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MRS A N OTHER
1 THE STREET
THE TOWN
THE COUNTY
XX1 1XX

Reference
Annuity Transfer

29 January 2019

Dear Mrs Other

Important information for annuity policyholders of The Prudential Assurance Company Limited (Prudential) - The proposed transfer of part of Prudential's annuity business to Rothesay Life Plc (Rothesay Life)

We are writing to you because you have an annuity policy with us, which we propose to transfer to Rothesay Life as part of a transfer of a portion of our annuity business. This transfer is being proposed as a part of M&G Prudential's plans to demerge from its parent company, Prudential plc. Rothesay Life is one of the largest specialist annuity providers in the UK market.

The proposed transfer will not affect the terms and conditions of your policy. There will be no changes to the benefit levels under your policies, meaning that Rothesay Life will pay you the same amount, on the same date and if your policy include an element of escalation, your payments will continue to escalate in the usual way. You won't need to make any changes or take any action as a result of the transfer.

You have the right to object to these proposals, for example, if you have any concerns or feel the proposals will have an adverse effect on you. You can present your views either to Prudential or make representations to the Courts. We recommend that you call or write to us with any concerns or objections you may have about the proposed transfer, or if you intend to make representations to the Courts. **This pack contains information to help you consider the proposals and explains how to make an objection if you choose to do so.**

Who is Rothesay Life?

Rothesay Life was established in 2007 and has become one of the largest specialist annuity providers in the UK market, with around £37bn assets under management and insures the annuities of over 750,000 individuals. Rothesay Life is authorised by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (FCA) and the PRA. You can find out more by visiting rothesaylife.com/about-us

How will the proposed transfer affect you and the members of your scheme?

The proposed transfer requires High Court approval and Prudential and Rothesay Life have applied to the High Court to transfer a portfolio of annuities, including your policies, from Prudential to Rothesay Life.

Calls may be monitored or recorded for quality and security purposes

"Prudential" is a trading name of The Prudential Assurance Company Limited, which is registered in England and Wales. This name is also used by other companies within the Prudential Group. Registered office at Laurence Pountney Hill, London EC4R 0HH. Registered number 15454. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

If the High Court gives its approval, it is expected the proposed transfer will become effective on 26 June 2019. If this date changes, we will let you know by updating the information on our website at pru.co.uk/annuitytransfer

With effect from the transfer date:

- Rothesay Life will become the provider of your policy and be responsible for administering your policies and making any payments due under it. Payments will continue to be made as before, including the timing and the amount of the payments due.
- All correspondence in relation to your policy will be sent by Rothesay Life as will all payments you receive. After the transfer, Rothesay Life will write to you with new contact details which you should use for all future correspondence or queries.

How are you and the members of your scheme protected?

Throughout this process, the interests of your scheme's members and the interests of other policyholders are being looked after by a rigorous process which includes:

- appointment of an Independent Expert whose appointment has been approved by our regulators, the PRA (in consultation with the FCA), to review the likely effect of the proposed transfer on policyholders;
- keeping you informed and giving you the opportunity to raise any concerns or objections you may have. Copies of all objections will be passed to the PRA, FCA, Independent Expert and High Court for consideration;
- approval of the transfer by the High Court of England and Wales. The transfer proposal will be heard at the High Court of Justice, the Rolls Building, Fetter Lane, London EC4A 1NL on 10 June 2019. The High Court will consider the views of policyholders, the Independent Expert, the FCA and the PRA before reaching a decision on whether to approve the proposed transfer; and
- ongoing review by the FCA and the PRA.

Details of the proposed transfer are contained in a legal document called the Scheme. A summary of the Scheme is contained in the booklet enclosed with this letter. You will also find a copy of the full Scheme and other information relating to the proposed transfer on our Part VII website, pru.co.uk/annuitytransfer

Jersey and Guernsey schemes

As a result of the legal requirements relating to the transfer of insurance business carried on in, or from within, Jersey and policies issued to residents of the Bailiwick of Guernsey and/or written under Guernsey law, there will be similar schemes to transfer such business in Jersey and the Bailiwick of Guernsey. If you think you have a policy that may be affected by these similar schemes and you would like more information about them, please write to us, call us or refer to our website.

The process for the schemes in Jersey and the Bailiwick of Guernsey include additional measures to protect your interests, if your policy will transfer under either of these schemes, as well as under the Scheme:

- copies of all objections will be passed to the Jersey Financial Services Commission (the JFSC), the Guernsey Financial Services Commission (the GFSC), the Royal Court of Jersey and the Royal Court of Guernsey for consideration (details of how you can object are described in question 16 in the enclosed booklet);

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- approval of the transfer by the Royal Court of Jersey. The transfer proposal will be heard at the Royal Court of Jersey, Royal Court House, Royal Square, St Helier, Jersey JE1 1BA on 17 June 2019 at 9:30am (subject to change). The Royal Court will consider the views expressed by policyholders, the Independent Expert and the JFSC before reaching a decision on whether to approve the proposed transfer;
- approval of the transfer by the Royal Court of Guernsey. The transfer proposal will be heard at the Royal Court of Guernsey, Royal Court House, St Peter Port, Guernsey GY1 2PB on 14 June 2019 at 9:30am (subject to change). The Royal Court will consider the views expressed by policyholders, the Independent Expert and the GFSC before reaching a decision on whether to approve the proposed transfer; and
- consideration by the JFSC and the GFSC.

Independent Expert's Report

An Independent Expert, Mr Nick Dumbreck, a Partner of Milliman LLP, has been appointed to report to the High Court on the effects of the proposed transfer on policyholders. A summary of the Independent Expert's report is included in the enclosed booklet. The summary of the report provides an overview of the transfer and sets out the Independent Expert's conclusions on the effect of the transfer on all policyholders. It is intended to provide sufficient details to enable policyholders to gain a good understanding of the terms of the Scheme.

In addition, the Independent Expert's full report can be accessed online at pru.co.uk/annuitytransfer

Do I need to do anything?

Please make sure you understand what the proposal means for you by carefully reading the enclosed booklet, which contains:

- Important information about the proposed transfer;
- Questions and Answers, including more detail on the process for the proposed transfer and your related rights;
- A copy of the legal notice of the transfer;
- A summary of the Scheme; and
- A summary of the Independent Expert's Report.

Once you have read the information, please consider whether you may be adversely affected or have any concerns.

If you are satisfied with the proposed transfer you don't need to do anything else. If the transfer is approved, we will publish confirmation on our website at pru.co.uk/annuitytransfer. Rothesay Life will write to you after the transfer has completed.

If, having read the information, you have concerns or feel you may be adversely affected, you have the right to object. Details of how you can object are described in question 16 in the enclosed booklet. The proposal will be heard at the High Court of Justice on 10 June 2019. If you wish to object, please do so as soon as practicable. We will acknowledge and reply in writing to all objections we receive. We will submit details of all objections to the High Court, the PRA, the FCA and the Independent Expert. This means that any correspondence that forms part of your objection will be part of the High Court process which will be accessible to the public. By submitting an objection to the transfer, you consent that your objection can be shared with the High Court, the PRA, the FCA and the Independent Expert.

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You can, if you wish, choose to present your view to the High Court yourself or send a representative. If you intend to attend the hearing it would be helpful if you could let us know. Please note that if you wish to be represented by legal counsel at the hearing then he or she would need to have appropriate rights of audience to appear in the High Court in London.

Detailed information, including the Independent Expert's full report, is available on our website at pru.co.uk/annuitytransfer. If you would like us to send you, free of charge, any of these documents, please get in touch. Please have the reference at the top of this letter to hand when you contact us.

How to get in touch with us

Post: Write to us at Rothesay Life Transfer, Prudential, PO Box 3122, Lancing BN15 8GB

Phone: 0800 640 9164 or +44 203 755 9194 if calling from outside the UK. Our lines are open between 8.30am and 6pm, Monday to Friday, except on bank holidays. Calls are free from UK landlines and mobile phones.

Secure Message: Send us a secure email from our website. Please visit pru.co.uk/prumail

Email: Email us directly at annuitytransfer@prudential.co.uk (please note sending an email to this address is not a secure method of communication; if you are including any personal or sensitive information (such as your address) we suggest you use our secure email or one of the other methods above).

As a trustee, you should let your scheme's members know about the proposed transfer. Your scheme's members will not be receiving an information pack from us unless you request us to do so. Please make them aware of the information set out in this pack, including their right to raise an objection. To assist with any communication with your scheme's members, we have included our suggested wording for you to use at the end of this letter. If you require any additional assistance communicating to your scheme's members then please contact us.

To allow your scheme's members sufficient time to raise any concerns prior to the scheduled court hearings we ask that any communication to them takes place by 15 April 2019. When writing to your scheme's members, please ensure you quote your pension scheme name so that the member can quote that if they want to contact us. We are willing to discuss requests to provide assistance to mail your scheme's members. Please call us on the telephone number quoted above if you would like to talk to us about helping you to communicate with your scheme's members about this proposed transfer.

Please note that if you are a trustee for more than one scheme which holds Prudential policies or your scheme holds multiple Prudential policies you may receive more than one letter from us. I apologise for any inconvenience this may cause.

If anyone else you know has an interest in your policy, for example, if there are joint or contingent beneficiaries (e.g. a spouse or dependant) for an annuity, or if your policies have been assigned, please share this letter and the enclosed information with them and make them aware of their right to raise an objection. A list of the types of people who may be interested are listed in the booklet enclosed with this letter.

Yours sincerely



Roddy Thomson
Managing Director, Customer Savings & Investments

Need audio, Braille or large print?

If you need a copy of this letter in braille, audio or large print, please contact us using the contact information set out above.

The following is intended as Prudential's suggested text for Trustees to use for any communications with your members about the proposed transfer

Important information for Pension Scheme Members of the [please insert scheme name] in relation to the proposed transfer of part of The Prudential Assurance Company Limited's (Prudential) annuity business to Rothesay Life Plc (Rothesay Life).

We are writing to you because your pension scheme has an annuity policy with Prudential, which Prudential propose to transfer to Rothesay Life as part of a transfer of a portion of their annuity business. Rothesay Life is one of the largest specialist annuity providers in the UK. This transfer of a portion of Prudential's annuity business is being proposed in support of M&G Prudential's plans to demerge from their parent company, Prudential plc.

The proposed transfer will not affect the terms and conditions of the policy belonging to your pension scheme. There will be no changes to the benefit levels under the policy belonging to your pension scheme, meaning that Rothesay Life will pay your pension scheme the same amount, on the same date and if your pension scheme's policy includes an element of escalation, payments will continue to escalate in the usual way. You won't need to make any changes or take any action as a result of the transfer.

You have the right to object to these proposals, for example, if you have any concerns or feel the proposals will have an adverse effect on you. You can present your views either to Prudential or make representations to the Courts. We recommend that you call or write to Prudential with any concerns or objections you may have about the proposed transfer, or if you intend to make representations to the Courts. **This pack contains information to help you consider the proposals and explains how to make an objection if you choose to do so.**

Who is Rothesay Life?

Rothesay Life was established in 2007 and has become one of the largest specialist annuity providers in the UK market, with around £37bn assets under management and insures the annuities of over 750,000 individuals. Rothesay Life is authorised by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (FCA) and the PRA. You can find out more by visiting rothesaylife.com/about-us

How are you protected?

Throughout this process, your interests, and the interests of other policyholders are being looked after by a rigorous process which includes:

- appointment of an Independent Expert whose appointment has been approved by Prudential's regulators, the PRA (in consultation with the FCA), to review the likely effect of the proposed transfer on policyholders;
- keeping you informed and giving you the opportunity to raise any concerns or objections you may have. Copies of all objections will be passed to the PRA, FCA, Independent Expert and High Court for consideration;
- approval of the transfer by the High Court of England and Wales. The transfer proposal will be heard at the High Court of Justice, the Rolls Building, Fetter Lane, London EC4A 1NL on 10 June 2019. The High Court will consider the views of policyholders, the Independent Expert, the FCA and the PRA before reaching a decision on whether to approve the proposed transfer; and
- ongoing review by the FCA and the PRA.

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Details of the proposed transfer are contained in a legal document called the Scheme. You will also find a copy of the full Scheme and other information relating to the proposed transfer on Prudential's Part VII website, pru.co.uk/annuitytransfer.

Independent Expert's Report

An Independent Expert, Mr Nick Dumbreck, a Partner of Milliman LLP, has been appointed to report to the High Court on the effects of the proposed transfer on policyholders. A summary of the Independent Expert's report is included in the enclosed booklet. The summary of the report provides an overview of the transfer and sets out the Independent Expert's conclusions on the effect of the transfer on all policyholders. It is intended to provide sufficient details to enable policyholders to gain a good understanding of the terms of the Scheme.

In addition, the Independent Expert's full report can be accessed online at pru.co.uk/annuitytransfer

What should I do next?

We encourage you to take the time to read through this letter and the information on Prudential's website pru.co.uk/annuitytransfer. On the website you will find the Policyholder Circular which contains

- Important information about the proposed transfer, including contains information to help you consider the proposals and explains how to make an objection if you choose to do so;
- Questions and Answers, including more detail on the process for the proposed transfer and your related rights;
- A copy of the legal notice of the transfer;
- A summary of the Scheme; and
- A summary of the Independent Expert's Report.

Once you have read the information, please consider whether you may be adversely affected or have any concerns.

If you are satisfied with the proposed transfer you don't need to do anything else. If the transfer is approved, Prudential will publish confirmation on their website at pru.co.uk/annuitytransfer.

If, having read the information, you have concerns or feel you may be adversely affected, you have the right to object. Details of how you can object are described in question 16 in the circular on pru.co.uk/annuitytransfer. The proposal will be heard at the High Court of Justice on 10 June 2019. If you wish to object, please do so as soon as practicable. Prudential will acknowledge and reply in writing to all objections they receive. Prudential will submit details of all objections to the High Court, the PRA, the FCA and the Independent Expert. This means that any correspondence that forms part of your objection will be part of the High Court process which will be accessible to the public. By submitting an objection to the transfer, you consent that your objection can be shared with the High Court, the PRA, the FCA and the Independent Expert.

You can, if you wish, choose to present your view to the High Court yourself or send a representative. If you intend to attend the hearing it would be helpful if you could let Prudential know. Please note that if you wish to be represented by legal counsel at the hearing then he or she would need to have appropriate rights of audience to appear in the High Court in London.

Detailed information, including the Independent Expert's full report, is available on Prudential's website at pru.co.uk/annuitytransfer. If you would like Prudential to send you, free of charge, any of these

documents, please get in touch with them. Please have the reference at the top of this letter to hand when you contact Prudential.

How to get in touch with Prudential

Post: Write to Prudential at Rothesay Life Transfer, Prudential, PO Box 3122, Lancing BN15 8GB

Phone: 0800 640 9164 or +44 203 755 9194 if calling from outside the UK. Prudential's lines are open between 8.30am and 6pm, Monday to Friday, except on bank holidays. Calls are free from UK landlines and mobile phones.

Secure Message: Send Prudential a secure email from their website. Please visit pru.co.uk/prumail

Email: Email Prudential directly at annuitytransfer@prudential.co.uk (please note sending an email to this address is not a secure method of communication; if you are including any personal or sensitive information (such as your address) Prudential suggest you use their secure email or one of the other methods above).