

Scheme Summary

IMPORTANT INFORMATION

TRANSFER OF EUROPEAN INSURANCE BUSINESS OF DOMESTIC & GENERAL INSURANCE PLC TO DOMESTIC & GENERAL INSURANCE EUROPE AG

1. BACKGROUND

- 1.1 Domestic & General Insurance Plc ("**DGI**"), a public limited liability company incorporated in England and Wales and a member of Domestic & General group of companies ("**D&G Group**"), has agreed to transfer all of its "**European Business**", being its European general insurance business (excluding any business where the state of risk is the UK) to Domestic & General Europe AG (to be re-registered on authorization as Domestic & General Insurance AG) ("**DGIEU**"), an insurance company and member of the D&G Group registered in Germany and which at the time will be duly authorised there (the "**Proposed Transfer**"). This document is a summary and explains the principal terms of the Proposed Transfer.
- 1.2 The Proposed Transfer forms part of the D&G Group's restructuring process resulting from the UK's decision to terminate its membership of the EU (commonly known as "**Brexit**"). Brexit is due to take place on the 29 of March 2019, after which DGI may not be able to continue to sell, renew or administer policies for customers based in the EU. The Proposed Transfer to DGIEU will enable the D&G Group to continue its service to existing European policyholders after Brexit.

2. TRANSFER MECHANISM

- 2.1 The Proposed Transfer will be effected by an insurance business transfer in accordance with Part VII of the Financial Services and Markets Act 2000. This is a court-approved process and the application to the High Court of England and Wales is due to be heard at the Rolls Building, 7 Rolls Building, Fetter Lane, London on 18 March 2019. Any changes to this date will be posted at www.domesticandgeneral.com/PartVIITransfer.
- 2.2 The process requires that an independent expert is appointed to prepare a report about the Proposed Transfer and its effects on policyholders. Mr Alex Marcuson of Marcuson Consulting and a Fellow of the Institute and Faculty of Actuaries, has been appointed to provide a report on the Proposed Transfer. Mr Marcuson's appointment has been approved by the Prudential Regulation Authority in consultation with the Financial Conduct Authority.
- 2.3 The Independent Expert's report can be downloaded free of charge at www.domesticandgeneral.com/PartVIITransfer. This summary of the scheme and a summary of the Independent Expert's report (in English and in other languages and formats) can be found at this web-site. Alternatively, you can request further hard copies of any of these documents free of charge, or ask any questions you have about the Proposed Transfer, by writing to us at Domestic & General Company Secretary at Domestic & General Insurance Company Limited, 11 Worples Road, London, SW19 4JS or by emailing us at transfer@domesticandgeneral.com.

3. KEY TERMS OF THE TRANSFER

3.1 Scheme

The Proposed Transfer requires the High Court of England and Wales to grant an order pursuant to FSMA sanctioning the Proposed Transfer. If the order is granted, the Proposed Transfer will become effective at 00:01 GMT on 22 March 2019 (the "**Effective Date**"). The scheme document submitted to the court contains the key terms of the Proposed Transfer, as summarised in the following paragraphs 3.2 to 3.6.

3.2 Transferring Business

All insurance policies of the European Business of DGI, together with the relevant supporting assets and liabilities, will automatically transfer to DGIEU on the Effective Date. In relation to the transferring policies:

- a) policyholders will continue to have the same rights, benefits and obligations and be subject to the same terms and conditions in relation to those policies;
- b) all future premiums will be payable to DGIEU in place of DGI; and
- c) any pending or ongoing legal proceedings, complaint or claim by or against DGIEU shall be continued or commenced by or against DGIEU in place of DGI.

3.3 Other contracts

All references in any transferring contract to DGI will be read as references to DGIEU and DGIEU shall acquire all rights and perform all duties under those contracts in place of DGI.

3.4 Records and Data Protection

Title, possession and control to and of the records relating to the transferring business will transfer to DGIEU, and the associated personal data may be processed by and on behalf of DGIEU to the same extent they were processed by and on behalf of DGI before the Effective Date. DGIEU shall owe policyholders the same duties of confidentiality and privacy as those which DGI owed to them before the Effective Date.

3.5 Costs and Expenses

All costs and expenses relating to the preparation of the Proposed Transfer and application for the sanction of the Proposed Transfer, including the costs of the independent expert, shall be borne by DGI or another member of the D&G Group.

3.6 Governing Law

The scheme document and Proposed Transfer is governed by and construed in accordance with English law.