



Date

Policyholder Name

Address

Address

Address

Address

Policy ID: XXXXXX-X

Policy Type: [Endowment/Whole of Life]

Life Assured: Name

Policyholder(s): Name/s

Dear Policyholder,

Foundation Life (NZ) Limited - Proposed Policy Restructure (Scheme)

In our last Scheme update I advised that Foundation Life, with the third-party insurer, were working through the Inland Revenue Department's formal review process to address the unexpected tax classification issue. **I am pleased to advise that the tax issue has now been resolved**, which if the Scheme is approved will deliver significant benefits to policyholders.

We are now finalising Scheme details and the implementation timeline. The Appointed Actuary is compiling his Scheme report, which will then be reviewed by the Independent Actuary, followed by the Reserve Bank of New Zealand. I acknowledge the time it has taken to reach this point and I appreciate your patience.

Once all reviews are completed, we will seek approval from the High Court of New Zealand to send all eligible policyholders the Scheme information pack incorporating full details, including how policyholders can vote. We expect the information pack to be posted, and Scheme meeting held, in mid-2024.

The Scheme will only proceed if the required proportion of policyholders who vote, vote in favour of the Scheme, and it is approved by the High Court of New Zealand.

If the Scheme proceeds, the options available to New Zealand resident policyholders to replace their current Foundation Life policy are expected to be:

- Replacement insurance with a guaranteed amount of life cover that will be 5% higher than your policy's death benefit (including bonuses), and for which no further premiums are payable; or
- A cash payment that is a minimum of 5% higher than your policy's surrender value, and capped at your policy's death benefit; or
- A combination of life cover and cash, with the emphasis at your choice on life cover or cash.

Overseas resident policyholders, who do not transfer ownership of their policy to a New Zealand resident, will be offered the cash payment option only. Please refer to <https://www.foundationlife.co.nz/overseaspolicyholders> for more information.

Details of the final options to replace your current Foundation Life policy, including estimated cash options, will be confirmed in the information pack.

Please also note that we have recently completed a review of the surrender value calculation to better reflect current asset values and ensure fairness for policyholders in the Participating Fund. Policyholders who are thinking of cashing in their policy should consider waiting to see if the proposed Scheme proceeds. This is because the implementation of the Scheme will release significant reserves held for contingencies and future expenses.

FOUNDATION LIFE (NZ) LIMITED

Ground Floor, 50 Customhouse Quay, Wellington 6011 | PO Box 590, Wellington 6140

PHONE 0800 808 581 or +64 4 439 4300 | **EMAIL** enquiries@foundationlife.co.nz | **www.foundationlife.co.nz**

In the meantime, your Foundation Life policy is unchanged, and Foundation Life remains in a strong financial position, with an A- (Excellent) Financial Strength Rating from AM Best.

Should you have any questions, please contact us by email at enquiries@foundationlife.co.nz, or by phone on 0800 808 581 or +64 4 439 4300 from 8.30am to 5.00pm, Monday to Friday. Please also refer to the news section on our website <https://www.foundationlife.co.nz/news.html> for further updates.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Grant Piercy', enclosed within a large, loopy oval shape.

Grant Piercy
Chief Executive Officer
Foundation Life (NZ) Limited

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