



Milliman LLP
11 Old Jewry
London
UK
EC2R 8DU

Tel +44 207 847 1500
Fax +44 207 847 1501

May 30, 2019

Directors of The Prudential Assurance Company Limited
10 Fenchurch Avenue
London
UK
EC3M 5AG

Dear Directors,

1. I write to you in relation to my reports dated 21 January 2019 (my **Main Report**) and 17 May 2019 (my **Supplementary Report**, and together with my Main Report, my **Reports**) produced in relation to the proposed transfer of some of the non-profit annuity policies of The Prudential Assurance Company Limited (the **Transferor**) to Rothesay Life Plc (the **Transferee**). Unless otherwise stated, definitions used within this letter shall have the same meaning as given to them within my Main Report.
2. I understand that the Guernsey Scheme is required because there are Transferring Policies issued to persons resident in the Bailiwick of Guernsey. A Guernsey Scheme is also required if there are any Transferring Policies governed by Guernsey law. At the commencement of the process relating to the transfer, it was not known for certain whether there were any Transferring Policies governed by Guernsey law. The Transferor has subsequently verified that there are no Transferring Policies governed by Guernsey law. Accordingly, the only reason for the Guernsey Scheme is that there are Transferring Policies issued to persons resident in the Bailiwick of Guernsey, and the definition of Guernsey Policies in the Guernsey Scheme and my Main Report is limited to such policies.
3. On this basis, my Supplementary Report contains an error in the definition of "Guernsey Policies" and an erroneous footnote in paragraph 1.11:
 - a. The definition of Guernsey Policies in my Supplementary Report should be amended to delete the words " *which were issued under Guernsey law or*" so that it reads as
*"... policies in scope to be transferred under the Scheme ("**Transferring Policies**" or "**Transferring Business**") issued to residents of the Bailiwick of Guernsey (the "**Guernsey Policies**");"*
 - b. The footnote stating that:
"The definition of Guernsey Policies in this Supplementary Report has been updated relative to the definition used in my Main Report; this is to ensure consistency of definitions with other Court documents. The definition now includes policies issued under Guernsey law as well as policies issued to residents of the Bailiwick of Guernsey."
is not correct, and was included in error, and reflected the wording of an earlier draft of the Scheme and Guernsey Scheme.
4. For the avoidance of doubt, and notwithstanding the error identified above, my conclusions contained in paragraph 6 of my Supplementary Report remain unchanged.

Yours faithfully,

Nick Dumbreck, FIA, CERA
Principal and Consulting Actuary