

SUMMARY OF THE TRANSFER

SUMMARY OF THE TERMS OF THE TRANSFER OF PART OF THE BUSINESS OF PINNACLE INSURANCE PLC (PINNACLE) TO EIFLOW INSURANCE LIMITED (EIFLOW)

1. INTRODUCTION

On 15 October 2021 JAB Holding Company S.à r.l (**JAB**) and BNP Paribas Cardif S.A (**Cardif**) entered into a transaction to create a strategic partnership in respect of Pinnacle, Pinnacle Insurance Management Services Plc and Every paw Limited (the **Target Group**) where JAB indirectly holds 75.26% and Cardif indirectly holds 24.74% of the Target Group. Pinnacle subsequently agreed to transfer part of its non-pet business to EIFlow (the **Transferred Business**) under a Court sanctioned insurance business transfer scheme (the **Scheme**). The Transferred Business comprises a specific group of household, motor, motor warranty and GAP policies. This document provides a summary of the key terms of the proposed transfer (the **Transfer**). If you require further information, more detail can be found by reading the Scheme document in full and the report of an independent expert which confirms that in his opinion the Transfer will not materially adversely affect the financial security or levels of service of policyholders of Pinnacle or EIFlow. Both of these are available on our website www.cardifpinnacle.com

2. EFFECT OF THE TRANSFER ON POLICIES TRANSFERRING TO EIFLOW

If the Transfer goes ahead, EIFlow will become the provider in relation to your policy and be responsible for administering it and for making payments under it, instead of Pinnacle. The Transfer will, however, not affect the terms and conditions of your policy other than as necessary to replace references to Pinnacle (and its group) with EIFlow (and its group). If your policy is transferred, you will be entitled to the same rights with EIFlow under your policy as you had with Pinnacle. You will also see changes in the branding from Pinnacle to EIFlow in future communications.

After the Transfer, EIFlow will be responsible for making any payments due under the terms of your policy. No additional action is required on your part in relation to payments due from EIFlow (for example, you do not need to inform your bank).

3. HOW THE TRANSFER WILL BE IMPLEMENTED

The transfer of the Transferred Business to EIFlow is to be carried out under section 111(1) of the Financial Services and Markets Act 2000 (the **Act**). The Transfer will not proceed unless an order sanctioning the Scheme is given by the High Court of Justice of England and Wales (the **Court**).

4. COURT APPROVAL OF THE TRANSFER

If the Court approves the Scheme, the Transferred Business will transfer from Pinnacle to EIFlow.

It is expected that the Transfer will become effective at 00:01 (London time) on 31 December 2024 (the **Transfer Date**). This date may be subject to change with the Court's consent.

5. THE BUSINESS TO BE TRANSFERRED

On the Transfer Date, all rights, benefits, obligations and liabilities of Pinnacle in respect of the Transferred Business (unless specifically excluded) will transfer to EIFlow.

The reserves held in respect of the Transferred Business will be transferred by Pinnacle to EIFlow pursuant to the terms of a Business Transfer Agreement between Pinnacle and EIFlow.

Pinnacle's rights in respect of agreements which Pinnacle has entered into with third parties who provide Pinnacle with various administration services and reinsurance contracts which provide payment to Pinnacle if it has to pay out any claims to policyholders that fall under the policies comprised in the Transferred Business will be transferred to EIFlow on the Transfer Date, along with the documents, files and other records in relation to the Transferred Business held by or on behalf of Pinnacle.

6. EXCLUDED POLICIES AND EXCLUDED LIABILITIES

Pinnacle and EIFlow do not expect that any policy or group of policies will be excluded or prevented from being transferred to EIFlow on the Transfer Date. If for any reason we are unable to transfer any policy or group of policies intended to be transferred on the Transfer Date, these will be reinsured under a reinsurance agreement between Pinnacle and EIFlow and any such policies will transfer to EIFlow if and when the issue that prevented their transfer is resolved.

7. CONTINUITY OF PROCEEDINGS

Any proceedings by or against Pinnacle in relation to the Transferred Business (including any complaints made to any ombudsman, any future proceedings not yet begun and any unsatisfied judgements or awards made against Pinnacle before the Transfer Date) will be continued by or remain enforceable against EIFlow after the Transfer Date. EIFlow will be entitled to any and all defences, claims, counterclaims, rights of set-off and any other rights that Pinnacle would have had.

EIFlow will comply, in relation to complaints made to the United Kingdom's Financial Ombudsman Service (the **FOS**), with the procedures and rules governing such complaints and any direction, award or settlement made by the FOS, provided such compliance is compatible with any rules issued by the Gibraltar Financial Services Commission (which is EIFlow's regulator).

8. DATA PROTECTION

From the Transfer Date, EIFlow will become the data controller in place of Pinnacle in relation to the Transferred Business (except in circumstances in which Pinnacle continues to use personal data for the purposes of responding to any enquiries made by Policyholders after the Transfer Date in respect of matters occurring prior to the Transfer Date, in which case Pinnacle and EIFlow shall both be separate (and not joint) data controllers), and consents and information given to Pinnacle will be deemed to have been given to EIFlow.

9. MANDATES AND OTHER INSTRUCTIONS

From the Transfer Date, any mandates, including direct debits, standing orders or other instructions or authorities, payable to or from Pinnacle in respect of the Transferred Business will be payable to or from EIFlow instead.

10. AMENDMENT OF THE SCHEME

The Scheme provides that it may be amended, at any time after it has been approved by the Court, by application to the Court, provided that the Prudential Regulation Authority (the **PRA**) and Financial Conduct Authority (the **FCA**) have been notified of the application and a certificate is obtained from an independent expert who is approved by the PRA (having consulted with the FCA), confirming that in their opinion (having considered the proposed amendments in the round), the proposed amendments to the Scheme will not have a material adverse effect on the Policyholders of EIFlow, including by reference to: (i) the effect of the proposed amendments to the Scheme on the security of those Policyholders' contractual rights, including the likelihood and potential effects of the insolvency of EIFlow; or (ii) the likely effects of the proposed amendments to the Scheme on matters such as investment management, new business strategy, administration, governance, expense levels and

valuation bases in so far as they may affect (x) the security of those Policyholders' contractual rights; (y) level of service provided to those Policyholders; or (z) the reasonable benefit expectations of those Policyholders; and (iii) the cost and tax effects of the proposed amendments to the Scheme, including in so far as they may affect the security of those Policyholders' contractual rights or their reasonable benefit expectations, and, taking account of any relevant regulatory guidance applicable to modifications of insurance business transfer schemes under Part VII of the Act (or its successors).

11. OBJECTIONS

If you feel you may be disadvantaged by the proposed transfer, you have the right to object and to present your views to Court. You can also choose to be represented at Court if you prefer. Should you wish to be present or be represented at Court to present your views at the hearing please inform Pinnacle, in writing, of your intention to attend the hearing so that Pinnacle can inform you of any changes to the date and time of the hearing.

If you do wish to object, you can contact Pinnacle's dedicated free helpline, UK on + 44 (0)800 731 7001, email Pinnacle at PinnaclePart7@bnpparibascardif.co.uk. Pinnacle will acknowledge, in writing, all objections they receive. Pinnacle will submit details of all objections received to the PRA, the FCA and the Court, which will consider the Scheme and all objections from affected persons on 9 December 2024.