In the High Court of New Zealand
Wellington Registry
I Te Kōti Matua O Aotearoa
Te Whanganui-ā-Tara Rohe

CIV-2025-485-142

in the matter of: a scheme of arrangement under Part 15 of the Companies Act 1993

and: **Foundation Life (NZ) Limited**

Applicant

Second affidavit of Timothy Charles Sole

Affirmed on: 18 March 2025

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SECOND AFFIDAVIT OF TIMOTHY CHARLES SOLE

I, Timothy Charles Sole of Waikanae, Director, affirm:

1 I am an independent, non-executive, director of the applicant, Foundation Life (NZ) Limited (**Foundation Life**). I am currently the Chairman of the Board of Foundation Life.

2 Foundation Life has developed the Scheme over a number of years. During that period, Foundation Life has communicated with policyholders to update them on the progress of the Scheme's development. Those communications have explained the general nature of the Scheme but the Explanatory Statement will be the first time that the Scheme's full terms and structure are to be provided to policyholders in detail.

RBNZ February 2025 letter

3 In my 27 February 2025 affidavit, I attached a 14 February 2025 letter from the Reserve Bank of New Zealand (**RBNZ**) as exhibit **7**.

4 In that letter, RBNZ noted that it:

> *"had received a number of complaints from eligible policyholders on the cross-subsidy inherent in the [Scheme], from policyholders choosing or defaulting to cash to policyholders choosing or defaulting to replacement insurance."*

5 We were not aware of those complaints or their exact nature so Foundation Life sought more details about them from RBNZ.

Further correspondence and RBNZ clarification

6 By a letter dated 12 March 2025 (attached as **exhibit 8**), RBNZ confirmed that their 14 February letter had been incorrect. RBNZ said that:

> *"After careful consideration and an internal review of the complaints received, we confirm that no complaint was received concerning the cross-subsidy inherent in the [Scheme]"*

7 RBNZ's letter still did not provide us with an understanding of the complaints, so Foundation Life made further enquiries. By a letter dated 14 March 2025 (attached as **exhibit 9**), RBNZ advised that:

> *"To clarify, the four complaints received during the period of 2022-2025, were mostly related to the policyholders' preference to continue on the current life policies offered by Foundation Life instead of the options (of choosing or defaulting to cash/replacement policy) provided under the*

Scheme of Arrangements, and the suitability of the proposed restructure/options to their needs."

8 We do not have any additional detail about those complaints, but they have necessarily been made without the benefit of the detailed information in the Explanatory Statement.

Affirmed at Wellington)

On 18 March 2025)

before me:)

Timothy Charles Sole

Ella Louie Sedcole
Solicitor
Wellington

A Solicitor of the High Court of New Zealand

"8"

Reserve Bank of New Zealand
Te Pūtea Matua

12 March 2025

This is the exhibit "**8**" referred to in the affidavit of **Timothy Charles Sole** affirmed at Wellington this 18th day of March 2025 before me:

Ella Louie Sedcole
Solicitor
Wellington

A Solicitor of the High Court of New Zealand

Mr Grant Piercy
Chief Executive Officer
Foundation Life (NZ) Limited
PO Box 590
Wellington 6140

Sent via Box

Dear Grant,

Project Scholar-complaints

Thank you for your continued engagement with the Reserve Bank regarding complaints against Foundation Life (NZ) Limited's (Foundation Life) Project Scholar that was referred to our letter dated 14 February 2025.

To clarify, we have received four complaints from policyholders concerning their choice or default to cash, and their choice or default choice for the replacement policy. From our meeting with you on 12 March 2025, we understand that Foundation Life will not be requiring the official information on these complaints as requested under the Official Information Act, 1982.

After careful consideration and an internal review of the complaints received, we confirm that no complaint was received concerning the cross-subsidy inherent in the SOA. However, we encourage Foundation Life to have a communication strategy to address this if policyholders wish to have information on this during the High Court process.

Finally, I would like to acknowledge the constructive manner with which Foundation Life has engaged with the Reserve Bank on this matter. This is appreciated.

Yours sincerely

Christina Grygiel
Manager, Banking & Insurance Supervision

"9"

Reserve Bank of New Zealand
Te Pūtea Matua

14 March 2025

This is the exhibit "**9**" referred to in the affidavit of **Timothy Charles Sole** affirmed at Wellington this 18th day of March 2025 before me:

Ella Louie Sedcole
Solicitor
Wellington

A Solicitor of the High Court of New Zealand

Mr Grant Piercy
Chief Executive Officer
Foundation Life (NZ) Limited
PO Box 590
Wellington 6140

Sent via Box

Dear Grant,

Project Scholar-complaints

Thank you for your continued engagement with the Reserve Bank regarding complaints against Foundation Life (NZ) Limited's (**Foundation Life**) Project Scholar that was referred to our letters dated 14 February 2025 and 12 March 2025.

To clarify, the four complaints received during the period of 2022-2025, were mostly related to the policyholders' preference to continue on the current life policies offered by Foundation Life instead of the options (of choosing or defaulting to cash/replacement policy) provided under the Scheme of Arrangements, and the suitability of the proposed restructure/options to their needs.

Again, I would like to acknowledge the constructive manner with which Foundation Life has engaged with the Reserve Bank on this matter. This is appreciated.

Yours sincerely

Christina Grygiel
Manager, Banking & Insurance Supervision