

# Wiltshire Friendly Society Limited

## Proposed Transfer of Engagements

**This document explains a proposed merger between Wiltshire Friendly Society Limited and The Original Holloway Society Limited. It is being sent to you because you are the beneficiary under an insurance policy with Wiltshire Friendly and are entitled to vote on whether the merger should proceed.**

**If you need to access the information in this document in a different format, or would like more information about the proposed merger please contact Wiltshire Friendly by email at [transfer@wiltshirefriendly.com](mailto:transfer@wiltshirefriendly.com) or by telephone on 01225 752120.**

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# 1. Introduction by the Chair and reasons for the Transfer

Dear Member

I am writing to you as the Society Chair to tell you about the proposed merger of Wiltshire Friendly's business with that of The Original Holloway Friendly Society Limited, trading as Holloway Friendly.

We are proposing that the merger will be by way of a Transfer of Engagements under the Friendly Societies Act 1992 by which Wiltshire Friendly's business will transfer to Holloway Friendly.

You are invited to vote on the proposed merger either by attending and voting at our Annual General Meeting to be held in Trowbridge, Wiltshire on 23 June 2026 or by casting your vote on the resolutions to be considered at that meeting by Proxy. A formal notice of the Annual General Meeting and a Proxy voting form are enclosed with this mailing.

Wiltshire Friendly is a small friendly society based in Trowbridge specialising in providing income protection insurance, including "Holloway Sickness" policies which include a With-profits savings element.

Our proposed merger partner, Holloway Friendly, is a larger friendly society based nearby in Gloucester. As a small independent business, Wiltshire Friendly has been faced with increased challenges because of uncertain economic and political times and, also greater competition in the market. Also, as a small business, the cost of complying with regulations and managing the various aspects of the business impacts our members more than those of larger competitors.

It will come as no surprise that these past few years have been difficult and 2025 was no exception. We did not achieve the level of sales that we need to secure our long-term future as an independent business. As a result, we have had to report an operating loss for the year and that has meant that we have made the decision to reduce Apportionment allocations to members. The Society continued to make an investment surplus and so the Bonus was maintained at 2024 rates. Despite this, we continue to operate with a strong focus on costs and are pleased with our control of operating expenses throughout the year.

As a small business we have always placed our members at the centre of everything we do. We have demonstrated this with 100% of all claims paid in 2025. We have a financially strong business, evidenced by a Free Asset Ratio of 14.5%. Despite our successful control of costs and current relative financial strength, we do need to consider the long-term sustainability of our business while we are in a good position. We have a strong set of skills on our Board and their commitment to the business ensures that we address challenges as they arise and act swiftly to make decisions that are in the interests of our members.

As a result of our difficult trading results over the past few years, in 2025 the Board of Wiltshire Friendly made a strategic decision that it would be better for our members if our business was merged into that of a larger society more able to deal with the challenges of the future.

We started formal talks with Holloway Friendly during 2025 and have been progressing the required due diligence and planning work behind the scenes to enable the Transfer to progress to a point of decision.

The Board is unanimous in their view that the Transfer is in the best interest of the Society and its members.

However, since we are a member-owned business, the final decision rests with you, our members and a Special Resolution to approve the Transfer (requiring 75% of those voting to vote in favour in order to be passed) will be proposed at Wiltshire Friendly's Annual General Meeting on 23 June 2026. The Board strongly encourages all members to vote in favour of the Transfer.

Yours sincerely

**Caroline Whitehead**  
Chair

## **2. What are the key features of the proposed Transfer?**

- Wiltshire Friendly will transfer all its business, assets and liabilities to Holloway Friendly on the Effective Date (intended to be 1 October 2026).
- As a member of Wiltshire Friendly, your policy will be transferred to Holloway Friendly. All Wiltshire Friendly policyholders will benefit from increased security and the high service standards that will result from Holloway Friendly being a larger and financially stronger organisation with increased resources.
- Wiltshire Friendly's "Holloway Sickness" With-profits policyholders will share in the profits arising on a larger pool of assets, which could produce higher returns (although future returns will depend, as at present, on investment performance and cannot be guaranteed).
- The rates of Bonus declared on Wiltshire Friendly Holloway Sickness policies will be three percentage points higher than those declared on Holloway Friendly's Holloway Sickness policies for 10 years, starting with the Bonus declared for the year ending 31 December 2026.
- Apportionment on Wiltshire Friendly Holloway Sickness policies for 2026 will be based on the rates allocated at the end of 2024 rather than 2025 – this will be more advantageous to members.
- Otherwise, all policy terms will be unchanged, although with-profit fund policies will become eligible to participate in Holloway Friendly's larger fund.
- The proposals to enhance Bonus for 10 years and to base Apportionment on 2024 rates rather than 2025 have been reviewed by Wiltshire Friendly's Appropriate Actuary and have been taken into account by her in reaching her conclusion that the Transfer will be in the interest of Wiltshire Friendly's members.
- Wiltshire Friendly members will become members of Holloway Friendly and maintain the right to vote to elect directors and on other important matters at the AGM.

## **3. Who is Holloway Friendly?**

Holloway Friendly is the trading name of The Original Holloway Friendly Society Limited, founded in 1875 and based in Gloucester. It is, like Wiltshire Friendly Society, a friendly society incorporated under the Friendly Societies Act 1992. As such, it is a mutual organisation owned by its policyholders with no outside shareholders.

Holloway Friendly is very much like Wiltshire Friendly as a business. It has closely aligned mutual values and high standards of member support. As its name suggests it originally offered Holloway Sickness policies, but now the bulk of its business is in providing income protection policies to customers throughout the United Kingdom.

In 2017 it embarked on a new growth strategy, offering a range of income protection products via intermediary distribution.

Holloway Friendly is larger than Wiltshire Friendly. As at 31 December 2025 it had:

- Total assets of £59m (liquid assets and technical provisions) compared to Wiltshire Friendly £13m
- Over 30,000 members compared to Wiltshire Friendly over 2,100 members
- 52 staff compared to Wiltshire Friendly 10 staff
- Gross premium income £14.9m per annum compared to Wiltshire Friendly £1.4m.

Further details of Holloway Friendly's financial position and a comparison between it and Wiltshire Friendly are given in section 5.

This additional size, and financial and operational resource, will enable additional services to be available to Wiltshire Friendly members allowing them to feel more secure and more supported in future years.

## **4. Your Questions Answered**

### **1. Why has Wiltshire Friendly decided to take this course of action now?**

Sales of the individual Holloway Sickness policies that formed Wiltshire Friendly's historic core business have been reducing year on year and this type of business has therefore declined as old policies have matured.

Despite diversification into niche markets and into pure income protection products, Wiltshire Friendly has not been able to achieve sufficient sales to grow its membership and its premium income, which has remained stable rather than increasing at the rate that would be needed to support future sustainability as an independent firm.

Costs have been well controlled, though there is a fixed cost caused by the resources and supplies needed to support member services. That cannot be reduced further, without detriment to members, and indeed has increased year on year through inflation and increases in the general costs of running a financial services business in the modern regulatory environment.

However, the lack of new income has put strain on what apportionment can be declared year on year for the individual Holloway Sickness members.

Whilst the Board's intentions are always to consider paying Bonuses (Apportionment, Bonus and Final), that decision is balanced with cost and the Society's financial position at the time they are declared. In the last couple of years Apportionment has decreased, as it cannot be supported by the current year trading surplus as intended, and is therefore a cost to the Society. This trend is likely to continue if the Society continues to operate independently, as income cannot be increased by the required volumes as noted above.

The Board has therefore decided that now is the time to act, to protect members' interests for the future and give members the added expectation that Bonuses will be sustained and improved in the future through a bigger, stronger firm more able to spread costs over a larger number of members and cope with the challenges of running a financial services business and to provide enhanced levels of service.

## **2. I am not sure what kind of policy I hold with Wiltshire Friendly. How can I find out?**

You will find your annual Personal Membership Statement enclosed with this mailing if you have a Holloway Sickness policy (this includes commuted policies). If you do not have a Personal Membership Statement you have an income protection policy. If you are still unclear, please contact us by email at [transfer@wiltshirefriendly.com](mailto:transfer@wiltshirefriendly.com) or by telephone on 01225 752120

## **3. I hold a Wiltshire Friendly Holloway Sickness policy. How will that be affected?**

Your income protection benefits will continue unaltered. As a With-profits policyholder, you will continue to share in surplus, but of the larger merged Society.

You will also receive a 3% additional guaranteed Bonus for 10 years from 2026, over and above the level of Bonus declared by Holloway Friendly. This will be applied to your Cash Sum (also known as Capital Balance) and paid when your policy matures, or on your earlier death. The extra Bonus seeks to recognise the assets that Wiltshire Friendly has built up over the years and will contribute to the merged Society, thus protecting Wiltshire Friendly's Holloway Sickness members' interests into the future.

Your Apportionment for 2026 will also be protected by being based on the higher rates you were allocated at the end of 2024 rather than 2025.

You will also be able to access new membership services as explained below.

## **4. I hold a Wiltshire Friendly Holloway Sickness policy which is now commuted. How will that be affected?**

As a With-profits policyholder, you will continue to share in surplus, but of the larger merged Society.

You will also receive a 3% additional guaranteed Bonus for 10 years from 2026, over and above the level of Bonus declared by Holloway Friendly. This will be applied to your Cash Sum and paid when your policy matures, or on your earlier death. The extra Bonus recognises the assets that Wiltshire Friendly has built up over the years and will contribute to the merged Society, thus protecting Wiltshire Friendly's Holloway Sickness members' interests into the future.

Your Apportionment for 2026 will also be protected by being based on the higher rates you were allocated at the end of 2024 rather than 2025.

You will also be able to access new membership services as explained below.

## **5. I hold a Wiltshire Friendly income protection policy that is not a Holloway Sickness policy. How will that be affected?**

Your income protection benefits will continue unaltered. The intention is that the larger merged Society will be able to use its increased resources and systems to enhance the service and general administration of your plan.

You will also be able to access new membership services as explained below.

## 6. Have Wiltshire Friendly and Holloway Friendly always been two different Societies?

Yes. Wiltshire Friendly was previously called the Wiltshire Holloway Benefit Society though changed its name to Wiltshire Friendly in 1995. Holloway Friendly are The Original Holloway Friendly Society Limited. Both were founded in the nineteenth century (by/on the principles established by) George Holloway to provide sickness cover with an element of life assurance.

## 7. When will the proposed Transfer be effective?

The Transfer will become effective once the Special Resolution is passed at Wiltshire Friendly's Annual General Meeting on 23 June 2026 and once the Prudential Regulation Authority (PRA) has confirmed the Transfer. We expect the Transfer to become effective 1 October 2026.

## 8. How will my interests be protected?

Both Societies' actuaries have examined the Transfer proposals in detail and concluded that Wiltshire Friendly's proposed merger with Holloway Friendly will be in the interest of their respective members.

The Transfer will need to be confirmed by the PRA, who will need to be satisfied that the transaction meets the criteria set out in the Friendly Societies Act 1992. The PRA will consider any representations made to it by members or other interested parties. The PRA will also consult the Financial Conduct Authority (FCA) before confirming the Transfer.

Holloway Friendly will be bound by an Instrument of Transfer, which contains specific provisions protecting interests of transferring members.

The intention is that Caroline Whitehead, Wiltshire Friendly's Chair, will join Holloway Friendly's Board once the Transfer becomes effective, to ensure there will be a spokesperson for the interests of ex-Wiltshire Friendly members.

## 9. What additional benefits will I receive?

By becoming a member of Holloway Friendly, you will have access to the additional member support services that are then available to you, as they are to the Holloway Friendly members.

You will be advised of these in due course following the Transfer completion, though by way of indication they would include:

- unlimited and free access to GP consultations with HealthHero (available to you, your partner and any children under 18 living with you).
- free access to a medical second opinion service.
- confidential advice and support through Optima Health, available 24/7, 365 days a year, on subjects such as stress, child support, employment issues, etc.

**Please note:** These services are not part of your insurance contract. Holloway Friendly provides them to thank you for being with them. While they plan to offer these services long-term, they can't guarantee they'll always be available or stay the same.

## 10. Will I become a member of Holloway Friendly?

Yes. You will be entitled to attend Annual General Meetings and other general meetings of Holloway Friendly and to vote on resolutions put to those meetings exactly as Holloway Friendly's current members can.

### 11. What will happen to Wiltshire Friendly after the Transfer?

On the Effective Date all the assets and liabilities of Wiltshire Friendly will transfer to Holloway Friendly. Wiltshire Friendly will be dissolved automatically under the provisions of the Friendly Societies Act 1992.

### 12. What if I don't like the proposed Transfer?

If you believe you have been adversely affected by the Transfer proposal, you may choose to vote against the Special Resolution to be proposed at Wiltshire Friendly's Annual General Meeting on 23 June 2026.

You will also be entitled to make representations to the PRA, either in writing or orally at a hearing which the PRA will hold if requested to do so. Further details of the arrangements for making representations will be published after the Annual General Meeting.

### 13. Can I speak to someone about this if I have additional questions or concerns?

Yes, you can. We want to make sure all Wiltshire Friendly's members understand the process and impact of the merger. You can either:

- email us at **[transfer@wiltshirefriendly.com](mailto:transfer@wiltshirefriendly.com)**
- or call us on 01225 752120

Our Chief Executive Jon Gratland will be happy to discuss the Transfer with you.

## 5. Statement of Proposed Transfer of Engagements

The following statement (on pages 7 to 11) was approved by the Prudential Regulation Authority under paragraph 2(2) of Schedule 15 of the Friendly Societies Act 1992 on 15 May 2026.

### Proposed Transfer of Engagement of Wiltshire Friendly Society Limited (Wiltshire Friendly) to The Original Holloway Friendly Society Limited (Holloway Friendly)

#### COMPARATIVE FINANCIAL POSITIONS Balance sheets as at 31 December 2025

	Wiltshire Friendly (£000)	Holloway Friendly (£000)
<b>ASSETS</b>		
Land and Buildings	225	745
Fixed interest government securities and corporate bonds	7,904	10,785
Equities	4,485	1,598
Deposits	99	2,214
Fixed Assets	8	59
Intangible Assets	40	2,519
Assets held to cover linked liabilities	-	550
Other Assets	290	690
<b>Total</b> (items have been rounded individually)	<b>13,051</b>	<b>19,160</b>
<b>LIABILITIES</b>		
Technical Provisions	9,447	(39,937)
[Investment contract liabilities]		
Insurance contract liabilities	114	117
Other liabilities and provisions	157	2,584
Other Reserves	-	550
Fund for Future Appropriations	3,333	55,846
<b>Total</b> (items have been rounded individually)	<b>13,051</b>	<b>19,160</b>

## NOTES

1. Wiltshire Friendly is responsible for the accuracy of the financial data in this Schedule 15 Statement (including the membership and premium income figures and the regulatory solvency figures set out below)
2. The above figures are taken from each Society's audited Financial Statements as at 31 December 2025. There have been no material changes in either Society's financial position between 31 December 2025 and the date of publication of this statement.
3. Wiltshire Friendly and Holloway Friendly are subject to different regulatory solvency regimes. Wiltshire Friendly's regime applies to small "non-directive" friendly societies and has different and simpler ways of assessing the value of policy liabilities than the standard "Solvency II" regime that applies to Holloway Friendly and will apply to the combined Society following the Transfer. Therefore, the figures in the Liability section of the table cannot be added up to indicate the effect of combining the Societies. The figures for assets do give a realistic view of the relative size of the two Societies, both separately and combined.
4. Neither Holloway Friendly nor Wiltshire Friendly has any significant future capital commitments that are not included in these figures.
5. Land and buildings valuation basis.

Holloway Friendly - a professional valuation was carried out in November 2023. The Head Office is fully occupied by the Society and was valued on an existing-use basis. Valuations are carried out every three years. The Directors consider this valuation to remain appropriate.

Wiltshire Friendly - The Society's freehold property, 7 Market Street is let on a 3 year lease, from November 2025, to Coventry Building Society. It was professionally valued as at 31 December 2025, on a Red Book desk top valuation basis.

6. Investments have been brought into account at market value.
7. Both Wiltshire Friendly and Holloway Friendly make use of reinsurance and have the following arrangements in place:
  1. Wiltshire Friendly
    - Quota share 50% of the sickness risk maximum £60k each arising on Group income protection policies with General Reinsurance (Gen Re), Gen Re take 100% share above £120k.
  2. Holloway Friendly
    - Quota share arrangement with Gen Re to reinsure 50% of the sickness risk arising on the Home Protector product
    - Financing reinsurance arrangement with Munich Re that enables the Society to draw cash against the value of future premiums
    - Mass lapse reinsurance with Hannover Re as a risk mitigation arrangement that helps the Society to reduce its exposure to lapse risk and protects it against unfavourable financial impact should it experience a mass lapse of policies
    - Four historic arrangements with both Gen Re and Hannover Re to reinsure sickness risk on legacy products (only 118 policies remained at 31 December 2025 under these agreements).

It is intended that all existing reinsurance arrangements will continue under the combined Society following the transfer.

### Membership and premium income

	Wiltshire Friendly	Holloway Friendly
Members as at 31 December 2025	2,113	30,028
Premium income for the year ended 31 December 2025	£1,311,686	£14,878,733

### Regulatory Solvency Position

The regulatory solvency position of each Society as at 31 December 2025 is shown below. Also shown is a hypothetical estimate of the solvency position had the Transfer of Engagements taken place on 31 December 2025.

	Wiltshire Friendly (£000)	Holloway Friendly (£000)	Hypothetical Combined Society (£000)
Fund for Future Appropriations less adjustment for asset admissibility plus adjustment for liabilities	3,333 (56) (899)	55,846 (2,518) -	62,252 (2,518) -
Own Funds	2,378	53,328	59,734
Required Margin of Solvency (RMS) for Wiltshire Friendly and Solvency Capital Requirement (SCR) for Holloway Friendly	498	34,525	36,307
Funds in excess of RMS or SCR	1,880	18,803	23,428
Solvency Cover Ratio (Own Funds divided by RMS or SCR)	477.5%	154.5%	164.5%

**Note:** As explained in Note [3] above, differences in the regulatory basis mean that the figures for Own Funds cannot be summed to show the combined Society.

Wiltshire Friendly is a “UK Solvency I firm”, Holloway Friendly is a “UK Solvency II firm”, and as such the methods of calculation of Solvency Cover Ratio above are different.

### INTEREST OF MEMBERS OF THE COMMITTEE OF MANAGEMENT

The Chief Executive and Secretary of Wiltshire Friendly, Mr Jon Gratland, has entered into an agreement with Holloway Friendly under which he will remain in employment as a consultant to Holloway Friendly from the Effective Date of the Transfer until 31 December 2026, when he will retire from employment. These arrangements will not involve any change in Mr Gratland’s current emoluments, or in his retirement benefits. All other members of Wiltshire Friendly’s Board have given notice that they intend to resign from office on the Effective Date.

Mrs Caroline Whitehead, the current chair of Wiltshire Friendly, has been invited to join the Board of Holloway Friendly from the Effective Date.

No compensation or other consideration is proposed to be paid in relation to the proposed Transfer to, or in respect of, any officer of either Wiltshire Friendly or Holloway Friendly.

## **PROPOSED TERMS OF TRANSFER**

Subject to approval at the Annual General Meeting of Wiltshire Friendly and confirmation of the Prudential Regulation Authority, the Transfer will take place on Thursday 1 October 2026 or as soon as practicable thereafter.

The principal terms of the Transfer are:

- Members of Wiltshire Friendly will become members of Holloway Friendly.
- All the assets and liabilities of Wiltshire Friendly will be transferred into Holloway Friendly's single long term business fund.
- Except as detailed below, all existing policy terms and conditions will remain unchanged and Holloway Sickness policies issued by Wiltshire Friendly (including commuted policies) will become eligible to share in the profits of the merged Holloway Friendly following the Effective Date alongside Holloway Sickness policies issued by Holloway Friendly.
- The following adjustments will apply:
  - The proportions in which the various classes of Holloway Sickness policy, issued by Holloway Friendly and those issued by Wiltshire Friendly, share Apportionment will be based on the Apportionment as at 31 December 2024. This will be more advantageous to Wiltshire Friendly policyholders than the Apportionment declared at 31 December 2025.
  - The Bonus declared on Wiltshire Friendly policies for each of the 10 financial years starting in 2026 will be set at three percentage points above that declared on Holloway Friendly Policies.
  - For the purpose of calculating Final Bonus, the investment gains on Wiltshire Friendly policies as at 31 December 2025 will be deemed to be 10% of the member's deposits at that date. Thereafter the Final Bonus on Wiltshire Friendly policies will be adjusted to reflect gains or losses in Wiltshire Friendly's long term business fund and until the Effective Date and gains or losses on the combined Holloway friendly long term business fund from the Effective Date onwards.
- The service standard for Wiltshire Friendly policyholders will be maintained at its current level as a minimum.

The Transfer will not conflict with any contractual commitment of either Society.

## SUMMARY ACTUARIAL REPORT

The PRA has not directed either Wiltshire Friendly or Holloway Friendly to furnish a report by an independent actuary on the terms of the proposed Transfer under section 88 of the Friendly Societies Act 1992. A report has been prepared by Wiltshire Friendly's Appropriate Actuary, Sally Butters FIA, the conclusions from which are summarised below. Members may request a copy of Ms Butters' full report from the Society's registered office or by emailing **agm@wiltshirefriendly.com**

Both Wiltshire Friendly and Holloway Friendly procure actuarial services from Steve Dixon Associates LLP ("SDA"), where Ms Butters is a Senior Actuary. To manage any potential conflicts of interest a segregation of duties was adopted within SDA an 'ethical wall' was put in place. Work was subject to independent peer review within SDA.

Mrs Butters has provided the following summary of her report:

"I have examined the proposed Transfer and based on my analysis of the impact of the proposed Transfer on Wiltshire' policyholders, my conclusions as described in my report are:

- In my opinion, the security of the benefits of Wiltshire business should not be adversely affected by the proposed Transfer and indeed is likely to be improved.
- In my opinion, the benefit expectations of Wiltshire policyholders should not be adversely affected by the proposed Transfer and indeed are likely to be improved.
- The Transfer would not be without risk, including:
  - adverse experience leading to worse solvency (and therefore potentially worse security of benefits and benefits) than expected, and
  - issues with transferring the administration of the policies and therefore potentially worse service standards.
- In my opinion, the proposed Transfer is in the interests of the members of Wiltshire.

In producing my report, I have relied on information provided by the Societies and their respective professional advisers without independent verification of the accuracy or completeness of information provided. Details of the information that I have reviewed are set out in my report.

Where I have used the phrase 'adversely affected', I have interpreted this as follows:

- For any group of policyholders, there may be some changes for the better and some for the worse. If there are some changes for the worse this does not necessarily mean that the Transfer is unfair or unreasonable, for example they might be outweighed by other benefits, or they might be extremely small, or highly unlikely to occur. The test I have applied is whether the position of any group is, in the round, "materially adversely affected". Where there are adverse changes, I have attempted to give some context as to their size or likelihood of occurring.
- I do not consider a potential effect material if:
  - it is very unlikely to happen and does not have a large impact, or
  - it is likely to happen but has a very small impact."

**Sally Butters, FIA. 1 May 2026**

## 6. Glossary

The definitions set out below are intended to illustrate how certain terms are used in this document and are not intended to be comprehensive or legally definitive.

### **Annual General Meeting**

A meeting of the members of a Friendly Society to pass resolutions.

### **Appropriate Actuary**

The actuary appointed by Wiltshire Friendly in accordance with the PRA's Rulebook to advise the Board and report on actuarial matters. Wiltshire Friendly's Appropriate Actuary is Sally Butters FIA of Steve Dixon Associates LLP.

### **Board**

The governing body of a Friendly Society, consisting of persons elected by the members to manage the business of the society on their behalf. The governing body of a Friendly Society is officially known as its "committee of management" and its members as "members of the committee of management" but the terms "board" and "directors" are also often used.

### **Bonuses**

An amount added to the Cash Sum payable on death or on maturity of a With-profits insurance policy. The types of bonus added to both Wiltshire Friendly's and Holloway Friendly's Holloway Sickness policies are:

- **Apportionment** – added annually from underwriting surplus (i.e. the difference between premiums paid and claims after allowing for the costs of operating the business.
- **Bonus** – added annually depending on investment performance – some other insurers refer to this as an annual or reversionary bonus.
- **Final Bonus** – paid on maturity depending on investment performance over the period for which the policy has been held.

### **Cash Sum (Capital Balance)**

The accumulated Apportionment and Bonus, credited to Members' Accounts during the life of their plans, which is to be paid on termination of their membership in accordance with the Rules.

### **Commuted Policy**

A With-profits policy which no longer has any entitlement to Sickness Benefit.

### **Effective Date**

The date on which the Transfer takes effect, currently expected to be 1 October 2026.

### **FCA**

The Financial Conduct Authority, which regulates the conduct of financial services firms in the UK, including both Wiltshire Friendly and Holloway Friendly, under the Financial Services and Markets Act 2000

### **Free Asset Ratio**

The ratio of an insurer's assets minus its liabilities and the capital it is required to keep to ensure solvency against its total assets. The higher an insurer's free asset ratio, the greater its financial strength

### **Holloway Friendly**

The trading name of The Original Holloway Friendly Society Limited, a Friendly Society incorporated under the Friendly Societies Act 1992, register number 145F whose registered office is at Holloway House, 71 Eastgate Street, Gloucester GL1 1PW.

### **Holloway Sickness Policy**

A type of income protection insurance offered by some friendly societies, including Wiltshire Friendly and Holloway Friendly, that also provides a lump-sum payment on death or on maturity of the policy.

### **Income Protection**

A type of insurance where the insurer provides an alternative income for policyholders unable to work due to long-term sickness or injury.

### **PRA**

The Prudential Regulation Authority, a division of the Bank of England which authorises and regulates certain financial institutions, including insurers, under the Financial Services and Markets Act 2000. The PRA is the “appropriate authority” for the confirmation of Transfers of Engagement by friendly societies which carry on insurance business.

### **Proxy**

A person (usually, but not always, the chair of the meeting) appointed by a member of a friendly society to vote on the member’s behalf at a meeting that the member does not personally attend. Members can direct their Proxy how to vote or can leave it to the Proxy to decide how to vote.

### **Special Resolution**

A resolution of members of a Friendly Society requiring a majority of at least 75% of the members who vote on it (either be attending the meeting in person or by Proxy) to vote in favour in order for the resolution to be passed.

### **Transfer or Transfer of Engagements**

The legal process by which all the property, assets and liabilities of one Friendly Society (including insurance policies issued by the society) become the property, assets and liabilities of another society, as set out in the Friendly Societies Act 1992.

### **Wiltshire Friendly**

The Wiltshire Friendly Society Limited, a Friendly Society incorporated under the Friendly Societies Act 1992, register number 746F whose registered office is at Holloway House, White Horse Business Park, Trowbridge, Wiltshire BA14 0XG.

### **With-profits**

A type of insurance policy where the returns depend on the surplus generated in the fund in which the policy is invested. Distributions of surplus are discretionary and are allocated to With-profits policies by the insurer on actuarial advice.

Holloway Sickness policies are a type of With-profits policy, although they are not subject to all the same regulatory rules as conventional With-profits policies.

