1999.

3.7 **Successors and Assigns**

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

3.8 **Governing Law**

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

Dated this [•] day of [•] 2018.

SCHEDULE 1 INTERPRETATION

1. In this Scheme, unless inconsistent with the subject or context, the following expressions bear the meanings respectively set opposite them:

"Court"	the High Court of Justice in England and Wales;
<u>"DGSEFP"</u>	<u>the Dirección General de Seguros y Fondos de Pensiones of Spain, or such other authority as shall from time to time carry out the functions carried out by it in Spain as at the date of this Scheme;</u>
"EEA State"	the meaning given in FSMA;
"Effective Date"	the time and date when this Scheme shall become operative in accordance with paragraph 3.1;
"Encumbrance"	any charge, mortgage, pledge, security assignment, lien, option, restriction, right of first refusal, right of pre-emption, third party right or interest, any other encumbrance or security interest of any kind and any other type of preferential arrangement (including, without limitation, title transfer and retention agreements) having a similar effect;
"Excluded Policies"	any and all Policies under which any Liability remains unsatisfied or outstanding at the Effective Date which would otherwise be a Transferring Policy but: <ol style="list-style-type: none">1. which the Court for any reason determines not to transfer by virtue of the Order; or2. which are not otherwise capable of being transferred pursuant to Section 111 of FSMA; in each case, together with the rights, benefits and powers and debts, liabilities and obligations of the Transferor under any such Policies and for the avoidance of doubt, all UK Policies;
"FCA "	means the Financial Conduct Authority of the United Kingdom, or such other authority as shall from time to time carry out the functions carried out by it in the United Kingdom as at the date of this Scheme;
<u>"FCA Handbook"</u>	<u>the handbook rules or guidance published by the FCA, as updated from time to time;</u>
"FSMA"	the Financial Services and Markets Act 2000;
"Independent Expert"	Gregory Overton of PricewaterhouseCoopers LLP, the independent expert appointed to report on the terms of the Scheme pursuant to Section 109 of FSMA, or any successor

		appointed to report on the same and approved by the FSA;
"Italian Business"		the general insurance business written by the Transferor on a freedom of services basis where the State of the Risk is Italy;
"Outwards Reinsurance Contracts"		the reinsurance policies with third-party reinsurers to which the Transferor is a party and which covers any part of, or all of, the Transferring Business;
"Order"		an order made by the Court pursuant to Section 111(1) of FSMA sanctioning this Scheme and any order (including any subsequent order, which is ancillary thereto) in relation to this Scheme made by the Court pursuant to Section 112 of FSMA;
"Policy"	and	the meanings ascribed to "policy" and "policyholder" by the Financial Services and Markets Act 2000 (meaning of "Policy" and "Policyholder") Order 2001 (S.I 2001/2361) and includes at any time any constituent part of a Policy which gives rise to any separately identifiable benefit;
"Policyholder"		
"PRA"		means —the Prudential Regulation Authority of the United Kingdom, or such other authority as shall from time to time carry out the functions carried out by it in the United Kingdom as at the date of this Scheme;
"RAO"		the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544), as amended;
"Residual Asset"		any asset of the Transferor intended to be transferred to the Transferee pursuant to the Scheme as a Transferring Asset (including any proceeds of sale or income or other accrual or return whatsoever in respect of such asset) and any right, benefit or power of the Transferor under any agreement relating to any such asset (including any right, benefit or power of the Transferor under any Transferring Contract) in respect of which: <ul style="list-style-type: none"> (a) the Court has declined to order the transfer of such asset to the Transferee under section 112 of FSMA (either at all or without the consent of a person other than the Transferee or Transferor); (b) the transfer of such asset is outside the jurisdiction of the Court; (c) the transfer of such asset cannot occur for any other reason; or (d) any assets of the Transferor relating to the Transferring Business and which are in excess of the Transferring Business Reserve Amount,

which in each case, for the avoidance of doubt, shall transfer pursuant to a process referred to as an increase of share capital by means of a "contribution in kind" ("*aumento de capital mediante aportación no dineraria*") under Spanish law;

"Residual Liabilities"	in relation to the Transferor, any Transferring Liabilities whatsoever of the Transferor that are attributable to or connected with a Residual Asset or an Excluded Policy and in respect of which the Court declined to order the transfer pursuant to Section 112(2) of FSMA pending any impediment to its transfer being removed or overcome, or for any other reason, which in each case, for the avoidance of doubt, shall transfer pursuant to a process referred to as an increase of share capital by means of a "contribution in kind" (" <i>aumento de capital mediante aportación no dineraria</i> ") under Spanish law) and for the avoidance of doubt, excluding any liabilities relating to UK Policies;
"Scheme"	this Scheme in its original form or with, or subject to, any modification or addition thereto;
"Spanish Branch"	Admiral Insurance Company Limited, Spanish branch, registered at the Mercantile Registry of Seville and domiciled at calle Albert Einstein, 10, 41092, Seville (Spain);
"Spanish Business"	the general insurance business effected and/or carried out by the Transferor through the Spanish Branch where the State of the Risk is Spain;
"State of the Risk"	the EEA State of registration of a vehicle of any type;
"Tax Liabilities"	all liabilities to or in respect of taxation, duties and other imports which are attributable to the Transferring Business incurred prior to the Effective Date;
"Transferring Assets"	all assets of the Transferor allocated to or otherwise comprised in or relating to the Transferring Business including (without limitation): <ol style="list-style-type: none">1. all rights, benefits and powers of the Transferor under or by virtue of the Transferring Contracts;2. the Transferring Business Reserve Amount;3. all goodwill and any other intangible assets associated with the Transferring Business; and4. all rights and claims (present or future, actual or contingent) against any third party in relation to the Transferring Business or arising as a result of the

Transferor having carried on the Transferring Business,

but excluding the Residual Assets and the rights, benefits and powers under the Excluded Policies;

"Transferring Business" the whole of the Italian Business and the whole of the Spanish Business carried out by the Transferor immediately prior to the Effective Date, including, without limitation, all rights, benefits and powers of the Transferor under or by virtue of the Transferring Contracts, the Transferring Assets and all liabilities and obligations of the Transferor whatsoever, under or by virtue of the Transferring Liabilities;

"Transferring Business Reserve Amount" the sum of (A) the Transferor's best estimate of net reserves in respect of the Transferring Business on a non-discounted basis as at 31 December 2018 and (B) associated expenses, as prepared in accordance with the Transferor's IFRS valuation;

"Transferring Contracts" each Transferring Policy, each Outwards Reinsurance Contract and all other contracts, arrangements, licences and other commitments to which the Transferor is a party or a beneficiary and which relate solely to the Transferring Business;

"Transferring Liabilities" all debts, liabilities and obligations whatsoever of the Transferor in respect of the Transferring Business including (without limitation):

1. all debts, liabilities and obligations whatsoever under, in relation to or by virtue of the Transferring Policies (whether present, future, actual or contingent and including liabilities subsequently awarded by the Financial Ombudsman Service or similar body) or Transferring Contracts or otherwise attributable to the Transferring Business;
2. all actual or threatened claims, litigation, arbitration or administrative proceedings concerning a Transferring Policy or any other claims or complaints which may be brought in the future including those not yet in contemplation;
3. all debts, liabilities and obligations arising as a result of the Transferor having carried on the Transferring Business (including any misselling liabilities); and
4. all Tax Liabilities which are attributable to such Transferring Business or the transfer thereof (pursuant to the scheme or otherwise) or arising as a consequence of the provisions of the Scheme whensoever incurred;

but excluding:

- (a) any other liabilities relating to taxation; and
- (b) any other liabilities excluded under the terms of the Scheme;

but excluding any Residual Liabilities;

"Transferring Policies" all Policies (including all constituent parts of a Policy) to the extent written by or on behalf of, or for which responsibility has been assumed by, the Transferor as insurer prior to the Effective Date and comprised in the Transferring Business under which any liability remains unsatisfied or outstanding at the Effective Date and policies which have expired but in respect of which claims have been or may be brought, but excluding the Excluded Policies;

"UK" the United Kingdom of Great Britain and Northern Ireland; and

"UK Policies" Policies or parts of a policy under which any liability remains unsatisfied or outstanding at the Effective Date effected and/or carried out where the State of the Risk is the United Kingdom.

2. In this Scheme:

2.1 **"property"** and **"asset"** include (without limitation) property, assets, rights (including, without limitation, contingent rights as to the repayment of tax) and powers of every description (whether present or future, actual or contingent) and includes property held on trust and securities, benefits, powers of any description and any interest whatsoever in any of the foregoing;

2.2 **"liabilities"** includes (without limitation) duties and obligations of every description (whether present or future, actual or contingent);

2.3 **"transfer"** includes (as the context may require) "assign", "assignment" and "assignment", "dispose", "disposal", "novate", "novation", "convey" and "conveyance";

2.4 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;

2.5 any reference in this Scheme 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 and to any instrument or order made from time to time under such enactment, statutory provision or subordinate legislation;

- 2.6 expressions used in this Scheme which have meanings under FSMA shall bear those meanings unless otherwise expressly defined herein;
- 2.7 any reference to this Scheme shall include the Schedules to it and (unless inconsistent with the subject or context) references in this Scheme to paragraphs, parts or Schedules are to paragraphs of, parts of or the Schedules to this Scheme; and
- 2.8 any reference to writing shall include any mode of reproducing words in a legible and non-transitory form.