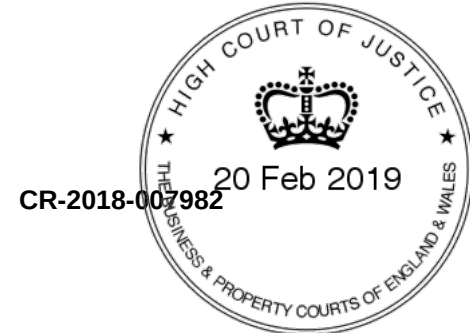


IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)



Before the Honourable Mr. Justice Snowden

CR-2018-007982

IN THE MATTER OF

AVIVA LIFE & PENSIONS UK LIMITED

and

IN THE MATTER OF

FRIENDS FIRST LIFE ASSURANCE COMPANY DAC

and

IN THE MATTER OF

THE FINANCIAL SERVICES AND MARKETS ACT 2000

ORDER

UPON THE APPLICATION by Part 8 Claim Form dated 9 October 2018 (the "**Application**") of the above-named Aviva Life & Pensions UK Limited (the "**Transferor**"), whose registered office is at Aviva, Wellington Row, York, North Yorkshire YO90 1WR, and Friends First Life Assurance Company Designated Activity Company (the "**Transferee**"), whose registered office is at Friends First House, Cherrywood Business Park, Loughlinstown, Dublin 18, Ireland, (together the "**Claimants**") seeking, inter alia, an order sanctioning an insurance business transfer scheme as set out in Schedule B hereto (the "**Scheme**") pursuant to Part VII of the Financial Services and Markets Act 2000 (the "**Act**")

AND UPON HEARING Mr Martin Moore, QC, Counsel for the Claimants

AND UPON HEARING Mr David Simpson for the Prudential Regulation Authority and for the Financial Conduct Authority

AND UPON HEARING Mr Liam Doyle, a policyholder

AND UPON READING the Claim Form and the evidence

AND UPON BEING SATISFIED that the appropriate certificates have been obtained as referred to in section 111 of the Act

AND UPON the Court considering it expedient to include at Schedule A hereto a summary of the Scheme

AND UPON the Transferor undertaking to take such reasonable steps as are practicable and necessary (a) to continue to meet its obligations under the Relevant Policies, and/or (b) to put in place arrangements with the purpose of achieving an equivalent economic effect for the beneficiaries of the Relevant Policies (either itself or in conjunction with a third party), where "Relevant Policies" means those policies issued by the Transferor where (i) the habitual residence of the policyholder at the time of inception of the policy was Iceland or Sweden, and (ii) the policy is not a Transferred Policy

AND UPON the Transferor and the Transferee undertaking that the holders of policies of the Transferor allocated to the "New With-Profits Sub-Fund", "FP With-Profits Sub-Fund" or the "Old With-Profits Sub-Fund" who are entitled to participate or share in any profits or established surplus of such funds, or policyholders of the Transferee who are entitled to participate or share in any profits or established surplus of such funds as a consequence of paragraph 5.4 of the Scheme, shall, notwithstanding any term to the contrary in the Scheme or the OLAB Reinsurance Agreement (as defined in the Scheme), have the right to enforce (i) paragraph 39.4 of the Scheme insofar as the relevant step taken pursuant to paragraphs 39.1 or 39.2 of the Scheme would involve termination of the OLAB Reinsurance Agreement and calculation of a Termination Amount (as defined in the OLAB Reinsurance Agreement), and (ii) clause 15 of the OLAB Reinsurance Agreement

THE COURT HEREBY SANCTIONS the amended Scheme set out in Schedule B hereto pursuant to section 111(1) of the Act

AND IT IS ORDERED THAT using the definitions in the Scheme and by virtue of this Order and without any further act or instrument, the Scheme take effect in accordance with its terms under section 112 of the Act. Without prejudice to the generality of the foregoing:

- (A) the transfer of the Transferred Business provided for by paragraph 3 of the Scheme and the transfers of all property and liabilities (as defined by sections 112(12) and (13) of FSMA respectively) provided for thereby take effect pursuant to section 112(1)(a) of FSMA and vest or transfer as provided for by section 112(3) of FSMA as a result of this Order;
- (B) the provisions in paragraph 4 of the Scheme relating to the continuity of proceedings take effect pursuant to section 112(1)(c) of FSMA; and
- (C) the provisions of all other paragraphs of the Scheme, not already mentioned, take effect pursuant to section 112(1)(d)

AND IT IS ORDERED THAT in accordance with section 112(10) of the Act the Claimants shall deposit two office copies of this Order with the Prudential Regulation Authority within ten days of the date of this Order, or such longer period as the Authority may allow

AND IT IS ORDERED THAT in accordance with section 114(2) of the Act:

- (A) notice of the making of this Order be published by the Transferee in each EEA State (other than the United Kingdom) which as regards any Policy included in the Scheme is the State of the

commitment by the insertion of a notice in such publication as is advised to the Transferee by the Prudential Regulation Authority or failing such advice in any official gazette or national paper in the relevant EEA State or in an edition of the Financial Times circulating in the relevant EEA state; and

- (B) such notice shall specify the period within which a policyholder has the right to exercise any right to cancel the Policy in accordance with the laws of that EEA State, which shall be the period of 21 days starting from the date of such publication or such other period (if any) as the laws of the relevant EEA State shall determine

AND IT IS ORDERED THAT either or both of the Transferor and the Transferee shall have liberty to apply for such orders as may be expedient or necessary for the purposes set out in section 112(1) of the Act, pursuant to paragraphs 45 or 49 of the Scheme and generally.

Dated this 19th day of February 2019

SCHEDULE A

SUMMARY OF SCHEME

1. INTRODUCTION

Aviva Life & Pensions UK Limited (the “**Transferor**”) and Friends First Life Assurance Company Designated Activity Company (the “**Transferee**”), two companies within the Aviva group, applied to the Court for an order (the “**Order**”) to sanction an insurance business transfer scheme (the “**Scheme**”) pursuant to Part VII of the Financial Services and Markets Act 2000 (“**FSMA**”), which is currently intended to take effect at 22:59 (GMT) on 29 March 2019. The time and date that the Scheme becomes effective is referred to as the “**Effective Time**”.

2. TRANSFER OF THE TRANSFERRED BUSINESS

The business that is to be transferred pursuant to the Scheme is known as the “**Transferred Business**”. The Transferred Business is comprised of the “**Transferred Policies**”, “**Transferred Contracts**”, “**Transferred Assets**” and “**Transferred Liabilities**” (each as described below).

Transferred Policies

The policies to be transferred pursuant to the Scheme are known as the “**Transferred Policies**”. At the Effective Time, the Transferee will acquire all of the rights, benefits and powers of the Transferor in relation to the Transferred Policies. The holders of Transferred Policies will be entitled to the same rights against the Transferee in respect of their policies as they currently have against the Transferor.

The Transferred Policies comprise the policies effected and/or carried on by the Transferor on a “**Freedom of Establishment**” basis (pursuant to articles 145-146 of Directive 2009/138/EC) from the Transferor’s branches in the Republic of Ireland (the “**Irish Branch**”), Belgium and France, and policies falling within any of the product lines set out in Schedule 1 to the Scheme, which were effected and/or carried on by the Transferor from the United Kingdom in certain EEA States (as defined in paragraph 8, Part 1 of Schedule 3 to FSMA) on a “**Freedom of Services**” basis (pursuant to articles 147-149 of Directive 2009/138/EC).

Transferred Contracts

Any contract between the Transferor and a third party that exclusively relates to the Transferred Policies or any activity carried on in connection therewith will transfer so that it will become a contract between the Transferee and the relevant third party (a “**Transferred Contract**”), however excluded from the Transferred Contracts are the “**Excluded Contracts**”, which are those contracts that relate to the Transferred Policies that were allocated to the “**Belgian SF**”, the “**FLAS With-Profits Sub-Fund**”, the “**FP With-Profits Sub-Fund**”, the “**New With-Profits Sub-Fund**” or the “**Old With-Profits Sub-Fund**” maintained by the Transferor prior to the Transfer, or which otherwise relate to Transferred Policies reinsured by the Transferor pursuant to the OLAB Reinsurance Agreement (as defined below).

Transferred Assets

The Transferred Assets comprise:

- (A) all rights, benefits and powers of the Transferor under or in connection with the Transferred Policies;
- (B) all rights, benefits and powers of the Transferor under or in connection with the Transferred Contracts;
- (C) all rights and claims (in contemplation, present or future, actual or contingent) of the Transferor against any person that is a party to or is a beneficiary of any of the relevant Transferred Policies or Transferred Contracts not within paragraphs (A) or (B) above to the extent that such right or claim relates to such Transferred Policies or Transferred Contracts, or arises as a result of such Transferred Policies or Transferred Contracts;
- (D) all "Irish Branch IWPSF Assets" (defined in the Scheme as all property owned by the Transferor and allocated to the "Irish With-Profits Sub-Fund" maintained by the Transferor);
- (E) all "Irish Branch NPSF Assets" (defined in the Scheme as all property owned by the Transferor's tax branch in Ireland and allocated to the "Non-Profit Sub-Fund" maintained by the Transferor, but excluding any such property backing Transferred Liabilities of the Transferor that, following their transfer to the Transferee, will be reinsured to the Transferor pursuant to the OLAB Reinsurance Agreement);
- (F) any Nominated Investment Assets (as defined in the Scheme, which are assets (if any are required) of a value sufficient to ensure the Transferee is capitalised to 150% of its Solvency Capital Requirement);
- (G) all OLAB Premium Assets (as defined in the Scheme, which are assets of the Transferor having a value equal to the premium payable under the OLAB Reinsurance Agreement (as defined below)); and
- (H) all books, records, files and papers, whether in hard copy or computer format, relating to the Transferred Policies and the Transferred Contracts, including claims and underwriting files, sales and promotional literature, manuals and data, sales and purchase correspondence and lists of present and former customers,

but excluding any "**Excluded Assets**".

The Excluded Assets comprise:

- (A) all property of the Transferor not included in the definition of Transferred Assets;

- (B) all property of the Transferor where the Transferor and Transferee agree prior to the Effective Time that such property should not be transferred at all; and
- (C) all books, records, files and papers that the Transferor is required by applicable law or regulation to retain.

Transferred Liabilities

The Transferred Liabilities comprise:

- (A) all liabilities of the Transferor under or in connection with the Transferred Contracts;
- (B) all liabilities of the Transferor under or in connection with the Transferred Policies;
- (C) all rights and claims (present or future, actual or contingent) against the Transferor not within paragraphs (A) or (B) above by any person other than the Transferor to the extent that such rights and claims relate to the Transferred Assets, Transferred Policies or Transferred Contracts, or arise as a result of the Transferred Assets, Transferred Contracts or Transferred Policies (including any adverse costs orders in relation to the same); and
- (D) all liabilities of the Transferor in respect of tax to the extent attributable to the Transferred Assets, Transferred Contracts or Transferred Policies (pursuant to this Scheme or otherwise),

(including, for the avoidance of doubt, any such liabilities in respect of or in connection with mis-selling) but excluding any “**Excluded Liabilities**”.

The Excluded Liabilities comprise:

- (A) all liabilities of the Transferor which are attributable to Excluded Assets or Excluded Contracts;
- (B) all liabilities of the Transferor which the Transferor and Transferee agree prior to the Effective Time that shall not be transferred at all; and
- (C) all liabilities of the Transferor arising as a consequence of the implementation of this Scheme, whenever incurred, including in each case any such liabilities relating to tax.

Deferred Transfer Business and Day One Business

Certain Transferred Business, defined in the Scheme as the “**Deferred Transfer Business**” (and comprised of the “**Deferred Transfer Policies**”, “**Deferred Transfer Contracts**”, “**Deferred Transfer Assets**” and “**Deferred Transfer Liabilities**”), will not transfer at the Effective Time, and may instead transfer on a subsequent date (the “**Subsequent Transfer Date**”). The Transferred Business that does

transfer at the Effective Time is referred to as the “**Day One Business**”, and is comprised of the “**Day One Policies**”, “**Day One Contracts**”, “**Day One Assets**” and “**Day One Liabilities**”.

Deferred Transfer Business includes Transferred Business where its transfer is outside the jurisdiction of the Court (or where its transfer pursuant to the Order would not be recognised under the laws of the jurisdiction which govern such Transferred Business, or where further steps are necessary to effect its transfer pursuant to such laws), where it cannot be transferred to or vested in the Transferee at the Effective Time for any other reason, and where the Transferor and Transferee agree prior to the Effective Time that its transfer should be delayed.

In addition Deferred Transfer Liabilities include Transferred Liabilities to the extent arising out of proceedings before an ombudsman which have not been finally determined as at the Effective Time (“**Outstanding Ombudsman Proceedings**”). The Subsequent Transfer Date for Outstanding Ombudsman Proceedings would occur following the final determination of such proceedings. This is to allow such proceedings to continue against the Transferor.

3. CONTINUITY OF PROCEEDINGS

Any Proceedings (other than Outstanding Ombudsman Proceedings) which have been commenced prior to, or which are commenced at or after, the Effective Time against or by the Transferor and which would give rise to a Day One Liability or Day One Asset (respectively) in the event of the Proceedings being resolved in the claimant’s favour or the Transferor’s favour (respectively), shall be continued or commenced against or brought by the Transferee.

Any judgment, settlement, order or award obtained by or against the Transferor, to the extent that it relates to any part of the Day One Business, and which is not fully satisfied before the Effective Time, shall become enforceable by or against the Transferee.

Any Outstanding Ombudsman Proceedings in existence at the Effective Time shall continue after the Effective Time against the Transferor. To the extent any Proceedings are initiated with the UK Financial Ombudsman after the Effective Time against the Transferee in respect of conduct of the Transferor prior to the Effective Time, the Transferee has given in the Scheme certain undertakings to comply with (i) relevant provisions of the Dispute Resolution: Complaints Sourcebook of the FCA Handbook, and (ii) any valid award or direction made by the UK Financial Ombudsman Service against the Transferee (as well as any settlement agreed with the complainant), in each case to the extent that such compliance is compatible with any rules or regulations issued by the CBI that are applicable to the Transferee.

4. FUND ALLOCATION AND REINSURANCE

At and with effect from the Effective Time, the Transferee shall establish and maintain as separate funds:

- (A) the “ALPI Belgian Fund” as a new fund (to which Transferred Policies that were allocated to the “Belgian SF” of the Transferor will be allocated);
- (B) the “ALPI FLAS Fund” as a new fund (to which Transferred Policies that were allocated to the “FLAS With-Profits Sub-Fund” of the Transferor will be allocated);
- (C) the “ALPI FP Fund” as a new fund (to which Transferred Policies that were allocated to the “FP With-Profits Sub-Fund” of the Transferor will be allocated);
- (D) the “ALPI Irish WPF” as a new with-profits fund (to which Transferred Policies that were allocated to the “Irish With-Profits Sub-Fund” of the Transferor will be allocated);
- (E) the “ALPI New Fund” as a new fund (to which Transferred Policies that were allocated to the “New With-Profits Sub-Fund” of the Transferor will be allocated); and
- (F) the “ALPI Old Fund” as a new fund (to which Transferred Policies that were allocated to the “Old With-Profits Sub-Fund” of the Transferor will be allocated).

The Transferee will continue to maintain as separate funds the “Closed Fund”, “Other Business Fund” and “Participating Fund”. Transferred Policies that were allocated to the “Non-Profit Sub-Fund” or the “Shareholder Fund” of the Transferor will be allocated to the “Other Business Fund”.

The Scheme provides that any Day One Policy (and following any Subsequent Transfer Date for Deferred Transfer Policies, the relevant Deferred Transfer Policies) that, prior to the Effective Time, entitled the policyholder to participate or share in any profits or established surplus of the “Belgian SF”, “FLAS With-Profits Sub-Fund”, “FP With-Profits Sub-Fund”, “New With-Profits Sub-Fund”, or “Old With-Profits Sub-Fund” of the Transferor, shall from the Effective Time (or the relevant Subsequent Transfer Date for Deferred Transfer Policies) be deemed to continue to entitle the policyholder to participate or share in any profits or established surplus of such Transferor fund without deduction or adjustment by the Transferee.

Prior to the Effective Time, the Transferor will enter into a reinsurance agreement with the Transferee (the “**OLAB Reinsurance Agreement**”), pursuant to which from the Effective Time the Transferor will reinsure all of the Transferring Policies that will be allocated to the “Belgian SF”, the “FLAS With-Profits Sub-Fund”, the “FP With-Profits Sub-Fund”, the “New With-Profits Sub-Fund” and the “Old With-Profits Sub-Fund” (together, the “**Wholly Reinsured Funds**”) and certain Transferring Policies that will be allocated to “Other Business Fund” back to the original funds of the Transferor from which they were transferred. The premium that the Transferee will pay to the Transferor under the OLAB Reinsurance Agreement is known as the “Total Back-Book Premium”, and this sum will be set off against the Transferor’s requirement to transfer the “OLAB Premium Assets”, as described above.

In connection with the OLAB Reinsurance Agreement, the Transferor will grant a floating charge to the Transferee over all of the assets of the Transferor (excluding any asset subject to fixed security, or over

which the Transferor is prohibited, either absolutely or conditionally, from creating security, including where prior consent would be required). Upon crystallisation of the floating charge into a fixed charge, the amount recoverable by the Transferee is set such that it shall not exceed the amount that the Transferee would have been entitled to receive from the Transferor if the secured amounts had been unsecured Insurance Debts (as defined by Regulation 2 of The Insurers (Reorganisation and Winding Up) Regulations 2004) of the Transferor.

The Scheme contains provisions specifying the requirements that the board of the Transferee must satisfy prior to taking steps following any determination that the maintenance of the arrangements provided for in the Scheme (in particular, the arrangements described in the preceding paragraphs regarding the Wholly Reinsured Funds) and the OLAB Reinsurance Agreement either (i) are no longer necessary to protect the rights and reasonable expectations of holders of policies allocated to the Wholly Reinsured Funds, or (ii) are (or are likely to become) prejudicial to holders of policies allocated to the Wholly Reinsured Funds. These requirements include the prior consultation with, and approval of, an independent actuary in relation to such steps, consultation with the With-Profits Committee of the Transferor (whose terms of reference include exercising oversight over the ALPI Irish WPF) where applicable, and the non-objection of the Central Bank of Ireland (“CBI”) in relation to such steps.

5. Other Scheme matters

Previous transfer schemes

To preserve the existing rights of holders of Transferred Policies pursuant to previous insurance transfer schemes, certain provisions from such Schemes (namely the transfer schemes referred to in the Scheme as the “**FL Schemes**” and the “**Irish 2014 Scheme**”) have been replicated in the Scheme. In so doing, amendments have been made to the drafting to reflect their applicability to the Scheme (for example, by changing references to relevant policies and funds of the Transferee, and by removing references to policies and sub-funds of the Transferor which are not transferring under the Scheme). In addition, in replicating the provisions of paragraph 15 of the Irish 2014 Scheme (“Conversion of With-Profits Policies to Non-Profit Policies”), amendments have been made:

- (A) to remove the requirement to close the relevant fund pursuant to paragraph 15.1(2) of the Irish 2014 Scheme (preserving only the non-mandatory option to close the relevant fund pursuant to paragraph 15(1) of the Irish 2014 Scheme); and
- (B) to resolve a drafting ambiguity in paragraph 15.3(2) of the Irish 2014 Scheme.

Variations

The Transferee may apply to Court for consent to amend the Scheme. If the Transferee makes such an application: (i) the CBI (and, in certain circumstances specified in the Scheme, the Transferor, the PRA and the FCA) shall be notified of and have the right to be heard at the Court hearing; and (ii) the Transferee must obtain a certificate from an independent actuary confirming that in his or her opinion

the proposed variation will not materially and adversely affect the security or reasonable expectations of the holders of Transferred Policies. Minor and/or technical amendments will not require the sanction of the Court; however, the CBI (and, in certain circumstances specified in the Scheme, the Transferor, the PRA and the FCA) must be given notice of them and confirm they do not object, and the Transferee must have taken appropriate actuarial advice.

Data Protection

From the Effective Time, the Transferee will succeed to all rights, liabilities and obligations of the Transferor in respect of personal data relating to the Transferred Business and will become the data controller of such information. In any consent given by a data subject in respect of such data, any reference to the Transferor (or to any members of the Transferor's Group) shall be deemed to include a reference to the Transferee.

Costs and expenses

Except as may otherwise be agreed in writing, each party shall bear its own costs and expenses in relation to the Scheme.

Schedule B
The Scheme

**IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMPANIES COURT (ChD)**

No. CR-2018-007982

**IN THE MATTER OF
AVIVA LIFE & PENSIONS UK LIMITED**

and

**IN THE MATTER OF
FRIENDS FIRST LIFE ASSURANCE COMPANY DAC**

and

**IN THE MATTER OF
THE FINANCIAL SERVICES AND MARKETS ACT 2000**

SCHEME

pursuant to Part VII of the Financial Services and Markets Act 2000

Slaughter and May
One Bunhill Row
London EC1Y 8YY

(JADM/RRH)
547209219

CONTENTS

Paragraph	Page
PART A – DEFINITIONS AND INTERPRETATION	1
1 Definitions and interpretation	1
PART B – INTRODUCTORY PROVISIONS	21
2 Parties and background	21
PART C – TRANSFER	23
3 Transfer of the Transferred Business	23
4 Continuity of Proceedings	26
5 Treatment of Transferred Policies	28
6 Treatment of Transferred Contracts	31
7 Premiums, mandates and other payments	32
8 Declaration of trust and wrong pocket	33
9 Indemnities in favour of the Transferor	34
10 Indemnity in favour of the Transferee	35
11 Determination of the NIA Amount and the Nominated Investment Assets	35
12 Balancing Amount	35
PART D – FUND ALLOCATION	37
13 Establishment and maintenance of the ALPI Funds	37
14 Allocation of Day One Policies and Day One Contracts	37
15 Allocation of Day One Assets	39

16	Allocation of Day One Liabilities	39
17	Allocation of Deferred Transfer Business	41
18	Allocation of Existing Transferee Assets and Liabilities at the Effective Time	41
19	Establishment of Linked Funds	42
20	General provisions in respect of ALPI Fund allocation	43
PART E – OPERATION OF THE ALPI FUNDS		45
21	Allocation of continuing business	45
22	Allocation of New Policies	45
23	Allocation of property and liabilities that arise after the Effective Time	47
24	Re-allocation of non-profit Policies	47
25	Re-allocation of with-profits Policies	48
26	Transfers and exchanges	49
27	Delay in allocation or misallocation to the ALPI Funds	49
28	Financial management of the ALPI Funds	50
29	Intra-Group loans	51
30	Internal Reinsurance Arrangements	52
31	Other provisions in relation to reinsurance	53
32	Limitations on the reallocation or reinsurance of with-profits Policies	54
33	Switching provisions	54
34	Role of the With-Profits Committee	55
35	ALPI SRA Statement	55
36	Financial support	56

37	Tax	56
38	Merger and division of ALPI UKLAP Funds (general)	57
39	Amendment to arrangements in relation to the Wholly Reinsured Funds	58
PART F – ADDITIONAL PROVISIONS RELATING TO THE ALPI IRISH WPF		61
40	IWPF PPFM	61
41	Annuities payable from the ALPI Irish WPF	61
42	Conversion of Converting IWPF Policies into non-profit Policies	61
43	Unitised IWPF With-Profits Policies and Split IWPF With-Profits Policies	63
44	Distribution from the ALPI Irish WPF	65
PART G - MISCELLANEOUS PROVISIONS		68
45	Effective Time	68
46	Effect of transfer	68
47	Netting of transfers or re-allocations	68
48	Costs and expenses	69
49	Variations	69
50	Evidence of transfer	71
51	Annual certification of Scheme compliance	71
52	Third party rights	72
53	Agreed form documents	72
54	Successors and assigns	72
55	Governing law	72

Schedule 1 - List of Transferred Policy products	73
Schedule 2 - OLAB Reinsurance Agreement (agreed form)	87
Schedule 3 - NIA Amount and Nominated Investment Assets	88
Schedule 4 - Calculation of Guaranteed IWPF Bonuses	89

PART A – DEFINITIONS AND INTERPRETATION

1 Definitions and interpretation

1.1 In this Scheme, unless the subject or context requires otherwise, the following expressions shall bear the following meanings:

2015 Regulations means the European Union (Insurance and Reinsurance) Regulations 2015;

ALPI Belgian Fund means the fund established and maintained by the Transferee pursuant to paragraph 13.1(a);

ALPI FF Funds means the Closed Fund, the Other Business Fund and the Participating Fund;

ALPI FLAS Fund means the fund established and maintained by the Transferee pursuant to paragraph 13.1(b);

ALPI FP Fund means the fund established and maintained by the Transferee pursuant to paragraph 13.1(c);

ALPI Funds means the ALPI FF Funds, the ALPI UKLAP Funds and any other Long-Term Insurance Business fund of the Transferee established from time to time;

ALPI Irish WPF means the with-profits fund established and maintained by the Transferee pursuant to paragraph 13.1(d);

ALPI New Fund means the fund established and maintained by the Transferee pursuant to paragraph 13.1(e);

ALPI Old Fund means the fund established and maintained by the Transferee pursuant to paragraph 13.1(f);

ALPI SHF means:

- (a) prior to the Effective Time, the assets and liabilities of the Transferee other than those attributable or represented by the ALPI FF Funds; and
- (b) after the Effective Time, the assets and liabilities of the Transferee other than those attributable or represented by the ALPI Funds;

ALPI SRA Statement means the internal risk appetite statement of the Transferee, as adopted by the Transferee's Board and as amended from time to time in accordance with this Scheme;

ALPI UKLAP Funds means the ALPI Belgian Fund, the ALPI FLAS Fund, the ALPI FP Fund, the ALPI Irish WPF, the ALPI New Fund and the ALPI Old Fund;

Arms' Length Consideration means, in respect of a transaction, an amount determined by the Board of the Transferee, having taken appropriate actuarial advice, to be an appropriate arms' length consideration for such transaction;

Available Own Funds has the meaning given to it in the Solvency II Directive (2009/138/EC), as amended and supplemented by the Omnibus II Directive (2014/51/EU);

Balancing Amount has the meaning given to it in paragraph 12.1;

Balancing Assets means the property of the Transferee selected by the Transferee (in the case of paragraph 12.2(a)) or the property of the Transferor selected by the Transferor (in the case of paragraph 12.2(b)) in either case having a value on the Balancing Assets Transfer Date equal to the absolute value of the Balancing Amount;

Balancing Assets Transfer Date means a date selected by the Transferee (in the case of paragraph 12.2(a)) or the Transferor (in the case of paragraph 12.2(b)) not being more than five (5) days after the Transferor has determined the Balancing Amount in accordance with paragraph 12.1;

Board means, in respect of a company, the board of directors of that company from time to time;

Brexit has the meaning given to it in paragraph 2.3;

Business Day means a day (other than a Saturday or Sunday or public holiday in the United Kingdom or the Republic of Ireland) on which banks are open in London and Dublin for general commercial business;

Capitalisation Amount shall be expressed in Euro and calculated as:

$$(150\% \times \mathbf{A}) - \mathbf{B}$$

where:

- (a) **A** = the Solvency Capital Requirement of the Transferee immediately after the Effective Time (*expressed in Euro*); and
- (b) **B** = the Available Own Funds of the Transferee immediately after the Effective Time (taking into account, for the avoidance of doubt, the transfer of the Irish Branch IWPSF Assets, the Irish Branch NPSF Assets and the OLAB Premium

Assets), but disregarding the impact of the Capitalisation Amount itself (*expressed in Euro*);

CBI means the Central Bank of Ireland;

Closed Fund means the with-profits fund named the “Closed Fund” maintained by the Transferee;

Contract means a contract, commitment, agreement, indenture, note, bond, mortgage, loan, instrument, lease, licence or equivalent arrangement;

Converting IWPF Policy means a Policy that is allocated to the ALPI Irish WPF at the IWPF Conversion Date;

Court means the High Court of Justice;

Day One Assets means all Transferred Assets that are not Deferred Transfer Assets;

Day One Business means together:

- (a) the Day One Assets;
- (b) the Day One Contracts;
- (c) the Day One Liabilities; and
- (d) the Day One Policies,

and all activities carried on in connection therewith;

Day One Contracts means all Transferred Contracts that are not Deferred Transfer Contracts;

Day One Liabilities means all Transferred Liabilities that are not Deferred Transfer Liabilities;

Day One Policies means all Transferred Policies that are not Deferred Transfer Policies;

DC Policy means any defined charge Policy which includes the right to invest in with-profits investment (whether by the allocation of WP Units or otherwise) and which may also include the right to invest in UL Units, under which the only charges and expense deductions which may be made from the premiums or assets referable to that Policy are those specifically defined in the relevant Policy;

Deed of Charge means the agreement entitled “Deed of Charge”, to be entered into between the Transferor and the Transferee in accordance with paragraph 53;

Deferred Transfer Assets means:

- (a) all Transferred Assets where the Court has not sanctioned their transfer to the Transferee at the Effective Time under section 112(2) of FSMA;
- (b) all Transferred Assets where their transfer is outside the jurisdiction of the Court, or where their transfer pursuant to an order of the Court is not recognised under the laws of the jurisdiction in which the property is situated, or where further steps are necessary to effect their transfer pursuant to the laws of the jurisdiction in which such property is situated;
- (c) all Transferred Assets which cannot be transferred to or vested in the Transferee at the Effective Time for any other reason;
- (d) all Transferred Assets where the Transferor and Transferee agree prior to the Effective Time that their transfer should be delayed; and
- (e) all proceeds of sale or income or other accrual or return whatsoever, whether or not in any case in the form of cash, earned or received from time to time after the Effective Time but prior to the relevant Subsequent Transfer Date in respect of any such property referred to in paragraphs (a) to (d) of this definition;

Deferred Transfer Business means together:

- (a) the Deferred Transfer Assets;
- (b) the Deferred Transfer Contracts;
- (c) the Deferred Transfer Liabilities; and
- (d) the Deferred Transfer Policies,

and all activities carried on in connection therewith;

Deferred Transfer Contracts means:

- (a) all Transferred Contracts where the Court has not sanctioned their transfer to the Transferee at the Effective Time under section 112(2) of FSMA;
- (b) all Transferred Contracts where their transfer is outside the jurisdiction of the Court, or where their transfer pursuant to an order of the Court is not recognised under the laws of the jurisdiction which govern such Contract, or where further steps are necessary to effect their transfer pursuant to the laws of the jurisdiction which govern such Contract;
- (c) all Transferred Contracts which cannot be transferred to or vested in the Transferee at the Effective Time for any other reason; and
- (d) all Transferred Contracts where the Transferor and Transferee agree prior to the Effective Time that their transfer should be delayed;

Deferred Transfer Liabilities means:

- (a) all Transferred Liabilities that are attributable to or connected with a Deferred Transfer Asset, Deferred Transfer Contract or Deferred Transfer Policy and that arise at any time before the Subsequent Transfer Date applicable to that Deferred Transfer Asset;
- (b) all Transferred Liabilities where the Court has not sanctioned their transfer to the Transferee at the Effective Time under section 112(2) of FSMA;
- (c) all Transferred Liabilities where their transfer is outside the jurisdiction of the Court, or where their transfer pursuant to an order of the Court is not recognised under the laws of the jurisdiction in which the liability is situated, or where further steps are necessary to effect their transfer pursuant to the laws of the jurisdiction in which such liability is situated;
- (d) all Transferred Liabilities to the extent arising out of Outstanding Ombudsman Proceedings;
- (e) all Transferred Liabilities which cannot be transferred to or vested in the Transferee at the Effective Time for any other reason; and
- (f) all Transferred Liabilities where the Transferor and Transferee agree prior to the Effective Time that their transfer should be delayed;

Deferred Transfer Policies means:

- (a) all Transferred Policies where, for the purpose of section 111(2) of FSMA and paragraph 1(2A) of Schedule 12 to FSMA, the PRA has not provided the certificate referred to in paragraph 3A of Schedule 12 to FSMA prior to the making of the Order;
- (b) all Transferred Policies where the Court has not sanctioned their transfer to the Transferee at the Effective Time under section 112(2) of FSMA;
- (c) all Transferred Policies where their transfer is outside the jurisdiction of the Court, or where their transfer pursuant to an order of the Court is not recognised under the laws of the jurisdiction which govern such Policy, or where further steps are necessary to effect their transfer pursuant to the laws of the jurisdiction which govern such Policy;
- (d) all Transferred Policies which cannot be transferred to or vested in the Transferee at the Effective Time for any other reason; and
- (e) all Transferred Policies where the Transferor and Transferee agree prior to the Effective Time that their transfer should be delayed;

EEA State has the meaning set out in paragraph 8, Part 1 of Schedule 3 to FSMA;

Effective Time means the time and date on which this Scheme shall take effect in accordance with paragraph 45;

Encumbrance means a mortgage, charge, pledge, security assignment, lien, option, restriction, right of first refusal, right of pre-emption, third party right or interest, any other encumbrance or security interest of any kind, or any other type of preferential arrangement (including, without limitation, title transfer and retention agreements) having a similar effect;

Equivalent UKLAP Sub-Fund means:

- (a) in respect of the ALPI Belgian Fund, the “Belgian SF”; and
- (b) in respect of the ALPI FLAS Fund, the “FLAS With-Profits Sub-Fund”;
- (c) in respect of the ALPI FP Fund, the “FP With-Profits Sub-Fund”;
- (d) in respect of the ALPI Irish WPF, the “Irish With-Profits Sub-Fund”;
- (e) in respect of the ALPI New Fund, the “New With-Profits Sub-Fund”;
- (f) in respect of the ALPI Old Fund, the “Old With-Profits Sub-Fund”; and

- (g) in respect of the Other Business Fund, the “Non-Profit Sub-Fund” and the “Shareholder Fund”,

in each case as maintained by the Transferor (or such successor fund or sub-fund established or maintained by the Transferor from time to time as the Transferee may determine);

Excluded Assets means:

- (a) all property of the Transferor that is not referred to in limbs (a) to (h) of the definition of Transferred Assets;
- (b) all property of the Transferor where the Transferor and Transferee agree prior to the Effective Time that such property should not be transferred at all; and
- (c) all books, records, files and papers that the Transferor is required by Regulatory Requirements to retain;

Excluded Contracts means all Contracts that exclusively relate to Transferred Policies that, immediately prior to the Effective Time, were allocated to the “Belgian SF”, the “FLAS With-Profits Sub-Fund”, the “FP With-Profits Sub-Fund”, the “New With-Profits Sub-Fund” or the “Old With-Profits Sub-Fund” maintained by the Transferor, or which otherwise relate to Transferred Policies reinsured by the Transferor pursuant to the OLAB Reinsurance Agreement;

Excluded Liabilities means:

- (a) all liabilities of the Transferor which are attributable to Excluded Assets or Excluded Contracts;
- (b) all liabilities of the Transferor where the Transferor and Transferee agree prior to the Effective Time that such liabilities shall not be transferred at all; and
- (c) all liabilities of the Transferor arising as a consequence of the implementation of this Scheme, whenever incurred,

including, for the avoidance of doubt, any such liabilities relating to Tax;

Existing Transferee Assets means all assets of the Transferee (whatsoever and wheresoever situated) forming part of the Transferee's Long-Term Insurance Business immediately prior to the Effective Time;

Existing Transferee Liabilities means all liabilities whatsoever of the Transferee forming part of the Transferee's Long-Term Insurance Business immediately prior to the Effective Time;

Existing Transferee Policies means every Policy written by or novated or transferred to the Transferee prior to the Effective Time under which any liability remains unsatisfied or outstanding at the Effective Time;

Existing Transferee Schemes means each of:

- (a) the Irish scheme between Friends Provident Life Office and the Transferee, as sanctioned by the Irish High Court on 23 January 1991 and effective on 31 January 1991;
- (b) the Irish scheme between NM Life Assurance Ireland Limited and the Transferee, as sanctioned by the Irish High Court on 13 February 1995 and effective on 28 February 1995; and
- (c) the Irish scheme between First Managed Pension Funds Designated Activity Company and the Transferee, as sanctioned by the Irish High Court on 21 March 2017 and effective on 31 March 2017;

FCA means the Financial Conduct Authority;

FCA Glossary means the Glossary of the FCA Handbook;

FCA Handbook means the handbook of rules and guidance issued by the FCA from time to time pursuant to FSMA;

FL English Scheme means the English scheme of transfer between Friends Life Limited, Friends Life and Pensions Limited, Aviva Investors Pensions Limited, Aviva Pension Trustees UK Limited and the Transferor, as sanctioned by the High Court on 13 September 2017 and effective on 1 October 2017;

FL Schemes means each of:

- (a) the English scheme of transfer between Friends Life Limited, Friends Life and Pensions Limited, Aviva Investors Pensions Limited, Aviva Pension Trustees UK Limited and the Transferor, as sanctioned by the High Court on 13 September 2017 and effective on 1 October 2017;
- (b) the Guernsey scheme of transfer between Friends Life Limited, Friends Life and Pensions Limited and the Transferor, as sanctioned by the Royal Court of Guernsey on 22 September 2017 and effective on 1 October 2017; and

- (c) the Jersey scheme of transfer between Friends Life Limited, Friends Life and Pensions Limited and the Transferor, as sanctioned by the Royal Court of Jersey on 20 September 2017 and effective on 1 October 2017;

Freedom of Establishment means the right of an insurer in an EEA State to pursue business in an EEA State other than its Home State, pursuant to articles 145-146 of Directive 2009/138/EC;

Freedom of Services means the right of an insurer in an EEA State to pursue business in an EEA State other than its Home State, pursuant to articles 147-149 of Directive 2009/138/EC;

FSMA means the Financial Services and Markets Act 2000;

Group means in respect of any person:

- (a) that person;
- (b) its holding companies from time to time;
- (c) its subsidiaries from time to time; and
- (d) each of the subsidiaries from time to time of any such holding company;

Guaranteed IWPF Bonuses has the meaning given to it in paragraph 42.1;

Hamilton Schemes means each of:

- (a) the English scheme of transfer between Hamilton Life Assurance Company Limited and the Transferor, as sanctioned by the High Court on 10 December 2009 and effective on 31 December 2009; and
- (b) the English scheme of transfer between Hamilton Insurance Company Limited and the Transferor, as sanctioned by the High Court on 10 December 2009 and effective on 31 December 2009;

Head of Actuarial Function means the Head of Actuarial Function of the Transferee from time to time;

Home State means, in relation to an insurance undertaking, the EEA State in which the registered office of the insurance undertaking is situated (if any);

Hybrid Policy means any Policy (which is not a DC Policy) with its with-profits component allocated to, or reassured to, an ALPI Fund, the effecting and carrying out of which constitutes in whole or in part linked Long-Term Insurance Business and which includes

the option to invest in both UL Units and with-profits investment (whether by the allocation of WP Units or otherwise);

Intermediary means a broker, agent, employee benefit consultant, independent financial adviser or other intermediary that is not an appointed representative (as defined in the FCA Glossary), and that is party to an agreement with the Transferor to distribute the Transferor's products in respect of the Transferred Business at any relevant time;

Internal Cedant means, in respect of an Internal Reinsurance Arrangement, the ALPI Fund benefiting from the protection equivalent to reinsurance;

Internal Reinsurance Arrangement has the meaning given to it in paragraph 30;

Internal Reinsurer means, in respect of an Internal Reinsurance Arrangement, the ALPI Fund providing the protection equivalent to reinsurance;

Internally Reinsured Policy means any Policy which is to any extent the subject of an Internal Reinsurance Arrangement;

Irish 2014 Scheme means the Irish scheme between Aviva Life & Pensions Ireland Limited and the Transferor, as sanctioned by the Irish High Court on 2 December 2014 and effective on 1 January 2015;

Irish Branch NPSF Assets means all property owned by the Transferor's tax branch in Ireland and allocated to the "Non-Profit Sub-Fund" maintained by the Transferor, but excluding any such property backing Transferred Liabilities of the Transferor that, following their transfer to the Transferee, will be reinsured to the Transferor pursuant to the OLAB Reinsurance Agreement;

Irish Branch IWPSF Assets means all property owned by the Transferor and allocated to the "Irish With-Profits Sub-Fund" maintained by the Transferor;

IWPF Conversion means the re-allocation of the Converting IWPF Policies, property and liabilities to the Replacement Fund in accordance with paragraph 42;

IWPF Conversion Date has the meaning given to it in paragraph 42.1;

IWPF New With-Profits Policy means any Policy issued by the Transferee after the Effective Time which includes a right (including an option, whether exercised or not) to participate in the surplus of the ALPI Irish WPF;

IWPF PPFM means the principles and practices of financial management applicable to the ALPI Irish WPF, as they may be amended from time to time in accordance with their terms;

IWPF With-Profits Policy means a Transferred Policy which confers on the holder a right to participate in surplus of the ALPI Irish WPF, but excluding any Unitised IWPF With-Profits Policies and Split IWPF With-Profits Policies;

Linked Fund means an internal fund forming part of an insurer's Long-Term Insurance Business maintained for the purpose of calculating linked benefits under Policies, other than benefits linked to the value of WP Units, including any successor to any such internal fund;

Linked Fund Assets means property that is specifically allocated to one or more Linked Funds of the Transferee and separately managed for such Linked Fund(s) for the benefit of one or more ALPI Funds;

Linked Policy means a long-term insurance contract where the benefits are wholly or partly to be determined by reference to the value of, or the income from, property of any description or by reference to fluctuations in, or in an index of, the value of property of any description;

Long-Term Insurance Business means, as the context requires:

- (a) long term insurance business as defined in the PRA Glossary; or
- (b) life assurance business as defined in Article 2 of the European Communities (Life Assurance) Framework Regulations 1994 of Ireland;

Mis-Selling means, in respect of any Policy, the sale of the Policy (or an associated Waiver of Premium Protection Product) in circumstances where actions and/or omissions of the Transferor (or any other persons or entities which were involved in such sale, including any relevant predecessor of the Transferor, Intermediary or appointed representative) constituted, or are alleged to have constituted, a breach of relevant Regulatory Requirements;

New Policies means all Policies that are issued by the Transferee after the Effective Time (including all Policies which comes into force after the Effective Time as a result of an option or right contained in a Transferred Policy or an Existing Transferee Policy);

NIA Amount has the meaning given to it in paragraph 1.1 of Schedule 3;

Nominated Investment Assets has the meaning given to it in paragraph 2.1 of Schedule 3;

OLAB Premium Assets means property of the Transferor having a value equal to the Total Back-Book Premium;

OLAB Reinsurance Agreement means the agreement entitled “OLAB Reinsurance Agreement”, in the agreed form set out at Schedule 2, to be entered into between the Transferor and the Transferee in accordance with paragraph 53;

Order means an order made by the Court pursuant to section 111 of FSMA sanctioning this Scheme (or any part of it) and any order (including any subsequent order) in relation to this Scheme made by the Court pursuant to section 112 of FSMA;

Other Business Fund means the fund named the “Other Business Fund” maintained by the Transferee;

Outstanding Ombudsman Proceedings means Proceedings which (i) were initiated against the Transferor with an ombudsman prior to the Effective Time, and (ii) have not been finally determined at the Effective Time;

Participating Fund means the with-profits fund named the “Participating Fund” maintained by the Transferee;

Peak Scheme means the English scheme of transfer between Royal Scottish Assurance plc, National Westminster Life Assurance Limited and the Transferor, as sanctioned by the High Court on 21 September 2011 and effective on 30 September 2011;

Policy has the meaning set out in the Financial Services and Markets Act 2000 (Meaning of “Policy” and “Policyholder”) Order 2001 (SI 2001/2361) and “policyholder” shall be construed accordingly;

PRA means the Prudential Regulation Authority;

PRA Glossary means the Glossary of the PRA Rulebook;

PRA Rulebook means the book of rules applicable to insurance firms subject to Solvency II issued by the PRA from time to time pursuant to FSMA;

Proceedings means an action or other legal or administrative proceedings or step (whether direct or indirect, by way of a claim, demand, legal proceedings, execution of judgement, arbitration, complaint or otherwise howsoever) whether pending, current or future, including:

- (a) all judicial, quasi-judicial, administrative and regulatory reviews and processes;
- (b) all complaints and claims made to any ombudsman, including the UK Financial Ombudsman Service;
- (c) arbitration;

- (d) mediation; and
- (e) all other dispute resolution procedures (whether or not they involve submission to any court);

RAO means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544), as amended;

Reattribution Scheme means the English scheme of transfer between CGNU Life Assurance Limited, Commercial Union Life Assurance Company Limited, Norwich Union Life (RBS) Limited and the Transferor, as sanctioned by the High Court on 18 September 2009 and effective on 1 October 2009;

Regulatory Requirements means all applicable laws, statutes, regulations, rules, orders, directives, requirements, guidance, standards, guidelines and industry codes of practice in each case having legal effect stipulated by any legal, governmental or regulatory body with powers of direction over the relevant entity, including the rules of any stock exchange or listing authority, in each case existing and in force from time to time, wherever relevant in the context;

Relevant CPC Principles means the following general principles contained within Chapter 2 of the Central Bank of Ireland's Consumer Protection Code 2012 (as updated with effect from 1 January 2015) which require that a regulated entity:

- (a) acts honestly, fairly and professionally in the best interests of its customers and the integrity of the market; and
- (b) acts with due skill, care and diligence in the best interests of its customers;

Replacement Fund has the meaning given to it in paragraph 42.1;

Scheme means this scheme in its original form or with or subject to any modification, addition or condition which may be approved or imposed in accordance with paragraph 49;

Solvency Capital Requirement has the meaning given to it in the Solvency II Directive (2009/138/EC), as amended and supplemented by the Omnibus II Directive (2014/51/EU);

Split IWPF With-Profits Policy means a Transferred Policy under the terms of which the benefits can, at the election of the policyholder, be wholly linked to one or more unitised funds or Linked Funds of the ALPI Irish WPF or be partly so linked with the remainder of the benefits being secured as a conventional with-profits sum assured participating in surplus;

Subsequent Transfer Date means, in relation to a Deferred Transfer Policy, Deferred Transfer Contract, Deferred Transfer Asset or Deferred Transfer Liability, the date after the Effective Time on which it is or is to be transferred to the Transferee, namely:

- (a) the date on which all impediments to its transfer shall have been removed or overcome;
- (b) the date on which the Transferor and the Transferee agree the transfer should take effect;
- (c) the date on which such Deferred Transfer Asset is received or earned by the Transferor; or
- (d) in relation to Outstanding Ombudsman Proceedings, the date on which the Outstanding Ombudsman Proceedings are finally determined,

(as applicable);

Switch means a cancellation of units allocated to a Policy in one ALPI Fund or Linked Fund in return for an allocation of units in another ALPI Fund or Linked Fund, effected (i) pursuant to an instruction given by or on behalf of the holder or underlying beneficiary of a Policy or (ii) on another basis as provided for in the Policy terms and conditions, and a consequent change in some or all of the investments from which the Policy concerned derives its value and (i) "**Switch out of**" means such a cancellation, (ii) "**Switch into**" means such an allocation and (iii) "**full Switch out of**" a particular ALPI Fund or Linked Fund means, a cancellation of all units allocated to a policy in that ALPI Fund or Linked Fund;

Tax means:

- (a) all forms of tax, levy, duty, charge, impost, withholding or other amount whenever created or imposed and whether of the United Kingdom, Republic of Ireland or elsewhere, payable to or imposed by any authority responsible for the collection or management of any such tax, levy, duty, charge, impost, withholding or other amount; and
- (b) all charges, interest, penalties and fines incidental or relating to any sum falling within (a) above or which arise as a result of the failure to pay that sum on the due date or to comply with any obligation relating to it;

Third Party Right has the meaning given to it in paragraph 9.2(a);

Total Back-Book Premium has the meaning given to it in the OLAB Reinsurance Agreement;

Transferee has the meaning given to it in paragraph 2.2;

Transferor has the meaning given to it in paragraph 2.1;

Transferred Assets means:

- (a) all rights, benefits and powers of the Transferor under or in connection with the Transferred Policies;
- (b) all rights, benefits and powers of the Transferor under or in connection with the Transferred Contracts;
- (c) all rights and claims (in contemplation, present or future, actual or contingent) of the Transferor against any person that is a party to or is a beneficiary of any of the relevant Transferred Policies or Transferred Contracts not within paragraphs (a) or (b) above of this definition to the extent that such right or claim relates to such Transferred Policies or Transferred Contracts, or arises as a result of such Transferred Policies or Transferred Contracts;
- (d) all Irish Branch IWPSF Assets;
- (e) all Irish Branch NPSF Assets;
- (f) all Nominated Investment Assets (if any);
- (g) all OLAB Premium Assets; and
- (h) all books, records, files and papers, whether in hard copy or computer format, relating to the Transferred Policies and the Transferred Contracts, including claims and underwriting files, sales and promotional literature, manuals and data, sales and purchase correspondence and lists of present and former customers,

but excluding any Excluded Assets;

Transferred Business means together:

- (a) the Transferred Assets;
- (b) the Transferred Contracts;
- (c) the Transferred Liabilities; and
- (d) the Transferred Policies,

and all activities carried on in connection therewith;

Transferred Contracts means all Contracts that exclusively relate to Transferred Policies or any activity carried on in connection therewith, but excluding (i) any Transferred Policies and (ii) any Excluded Contracts;

Transferred Liabilities means:

- (a) all liabilities of the Transferor under or in connection with the Transferred Contracts;
- (b) all liabilities of the Transferor under or in connection with the Transferred Policies;
- (c) all rights and claims (present or future, actual or contingent) against the Transferor not within paragraphs (a) or (b) above of this definition by any person other than the Transferor to the extent that such rights and claims relate to the Transferred Assets, Transferred Policies or Transferred Contracts, or arise as a result of the Transferred Assets, Transferred Contracts or Transferred Policies (including any adverse costs orders in relation to the same); and
- (d) all liabilities of the Transferor in respect of Tax to the extent attributable to the Transferred Assets, Transferred Contracts or Transferred Policies (pursuant to this Scheme or otherwise),

(including, for the avoidance of doubt, any such liabilities in respect of or in connection with Mis-Selling) but excluding any Excluded Liabilities;

Transferred Policies means:

- (a) all Policies effected and/or carried on by the Transferor on a Freedom of Establishment basis out of the Transferor's branches in Belgium, France and the Republic of Ireland, and in respect of which a liability remains unsatisfied or outstanding at the Effective Time;
- (b) all Policies effected and/or carried on by the Transferor and falling within any of the product lines set out in Schedule 1, and in respect of which a liability remains unsatisfied or outstanding at the Effective Time;
- (c) all Policies which: (i) have lapsed prior to the Effective Time; (ii) would, had they not lapsed prior to the Effective Time, have fallen within limb (a) or (b) of this definition; and (iii) are reinstated by the Transferee after the Effective Time; and
- (d) all proposals for insurance received by or on behalf of the Transferor before the Effective Time which: (i) have not become Policies in force at the Effective Time; (ii) would, had the proposals become Policies in force at the Effective Time, have fallen within limb (a) or (b) of this definition; and (iii) become Policies after the Effective Time,

including (for the avoidance of doubt) any such Policies that are contracts of reinsurance;

UK Financial Ombudsman Service means Financial Ombudsman Service Limited, the body corporate established under paragraph 2(1) of Schedule 17 to FSMA to administer the ombudsman scheme provided for under Part XVI of FSMA;

UKA Scheme means the English scheme of transfer between Aviva Annuity UK Limited and the Transferor, as sanctioned by the High Court on 6 December 2016 and effective on 1 January 2017;

UL Units means notional units whose value or number vary by reference to the value of a Linked Fund for the purpose of calculating benefits payable under Linked Policies;

Unitised IWPF With-Profits Investment Element means:

- (a) in relation to a Unitised IWPF With-Profits Policy, the amount, calculated on the basis set out in paragraph 43.3, to be transferred into the ALPI Irish WPF following the creation on or after the Effective Time of WP Units in the ALPI Irish WPF allocated to that Policy; and
- (b) in relation to a Split IWPF With-Profits Policy means the amount, calculated on the basis set out in paragraph 43.3, to be transferred into the ALPI Irish WPF in respect of such part of the benefits under that Policy as are or are to be secured as a conventional with-profits sum assured participating in surplus;

Unitised IWPF With-Profits Policy means any Transferred Policy under the terms of which the whole or any part of the benefits are or, if the holder of the Policy so elects, would become measured by reference to WP Units of the ALPI Irish WPF of whatever category or categories participating in surplus;

Unitised Transfer Value means:

- (a) in relation to a Unitised IWPF With-Profits Policy, the amount, calculated on the basis set out in paragraph 43.4, to be transferred out of the ALPI Irish WPF to the Other Business Fund following the cancellation on or after the Effective Time of any WP Units allocated to such Unitised IWPF With-Profits Policy (whether such units are created before, on or after the Effective Time); and
- (b) in relation to a Split IWPF With-Profits Policy, the amount, calculated on the basis set out in paragraph 43.4, to be transferred out of the Other Business Fund following the lapse, surrender or maturity of, or other event giving rise to a claim under that Policy;

Valuation Period means the period in respect of which any investigation is made into the financial condition of the ALPI Irish WPF by the Head of Actuarial Function in accordance with Regulatory Requirements (or, if Regulatory Requirements do not prescribe such an investigation, then such period as the Transferee's Board shall nominate provided that such investigations shall be carried out not less than once in each calendar year);

Waiver of Premium Protection Products means all policies sold by the Transferor prior to the Effective Time which provide cover for premium payments in the event of sickness or other incapacity;

Wholly Reinsured Fund means each of the ALPI Belgian Fund, the ALPI FLAS Fund, the ALPI FP Fund, the ALPI New Fund and the ALPI Old Fund;

With-Profits Committee means the committee of the Transferor with this name and governed by its terms of reference from time to time which, as from the Effective Time, shall (*inter alia*) exercise oversight in relation to the ALPI Irish WPF;

WP Part means:

- (a) in relation to a Hybrid Policy, that part of the Policy in respect of which the value of the benefits thereunder is measured by reference to with-profits investment (whether by the allocation of WP Units or otherwise), and the appropriate proportion of any guaranteed benefits in respect of that Policy (if any), as determined by the Transferee's Board having taken account of appropriate actuarial advice; and
- (b) in relation to a DC Policy, that part of any premium (including any amount derived from a rebate of charges) as has been applied or is applicable to with-profits investment (whether by the allocation of WP Units or otherwise) after any adjustment in accordance with the terms of the relevant Policy (including any Policy charges and the bid/offer spread) or the liabilities referable to such WP Units as the context shall require; and

WP Units means notional units whose value or number vary by reference to bonuses declared, or surpluses otherwise distributed out of, a with-profits fund for the purposes of calculating benefits payable under Policies.

1.2 In this Scheme:

- (a) "**appropriate actuarial advice**" shall mean (in addition to any other relevant appropriate advice) such actuarial advice as the Transferee's Board (or, where applicable, the Transferor's Board) may determine in the context of the relevant matter (provided that, in relation to any advice received by the Transferee's Board in respect of the ALPI Irish WPF: (i) such advice must have been given having first

consulted with the Head of Actuarial Function; and (ii) such advice must have taken the IWPF PPFM into account);

- (b) **“holding company”** and **“subsidiary”** shall have the same meanings as in the Companies Act 2006;
- (c) **“liabilities”** shall include all liabilities, claims, damages, proceedings, demands, orders, suits, costs, losses and expenses of every description, whether deriving from contract, common law, statute or otherwise, whether present or future, actual or contingent, ascertained or unascertained or disputed and whether owed or incurred severally or jointly or as principal or surety;
- (d) **“property”** shall include (without limitation) property, assets, rights and powers of every description (whether present or future, actual or contingent) and includes (i) property held on trust, (ii) benefits and powers of any description, and (iii) any interest whatsoever in any of the foregoing;
- (e) **“transfer”** shall include (as the context may require) **“assign”**, **“assignment”** or **“assignment”**, **“dispose”**, **“disposition”** or **“disposal”**, or **“convey”** or **“conveyance”**;
- (f) **“variation”** shall include any variation, supplement, deletion, replacement or termination, however effected;
- (g) any reference to a decision of (or action by) a Board shall include a decision of (or action by) any committee or individual(s) to whom such Board has at the time delegated the authority to make that decision (or take that action), it being understood that the relevant Board shall always retain the right to delegate its authority to take any decisions (or make any actions) as required under, or permitted by, the Scheme so long as such delegation is in accordance with, and permitted by, Regulatory Requirements and the constitutional documents of the relevant company;
- (h) any reference to the singular shall include a reference to the plural and vice versa and any reference to the masculine shall include a reference to the feminine and neuter and vice versa;
- (i) any reference in this Scheme to an enactment, a statutory provision or any subordinate legislation shall be deemed to include a reference to that enactment, statutory provision or subordinate legislation as amended, replaced or re-enacted from time to time and to any instrument or order made from time to time under such enactment, statutory provision or subordinate legislation. Where such reference is to an enactment, a statutory provision or any subordinate legislation that has been repealed and not amended, replaced or re-enacted, then the Transferee’s Board

shall (having taken appropriate advice) determine the most appropriate replacement arrangements (if any). Such determination shall be subject to prior consultation with:

- (i) the Head of Actuarial Function, if the matter relates to the ALPI Irish WPF; and
 - (ii) an independent actuary if the matter is of a financial nature;
- (j) any reference to any rules, regulations or guidance made by the PRA, FCA and/or CBI (as applicable) shall be deemed to include a reference to such rules or regulations as amended or replaced from time to time. Where such reference is to any rules, regulations or guidance that have been repealed and not amended, replaced or re-enacted, then the Transferee's Board shall (having taken appropriate advice) determine the most appropriate replacement arrangements (if any). Such determination shall be subject to prior consultation with:
- (i) the Head of Actuarial Function, if the matter relates to the ALPI Irish WPF; and
 - (ii) an independent actuary if the matter is of a financial nature;
- (k) any reference to any regulator (including the PRA, FCA and CBI) shall be deemed to include a reference to any successor regulators;
- (l) any reference to this Scheme shall include the Schedules to it and references to paragraphs, sub-paragraphs, Parts or Schedules are to paragraphs, sub-paragraphs or Parts of or Schedules to this Scheme;
- (m) headings are inserted for convenience only and shall not affect the construction of this Scheme;
- (n) any reference to a person shall include a reference to a body corporate, a partnership, an unincorporated association or to a person's executors or administrators, and for the avoidance of doubt, shall include a trustee;
- (o) unless otherwise specified, if a period of time is specified from a given day or date or from the day or date of an actual event, it shall be calculated exclusive of that day or date;
- (p) any reference to writing shall include any modes of reproducing words in a legible and non-transitory form;
- (q) general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words;

- (r) any reference to an amount shall be exclusive of any applicable value added tax or other Tax; and
- (s) any reference to pounds or £ shall be to pounds sterling in the currency of the United Kingdom and any reference to Euros or € shall be to euros, being the official currency of the European Union.

PART B – INTRODUCTORY PROVISIONS

2 Parties and background

- 2.1 Aviva Life & Pensions UK Limited (the “**Transferor**”) is a company incorporated in England and Wales with registered number 03253947. The registered office of the Transferor is at Aviva, Wellington Row, York, North Yorkshire YO90 1WR. The Transferor is a “UK authorised person” as defined in section 105(8) of FSMA, with permissions to effect and to carry out contracts of long-term insurance in the UK under classes I, II, III, IV, VI and VII in Part II of Schedule 1 of the RAO.
- 2.2 Friends First Life Assurance Company Designated Activity Company (the “**Transferee**”) is a designated activity company which was incorporated in the Republic of Ireland as a private limited company on 1 November 1990 under certificate number 165970 and under the name Friends Provident Life Assurance Company Limited. It subsequently changed its name to Friends First Life Assurance Company Limited on 20 April 1998 and converted to a designated activity company on 16 July 2016, at which time its name was changed to Friends First Life Assurance Company Designated Activity Company. The registered office of the Transferee is at Friends First House, Cherrywood Business Park, Loughlinstown, Dublin 18, Ireland. The Transferee is an insurance undertaking (as defined in Regulation 3 of the 2015 Regulations) authorised by the CBI to carry on life insurance activity in Classes 1, 3, 4 and 7 as referred to in Schedule 2 of the 2015 Regulations.
- 2.3 Following the invocation of Article 50 of the Treaty on European Union by the United Kingdom on 29 March 2017, the United Kingdom has commenced negotiations for the terms of its withdrawal from the European Union (“**Brexit**”). The legal terms of Brexit are not yet known, but there is a risk that, upon or shortly following Brexit, the Transferor will lose its rights under the single market directives, including the EU Solvency II Directive (Directive 2009/138/EC, as amended), to carry out Long-Term Insurance Business in other EEA States on a Freedom of Services or Freedom of Establishment basis.
- 2.4 It is therefore proposed that, subject to the sanction of the Scheme by the Court, the Transferred Business carried on by the Transferor shall, in accordance with this Scheme, be transferred to the Transferee. The Transferred Business includes, for the avoidance of doubt, some of the business that was transferred to the Transferor pursuant to the FL Schemes, the Reattribution Scheme, the Irish 2014 Scheme, the Hamilton Schemes, the UKA Scheme and/or the Peak Scheme.
- 2.5 Prior to the Effective Time, it is anticipated that the Transferee shall be capitalised to such level that the Transferee shall hold sufficient property to render the NIA Amount as £0, and that accordingly no Nominated Investment Assets shall transfer pursuant to this Scheme. However, in the absence of such prior capitalisation, Nominated Investment Assets shall

be transferred pursuant to this Scheme in order to ensure that the Transferee is adequately capitalised as at the Effective Time.

PART C – TRANSFER

3 Transfer of the Transferred Business

- 3.1 Subject to paragraph 3.2, each part of the Transferred Business shall be transferred to and be vested in the Transferee in accordance with this Scheme, so that:
- (a) at and with effect from the Effective Time, each Day One Asset and all the interest of the Transferor in it shall, by the Order and without any further act or instrument, be transferred to and be vested in the Transferee, subject to all applicable Encumbrances affecting such property and shall cease to be the property of the Transferor;
 - (b) at and with effect from the Effective Time, each Day One Liability shall, by the Order and without any further act or instrument, be transferred to and become a liability of the Transferee and shall cease to be a liability of the Transferor;
 - (c) on and with effect from each Subsequent Transfer Date, each Deferred Transfer Asset to which such Subsequent Transfer Date applies and all the interest of the Transferor in it shall, by the Order and without further act or instrument, be transferred to and be vested in the Transferee, subject to all applicable Encumbrances affecting such property and shall cease to be the property of the Transferor; and
 - (d) on and with effect from each Subsequent Transfer Date, each Deferred Transfer Liability to which such Subsequent Transfer Date applies shall, by the Order and without any further act or instrument, be transferred to and become a liability of the Transferee and shall cease to be a liability of the Transferor.
- 3.2 The obligation of the Transferor to transfer the OLAB Premium Assets to the Transferee pursuant to this Scheme shall be set off against the obligation of the Transferee under the OLAB Reinsurance Agreement to pay the Total Back-Book Premium to the Transferor, such that: (a) the OLAB Premium Assets shall be used to settle the Total Back-Book Premium; and (b) the payment of the Total Back-Book Premium shall be satisfied by the retention of the OLAB Premium Assets by the Transferor.
- 3.3 The Transferee shall accept without investigation or requisition such title as the Transferor shall have at the Effective Time to the Day One Assets and, at any Subsequent Transfer Date, to each Deferred Transfer Asset then transferred, and the Transferor shall not be liable for any charges, expenses, costs, claims, losses or any other liabilities in connection with any Day One Asset or Deferred Transfer Asset that arise after the Effective Time, save as otherwise agreed between the parties in writing (including under any agreement existing

as at the Effective Time between the Transferor and the Transferee) or as set out in this Scheme.

- 3.4 The Transferor and the Transferee shall take all such steps, and execute all such documents, as may be necessary or desirable:
- (a) to effect and/or perfect the transfer to and vesting in the Transferee of each Transferred Asset pursuant to this Scheme;
 - (b) to correct any errors in the identity or amount of the property so transferred; and
 - (c) to effect and/or perfect the transfer to and assumption by the Transferee of each Transferred Liability pursuant to this Scheme.
- 3.5 At and with effect from the Effective Time, the Transferee shall succeed to all rights, liabilities and obligations of the Transferor in respect of any personal data which relates to the Transferred Business, and in any consent given by a data subject in respect of such data, any reference to the Transferor (or to any members of the Transferor's Group) shall be deemed to include a reference to the Transferee (and to any members of the Transferee's Group). For the avoidance of doubt, this paragraph shall override any statutory or contractual requirements in relation to such personal data.
- 3.6 Following the transfer of a Transferred Policy to the Transferee pursuant to this Scheme:
- (a) if such Policy was, prior to such transfer, effected and carried out by the Transferor out of its branch in the Republic of Ireland on a Freedom of Establishment basis, then such Policy shall be effected and carried out by the Transferee in the Republic of Ireland as its Home State, on neither a Freedom of Services basis nor a Freedom of Establishment basis;
 - (b) if such Policy was, prior to such transfer, effected and carried out by the Transferor out of its branch in France on a Freedom of Establishment basis, then such Policy shall be effected and carried out by the Transferee out of the Transferee's branch in France on a Freedom of Establishment basis (and, if the Transferee does not have a branch in France, on a Freedom of Services basis);
 - (c) if such Policy was, prior to such transfer, effected and carried out by the Transferor out of its branch in Belgium on a Freedom of Establishment basis, then such Policy shall be effected and carried out by the Transferee out of the Transferee's branch in Belgium on a Freedom of Establishment basis (and, if the Transferee does not have a branch in Belgium, on a Freedom of Services basis);

- (d) in the case of all other such Policies, such Policy shall be effected and carried out by the Transferee in the relevant EEA State on a Freedom of Services basis.

3.7 For the avoidance of doubt, and without prejudice to the generality of paragraph 3.1:

- (a) an offer or invitation to treat made to or by the Transferor prior to the Effective Time in relation to the Transferred Business shall be construed and have effect after the Effective Time as an offer or invitation to treat made to or by the Transferee;
- (b) any existing indemnity, power of attorney, authority, declaration or consent given to or by the Transferor relating to any part of the Transferred Business (including, for the avoidance of doubt, the Transferred Policies) shall have effect from the Effective Time as if given to or by the Transferee;
- (c) any Transferred Asset which was held by the Transferor (whether alone or jointly with others) as a trustee, custodian or in a similar fiduciary capacity shall, with effect from the Effective Time (or relevant Subsequent Transfer Date, as the case may be), be held by the Transferee (alone or jointly, as the case may be, and in the capacity of a trustee, custodian or in a similar fiduciary capacity, as the case may be) subject to the rights, powers and duties previously applicable to the relevant trust, custodian or other fiduciary arrangement in question;
- (d) any security in respect of the Transferred Business held immediately prior to the Effective Time by the Transferor, or by a nominee or agent of or a trustee for the Transferor, as security for the payment or discharge of any liability shall, on and from that day be held by the Transferee (or by that nominee, agent or trustee for the Transferee, as the case may be) and be available to the Transferee (whether for its own benefit or for the benefit of any other person) as security for the payment or discharge of that liability; and
- (e) the Transferee shall be entitled to rely on and enforce any consent, waiver, representation, statement or estoppel given or made to the Transferor by a person in relation to the Transferred Business prior to the Effective Time as though such consent, waiver, representation, statement or estoppel had been given or made to the Transferee and to the same extent that the Transferor would have been able to rely on or enforce the same.

3.8 To the extent that any provisions of the FL English Scheme apply to any Deferred Transfer Business, those provisions shall continue to apply in respect of such Deferred Business until the relevant Subsequent Transfer Date.

4 Continuity of Proceedings

4.1 At and with effect from the Effective Time and subject to any Regulatory Requirements, any Proceedings (other than Outstanding Ombudsman Proceedings) which:

- (a) have been commenced prior to the Effective Time, or which are commenced at or after the Effective Time, against the Transferor; and
- (b) would give rise to a Day One Liability in the event of the Proceedings being resolved in the claimant's favour,

shall be continued or commenced against the Transferee and the Transferee shall be entitled to all defences, claims, counterclaims, settlements, rights of set-off, rights of subrogation and any other rights that would have been available to the Transferor in relation to such Proceedings.

4.2 At and with effect from the Effective Time and subject to any Regulatory Requirements, any Proceedings (other than Outstanding Ombudsman Proceedings) which:

- (a) have been commenced prior to the Effective Time, or which are commenced at or after the Effective Time, by the Transferor; and
- (b) would give rise to a Day One Asset in the event of the Proceedings being resolved in the Transferor's favour,

shall be continued or commenced by the Transferee and the Transferee shall be entitled to all defences, claims, counterclaims, settlements, rights of set-off, rights of subrogation and any other rights that would have been available to the Transferor in relation to such Proceedings.

4.3 Any judgment, settlement, order or award obtained by or against the Transferor whether before or after the Effective Time to the extent that it relates to any part of the Day One Business and which is not fully satisfied before the Effective Time shall, on that date and to the extent to which it was enforceable by or against the Transferor immediately prior to such date (or, if later, the date on which the judgment, settlement, or award is obtained), become enforceable by or against the Transferee (to the exclusion of the Transferor).

4.4 All documents which would before the Effective Time have been evidence in respect of Proceedings referred to in paragraphs 4.1 and 4.2 for or against the Transferor shall from the Effective Time be evidence in respect of the same matter for or against the Transferee.

4.5 At and from the Effective Time, the Transferee shall owe to the policyholders of the Transferred Business and/or to any other relevant person(s) the same duties of confidentiality and privacy (whether pursuant to Regulatory Requirements or contract) as

those which the Transferor owed in respect of the Transferred Business immediately prior to the Effective Time.

4.6 At and from the Effective Time, any Proceedings in respect of the Day One Business that are commenced in error against the Transferor shall be deemed to have been commenced and shall continue against the Transferee without the need for further order, whether for substitution of the parties or otherwise.

4.7 The provisions of paragraphs 4.1 to 4.6 inclusive shall also apply mutatis mutandis to all Proceedings in relation to Deferred Transfer Business (with references to the Effective Time amended to the relevant Subsequent Transfer Date and references to Day One Liabilities, Day One Assets and Day One Business amended to, respectively, Deferred Transfer Liabilities, Deferred Transfer Assets and Deferred Transfer Business).

4.8 Any Outstanding Ombudsman Proceedings in existence at the Effective Time shall continue after the Effective Time against the Transferor and the Transferor shall be entitled to all defences, claims, counterclaims, settlements, rights of set-off, rights of subrogation and any other rights that would have been available to the Transferor in relation to such Proceedings prior to the Effective Time.

4.9 In respect of any Proceedings which are commenced after the Effective Time against the Transferee in respect of acts or omissions of the Transferor in connection with Transferred Business prior to the Effective Time, the Transferee undertakes to:

(a) comply with the relevant provisions of the Dispute Resolution: Complaints (“DISP”) Sourcebook of the FCA Handbook that would apply to the handling of any complaints brought to the UK Financial Ombudsman Service as such rules apply at the Effective Time and insofar as they apply to the Transferee’s handling of complaints (i) brought by holders of Transferred Policies against the Transferee in connection with the actions of the Transferor prior to the Effective Time; and (ii) referred to the UK Financial Ombudsman Service; and

(b) comply promptly with any valid award or direction made by the UK Financial Ombudsman Service against the Transferee under the jurisdiction of the UK Financial Ombudsman Service and with any settlement which the Transferee agrees with a complainant at an earlier stage of the procedures as set out in DISP 3 of the FCA Handbook, as such rules and such jurisdiction apply at the Effective Time,

to the extent that such compliance is compatible with any rules or regulations issued by the CBI that are applicable to the Transferee.

4.10 Notwithstanding paragraph 52, holders of Transferred Policies may enforce the provisions of paragraph 4.9(b) against the Transferee. Neither the Transferor nor the Transferee shall

require the consent of any such policyholder to amend this Scheme pursuant to paragraph 49.

5 Treatment of Transferred Policies

- 5.1 At and with effect from the Effective Time, the Transferee shall become entitled to all the rights, benefits and powers of the Transferor whatsoever under or in connection with the Day One Policies.
- 5.2 Without prejudice to the generality of paragraph 5.1, where the benefits of any Transferred Policy are held under the terms of a trust for the policyholder or any other person, such terms (together with the terms of any rules applicable to any pension scheme in the case of any pension scheme under which benefits are referable to a Day One Policy) shall operate and be construed at and from the Effective Time on a basis which is consistent with the transfer of such Day One Policy in accordance with the provisions of this Scheme. For the avoidance of doubt:
- (a) where the consent of the Transferor is required under any such terms, the consent of the Transferee shall, with effect from the Effective Time, instead be treated as required; and
 - (b) where a power to appoint trustees under such terms is conferred on the Transferor, that power shall, with effect from the Effective Time, instead be treated as conferred on the Transferee.
- 5.3 Any person who is a policyholder of any of the Day One Policies shall at and with effect from the Effective Time become entitled, in succession to, and to the exclusion of, any rights which he may have had against the Transferor under any of the Day One Policies to the same rights against the Transferee subject to the terms of this Scheme as were available to him against the Transferor under such Policies and (as regards Day One Policies under which premiums or other sums attributable or referable thereto continue to be payable) shall at and with effect from the Effective Time account to the Transferee for any further or additional premiums or other sums attributable or referable thereto as and when the same become due and payable.
- 5.4 At and with effect from the Effective Time:
- (a) any Day One Policy that, immediately prior to the Effective Time, entitled the policyholder to participate or share in any profits or established surplus of the "Belgian SF" maintained by the Transferor shall be deemed to continue to entitle the policyholder to participate or share in any profits or established surplus of the "Belgian SF" maintained by the Transferor without deduction or adjustment by the Transferee (and not to participate or share in any profits, losses or established

surplus of the ALPI Belgian Fund or any other ALPI Fund) with all payments to the policyholder continuing to be as determined by the “Belgian SF” maintained by the Transferor;

- (b) any Day One Policy that, immediately prior to the Effective Time, entitled the policyholder to participate or share in any profits or established surplus of the “FLAS With-Profits Sub-Fund” maintained by the Transferor shall be deemed to continue to entitle the policyholder to participate or share in any profits or established surplus of the “FLAS With-Profits Sub-Fund” maintained by the Transferor without deduction or adjustment by the Transferee (and not to participate or share in any profits, losses or established surplus of the ALPI FLAS Fund or any other ALPI Fund) with all payments to the policyholder continuing to be as determined by the “FLAS With-Profits Sub-Fund” maintained by the Transferor;
- (c) any Day One Policy that, immediately prior to the Effective Time, entitled the policyholder to participate or share in any profits or established surplus of the “FP With-Profits Sub-Fund” maintained by the Transferor shall be deemed to continue to entitle the policyholder to participate or share in any profits or established surplus of the “FP With-Profits Sub-Fund” maintained by the Transferor without deduction or adjustment by the Transferee (and not to participate or share in any profits, losses or established surplus of the ALPI FP Fund or any other ALPI Fund) with all payments to the policyholder continuing to be as determined by the “FP With-Profits Sub-Fund” maintained by the Transferor;
- (d) any Day One Policy that, immediately prior to the Effective Time, entitled the policyholder to participate or share in any profits or established surplus of the “New With-Profits Sub-Fund” maintained by the Transferor shall be deemed to continue to entitle the policyholder to participate or share in any profits or established surplus of the “New With-Profits Sub-Fund” maintained by the Transferor without deduction or adjustment by the Transferee (and not to participate or share in any profits, losses or established surplus of the ALPI New Fund or any other ALPI Fund) with all payments to the policyholder continuing to be as determined by the “New With-Profits Sub-Fund” maintained by the Transferor; and
- (e) any Day One Policy that, immediately prior to the Effective Time, entitled the policyholder to participate or share in any profits or established surplus of the “Old With-Profits Sub-Fund” maintained by the Transferor shall be deemed to continue to entitle the policyholder to participate or share in any profits or established surplus of the “Old With-Profits Sub-Fund” maintained by the Transferor without deduction or adjustment by the Transferee (and not to participate or share in any profits, losses or established surplus of the ALPI Old Fund or any other ALPI Fund) with all

payments to the policyholder continuing to be as determined by the “Old With-Profits Sub-Fund” maintained by the Transferor.

5.5 If any person exercises any right or option granted at law or under the terms of a Day One Policy and either:

- (a) the right or option provides for a new, additional or replacement Policy to be issued; or
- (b) it is appropriate, in the opinion of the Transferee, to issue a new Policy in order to comply with that right or option,

such person shall be entitled to require that the obligation thereby arising shall be satisfied by the issue by the Transferee of a Policy which complies with the terms of such right or option, but (without prejudice to the right of such person to have the right or option satisfied by the issue by the Transferee of such a Policy) if the Transferee is not at the time of the exercise of such right or option writing Policies complying exactly with the Policy to which the right or option refers, the Transferee shall be entitled to offer to such person as an alternative (and, if accepted, in lieu thereof) a Policy commonly offered by the Transferee (or any other member of the Transferee’s Group) which the Transferee considers to be the nearest equivalent Policy by reference to the terms and conditions applicable to Policies of the Transferee at that time, provided that the issue of such alternative Policy would not, in the opinion of the Transferee’s Board (having taken account of appropriate actuarial advice) result in a liability or in an increase in liability to Tax of the holder of such Policy (or, in the event that such liability or increase in liability would occur, the Transferee shall have the option to indemnify the policyholder in full and to issue, or procure the issue by another member of the Transferee’s Group of another Policy pursuant to this paragraph 5.5) or otherwise fail to satisfy the reasonable expectations of the holder of such Policy.

5.6 All references in any Day One Policy to the Transferor or any officers, employees, committees, function holders or agents of the Transferor shall from and after the Effective Time be read as references to the Transferee or any officers, employees, committees or function holders of the Transferee or agents of the Transferee to which the administration of the relevant part of the business carried on by the Transferee has been delegated (as appropriate). In particular, but without limitation, all rights and duties exercisable or expressed to be exercisable or responsibilities to be performed by the Transferor or any officers, employees, committees, function holders or agents of the Transferor in relation to any of the Day One Policies shall, from and after the Effective Time, be exercisable or required to be performed by the Transferee or any officers, employees, committees, function holders or agents of the Transferee.

- 5.7 The transfer of any rights, benefits, liabilities and obligations under or in connection with any Day One Policy pursuant to this Scheme shall take effect and shall be valid and binding on all parties having any interest in the same notwithstanding any restriction howsoever arising (including but not limited to, at law, in equity, tort or by contract) on transferring, assigning or otherwise dealing with the same and such transfer shall be deemed to take effect on the basis that it does not contravene any such restriction and does not give rise to any right to terminate, modify, acquire or claim an interest or right, or to treat an interest or right as terminated or modified or to treat any obligations or liabilities as discharged, modified or released.
- 5.8 Save as may otherwise be agreed between the Transferor and the Transferee from time to time, the Transferee shall at and from the Effective Time, as principal, take over from the Transferor the administration and negotiation of proposals for insurance which would become Day One Policies if the Transferee determined to accept them (but whether or not the Transferee does so determine). The Transferee shall bear all expenses and liabilities in relation thereto. Nothing contained herein shall oblige the Transferee to accept any proposal for insurance received by or on behalf of the Transferor before the Effective Time but not accepted by the Transferor by the Effective Time.
- 5.9 All references in a Day One Policy to the group of companies of which the Transferor is or has been a member shall, where the context requires, be (or continue to be) read and construed with effect from the Effective Time as references to the group of companies of which the Transferee is a member from time to time.
- 5.10 The Transferee shall be entitled to any defences, claims, counterclaims, rights of set-off, rights of subrogation and any other rights under the Day One Policies which would have been available to the Transferor.
- 5.11 The provisions of paragraphs 5.1 to 5.10 inclusive shall also apply *mutatis mutandis* to all Deferred Transfer Policies (with references to the Effective Time amended to the relevant Subsequent Transfer Date).

6 Treatment of Transferred Contracts

- 6.1 At and with effect from the Effective Time, the Transferee shall become entitled to all the rights, benefits and powers of the Transferor whatsoever under or in connection with the Day One Contracts.
- 6.2 Any person who is a counterparty of any of the Day One Contracts shall at and with effect from the Effective Time (but subject to the terms of this Scheme) become entitled, in succession to, and to the exclusion of, any rights which he may have had against the

Transferor under any of the Day One Contracts to the same rights against the Transferee as were available to him against the Transferor under such Day One Contracts.

- 6.3 All references in any Day One Contract to the Transferor or any officers, employees or agents of the Transferor shall from and after the Effective Time be read as references to the Transferee or any officers or employees of the Transferee or agents of the Transferee to which the administration of the relevant part of the business carried on by the Transferee has been delegated (as appropriate). In particular, but without limitation, all rights and duties exercisable or expressed to be exercisable or responsibilities to be performed by the Transferor or any officers, employees or agents of the Transferor in relation to any of the Day One Contracts shall, from and after the Effective Time, be exercisable or required to be performed by the Transferee or any officers, employees or agents of the Transferee.
- 6.4 The transfer of any rights, benefits, liabilities and obligations under or in connection with any Day One Contract pursuant to this Scheme shall take effect and shall be valid and binding on all parties having any interest in the same notwithstanding any restriction howsoever arising (including but not limited to, at law, in equity, tort or by contract) on transferring, assigning or otherwise dealing with the same and such transfer shall be deemed to take effect on the basis that it does not contravene any such restriction and does not give rise to any right to terminate, modify, acquire or claim an interest or right, or to treat an interest or right as terminated or modified or to treat any obligations or liabilities as discharged, modified or released.
- 6.5 All references in a Day One Contract to the group of companies of which the Transferor is or has been a member shall, where the context requires, be (or continue to be) read and construed with effect from the Effective Time as references to the group of companies of which the Transferee is a member from time to time.
- 6.6 The Transferee shall be entitled to any defences, claims, counterclaims, rights of set-off, rights of subrogation and any other rights under the Day One Contracts which would have been available to the Transferor.
- 6.7 The provisions of paragraphs 6.1 to 6.6 inclusive shall also apply *mutatis mutandis* to all Deferred Transfer Contracts (with references to the Effective Time amended to the relevant Subsequent Transfer Date).

7 Premiums, mandates and other payments

- 7.1 All premiums payable to the Transferor in respect of the Day One Policies shall at and with effect from the Effective Time be payable to the Transferee.
- 7.2 Save as otherwise agreed by the Transferor and Transferee, any mandate or other instruction in force at the Effective Time (including, without limitation, any instruction given

to a bank by its customer in the form of a direct debit or standing order) and providing for the payment by a banker or other intermediary of premiums payable to the Transferor under or in respect of any of the Day One Policies or Day One Contracts shall thereafter take effect as if it had provided for and authorised such payment to the Transferee.

- 7.3 Any mandate or other instruction in force at the Effective Time as to the manner of payment of any sum payable by the Transferor under any of the Day One Policies or Day One Contracts shall, at and with effect from the Effective Time, continue in force as an effective authority to the Transferee in place of the Transferor.
- 7.4 The provisions of paragraphs 7.1 to 7.3 inclusive shall also apply *mutatis mutandis* to all Deferred Transfer Policies and Deferred Transfer Contracts (with references to the Effective Time amended to the relevant Subsequent Transfer Date).

8 Declaration of trust and wrong pocket

- 8.1 The Transferor shall, from the Effective Time until the relevant Subsequent Transfer Date, hold the Deferred Transfer Business as trustee for the Transferee. The Transferor shall be subject to the Transferee's directions in respect of the Deferred Transfer Business, until such part of the Deferred Transfer Business is transferred to or otherwise vested in the Transferee (or is disposed of, whereupon the Transferor shall account to the Transferee for the proceeds of sale thereof). The Transferee shall have the authority (with authority to sub-delegate) to act as the attorney of the Transferor in respect of the Deferred Transfer Business until the relevant Subsequent Transfer Date for all such purposes. Notwithstanding the foregoing provisions of this paragraph 8.1, where such Deferred Transfer Business constitutes, is attributable to or is connected with a Deferred Transfer Policy that would have been reinsured to the Transferor pursuant to the OLAB Reinsurance Agreement were it a Day One Policy, the Transferee's right to provide directions and act as attorney in relation to such Deferred Transfer Business shall, for the duration of the OLAB Reinsurance Agreement, be no greater than what its right would have been were the relevant Policy Day One Business and subject to the OLAB Reinsurance Agreement.
- 8.2 In the event of any property being received by the Transferor after the Effective Time in respect of the Transferred Business which does not comprise Deferred Transfer Business, the Transferor shall, as soon as is reasonably practicable after its receipt and to the extent to which it is able to do so, transfer such property to, or in accordance with the directions of, the Transferee.
- 8.3 In the event of any property being received by the Transferor after the Effective Time in respect of Deferred Transfer Business, the Transferor shall hold such property as trustee for the Transferee in accordance with paragraph 8.1.

8.4 The Transferee shall indemnify the Transferor against any reasonable out-of-pocket charges, costs, expenses, claims and other liabilities arising in respect of any obligation under or in connection with this paragraph 8.

9 Indemnities in favour of the Transferor

9.1 At and with effect from the Effective Time, the Transferee shall discharge on the Transferor's behalf or, failing that, shall indemnify the Transferor against:

- (a) any charges, costs, expenses, claims and other liabilities arising in respect of the Transferred Business; and
- (b) any charges, costs, expenses and claims arising in respect of any relevant Third Party Rights continued by the Transferor in accordance with the instructions of the Transferee (subject to which the Transferor shall take such steps as the Transferee shall require in order to pursue such Third Party Rights).

9.2 For the avoidance of doubt, the Transferee shall not be required under paragraph 9.1 to discharge or indemnify the Transferor for:

- (a) any liability if and to the extent that such liability is the subject of an indemnity from any third party in favour of the Transferor (including by way of insurance) or a claim or right against any third party which has not transferred to the Transferee as part of the Transferred Business (a "**Third Party Right**"), unless, and then only to the extent that, the Transferor shall have failed to recover any such amount pursuant to such Third Party Right;
- (b) any Excluded Liabilities; or
- (c) any charges, costs, expenses and claims or any other liabilities arising in respect of any Excluded Liabilities.

9.3 Where the Transferor is entitled to receive an amount pursuant to an indemnity contained in paragraph 8.4 or 9.1, it shall be entitled to receive such amount as, after payment of or provision for any liability to Tax in respect of the amount receivable, will result in the receipt of an amount equal to the value of the liability to be indemnified against.

9.4 The costs incurred by the Transferee in discharging on the Transferor's behalf, or indemnifying the Transferor against, liabilities in accordance with paragraph 8.4 or 9.1 shall be allocated to and discharged out of the property of the relevant ALPI Fund to which the liability giving rise to the payment of the indemnity has been, or will be, allocated in accordance with Part D of this Scheme.

9.5 The Transferor shall indemnify the Transferee against all liabilities, losses, claims and expenses in respect of the Transferred Liabilities:

- (a) to the extent that they are otherwise recoverable by the Transferor pursuant to a Third Party Right; or
- (b) in connection with any defect (whether in title or otherwise) in relation to, or any diminution in the value of, any property transferred to the Transferee to the extent that the loss resulting therefrom is recoverable pursuant to a Third Party Right,

provided that the indemnity in this paragraph 9.5 shall be limited to such amounts as the Transferor shall recover pursuant to such Third Party Right (net of the costs of any such recovery, including as to Tax).

10 Indemnity in favour of the Transferee

10.1 At and with effect from the Effective Time, the Transferor shall discharge on the Transferee's behalf or, failing that, shall indemnify the Transferee against all any charges, costs, expenses, claims and other liabilities arising in respect of the Excluded Assets, Excluded Liabilities, Excluded Contracts or any other part of the business of the Transferor that does not form part of the Transferred Business.

11 Determination of the NIA Amount and the Nominated Investment Assets

11.1 The Transferor and the Transferee shall comply with the provisions of Schedule 3 in relation to the determination of the NIA Amount and the Nominated Investment Assets.

12 Balancing Amount

12.1 On a date selected by the Transferor which is no more than twelve (12) months after the Effective Time, the Transferor shall, having taken appropriate actuarial advice, determine and certify the "**Balancing Amount**", being an amount equal to:

$$A - (B + C)$$

where:

- (a) **A** = the Capitalisation Amount;
- (b) **B** = the aggregate value, as at the Effective Time, of the Nominated Investment Assets; and
- (c) **C** = the aggregate value of any capital contributions made by the Transferor to the Transferee between the Effective Time and the date selected by the Transferor

pursuant to this paragraph 12.1, in respect of which the Transferor has notified the Transferee in writing that such capital contributions shall be taken into account for the purposes of calculating the Balancing Amount.

12.2 On and with effect from the Balancing Assets Transfer Date:

- (a) if the Balancing Amount is negative, then the Balancing Assets and all interest of the Transferee therein shall, by the Order and without any further act or instrument, be transferred from the Other Business Fund to, and be vested in, either the “Non-Profit Sub-Fund” or the “Shareholder Fund” (as the Transferor shall elect) maintained by the Transferor (subject to all Encumbrances (if any) affecting such Balancing Assets);
or
- (b) if the Balancing Amount is positive, then the Balancing Assets and all interest of the Transferor therein shall, by the Order and without any further act or instrument, be transferred from either the “Non-Profit Sub-Fund” or the “Shareholder Fund” (as the Transferor shall elect) maintained by the Transferor to, and be vested in, the Other Business Fund (subject to all Encumbrances (if any) affecting such Balancing Assets).

PART D – FUND ALLOCATION

13 Establishment and maintenance of the ALPI Funds

- 13.1 At and with effect from the Effective Time, the Transferee shall establish and maintain as separate funds (subject to the terms of this Scheme):
- (a) the ALPI Belgian Fund as a new fund;
 - (b) the ALPI FLAS Fund as a new fund;
 - (c) the ALPI FP Fund as a new fund;
 - (d) the ALPI Irish WPF as a new with-profits fund;
 - (e) the ALPI New Fund as a new fund; and
 - (f) the ALPI Old Fund as a new fund.
- 13.2 At and with effect from the Effective Time, the Transferee shall continue to maintain as separate funds (subject to the terms of this Scheme and the Existing Transferee Schemes):
- (a) the Closed Fund as a with-profits fund;
 - (b) the Other Business Fund; and
 - (c) the Participating Fund as a with-profits fund.
- 13.3 At the Effective Time, the shareholder assets and liabilities of the Transferee shall be allocated to the ALPI SHF and, for so long as required by Regulatory Requirements and to meet the operational requirements of this Scheme, the Transferee shall maintain the ALPI SHF.
- 13.4 Subject to compliance with Regulatory Requirements, nothing in this Scheme shall prevent the Transferee from establishing further ALPI Funds in relation to its Long-Term Insurance Business at any time after the Effective Time as the Transferee's Board may determine and, subject to any restrictions in this Scheme, allocating new Policies or re-allocating Day One Policies or Deferred Transfer Policies to such ALPI Funds.

14 Allocation of Day One Policies and Day One Contracts

- 14.1 At and with effect from the Effective Time, the following shall be allocated to the ALPI Belgian Fund:

- (a) all of the Day One Policies and Day One Contracts which were, immediately prior to the Effective Time, allocated to the “Belgian SF” maintained by the Transferor; and
 - (b) the OLAB Reinsurance Agreement, to the extent that it provides reinsurance of liabilities allocated to the ALPI Belgian Fund.
- 14.2 At and with effect from the Effective Time, the following shall be allocated to the ALPI FLAS Fund:
 - (a) all of the Day One Policies and Day One Contracts which were, immediately prior to the Effective Time, allocated to the “FLAS With-Profits Sub-Fund” maintained by the Transferor; and
 - (b) the OLAB Reinsurance Agreement, to the extent that it provides reinsurance of liabilities allocated to the ALPI FLAS Fund.
- 14.3 At and with effect from the Effective Time, the following shall be allocated to the ALPI FP Fund:
 - (a) all of the Day One Policies and Day One Contracts which were, immediately prior to the Effective Time, allocated to the “FP With-Profits Sub-Fund” maintained by the Transferor; and
 - (b) the OLAB Reinsurance Agreement, to the extent that it provides reinsurance of liabilities allocated to the ALPI FP Fund.
- 14.4 At and with effect from the Effective Time, all of the Day One Policies and Day One Contracts which were, immediately prior to the Effective Time, allocated to the “Irish With-Profits Sub-Fund” maintained by the Transferor shall be allocated to the ALPI Irish WPF.
- 14.5 At and with effect from the Effective Time, the following shall be allocated to the ALPI New Fund:
 - (a) all of the Day One Policies and Day One Contracts which were, immediately prior to the Effective Time, allocated to the “New With-Profits Sub-Fund” maintained by the Transferor; and
 - (b) the OLAB Reinsurance Agreement, to the extent that it provides reinsurance of liabilities allocated to the ALPI New Fund.
- 14.6 At and with effect from the Effective Time, the following shall be allocated to the ALPI Old Fund:

- (a) all of the Day One Policies and Day One Contracts which were, immediately prior to the Effective Time, allocated to the “Old With-Profits Sub-Fund” maintained by the Transferor; and
- (b) the OLAB Reinsurance Agreement, to the extent that it provides reinsurance of liabilities allocated to the ALPI Old Fund.

14.7 At and with effect from the Effective Time, the following shall be allocated to the Other Business Fund:

- (a) all of the Day One Policies and Day One Contracts which were, immediately prior to the Effective Time, allocated to the “Non-Profit Sub-Fund” or the “Shareholder Fund” maintained by the Transferor; and
- (b) the OLAB Reinsurance Agreement, to the extent that it provides reinsurance of liabilities allocated to the Other Business Fund.

15 Allocation of Day One Assets

15.1 At and with effect from the Effective Time, Day One Assets that are Irish Branch IWPSF Assets shall be allocated to the ALPI Irish WPF.

15.2 At and with effect from the Effective Time, the following shall be allocated to the Other Business Fund:

- (a) Day One Assets that are Irish Branch NPSF Assets; and
- (b) Day One Assets that are Nominated Investment Assets.

16 Allocation of Day One Liabilities

16.1 At and with effect from the Effective Time, the following shall be allocated to the ALPI Belgian Fund:

- (a) all of the Day One Liabilities which, immediately prior to the Effective Time, were allocated to the “Belgian SF” maintained by the Transferor; and
- (b) the liability to indemnify the Transferor pursuant to paragraph 8.4 or 9.1 to the extent that the liability or property to which such indemnity relates is allocated to the ALPI Belgian Fund pursuant to this Scheme.

16.2 At and with effect from the Effective Time, the following shall be allocated to the ALPI FLAS Fund:

- (a) all of the Day One Liabilities which, immediately prior to the Effective Time, were allocated to the “FLAS With-Profits Sub-Fund” maintained by the Transferor; and
- (b) the liability to indemnify the Transferor pursuant to paragraph 8.4 or 9.1 to the extent that the liability or property to which such indemnity relates is allocated to the ALPI FLAS Fund pursuant to this Scheme.

16.3 At and with effect from the Effective Time, the following shall be allocated to the ALPI FP Fund:

- (a) all of the Day One Liabilities which, immediately prior to the Effective Time, were allocated to the “FP With-Profits Sub-Fund” maintained by the Transferor; and
- (b) the liability to indemnify the Transferor pursuant to paragraph 8.4 or 9.1 to the extent that the liability or property to which such indemnity relates is allocated to the ALPI FP Fund pursuant to this Scheme.

16.4 At and with effect from the Effective Time, the following shall be allocated to the ALPI Irish WPF:

- (a) all of the Day One Liabilities which, immediately prior to the Effective Time, were allocated to the “Irish With-Profits Sub-Fund” maintained by the Transferor; and
- (b) the liability to indemnify the Transferor pursuant to paragraph 8.4 or 9.1 to the extent that the liability or property to which such indemnity relates is allocated to the ALPI Irish WPF pursuant to this Scheme.

16.5 At and with effect from the Effective Time, the following shall be allocated to the ALPI New Fund:

- (a) all of the Day One Liabilities which, immediately prior to the Effective Time, were allocated to the “New With-Profits Sub-Fund” maintained by the Transferor; and
- (b) the liability to indemnify the Transferor pursuant to paragraph 8.4 or 9.1 to the extent that the liability or property to which such indemnity relates is allocated to the ALPI New Fund pursuant to this Scheme.

16.6 At and with effect from the Effective Time, the following shall be allocated to the ALPI Old Fund:

- (a) all of the Day One Liabilities which, immediately prior to the Effective Time, were allocated to the “Old With-Profits Sub-Fund” maintained by the Transferor; and

- (b) the liability to indemnify the Transferor pursuant to paragraph 8.4 or 9.1 to the extent that the liability or property to which such indemnity relates is allocated to the ALPI Old Fund pursuant to this Scheme.

16.7 At and with effect from the Effective Time, the following shall be allocated to the Other Business Fund:

- (a) all of the Day One Liabilities which, immediately prior to the Effective Time, were allocated to the “Non-Profit Sub-Fund” or the “Shareholder Fund” maintained by the Transferor; and
- (b) the liability to indemnify the Transferor pursuant to paragraph 8.4 or 9.1 to the extent that the liability or property to which such indemnity relates is allocated to the Other Business Fund pursuant to this Scheme.

17 Allocation of Deferred Transfer Business

17.1 On and with effect from each Subsequent Transfer Date:

- (a) each Deferred Transfer Policy and Deferred Transfer Contract applicable to such Subsequent Transfer Date shall be allocated to the ALPI Fund to which it would have been allocated to at the Effective Time in accordance with paragraph 14, had it been a Day One Policy or Day One Contract;
- (b) each Deferred Transfer Asset applicable to such Subsequent Transfer Date shall be allocated to the ALPI Fund to which it would have been allocated to at the Effective Time in accordance with paragraph 15, had it been a Day One Asset; and
- (c) each Deferred Transfer Liability applicable to such Subsequent Transfer Date shall be allocated to the ALPI Fund to which it would have been allocated to at the Effective Time in accordance with paragraph 16, had it been a Day One Liability.

18 Allocation of Existing Transferee Assets and Liabilities at the Effective Time

18.1 All Existing Transferee Policies, Existing Transferee Assets and Existing Transferee Liabilities to the extent allocated to an ALPI FF Fund immediately prior to the Effective Time shall remain allocated to that same ALPI FF Fund at the Effective Time.

18.2 Existing Transferee Assets and Existing Transferee Liabilities allocated to or comprising an interest in Linked Funds of the Transferee immediately prior to the Effective Time shall remain allocated to and remain interested in such Linked Funds as of the Effective Time. Benefits under Existing Transferee Policies that are linked long-term contracts shall remain linked to the same Linked Funds as before and shall be allocated with the same number

and class of units in such Linked Fund(s) as were allocated to such Existing Transferee Policies immediately prior to the Effective Time.

19 Establishment of Linked Funds

- 19.1 At and with effect from the Effective Time, any Day One Assets or Day One Liabilities which have been allocated to the ALPI Irish WPF or the Other Business Fund pursuant to paragraphs 14, 15, 16 or 17 and which, immediately prior to the Effective Time, were allocated to a Linked Fund maintained by the Transferor, shall:
- (a) be allocated to and comprised in a new Linked Fund established by the Transferee within the ALPI Fund to which such Day One Assets or Day One Liabilities were allocated; and
 - (b) immediately following the Effective Time, comprise the same number and value of units as were comprised within the relevant Linked Fund of the Transferor immediately prior to the Effective Time.
- 19.2 At and with effect from the Effective Time (but only in respect of Day One Policies that are not reinsured to the Transferor pursuant to the OLAB Reinsurance Agreement):
- (a) any policyholder rights, powers or benefits under any Day One Policy which, immediately prior to the Effective Time, were linked to any one or more Linked Fund(s) of the Transferor shall become linked to the corresponding Linked Fund(s) of the Transferee;
 - (b) the Transferee shall, as at the Effective Time, allocate to each such Day One Policy the same number and classes of units in the corresponding new Linked Fund(s) of the Transferee as the number and classes of units in the relevant Linked Fund(s) of the Transferor as were allocated to such Day One Policy immediately prior to the Effective Time; and
 - (c) in respect of any such Day One Policies, the Transferee shall become entitled to the same rights, powers and benefits and be subject to the same duties and liabilities as applied to the Transferor in relation to the corresponding Linked Fund(s) immediately prior to the Effective Time.
- 19.3 On and with effect from each Subsequent Transfer Date, each Deferred Transfer Asset or Deferred Transfer Liability applicable to such Subsequent Transfer Date shall (if applicable) be allocated to the Linked Fund(s) to which it would have been allocated to at the Effective Time in accordance with paragraph 19.1, had it been a Day One Asset or Day One Liability (as applicable).

19.4 The provisions of paragraph 19.2 shall also apply *mutatis mutandis* to Deferred Transfer Policies that are not reinsured to the Transferor pursuant to the OLAB Reinsurance Agreement (with references to the Effective Time amended to the relevant Subsequent Transfer Date).

19.5 The Board of the Transferee may, having taken account of appropriate advice (and subject to the terms of the Existing Transferee Schemes):

- (a) open new Linked Funds;
- (b) close existing Linked Funds;
- (c) amalgamate, reinsure or transfer any Linked Fund or any part thereof with or to (as the context requires) any other Linked Fund or any part thereof (whether established and maintained by the Transferee or another member of the Transferee's Group);
- (d) divide any Linked Fund into one or more Linked Funds; or
- (e) effect any combination of the aforesaid.

19.6 Units in a Linked Fund held by an ALPI Fund may be held or purchased by the Transferee for any purpose, including to ensure that liabilities arising in respect of any Linked Policy which is allocated or reinsured to that ALPI Fund are matched by Linked Fund Assets of that ALPI Fund.

19.7 Linked Fund Assets may be held in a Linked Fund for the benefit of any ALPI Fund, including the Other Business Fund, and such ALPI Funds may each hold an interest in the same Linked Fund.

20 General provisions in respect of ALPI Fund allocation

20.1 If any doubt or difference shall arise as to the allocation or attribution of any Transferred Policy, Transferred Contract, Transferred Asset, Transferred Liability, Existing Transferee Policy, Existing Transferee Asset or Existing Transferee Liability in accordance with this Scheme or any of the Existing Transferee Schemes, the same shall be determined by the Transferee's Board, having taken account of appropriate actuarial advice. Any reallocation of Transferred Policies affecting the Wholly Reinsured Funds which requires an amendment to any internal reinsurance arrangements in place in respect of such Transferred Policies, or which requires an amendment to the allocation of Policies within the Transferor, shall require the agreement of the Transferor's Board.

20.2 Any allocation of property or liabilities to an ALPI Fund from time to time, and any re-allocation or re-attribution of the same, is for the purpose of establishing or recognising respective policyholder and shareholder entitlements from time to time and shall not be

taken to affect the availability of all the property from time to time of the Transferee to meet its liabilities to policyholders and other third parties to the extent required by Regulatory Requirements from time to time.

- 20.3 The provisions of this Scheme shall apply on the basis that the expression "Transferred Policy" shall include, at any time, any constituent part of a Transferred Policy which, in the opinion of the Board of the Transferee, having taken appropriate actuarial advice, gives rise to any separately identifiable benefit (including, for the avoidance of doubt and without prejudice to the generality of the foregoing, any constituent part providing insurance cover against the risk of death, accident or serious illness). The Board of the Transferee, having taken appropriate actuarial advice, shall be entitled in accordance with the foregoing provisions of this paragraph 20.3 to allocate to and include in the ALPI Irish WPF such of the constituent part or parts of a Transferred Policy as are capable of being so allocated and included and the remaining constituent part or parts shall be allocated to and included in the Other Business Fund or such other ALPI Fund (other than the ALPI Irish WPF) as the Board of the Transferee, having taken appropriate actuarial advice, shall determine.
- 20.4 If the Transferee's Board considers that any allocation of property or liabilities to any of the ALPI Funds pursuant to this Part D is inequitable in any respect, such allocation may be amended provided that:
- (a) the Transferee's Board, having taken account of appropriate actuarial advice and having consulted with the With-Profits Committee, considers that the proposed amendment shall not materially adversely affect the interest of the holders of any Transferred Policies or Existing Transferee Policies; and
 - (b) the Transferee's Board has notified the CBI in writing of the proposed changes and the CBI has not objected thereto within two (2) months of the relevant notification.
- 20.5 The allocation(s) of property and liabilities pursuant to this Scheme are subject to any contrary Regulatory Requirements and the Transferee shall comply with the provisions of this Scheme insofar as is possible within the constraints imposed by such Regulatory Requirements.
- 20.6 The Transferee's Board may, at any time, change the name of any of the ALPI Funds established pursuant to this Scheme to such other name as it thinks fit, and the provisions of this Scheme shall automatically be modified to take account of any such change.

PART E – OPERATION OF THE ALPI FUNDS

21 Allocation of continuing business

21.1 The Transferee shall allocate premiums or increments receivable:

- (a) at or after the Effective Time in respect of a Day One Policy; and
- (b) on or after the relevant Subsequent Transfer Date in respect of a Deferred Transfer Policy,

to the ALPI Fund to which such Day One Policy or Deferred Transfer Policy is allocated pursuant to Part D of this Scheme.

21.2 Subject to paragraph 21.3, the Transferee shall treat any Policy which comes into force at or after the Effective Time as a result of:

- (a) an option or right contained in any Transferred Policy; or
- (b) as a result of any offer made by the Transferor to the holder of a Transferred Policy,

as if it were a New Policy for the purposes of its allocation to an ALPI Fund and shall allocate such a Policy in accordance with paragraph 22.

21.3 Notwithstanding the provisions of paragraph 21.2:

- (a) where the terms of any such option or right contained in any Transferred Policy require the New Policy that comes into force pursuant to such option or right to be allocated to the same ALPI Fund as the original Transferred Policy, the New Policy shall be allocated accordingly; and
- (b) increments to Policies shall be allocated to the same ALPI Fund as the Policy to which they relate.

22 Allocation of New Policies

22.1 Subject to paragraphs 22.2 and 22.3, the Transferee shall allocate New Policies to such ALPI Fund as may be determined by the Board of the Transferee, having taken account of appropriate actuarial advice, having consulted with the With-Profits Committee where either the New Policies are with-profits Policies or are otherwise being allocated to the ALPI Irish WPF, and having regard to the nature of the New Policy, provided that such allocation is not inconsistent with:

- (a) the terms of the New Policy (and, where the New Policy comes into force pursuant to an option or right contained in a Policy, the terms of such original Policy);

- (b) the Regulatory Requirements applicable to such ALPI Fund, including the Relevant CPC Principles;
 - (c) the provisions of the Existing Transferee Schemes; and
 - (d) in relation to any proposed allocation to the ALPI Irish WPF, the IWPF PPFM.
- 22.2 Subject to Regulatory Requirements, including the Relevant CPC Principles, the Board of the Transferee shall not be permitted to allocate any New Policy to any Wholly Reinsured Fund unless the liabilities of the Transferee in respect of such New Policy will be reinsured to the relevant Equivalent UKLAP Sub-Fund pursuant to the OLAB Reinsurance Agreement and the Transferee has obtained the prior consent of the Transferor (provided that no such consent shall be required for any New Policy which comes into force after the Effective Time as a result of an option or right contained in a Transferred Policy allocated to a Wholly Reinsured Fund).
- 22.3 The Transferee shall only allocate New Policies to the ALPI Irish WPF where such New Policies have been issued on such terms and in such volumes as, in the opinion of the Board of the Transferee, having taken appropriate actuarial advice and having consulted the With-Profits Committee, will not prejudice the reasonable expectations of all holders of Policies already allocated to the ALPI Irish WPF.
- 22.4 New Policies that have a right (including an option, whether or not exercised) to participate, directly or indirectly, in the profits or surplus of a particular ALPI Fund may only be written and allocated, or internally reinsured, to that ALPI Fund if it is open to new business at the time and on such terms and volumes as, in the opinion of the Board of the Transferee (having considered the financial strength of the relevant ALPI Fund and having taken account of appropriate actuarial advice) will not prejudice the interests of holders of Policies then allocated or internally reinsured to that ALPI Fund.
- 22.5 Subject to paragraph 22.1, where, but for the provisions of this Scheme, the Transferee would be obliged after the Effective Time to write a New Policy that is a non-profit Policy (including pension annuities) by reason of contractual rights arising under a relevant Policy and which are exercised by the policyholder after the Effective Time, the Transferee shall be permitted to allocate such New Policy to the Other Business Fund or to such other non-profit ALPI Fund as the Board of the Transferee determines from time to time (having taken account of appropriate actuarial advice).
- 22.6 Without prejudice to paragraph 22.1, the Board of the Transferee shall be entitled to change the allocation of any New Policy, provided that the Board of the Transferee must consult with the Head of Actuarial Function prior to any re-allocation of a New Policy to or from the ALPI Irish WPF.

23 Allocation of property and liabilities that arise after the Effective Time

- 23.1 Payments under Transferred Policies falling due after the Effective Time shall be allocated to and paid out of the ALPI Fund to which the relevant Policy is allocated (and, if allocated to more than one ALPI Fund, *pro rata* to such allocation). This allocation shall apply notwithstanding that any liability under the relevant Policy is internally reinsured to another ALPI Fund, but without prejudice to any claim under such internal reinsurance arrangement for the benefit of that ALPI Fund against the other ALPI Fund.
- 23.2 Save as otherwise provided in the Scheme or any of the Existing Transferee Schemes, at and from the Effective Time all rights, benefits and liabilities and all receipts and payments which relate to or directly arise pursuant to the terms of a New Policy allocated to a particular ALPI Fund shall be allocated to the ALPI Fund to which the New Policy is allocated.
- 23.3 Save as otherwise provided in this Scheme or any of the Existing Transferee Schemes, any assets or liabilities relating to the Long-Term Insurance Business of the Transferee which arise at or after the Effective Time and are not allocated to a particular ALPI Fund pursuant to any provision of the Scheme or any of the Existing Transferee Schemes shall be allocated to such ALPI Fund(s) as the Board of the Transferee shall determine:
- (a) having taken account of appropriate actuarial advice;
 - (b) in accordance with Regulatory Requirements; and
 - (c) in relation to any allocation affecting the ALPI Irish WPF, in consultation with the With-Profits Committee.
- 23.4 Each ALPI Fund shall be credited with the investment income and other benefits arising from any asset allocated to such ALPI Fund, save as otherwise provided under the terms of this Scheme or any of the Existing Transferee Schemes.

24 Re-allocation of non-profit Policies

- 24.1 Subject to paragraphs 24.2 and 24.3 and the provisions of the Existing Transferee Schemes, the Transferee may re-allocate any non-profit Policy (or all or any part of a with-profits Policy that becomes a non-profit Policy) to any ALPI Fund (other than the ALPI Belgian Fund) to which non-profit business may be allocated (under this Scheme or otherwise), provided that the Board of the Transferee is satisfied (having taken account of appropriate actuarial advice) that such re-allocation (considered in the aggregate with other re-allocations of the same type planned to be made in the next five years or actually made within the five years immediately prior to the date of the proposed re-allocation) will not have a material adverse effect on the Policy being re-allocated or on the holders of Policies

then allocated to or reinsured to the ALPI Fund to which, or from which, such Policy is proposed to be re-allocated.

24.2 Where paragraph 24.1 applies, cash or assets shall be transferred or re-allocated from the ALPI Fund to which the Policy is allocated to the ALPI Fund to which the Policy is to be re-allocated, provided that, in the opinion of the Board of the Transferee (having taken appropriate actuarial advice), such cash and/or assets have a market value consistent with the corresponding transfer of liability and risk on a fair and equitable basis.

24.3 A non-profit Policy (or all or any part of a with-profits Policy that becomes a non-profit Policy) may only be re-allocated to a Wholly Reinsured Fund if:

(a) that Policy (or the relevant part of such Policy) would be reinsured in its entirety to the relevant Equivalent UKLAP Sub-Fund by virtue of the OLAB Reinsurance Agreement; and

(b) the Transferee has obtained the prior consent of the Transferor.

25 Re-allocation of with-profits Policies

25.1 The Transferee may re-allocate any with-profits Policy, or all or any with-profits part of a Policy, to any ALPI Fund other than the Other Business Fund, the ALPI Belgian Fund or the ALPI Irish WPF, provided that:

(a) such re-allocation is not inconsistent with the terms of the Policy, the provisions of the Existing Transferee Schemes, Regulatory Requirements and governance principles applicable to the transferor ALPI Fund, including the Relevant CPC Principles;

(b) assets shall be transferred or re-allocated from the ALPI Fund to which the Policy was allocated to the ALPI Fund to which the Policy is to be re-allocated, provided that:

(i) such assets are of market value consistent with the premium that the Transferee would have charged for the corresponding transfer of liability and risk had it issued a New Policy in respect thereof or, if no such price can be calculated, on a fair and equitable basis; and

(ii) the terms of the transfer are such that any entitlement of the Policy to participate in surplus is fairly reflected;

(c) the Board of the Transferee is satisfied, having taken account of appropriate actuarial advice (and having consulted with the With-Profits Committee if the re-allocation involves the ALPI Irish WPF or a Wholly Reinsured Fund), that such re-

allocation (considered in the aggregate with other re-allocations of the same type planned to be made in the next five years or actually made within the five years immediately prior to the date of the proposed re-allocation) will not have a material adverse effect on the Policy or Policies being re-allocated or on the holders of Policies then allocated or reinsured to the ALPI Fund to which or from which such Policy or Policies are proposed to be re-allocated;

- (d) an opinion has been obtained from an independent actuary concluding that the re-allocation does not have a material adverse effect on the interests of any group of with-profits policyholders (including the holder(s) of any such re-allocated with-profits Policies); and
- (e) a Policy may only be re-allocated to a Wholly Reinsured Fund if:
 - (i) that Policy would be reinsured in its entirety to the relevant Equivalent UKLAP Sub-Fund by virtue of the OLAB Reinsurance Agreement; and
 - (ii) the Transferee has obtained the prior consent of the Transferor.

26 Transfers and exchanges

26.1 Save as required or permitted by the Scheme or any of the Existing Transferee Schemes, there shall not at any time after the Effective Time be any transfer (including by way of loan), exchange or reallocation of property or liabilities between any of the ALPI Funds established or maintained pursuant to paragraph 13, in each case other than:

- (a) a transfer that is required to comply with Regulatory Requirements;
- (b) a transfer or exchange of listed securities at mid-market value;
- (c) a transfer or re-allocation of property or liabilities on arms' length commercial terms approved by the Board of the Transferee, having taken appropriate actuarial advice; or
- (d) a transfer, exchange or re-allocation on such terms as the Board of the Transferee determines are fair to relevant policyholders, having taken appropriate actuarial advice (including, where the ALPI Irish WPF is involved, consultation with the With-Profits Committee).

27 Delay in allocation or misallocation to the ALPI Funds

27.1 If:

- (a) there is, for any reason a delay (for which provision is not expressly made in this Scheme) in the allocation of any receipt, payment or other item to any ALPI Fund in accordance with this Scheme; or
- (b) there has been, for any reason, any incorrect allocation of any receipt, payment or other item to the relevant Equivalent UKLAP Sub-Fund which occurred but was not remedied prior to the Effective Time of this Scheme and which results in such receipt, payment or other item being mis-allocated under Part D of this Scheme,

then the Board of the Transferee, having taken account of appropriate actuarial advice (such advice including consultation with the With-Profits Committee if the adjustment involves the ALPI Irish WPF or a Wholly Reinsured Fund), may make such adjustment between the ALPI Funds as it considers appropriate in accordance with the principles underlying the Scheme to take account of such delay or incorrect allocation.

28 Financial management of the ALPI Funds

- 28.1 The Transferee shall manage its affairs in accordance with Regulatory Requirements from time to time.
- 28.2 Save as otherwise provided in the Scheme or any of the Existing Transferee Schemes, expenses incurred by the Transferee which do not relate specifically to a Policy shall be apportioned among such ALPI Fund(s) as determined by the Board of the Transferee, having:
- (a) taken account of appropriate actuarial advice (and having consulted with the With-Profits Committee if the apportionment affects the ALPI Irish WPF); and
 - (b) due regard to the interests of policyholders and their fair treatment and the business carried on for the account of each ALPI Fund.
- 28.3 Save as otherwise provided in the Scheme or any of the Existing Transferee Schemes, if any distribution, administration or investment management fees or expenses incurred by the Transferee in respect of business allocated to an ALPI Fund (other than the Other Business Fund) are allocated to the Other Business Fund, an amount equal to such fees and expenses shall be transferred from the ALPI Fund to which the relevant business is allocated to the Other Business Fund, to the extent that such a transfer would be deemed appropriate by the Board of the Transferee, having taken account of appropriate actuarial advice and is consistent with the Relevant CPC Principles. In addition, compliance with the IWPF PPFM and prior consultation with the With-Profits Committee shall be required where the ALPI Irish WPF is involved in such a transfer.

- 28.4 Without prejudice to any other provisions of the Scheme or any of the Existing Transferee Schemes, discretionary charges on Policies shall be managed from the Effective Time recognising the interests of the holders of such Policies and in line with the Relevant CPC Principles, and shall not be increased by reason of the Scheme or its implementation.
- 28.5 Save as otherwise provided in the Scheme or any of the Existing Transferee Schemes, the Transferee's Board (having taken account of appropriate actuarial advice) may decide that fees and expenses payable by the Transferee in respect of services provided to a Wholly Reinsured Fund shall be allocated to the Other Business Fund or any other non-profit ALPI Fund from time to time.
- 28.6 Save as otherwise provided in the Scheme or any of the Existing Transferee Schemes, any distribution, administration or investment management fees or expenses incurred in relation to any Policy, asset or business allocated to any non-profit ALPI Fund shall not be reallocated to a with-profits ALPI Fund.
- 28.7 Save as otherwise provided in the Scheme or any of the Existing Transferee Schemes and provided that the interests of policyholders are not materially adversely affected, the Transferee's Board may at any time, having taken account of appropriate actuarial advice, transfer assets allocated to any non-profit ALPI Fund to the ALPI SHF or any other non-profit ALPI Fund, by way of contribution as a gift so as to form part of the assets of the ALPI SHF or other non-profit ALPI Fund (as the case may be).

29 Intra-Group loans

- 29.1 Subject to Regulatory Requirements, any ALPI Fund established or maintained pursuant to paragraph 13 may make a loan to, or investment in, any member of the Transferee's Group (whether jointly or not with any other ALPI Fund or company) provided that the Board of the Transferee, having taken account of appropriate actuarial advice (and, where the ALPI Irish WPF and/or a Wholly Reinsured Fund is granting the loan, having consulted with the With-Profits Committee), is satisfied that:
- (a) the extent of such loan or investment and the terms on which it is to be effected are no less favourable to the relevant ALPI Fund than would have been the case if the loan or investment had been advanced to, or made in, a company which was not a member of the Transferee's Group;
 - (b) the loan or investment is appropriate for the relevant ALPI Fund given the nature and term of the liabilities of that ALPI Fund; and
 - (c) the interests of the holders of all Policies allocated or internally reinsured to the relevant ALPI Fund will not be materially adversely affected as a result of such loan or investment.

- 29.2 Where a loan is proposed to be made from an ALPI UKLAP Fund to any other ALPI Fund, such loan may only be made if the Transferee's Board, having taken account of appropriate actuarial advice (and having consulted with the With-Profits Committee if such loan involves the ALPI Irish WPF or a Wholly Reinsured Fund), is satisfied that:
- (a) the extent of such loan and the terms on which it is to be effected are no less favourable to the ALPI UKLAP Fund than would have been the case if the loan had been made to a third party which was not a member of the Transferee's Group;
 - (b) the loan is appropriate for the relevant ALPI UKLAP Fund given the nature and term of the liabilities of such ALPI UKLAP Fund; and
 - (c) the interests of the holders of all Policies allocated or internally reinsured to the relevant ALPI Funds will not be materially adversely affected as a result of such loan.

30 Internal Reinsurance Arrangements

- 30.1 The Transferee shall establish and maintain arrangements equivalent to internal reinsurance between the ALPI Irish WPF and the Other Business Fund, so as to continue any such arrangements equivalent to internal reinsurance that were in effect between the relevant Equivalent UKLAP Sub-Funds (being the "Irish With-Profits Sub-Fund" and the "Non-Profit Sub-Fund" maintained by the Transferor) immediately prior to the Effective Time (the "**Internal Reinsurance Arrangements**").
- 30.2 The liability of the Internal Reinsurer in respect of any Internally Reinsured Policy shall cease at the same time as the liability of the Internal Cedant ceases in respect of that Internally Reinsured Policy.
- 30.3 There shall be transferred from the Internal Cedant to the Internal Reinsurer premiums determined on a basis referred to from time to time in the relevant Internal Reinsurance Arrangements.
- 30.4 A transfer of the amount of any claim to be made on the Internal Reinsurer by the Internal Cedant in respect of an Internally Reinsured Policy shall be made equal to the amount paid by the Internal Cedant in respect of the claim.
- 30.5 All transfers to be effected pursuant to this paragraph 30 shall be made promptly.
- 30.6 The Transferee's Board may at any time, having taken account of appropriate actuarial advice and having consulted with the With-Profits Committee, amend or terminate any of the Internal Reinsurance Arrangements and effect such consequential transfers or alternative arrangements between the ALPI Irish WPF and the Other Business Fund as may be determined by the Transferee's Board to be appropriate. The terms of any such

amendment or termination and any consequential transfer or alternative arrangements between the ALPI Irish WPF and the Other Business Fund shall be notified to the CBI in writing within ten (10) Business Days after they have taken effect.

31 Other provisions in relation to reinsurance

31.1 Subject to paragraphs 31.2 to 31.5 inclusive and paragraph 39, nothing in this Scheme shall prevent the Transferee from:

- (a) (provided not inconsistent with the terms of the underlying Policies or the Relevant CPC Principles, and in accordance with Regulatory Requirements) effecting other internal reinsurance arrangements between any ALPI Funds from time to time or entering into external reinsurance agreements with any company (whether within or outside the Transferee's Group); or
- (b) varying, modifying or terminating any internal or external reinsurance arrangements in accordance with the terms applicable to such arrangements (including, for the avoidance of doubt, the OLAB Reinsurance Agreement),

provided that any such reinsurance to or from the ALPI Irish WPF shall be subject to consultation with the With-Profits Committee.

31.2 From the Effective Time, the Transferee may only amend or enter into internal reinsurance arrangements if, in the opinion of the Transferee's Board (having taken account of appropriate actuarial advice and having consulted with the With-Profits Committee if such internal reinsurance involves the ALPI Irish WPF or a Wholly Reinsured Fund), such amendment or entry (taking into account the corresponding re-allocation of assets among the relevant ALPI Funds) shall not materially adversely affect the interests of holders of Policies allocated or reinsured to the ALPI Funds involved.

31.3 Subject to paragraph 53.1(a), the Transferee may only enter into reinsurance arrangements with other members of the Transferee's group if (in the opinion of the Board of the Transferee, having taken appropriate actuarial advice) such reinsurance arrangements:

- (a) do not materially adversely affect the interests of the Transferee's policyholders;
- (b) are consistent with the Relevant CPC Principles; and
- (c) where they relate to the ALPI Irish WPF or a Wholly Reinsured Fund, following consultation with the With-Profits Committee.

31.4 Save as otherwise provided in the Scheme or any of the Existing Transferee Schemes, the liability to pay premiums in relation to such internal or external reinsurance arrangements

shall be allocated to the ALPI Fund to which the Policies which are the subject of the reinsurance are allocated and, in the case of internal reinsurance arrangements, the premiums received or receivable shall be allocated to the ALPI Fund into which the risk is reinsured.

- 31.5 Save as otherwise provided in this Scheme or any of the Existing Transferee Schemes, the claims amounts received or receivable in relation to such internal or external reinsurance arrangements (including, for the avoidance of doubt, the OLAB Reinsurance Agreement and any amounts received thereunder, including upon termination of the OLAB Reinsurance Agreement) shall be allocated to the ALPI Fund to which the Policies which are the subject of the reinsurance and, in the case of internal reinsurance arrangements, the Transferee shall debit such claim amount from the reinsuring ALPI Fund and credit such amount to the ceding ALPI Fund.

32 Limitations on the reallocation or reinsurance of with-profits Policies

- 32.1 No re-allocation or reinsurance of Policies as that referred to in paragraphs 25.1 or 31.1(a) shall be made or effected unless the Board of the Transferee, having taken appropriate actuarial advice (and having consulted with the With-Profits Committee if such re-allocation or reinsurance involves the ALPI Irish WPF or a Wholly Reinsured Fund), is satisfied that:
- (a) the re-allocation or reinsurance will not prejudice either the interests of the holders of Policies allocated to and included within either of the relevant ALPI Funds or the interests of the holder or holders of the relevant Policy, and
 - (b) an appropriate amount has been transferred between the relevant ALPI Funds so that the ALPI Fund to which the relevant Policy (or the constituent part or parts of the relevant Policy, as the case may be) will be allocated shall have received such amount as the Board of the Transferee, having taken appropriate actuarial advice, shall determine after having satisfied itself that transfer of such amount will not infringe the requirements of paragraph 32.1(a).
- 32.2 No re-allocation or reinsurance as referred to in paragraphs 25.1 or 31.1(a) above shall be made in the case of a Policy that is (i) a with-profits Policy, a Split IWPF With-Profits Policy or a Unitised IWPF With-Profits Policy, and (ii) allocated (in whole or in part) to the ALPI Irish WPF, unless such Policy does not or shall have ceased to confer on the holder a right to participate in surplus of the ALPI Irish WPF.

33 Switching provisions

- 33.1 If at any time a switch is made from unit-linked investment to with-profits investment in respect of a Hybrid Policy or a DC Policy, the switch premium (being the amount derived from the cancellation of UL Units by reason of the switch, less any deductions) determined

by the Transferee's Board, having taken account of appropriate actuarial advice (and, where applicable, the IWPF PPFM), shall be debited from the ALPI Fund to which the unit-linked investment element of the Policy is allocated and credited to the ALPI Fund to which the WP Part of such Policy is allocated and, where it is internally reinsured, the appropriate proportion of such switch premium shall be transferred to the relevant Internal Reinsurer in respect of the amount so switched and WP Units credited to the relevant Policy.

33.2 If at any time a switch is made from with-profits investment to unit-linked investment in respect of a Hybrid Policy or a DC Policy, the switch premium (being the amount derived from the cancellation of the WP Units by reason of the switch, less any deductions) determined by the Transferee's Board, having taken account of appropriate actuarial advice (and, where applicable, the IWPF PPFM), shall be debited from:

- (a) where the WP Part of that Policy is internally reinsured, the relevant Internal Reinsurer; or
- (b) where the WP Part of that Policy is not internally reinsured, the ALPI Fund to which the WP Part of such Policy is allocated,

and credited to the ALPI Fund to which the unit-linked investment element of the Policy is allocated and appropriate UL Units shall be credited to the relevant Policy and WP Units shall be cancelled in respect of the amount so switched.

34 Role of the With-Profits Committee

34.1 Notwithstanding any other provision of this Scheme, the Transferee's Board (and any person or committee to whom it may have delegated relevant authority) shall consult with the With-Profits Committee where required to do so in accordance with the terms of reference of the With-Profits Committee.

35 ALPI SRA Statement

35.1 With effect from the Effective Time, the Transferee shall maintain and comply with the ALPI SRA Statement.

35.2 The Transferee's Board shall, from time to time, be entitled to:

- (a) make amendments to the ALPI SRA Statement (including amendments to correct manifest errors) provided that they do not result in a material weakening (as defined in the ALPI SRA Statement) of the provisions of the ALPI SRA Statement; and
- (b) make any other amendment to the ALPI SRA Statement as the Transferee's Board sees fit after having:

- (i) taken account of appropriate actuarial advice (including having consulted with the With-Profits Committee); and
- (ii) consulted with the Head of Actuarial Function.

The CBI will also be informed.

36 Financial support

- 36.1 Nothing in the Scheme shall prevent the Transferee from relying upon any of the assets in each ALPI Fund from time to time for the purposes of meeting its capital requirements, subject always to compliance with Regulatory Requirements.
- 36.2 Save as otherwise expressly provided for in this Scheme, nothing in this Scheme shall require the Transferee to provide any form of capital support to any ALPI UKLAP Fund after the Effective Time.

37 Tax

- 37.1 From the Effective Time there shall be debited and charged to the ALPI Irish WPF the amount of Tax which would have been borne by the ALPI Irish WPF had the Long-Term Insurance Business carried on within the ALPI Irish WPF (including the business represented by the assets held in the ALPI Irish WPF in respect of the Unitised IWPF With-Profits Policies and the Split IWPF With-Profits Policies) been the entirety of the Long-Term Insurance Business of a separate Irish proprietary life insurance company subject to Tax in Ireland. Such calculation shall be made:
 - (a) by reference to the Tax liabilities which would become payable in respect of distributions made to the ALPI SHF from the ALPI Irish WPF under paragraph 44 having regard to the fact that the distributions to be made to the ALPI SHF from the ALPI Irish WPF under paragraph 44 are amounts net of all Tax in respect of such distributions; and
 - (b) so that:
 - (i) such amount shall be transferred to the Other Business Fund (or, if the calculation shall show that the ALPI Irish WPF would have been entitled to a net Tax reclaim, the amount of such reclaim shall instead be transferred to the ALPI Irish WPF from the Other Business Fund or shall be available to off-set against any future transfer falling to be made from the ALPI Irish WPF to the Other Business Fund); and

- (ii) no Tax liabilities of the Transferee shall be debited or charged to the ALPI Irish WPF other than those liabilities in respect of Tax which are to be discharged out of the ALPI Irish WPF pursuant to this paragraph 37.1,

provided that, if the Transferee's Board, having taken appropriate actuarial advice and having consulted with the With-Profits Committee, considers (whether because of a change in or in the interpretation of Tax laws and/or policies or for any other reason whatsoever) that it is inappropriate to determine the charge to the ALPI Irish WPF in respect of Tax in accordance with the foregoing provisions of this paragraph 37.1, the Board of the Transferee, having taken appropriate actuarial advice, may substitute for it and there shall for all purposes of this Scheme be treated as the amount determined pursuant to this paragraph 37.1 such other amount as in all the circumstances it shall think fit.

37.2 Any Tax reliefs calculated to be available to the Transferor in respect of the "Irish With-Profits Sub-Fund" and not utilised in the period ending at the Effective Time shall be allocated to the ALPI Irish WPF.

37.3 The amount of Tax (including deferred Tax) to be debited or charged, or credited, as the case may be, to any ALPI UKLAP Fund other than the ALPI Irish WPF, shall be on a basis that is determined by the Transferee's Board as being fair and reasonable, having taken appropriate tax and actuarial advice and having consulted with the With-Profits Committee if any Tax is to be apportioned to a Wholly Reinsured Fund.

38 Merger and division of ALPI UKLAP Funds (general)

38.1 The provisions of this paragraph 38 shall not apply to the Wholly Reinsured Funds (in respect of which paragraph 39 shall apply instead).

38.2 The Transferee shall be at liberty to amalgamate any ALPI UKLAP Fund (or any part thereof) with any other ALPI Fund(s), or to divide any ALPI UKLAP Fund into two or more new funds, subject to:

- (a) in the case of an amalgamation or division of a with-profits ALPI Fund:
 - (i) the Board of the Transferee having engaged in prior consultation with the CBI; and
 - (ii) a report on the terms of such amalgamation or division having been made by an independent actuary (and a copy of such report having been delivered to the CBI) which concludes that such amalgamation or division on such terms is not likely adversely to affect the reasonable expectations of the then-holders of Policies carrying the right to participate in profits of the relevant ALPI Fund; and

(b) in the case of an amalgamation or division of the ALPI Irish WPF, having taken appropriate actuarial advice and having consulted with the With-Profits Committee.

38.3 Subject to paragraph 13.3, the Transferee shall be at liberty to amalgamate the ALPI SHF with any non-profit ALPI Fund at any time.

38.4 Upon any such amalgamation or division, the provisions of this Scheme shall take effect as amended pursuant to the terms of such amalgamation or division (including, for the avoidance of doubt, any resulting amendments to paragraph 42).

38.5 The foregoing provisions of this paragraph 38 are without prejudice to the contractual rights of the policyholders under any Policy (including, for the avoidance of doubt, any Transferred Policy).

39 Amendment to arrangements in relation to the Wholly Reinsured Funds

39.1 Subject to paragraph 39.4, the Board of the Transferee may take such steps (whether of the kind contemplated in paragraph 39.3 or otherwise) as in its opinion would not be (and would not be likely to become) prejudicial to the holders of Policies allocated to the Wholly Reinsured Funds, in circumstances in which the Board of the Transferee has determined that the maintenance of the arrangements provided for in this Scheme (in particular, the arrangements set out in paragraph 5.4) and the OLAB Reinsurance Agreement are no longer necessary to protect the rights and reasonable expectations of holders of Policies allocated to the Wholly Reinsured Funds. For these purposes, a step which would give the Transferor a right to terminate the OLAB Reinsurance Agreement shall be deemed to be prejudicial to the holders of Policies allocated to the Wholly Reinsured Funds.

39.2 Subject to paragraph 39.4, the Board of the Transferee must take such steps (whether of the kind contemplated in paragraph 39.3 or otherwise) as in its opinion would be reasonable and appropriate in the circumstances to protect, so far as practicable, the rights and reasonable expectations of the holders of any affected Policies, if the Board of the Transferee determines that the maintenance of the arrangements provided for in this Scheme (in particular, the arrangements set out in paragraph 5.4) and the OLAB Reinsurance Agreement is (or is likely to become) prejudicial to the holders of Policies allocated to the Wholly Reinsured Funds, including (for example) in circumstances where:

(a) the OLAB Reinsurance Agreement is terminated, has become capable of termination in whole or in part, or is materially varied;

(b) there is a material increase in the Tax applicable to the receipt by the Transferee of claims payments under the OLAB Reinsurance Agreement; or

- (c) there is a material increase in the Tax applicable to the receipt by policyholders of claims payments under Policies allocated to the Wholly Reinsured Funds,

provided that, where the Transferor or Transferee has given notice to terminate the OLAB Reinsurance Agreement (or where the termination of the OLAB Reinsurance Agreement is reasonably imminent for any other reason), the maintenance of the arrangements provided for in this Scheme shall be deemed to be prejudicial to the holders of Policies allocated to the Wholly Reinsured Funds and the Board of the Transferee shall be required to take steps to protect such holders of Policies under this paragraph 39.2.

39.3 Without prejudice to the generality of paragraphs 39.1 and 39.2, the steps taken by the Board of the Transferee pursuant to paragraph 39.1 or 39.2 may include:

- (a) the termination of the OLAB Reinsurance Agreement (if that has not already occurred);
- (b) the closure, merger or amalgamation of affected Wholly Reinsured Funds with each other, or with other ALPI Funds;
- (c) the suspension of or variation to the provisions of this Scheme that apply to the affected Wholly Reinsured Funds and/or the Policies allocated to the affected Wholly Reinsured Funds (including, for the avoidance of doubt, paragraph 5.4);
- (d) the re-classification of any affected Wholly Reinsured Fund as a with-profits fund;
- (e) the expansion of the terms of reference of the With-Profits Committee to any affected Wholly Reinsured Fund; and/or
- (f) the codification of principles, practices and policies in respect of the future operation and management of any affected Wholly Reinsured Fund (which may or may not be consistent with the principles, practices and policies applied by the Transferor in respect of the operation and management of the relevant Equivalent UKLAP Sub-Fund).

39.4 Prior to taking any steps pursuant to paragraph 39.1 or 39.2, the Board of the Transferee shall:

- (a) consult with, and obtain the prior approval of, an independent actuary;
- (b) notify the CBI in writing of the same (and the CBI not having objected thereto within a period of sixty (60) days (or any longer period required pursuant to paragraphs 49.2 or 49.3 of this Scheme) commencing from the date of the relevant notification);
- (c) consult with the With-Profits Committee where applicable;

- (d) comply with Relevant CPC Principles; and
- (e) comply with all other Regulatory Requirements.

PART F – ADDITIONAL PROVISIONS RELATING TO THE ALPI IRISH WPF

40 IWPF PPFM

- 40.1 With effect from the Effective Time, the ALPI Irish WPF shall be managed and operated in accordance with the IWPF PPFM and Regulatory Requirements and, subject to Regulatory Requirements, any other practices, procedures, policies, frameworks, agreements or similar arrangements put in place under, or in accordance with, the IWPF PPFM.
- 40.2 The Transferee shall consult with the Head of Actuarial Function, comply with Regulatory Requirements and comply with any applicable requirements of the IWPF PPFM when making any amendments to the IWPF PPFM, including when making any amendments to the provisions in the IWPF PPFM governing the amendment thereof.
- 40.3 The Transferee shall maintain the IWPF PPFM unless the Board of the Transferee, having consulted with the Head of Actuarial Function, puts in place some materially equivalent other form of protection, in which case the references in this Scheme to the IWPF PPFM shall be deemed to refer to that alternative form of protection.

41 Annuities payable from the ALPI Irish WPF

- 41.1 In any case where an annuity is to be payable from the ALPI Irish WPF, the Transferee may determine that the liability of the ALPI Irish WPF in respect of that annuity will be extinguished by the payment of an appropriate arms-length premium from the assets of the ALPI Irish WPF to the Other Business Fund, another non-profit ALPI Fund or to another insurance undertaking (which may or may not be a member of the Transferee's Group) for which premium, the relevant non-profit ALPI Fund or other insurance undertaking assumes full responsibility for discharging the liability to provide the appropriate annuity benefits. The amount of the arms-length premium and the terms of assumption of responsibility for that liability shall be determined in a manner approved by the Board of the Transferee, having taken appropriate actuarial advice.

42 Conversion of Converting IWPF Policies into non-profit Policies

- 42.1 If the value of the ALPI Irish WPF falls, and remains, below €250,000,000 at the end of two successive Valuation Periods, then, at any time while the value of the ALPI Irish WPF remains below €250,000,000, the Transferee may, having:
- (a) informed and received no objections from the CBI within sixty (60) days of notification;
 - (b) taken appropriate actuarial advice (including consultation with the With-Profits Committee), determined and declared a guaranteed future bonus scale setting out a series of bonus allocations ("**Guaranteed IWPF Bonuses**"), calculated in

accordance with Schedule 4, that the Transferee commits to allocate to Converting IWPF Policies; and

- (c) given to holders of all Policies that may become Converting IWPF Policies not less than three (3) months' written notice prior to the IWPF Conversion Date that those Policies may become Converting IWPF Policies,

close and no longer maintain the ALPI Irish WPF and allocate all Policies, property and liabilities then allocated to the ALPI Irish WPF to the Other Business Fund or such other ALPI Fund as the Transferee's Board may determine on the basis of appropriate actuarial advice (in either case, the "**Replacement Fund**"). The closure of the ALPI Irish WPF and allocation of the Policies, property and liabilities of the ALPI Irish WPF to the Replacement Fund shall occur simultaneously on such date (the "**IWPF Conversion Date**") as the Board of the Transferee shall determine having taken appropriate actuarial advice.

42.2 Immediately prior to the IWPF Conversion Date:

- (a) all Policies or other arrangements (if any) under which reinsurance is provided to the ALPI Irish WPF by another ALPI Fund at that time shall, at the option of the Transferee's Board, terminate forthwith, whereupon:
 - (i) all obligations and liabilities (actual or contingent) incurred to the ALPI Irish WPF thereunder shall be fully and finally released; and
 - (ii) in consideration for the foregoing, the Transferee shall promptly transfer the relevant Arms' Length Consideration from the ALPI Fund which provided such reinsurance to the ALPI Irish WPF, or from the ALPI Irish WPF to that ALPI Fund (as appropriate); and
- (b) each Policy or other arrangement allocated to the ALPI Irish WPF, or reinsured to the ALPI Irish WPF by another ALPI Fund, or in respect of which reinsurance is provided by another ALPI Fund to the ALPI Irish WPF (as appropriate) shall be deemed to be amended to the extent necessary to incorporate and reflect the provisions of this paragraph.

42.3 Upon and from the IWPF Conversion Date:

- (a) all options and guarantees provided for under the terms of the Converting IWPF Policies shall continue in full force and effect;
- (b) the Guaranteed IWPF Bonus allocations shall take the place of bonuses that may otherwise have been declared or any other augmentations that may have been applied in respect of the Converting IWPF Policies and will apply as guaranteed

bonus allocations from declaration until termination of each of those Policies in accordance with its terms;

- (c) on termination of a Converting IWPF Policy, the amount to be paid to the holder of the Policy will be the fair value of the Policy determined by the Transferee, having taken appropriate actuarial advice;
- (d) the value of the Converting IWPF Policies shall no longer be derived from (and those Policies shall have no further right to participate in) any of the profits of the Transferee and/or the surplus or any of the profits of the ALPI Irish WPF;
- (e) each of the Converting IWPF Policies shall be designated and treated as a non-profit policy and shall be subject to the provisions of this Scheme relevant to the ALPI Fund to which it is re-allocated;
- (f) the IWPF PPFM (and any practices, procedures, policies, frameworks, agreements or similar arrangements put in place under, or in accordance with, the IWPF PPFM or paragraph 40.3) shall no longer have effect;
- (g) all references in this Scheme to the ALPI Irish WPF shall be disregarded; and
- (h) holders of Converting IWPF Policies shall not be entitled to increase the amount of any regular premium payable, or to pay any additional premiums under or in respect of, a Converting IWPF Policy to the extent that this would result in an increase participation of the relevant Policy in the Guaranteed IWPF Bonuses except to the extent that such increase or payment is pursuant to a pre-determined increase or series of payments provided for in the terms and conditions of the relevant Policy.

42.4 For the purposes of calculating the Guaranteed IWPF Bonuses, if the value of the guaranteed liabilities (excluding any discretionary payments, such as bonuses) of the ALPI Irish WPF at the IWPF Conversion Date exceeds the value of the property of the ALPI Irish WPF, the value of such property will be deemed to be increased by an amount equal to the shortfall.

43 Unitised IWPF With-Profits Policies and Split IWPF With-Profits Policies

43.1 From the Effective Time:

- (a) the Unitised IWPF With-Profits Investment Element in respect of all Unitised IWPF With-Profits Policies and all Split IWPF With-Profits Policies and any amount becoming transferable in respect of such Policies in accordance with the provisions of this Scheme shall be credited to the ALPI Irish WPF; and

- (b) the Unitised Transfer Value in respect of any Unitised IWPF With-Profits Policy or any Split IWPF With-Profits Policy and any amount becoming transferable from the ALPI Irish WPF in accordance with the provisions of this Scheme shall be debited and charged to the ALPI Irish WPF (including VAT, where applicable).

43.2 The following provisions shall apply in respect of Unitised IWPF With-Profits Policies and/or Split IWPF With-Profits Policies:

- (a) any premium received on or from the Effective Time in respect of a Unitised IWPF With-Profits Policy or a Split IWPF With-Profits Policy shall be credited to the Other Business Fund. The Unitised IWPF With-Profits Investment Element in respect of such premium for a Unitised IWPF With-Profits Policy or a Split IWPF With-Profits Policy or in respect of any additional WP Units allocated by way of bonus to, or created upon a Switch into WP Units in respect of, a Unitised IWPF With-Profits Policy shall be transferred from the Other Business Fund to the ALPI Irish WPF in accordance with paragraph 43.1(a);
- (b) any amount payable to the holder of a Unitised IWPF With-Profits Policy or a Split IWPF With-Profits Policy upon any event giving rise to a cancellation of WP Units in respect of a Unitised IWPF With-Profits Policy or upon any event giving rise to a claim under a Split IWPF With-Profits Policy (whether arising in either event by reason of surrender, death, annuity, disability or maturity or other event giving rise to a claim) shall be debited to the Other Business Fund and the relevant Unitised Transfer Value in respect of such Unitised IWPF With-Profits Policy or Split IWPF With-Profits Policy shall be debited to the ALPI Irish WPF in accordance with paragraph 43.1(b) and shall be transferred from the ALPI Irish WPF to the Other Business Fund;
- (c) in the event of any other cancellation of WP Units (whether by reason of the imposition in accordance with the relevant policy of charges or fees or by reason of a Switch out of WP Units allocated to such Policy or for any other reason), the relevant Unitised Transfer Value attributable to the cancelled units shall be debited to the ALPI Irish WPF in accordance with paragraph 43.1(b) and shall be transferred from the ALPI Irish WPF to the Other Business Fund; and
- (d) the provisions of this paragraph 43 shall be read and construed accordingly.

43.3 The Unitised IWPF With-Profits Investment Element:

- (a) of a premium received in respect of a Unitised IWPF With-Profits Policy or the investment element of a Split IWPF With-Profits Policy; and

- (b) in respect of any additional WP Units allocated by way of bonus to, or created upon a Switch into WP Units in respect of, a Unitised IWPF With-Profits Policy,

shall be calculated by the Transferee as provided for in the terms and conditions of the Policies concerned or, if not so provided, as determined by Transferee on such a basis as the Transferee shall consider appropriate.

- 43.4 The Unitised **Transfer Value with respect to any cancellation of WP Units in relation to a Unitised IWPF With-Profits Policy (including any cancellation effected in accordance with the terms of a Unitised IWPF With-Profits Policy to meet any charges leviable or to reflect a Switch out of WP Units in respect of such Policy) or with respect to a Split IWPF With-Profits Policy shall be calculated by the Transferee on the basis** provided for in the terms and conditions of the Policies concerned or, if not so provided, as determined by the Board of the Transferee, having taken appropriate actuarial advice, **but so that the amount of such Unitised Transfer Value shall result in all charges which the Transferee is entitled to recover in respect of any such cancellation in accordance with the provisions of such Unitised IWPF With-Profits Policy or such Split IWPF With-Profits Policy accruing to the Other Business Fund.**

- 43.5 All management charges in respect of Unitised IWPF With-Profits Policies and Split IWPF With-Profits Policies to be levied on the ALPI Irish WPF in favour of the Other Business Fund (which shall be as provided for in the terms and conditions of the Policies concerned or, if not so provided, as determined by the Transferee's Board, having taken appropriate actuarial advice, to be fairly attributable to the ALPI Irish WPF in respect of all Unitised IWPF With-Profits Policies and Split IWPF With-Profits Policies in force during the period for which such management charges are levied) shall be charged to and debited from the ALPI Irish WPF and credited to the Other Business Fund.

44 Distribution from the ALPI Irish WPF

- 44.1 The Transferee's Board shall, as at the end of each Valuation Period, cause an actuarial investigation to be made, by the Head of Actuarial Function, into the financial condition of the ALPI Irish WPF in a manner (including on such basis of valuation and by such methods) approved by the Transferee's Board, having taken appropriate actuarial advice. The Transferee's Board, having taken appropriate actuarial advice and having consulted with the With-Profits Committee, shall thereafter determine the amount of surplus (whether arising in respect of the year ending with such Valuation Period or carried forward within the ALPI Irish WPF) which is available within the ALPI Irish WPF (without prejudice to existing claims and demands on the ALPI Irish WPF) and, in particular, having made appropriate provision for all contractual obligations under Policies allocated to the ALPI Irish WPF (including any options). The Transferee's Board, having taken appropriate actuarial advice and having consulted with the With-Profits Committee, shall also determine

the proportion thereof to be allocated or distributed in accordance with this paragraph 44 and the proportion to be carried forward within the ALPI Irish WPF, respectively. In determining the proportion thereof to be allocated or distributed in accordance with this paragraph 44, the Transferee's Board, having taken appropriate actuarial advice and having consulted with the With-Profits Committee, shall have regard to the IWPF PPFM (and any practices, procedures, policies, frameworks, agreements or similar arrangements put in place under, or in accordance with, the IWPF PPFM or paragraph 40.3) and such other considerations as it shall think appropriate.

44.2 The amount which the Transferee's Board determines pursuant to paragraph 44.1 to allocate or distribute from the ALPI Irish WPF shall be apportioned between:

- (a) the amount allocated as bonus, or otherwise applied in augmenting the benefits, on the IWPF With-Profits Policies, the Unitised IWPF With-Profits Policies, the Split IWPF With-Profits Policies and the IWPF New With-Profits Policies; and
- (b) the amount available for transfer to the ALPI SHF in accordance with the following provisions of this paragraph 44.

44.3 For the purposes of this paragraph 44, neither:

- (a) the cost of making any payment in accordance with the terms of a Policy, including the cost of providing annuities to Policyholders at rates pre-determined (or derived from factors pre-determined) under Policies issued to those Policyholders; or
- (b) the cost of any payment resulting from any other contractual obligation (including the cost of effecting any Option) under a Policy,

shall constitute a bonus or augmentation of benefits.

44.4 An amount equal to one ninth (or such lower proportion as the Transferee's Board shall determine) of:

- (a) the aggregate amount allocated in accordance with paragraph 44.2 by way of bonus, or otherwise in augmenting the benefits, of the IWPF With-Profits Policies; and
- (b) the aggregate amount allocated by way of bonus, or otherwise in augmenting the benefits, on the IWPF With-Profits Policies pursuant to paragraph 44.8 in anticipation of the determination made by the Transferee's Board referred to in paragraph 44.2,

shall, in accordance with the determination of the Transferee's Board (having taken appropriate actuarial advice and having consulted with the With-Profits Committee), be transferred to the ALPI SHF.

44.5 Subject to paragraph 44.6, an amount equal to such part (if any) of the amount allocated from within the ALPI Irish WPF by way of bonus, or otherwise, in augmenting the benefits on IWPF New With-Profits Policies as the Transferee's Board (having taken appropriate actuarial advice and having consulted with the With-Profits Committee) shall determine, may be transferred to the ALPI SHF.

44.6 All IWPF New With-Profits Policies shall be issued on the basis that the maximum amount which may be transferred in respect of each such Policy pursuant to paragraph 44.5 is specified in advance and is consistent with the provisions of paragraph 22. No transfer shall be made pursuant to paragraph 44.5 in excess of such amount in respect of any such Policy.

44.7 The balance of the amount which the Transferee's Board determines to allocate or distribute from the ALPI Irish WPF shall be allocated as bonus, or otherwise in augmenting the benefits, on:

- (a) the IWPF With-Profits Policies;
- (b) the Split IWPF With-Profits Policies;
- (c) the Unitised IWPF With-Profits Policies; and
- (d) the IWPF New With-Profits Policies referred to in paragraph 44.5,

in such form, and among such one or more of the classes or sections of such Policies, and at such times, and on such principles, and by such methods, as the Transferee's Board, having taken appropriate actuarial advice and having consulted with the With-Profits Committee, shall determine.

44.8 The Transferee's Board may allocate such additional bonuses or other benefits to any classes of the IWPF With-Profits Policies, the Split IWPF With-Profits Policies, the Unitised IWPF With-Profits Policies and the IWPF New With-Profits Policies referred to in paragraph 44.5 on or prior to such Policies becoming payable wholly or in part as the Transferees' Board, having taken appropriate actuarial advice and having consulted with the With-Profits Committee, may determine, having regard to such considerations as it shall think appropriate.

44.9 For the avoidance of doubt, the amount of any distribution which may be made from the ALPI Irish WPF to the ALPI SHF under this paragraph 44 is expressed in this paragraph on the basis that any Tax liability in respect of such distribution is not borne out of the distribution itself but out of assets allocated to the ALPI Irish WPF and held in excess of the liabilities attributed to the ALPI Irish WPF.

PART G - MISCELLANEOUS PROVISIONS

45 Effective Time

- 45.1 Subject to paragraph 45.2, this Scheme shall become effective at 22:59 (GMT) on 29 March 2019 or at such date and time as the Board of the Transferor shall resolve that this Scheme shall become effective.
- 45.2 This Scheme may not become effective unless and until the Order has been made.
- 45.3 This Scheme shall lapse if it has not become effective (in accordance with paragraph 45.1) on or before 30 April 2019 (or such later date as the Court may allow upon the application of the Transferor).

46 Effect of transfer

- 46.1 The transfer and vesting of the Transferred Business shall not:
- (a) invalidate or discharge any contract, security or other thing;
 - (b) require further registration in respect of any security or charge;
 - (c) constitute a breach of, or default under, or require any obligation to be performed sooner or later than would otherwise be the case under any instrument or contract or arrangement to which the Transferor is bound;
 - (d) entitle any party to a Policy, Contract or arrangement to which the Transferor is a party to vary, amend, disclaim, repudiate or terminate such contract or arrangement when, in the absence of this transfer, that party would not otherwise be entitled to vary, amend, disclaim, repudiate or terminate it;
 - (e) save as provided elsewhere in this Scheme, confer any greater or lesser rights or benefits, or impose any greater or lesser obligations, under a contract on any party to such contract to which the Transferor is a party where such greater or lesser rights, benefits or obligations would not otherwise have been conferred or imposed; or
 - (f) affect the enforceability, priority or ranking of any Encumbrance.

47 Netting of transfers or re-allocations

- 47.1 Where pursuant to the Scheme a transfer or re-allocation of assets is due from one ALPI Fund to another, the Transferee may set off such transfer or re-allocation against any transfer or re-allocation of assets due from the latter to the former.

48 Costs and expenses

48.1 Except as may otherwise be agreed in writing:

- (a) the Transferor shall bear its own costs and expenses in relation to the preparation and carrying into effect of this Scheme, and shall apportion all such costs to its “Non-Profit Sub-Fund” or “Shareholder Fund”; and
- (b) the Transferee shall bear its own costs and expenses in relation to the preparation and carrying into effect of this Scheme, and shall apportion all such costs to the Other Business Fund or the ALPI SHF.

49 Variations

49.1 Prior to the grant of the Order, the Transferor and the Transferee together may consent for and on behalf of the persons bound by this Scheme, and all other persons concerned, to any variation of this Scheme.

49.2 Subject to paragraph 49.3, any variation of this Scheme after the grant of the Order must:

- (a) be approved by the Court;
- (b) be notified, reasonably in advance of any hearing of the Court at which such application is considered, to the CBI, who shall have the right to attend and be heard at such hearing of the Court;
- (c) in relation to any variation of this Scheme that would take effect prior to the fifth anniversary of the date of the Order (and thereafter in relation to any variation of this Scheme that the Board of the Transferee reasonably considers, having taken appropriate actuarial advice, could affect the security or reasonable expectations of the holders of Policies of the Transferor), be notified, reasonably in advance of any hearing of the Court at which such application is considered, to the Transferor (if the Transferor is not otherwise a party to the application to vary the Scheme), the PRA and the FCA, who shall each have the right to attend and be heard at such hearing of the Court; and
- (d) be accompanied by a certificate from an independent expert (such independent expert to be selected and appointed by the Board of the Transferee with the approval of the CBI) to the effect that, in his or her opinion, the proposed variation will not materially and adversely affect the security or reasonable expectations of the holders of Transferred Policies.

49.3 Notwithstanding paragraph 49.2, Court approval will not be necessary in relation to any variation of this Scheme which is considered by the Transferee as a variation:

- (a) to correct manifest errors;
- (b) of a minor and/or technical nature;
- (c) to ensure that the provisions of this Scheme operate in the intended manner in circumstances where the provision to which the proposed variation applies will, or is likely to, be materially affected by variation or proposed variation to Regulatory Requirements;
- (d) necessary to reflect any changes in the generally accepted actuarial practices adopted by the Transferee;
- (e) required to protect the rights and reasonable expectations of the holders of Transferred Policies; or
- (f) for which specific provision is made elsewhere in this Scheme (provided that such specific provision is fully complied with),

provided that:

- (i) the CBI has been notified in writing of the same and has not objected thereto within a period of three (3) months commencing from the date of acknowledgement of the relevant notification by the CBI;
- (ii) in relation to any variation of this Scheme that would take effect prior to the fifth anniversary of the date of the Order (and thereafter in relation to any variation of this Scheme that the Board of the Transferee reasonably considers, having taken appropriate actuarial advice, could affect the security or reasonable expectations of the holders of Policies of the Transferor), the Transferor, the PRA and the FCA have been notified in writing of the same;
- (iii) in relation to any variation of this Scheme that the Board of the Transferee reasonably considers, having taken appropriate actuarial advice, could affect the security or reasonable expectations of the holders of Policies of the Transferor, neither the Transferor, the PRA nor the FCA (having been notified in writing of the same in accordance with paragraph 49.3(ii)) has objected thereto within a period of three (3) months commencing from the date of acknowledgement of the relevant notification by the Transferor, the PRA or the FCA (as applicable); and
- (iv) the Transferee has taken appropriate actuarial advice (and having consulted with the With-Profits Committee if such variation directly or indirectly involves the ALPI Irish WPF or a Wholly Reinsured Fund).

- 49.4 For the avoidance of doubt, nothing in this Scheme shall take effect to the extent that it is contrary to Regulatory Requirements on 13 February (taking account of any applicable transitional provisions or regulatory waiver or dispensation in place at such date). The Transferee shall assess at least annually (and more often if required) whether any changes are required to this Scheme as a result of the circumstances referred to in paragraph 49.3(c) which either:
- (a) have arisen during the period since the previous such assessment (or the Effective Time in the case of the first such assessment); or
 - (b) are expected to arise during the twelve months following the current assessment on the basis of published draft rules or legislation or published Court judgments at that time,
- 49.5 If the Transferee assesses that the circumstances referred to in paragraphs 49.4(a) or 49.4(b) above have arisen or are expected to arise, it shall notify the CBI and, where relevant, the With-Profits Committee of the circumstances which have arisen and, to the extent reasonably practicable in respect of future changes, its proposed amendments to this Scheme in accordance with the provisions of this paragraph as are necessary to take account of such circumstances. As regards future changes pursuant to paragraph 49.4(b) above, the Transferee will seek to make such proposed modifications to the Scheme in sufficient time to enable the Scheme to address the effect of the change by no later than the implementation date of such change.

50 Evidence of transfer

- 50.1 The production of a copy of the Order (with any modifications, amendments and/or additions made under paragraph 49) shall for all purposes be evidence of the transfer to, and vesting in, the relevant Transferee:
- (a) at and with effect from the Effective Time, of the Day One Business; and
 - (b) on and with effect from each Subsequent Transfer Date, of the relevant Deferred Transfer Business.

51 Annual certification of Scheme compliance

- 51.1 Having taken account of appropriate actuarial advice, the Head of Actuarial Function shall deliver (or cause to be delivered) to the Transferee's Board a certificate stating whether the provisions of Parts E, F and G of this Scheme have been complied with since the date of the last such certificate (and, if not, detailing the respects in which such provisions have not been complied with), on an annual basis and within four months of the end of the period to which it relates.

51.2 The first certificate to be delivered pursuant to paragraph 51.1 after the Effective Time shall also state whether the provisions of Parts C and D of this Scheme were complied with (and, if not, detail the respects in which such provisions have not been complied with).

52 Third party rights

52.1 It is not intended that any person who is not a party to this Scheme may enforce any of its terms, whether by virtue of the Contracts (Rights of Third Parties) Act 1999 or otherwise.

53 Agreed form documents

53.1 Following the Order being made and prior to the Effective Time:

(a) the OLAB Reinsurance Agreement shall be executed by the Transferor and the Transferee in the agreed form; and

(b) the Deed of Charge shall be executed by the Transferor and the Transferee.

54 Successors and assigns

54.1 This Scheme will bind and endure to the benefit of the successors and assigns of each of the Transferor and the Transferee.

55 Governing law

55.1 This Scheme is governed by and shall be construed in accordance with English law.

Dated this 13th day of February 2019.

Schedule 1
List of Transferred Policy products

Part A: Products which are either (i) allocated to the “Irish With-Profits Sub-Fund” maintained by the Transferor, or (ii) issued by the Transferor’s tax branch in the Republic of Ireland and allocated to the “Non-Profit Sub-Fund” maintained by the Transferor but which are not being reinsured to the Transferor pursuant to the OLAB Reinsurance Agreement

Product	Type	Sub-type
Celebration Bond	With-profits	
Portfolio Bond	With-profits	
Spectrum Bond	With-profits	
Endowment – Mortgage	With-profits	
Endowment – Assurance	With-profits	
Miscellaneous – Extra Premiums	With-profits	
NuLife & NuPlan	With-profits	
Low Cost Maximum Profits Plan	With-profits	Pure endowment
Guaranteed Bonus & Capital Plan	With-profits	Pure endowment
Whole Life	With-profits	
Whole Life (Minimum Cost – Guaranteed)	With-profits	
Whole Life (Minimum Cost – Non-Guaranteed)	With-profits	
Fixed Rate Bond	Non-profit	Bonds
Fixed Income Bond	Non-profit	Bonds
Laserplan	Non-profit	Laserplan endowment
Endowment Laserplan	Non-profit	Laserplan endowment
Low Cost Endowments	Non-profit	Endowment assurance

Product	Type	Sub-type
Mortgagewise	Non-profit	Accelerated serious illness
Life Security Plus Plan / Mortgage Security Plus Plan	Non-profit	Accelerated serious illness
Life Security Serious Illness Plan	Non-profit	Accelerated serious illness
Contingent insurance	Non-profit	
Family Income Plan	Non-profit	
Mortgage Accelerated Serious Illness	Non-profit	
MortgageMinder	Non-profit	Mortgage life
FamilyMinder	Non-profit	Multiple benefits
FamilyCare	Non-profit	Multiple benefits
PersonalCare	Non-profit	Multiple benefits
FamilyWise	Non-profit	Multiple benefits
CoverWise	Non-profit	Multiple benefits
HealthWise	Non-profit	Multiple benefits
HealthWise Series 2	Non-profit	Multiple benefits
Hibernian Health Plan	Non-profit	Multiple benefits
Standalone serious illness	Non-profit	
Varying cover	Non-profit	
Term assurance	Non-profit	
Century Cover / LifeSpan	Non-profit	Whole life
Low Cost Whole Life Insurance	Non-profit	Whole life
Whole Life (Minimum Cost – Guaranteed)	Non-profit	

Product	Type	Sub-type
Whole Life (Minimum Cost – Non-Guaranteed)	Non-profit	
Recurring single premium	Non-profit	
Annuity – Immediate	Annuity	
Annuity – Deferred	Pension (with-profits)	
Annuity – Deferred (Self-Employed)	Pension (with-profits)	
Annuity – Deferred Reversionary	Pension (with-profits)	
Endowment Assurance	Pension (with-profits)	
NuPen	Pension (with-profits)	
OpenPlan & ClearPlan	Pension (with-profits)	
Pension Investor & Pension Account	Pension (with-profits)	
Pure endowment	Pension (with-profits)	
Pure endowment – Return of Fund	Pension (with-profits)	
Deferred Annuity Laserplan	Pension (non-profit)	Deferred annuity
Annuity – Deferred Reversionary	Pension (non-profit)	
Annuity – Immediate	Pension (non-profit)	
Annuity – Immediate (Terminal)	Pension (non-profit)	

Product	Type	Sub-type
Impaired Life Annuity	Pension (non-profit)	Impaired annuity
Annuity – Impaired (Terminal)	Pension (non-profit)	
Annuity – Reversionary (Death in Service)	Pension (non-profit)	
Bonds – Endowment – Hibernian Retirement	Pension (non-profit)	
Bonds – PensionWise Guaranteed	Pension (non-profit)	
Hibernian Pension Plan for Self Employed	Pension (non-profit)	Hibernian Pension Plan
Hibernian Pension Plan for Directors	Pension (non-profit)	Hibernian Pension Plan
Endowment - Laserplan	Pension (non-profit)	
Low Start Endowment Assurances	Pension (non-profit)	Endowment assurance
Miscellaneous – Extra Premiums	Pension (non-profit)	
Term Assurance	Pension (non-profit)	
Annuity – Deferred (Recurring Single Premium)	Pension (non-profit)	
Current Cost	PHI (non-profit)	
Current Cost (Benefits Attached to Pension Policies)	PHI (non-profit)	
Level Annual Premium	PHI (non-profit)	
Income Protection Plan	PHI (non-profit)	

Product	Type	Sub-type
Pre 2001 Celebration Bond	Linked	Bonds - Celebration
Post 2000 Celebration Bond	Linked	Bonds - Celebration
Bonds - Dynamic	Linked	
Capital Guaranteed Bond	Linked	Bonds - Guaranteed
Guaranteed Bond	Linked	Bonds - Guaranteed
Bonds - Investment	Linked	
InvestorWise	Linked	
Bonds – Irish Property	Linked	
LaserBond	Linked	Bonds - Laser
Laser Broker Bond	Linked	Bonds - Laser
LaserBond Series 4	Linked	Bonds - Laser
Bonds – NuLife	Linked	
Bonds – Portfolio	Linked	
Bonds – Special Investment Plan	Linked	
Single Premium Property Bond	Linked	Bonds – Spectrum
Advantage Bond (Wrapper)	Linked	Bonds – Spectrum
Bonds – Spectrum Porfolio	Linked	
Regular Premium – Hi-Life Plan	Linked	
Regular Premium – HomeBuilder	Linked	
Regular Premium – Irish Equity	Linked	
Regular Premium – Irish Property	Linked	
Laser Ten Series 1	Linked	Regular Premium - Laser

Product	Type	Sub-type
Laser Saver Series 1	Linked	Regular Premium - Laser
Laser Ten Series 2	Linked	Regular Premium - Laser
Laser Saver Series 2	Linked	Regular Premium - Laser
Laser Life Series 1	Linked	Regular Premium - Laser
Laser Life Series 2	Linked	Regular Premium - Laser
Laser Loan Series 2	Linked	Regular Premium - Laser
Regular Premium – Maximum Allocation Plan	Linked	
Regular Premium – Mentor Investment Plan	Linked	
MoneyBuild Series 1	Linked	Regular Premium - MoneyBuild
MoneyBuild Series 2	Linked	Regular Premium - MoneyBuild
Regular Premium – NuCare	Linked	
NuLife I & II	Linked	Regular Premium - NuLife
NuLife III	Linked	Regular Premium - NuLife
Regular Premium - NuPlan I & II	Linked	
Regular Premium – NuSave	Linked	
Regular Premium – Prospects	Linked	
Regular Premium – Prospects PIP Plan	Linked	
Regular Premium – Regular Investor Plan	Linked	
Savings Plan	Linked	Regular Premium – Savings Plan
Hibernian Savings Account	Linked	Regular Premium – Savings Plan

Product	Type	Sub-type
Flexible Savings Plan	Linked	Regular Premium – Savings Plan
Loan Security Plan	Linked	Regular Premium – Savings Plan
Regular Premium – Special Investment Plan	Linked	
Regular Premium – Spectrum Portfolio	Linked	
Spectrum Saver (Pre September 2002)	Linked	Regular Premium – Spectrum Saver
Spectrum Saver (Post September 2002)	Linked	Regular Premium – Spectrum Saver
Spectrum Saver Plus	Linked	Regular Premium – Spectrum Saver
Regular Saver	Linked	Regular Premium – Spectrum Saver
Regular Premium – Triple Investor Plan	Linked	
Regular Premium – Whole Life	Linked	
Group Pension Single Premium	Pension	Bonds – Allocation (Group) Plan
Bonds – Allocation Plan	Pension	
Approved Retirement Fund	Pension	Bonds – ARFs/AMRFs
Morgan Stanley Quilter Executive and Personal Pensions	Pension	Morgan Stanley ARF
Bonds – ClearPlan	Pension	
Bonds – Corporate Plan	Pension	
Bonds – Hibernian Retirement	Pension	
Horizon Plan	Pension	Bonds – Horizon Plan
Horizon Plan 2	Pension	Bonds – Horizon Plan

Product	Type	Sub-type
Horizon Plan Options	Pension	Bonds – Horizon Plan
NuPen Buy Out Bond	Pension	Bonds – NuPen
OpenPlan Single Premium	Pension	Bonds – OpenPlan
OpenPlan Buy Out Bonds	Pension	Bonds – OpenPlan
Pension Account	Pension	Bonds – Pension Account
Pension Account Buy Out Bonds	Pension	Bonds – Pension Account
Bonds – PRSA (Non-Standard)	Pension	Bonds – PRSA
Bonds – PRSA (Standard)	Pension	Bonds – PRSA
Bonds – PRSA (Select)	Pension	Bonds – PRSA
Bonds – PRSA (Simple)	Pension	Bonds – PRSA
Bonds – Transfer	Pension	
NuPen Additional Voluntary Contributions	Pension	Regular Premium – AVC
Pension Investor / Account – Additional Voluntary Contributions	Pension	Regular Premium – AVC
Group AVC Plan	Pension	Regular Premium – AVC
Clear Plan 1	Pension	Regular Premium – Clear Plan
Clear Plan 2	Pension	Regular Premium – Clear Plan
Regular Premium – Clear Plan Plus	Pension	
Regular Premium – Corporate Plan	Pension	
Regular Premium – Corporate Plan Plus	Pension	
Group Benefit Plan	Pension	Regular Premium – Defined Benefit

Product	Type	Sub-type
Executive Pension Plan	Pension	Regular Premium – Executive Plan
Finance Life Personal and Executive Pensions	Pension	Regular Premium – Executive Plan
Finance Life Chicago Personal and Executive Pensions	Pension	Regular Premium – Executive Plan
Finance Life New York Personal and Executive Pensions	Pension	Regular Premium – Executive Plan
Horizon Plan	Pension	Regular Premium – Horizon Plan
Horizon Plan 2	Pension	Regular Premium – Horizon Plan
Horizon Plan Plus	Pension	Regular Premium – Horizon Plan Plus
Horizon Plan Plus 2	Pension	Regular Premium – Horizon Plan Plus
Horizon Plan Options	Pension	Regular Premium – Horizon Plan Plus
Laser Retirement Series 1	Pension	Regular Premium – Laser
Laser Retirement Series 2	Pension	Regular Premium – Laser
Laser Retirement Special	Pension	Regular Premium – Laser
Laser Retirement Directors and Keyman	Pension	Regular Premium – Laser
Laser Directors' Plan	Pension	Regular Premium – Laser
Laser Directors' Plan Special	Pension	Regular Premium – Laser
Laser Group	Pension	Regular Premium – Laser
Laser Group Plus	Pension	Regular Premium – Laser
NuPen Personal Pension	Pension	Regular Premium – NuPen

Product	Type	Sub-type
NuPen Executive Pension	Pension	Regular Premium – NuPen
OpenPlan	Pension	Regular Premium – OpenPlan
OpenPlan Self-Employed	Pension	Regular Premium – OpenPlan
OpenPlan Individual	Pension	Regular Premium – OpenPlan
OpenPlan Group	Pension	Regular Premium – OpenPlan
Regular Premium – Pension Investor	Pension	
PensionWise Group Flexible Commission	Pension	Regular Premium – PensionWise
Regular Premium – Personal Pension Plan	Pension	
Private Pension Plan Series 1	Pension	Regular Premium – Private Pension Plan
Private Pension Plan Series 2	Pension	Regular Premium – Private Pension Plan
Private Pension Plan Spread Commission	Pension	Regular Premium – Private Pension Plan
Private Pension Plan (Red)	Pension	Regular Premium – Private Pension Plan
Privately Owned Self Employed	Pension	Regular Premium – Privately Owned Pension Plan
Privately Owned Pensions	Pension	Regular Premium – Privately Owned Pension Plan
Regular Premium – PRSA (Non Standard)	Pension	Regular Premium – PRSA
Regular Premium – PRSA (Select)	Pension	Regular Premium – PRSA
Regular Premium – PRSA (Simple)	Pension	Regular Premium – PRSA

Product	Type	Sub-type
Regular Premium – PRSA (Standard)	Pension	Regular Premium – PRSA
Investment Bond (Option A, Option B, Option C, Option D)	New products	
Regular Saver (Option A, Option B)	New products	
Aviva Pensions (Aviva Executive Pension, Aviva Retirement Bond, Aviva Personal Pension)	New products	
Enhanced annuities	New products	
Bulk purchase annuities	New products	
Aviva Group Protection – Group Life Insurance	New products	
Trustee Investment Plan	New products	
Overseas Treatment Plan	New products	
Overseas Treatment Plan 2 (OTP2)	New products	
Executive Pension Protection Plan	New products	
Personal Protection Plan	New products	
Personal Income Protection	New products	
Executive Income Protection	New products	

Part B: Other products

Product	Country	Type
Platina Plus	Belgium	Protection
Whole of Life Limited Premium	Belgium	Protection
Whole of Life	Belgium	Protection
Funeral Plan	Belgium	Protection
Family Life Plan	Belgium	Protection
Long Life Plan	Belgium	Protection
Term Insurance	Belgium	Protection
TSRD (Avant) UK	Belgium	Protection
TSRD Tarif UK	Belgium	Protection
Hypo Plus	Belgium	Protection
Mixte	Belgium	Savings
30/10 Special	Belgium	Savings
Combine 65	Belgium	Savings
Double Norwich	Belgium	Savings
Family Security	Belgium	Savings
Combined Insurance Futura Plan	Belgium	Savings
Blue Plan	Belgium	Savings
Employer Pension Scheme	Belgium	Pensions
Aviva Portfolio	France	Savings
Multi-Portfolio Gestion	France	Savings
Multi-Portfolio	France	Savings

Product	Country	Type
Multi-Portfolio Retraite	France	Savings
Multi-Portfolio Standard	France	Savings
Nortia Alternatives Multi-Portfolio	France	Savings
Multi-Portfolio Oudart	France	Investments
Aviva Portfolio Madelin	France	Pensions
Multi-Portfolio Madelin	France	Pensions
ISF Personal Pension	Ireland	Pensions
NWPSF Personal Pension	Ireland	Pensions
OWPSF Personal Pension	Ireland	Pensions
Irish Personal Pension	Ireland	Pensions
NWPSF Portfolio Bond	Ireland	Savings
OWPSF Portfolio Bond	Ireland	Savings
Irish Portfolio Bond	Ireland	Savings
Ulster Bank Bond	Ireland	Savings
Terma	Germany	Protection
Gala	Germany	Savings
Diva	Germany	Pensions
Global Savings Plan	Germany	Savings
Basic	Germany	Pensions
Business	Germany	Pensions
Private	Germany	Pensions
Options Term Assurance	Iceland	Protection

Product	Country	Type
Options Critical Illness	Iceland	Protection
Options Investment Plan	Iceland	Investments
Alphasave	Sweden	Savings
Personal Investment Plan Regular Premium	Sweden	Savings
Personal Investment Plan Single Premium	Sweden	Investments

Schedule 2
OLAB Reinsurance Agreement (agreed form)

DATED _____ 2019

FRIENDS FIRST LIFE ASSURANCE COMPANY DESIGNATED ACTIVITY COMPANY

and

AVIVA LIFE & PENSIONS UK LIMITED

QUOTA-SHARE REINSURANCE AGREEMENT

Slaughter and May
One Bunhill Row
London EC1Y 8YY
(JADM/RRH)

CONTENTS

1.	INTERPRETATION	1
2.	REINSURANCE	17
3.	REINSURANCE PREMIUMS	17
4.	REINSURANCE CLAIMS	18
5.	COMMISSION AMOUNTS	19
6.	PAYMENTS	20
7.	QUARTERLY REPORTING	20
8.	ADDITIONAL REPORTING	20
9.	FURTHERANCE OF REINSURANCE AND CALCULATION OF REINSURED LIABILITIES	21
10.	COVENANTS	23
11.	WARRANTIES	24
12.	INSPECTION OF RECORDS	25
13.	TERM	25
14.	TERMINATION ON NOTICE	25
15.	EFFECT OF TERMINATION	29
16.	PROVISIONS SURVIVING TERMINATION	30
17.	INTEREST	30
18.	SECURITY ARRANGEMENTS	30
19.	CONFIDENTIALITY AND DATA PROTECTION	30

20.	ANNOUNCEMENTS	32
21.	NOTICES	33
22.	TRANSFERS AND ASSIGNMENT	33
23.	INVALIDITY, REMEDIES AND WAIVERS	33
24.	ENTIRE AGREEMENT	34
25.	FURTHER ASSURANCE	34
26.	DISPUTE RESOLUTION AND ARBITRATION	34
27.	GENERAL	36
28.	GOVERNING LAW	37
	Schedule 1 Security Arrangements (agreed form)	39
	Schedule 2 Calculation of Back-Book Premiums	40
	Part A: Belgian Fund Back-Book Premium	40
	Part B: FLAS Fund Back-Book Premium	40
	Part C: FP Fund Back-Book Premium	40
	Part D: New Fund Back-Book Premium	41
	Part E: Non-Profit Back-Book Premium	41
	Part F: Old Fund Back-Book Premium	41
	Schedule 3 Quarterly report (template)	42
	Schedule 4 Calculation of Termination Amount	45
	Schedule 5 Products comprising Non-Profit Business	46

THIS AGREEMENT is made on 2019

BETWEEN

1. **FRIENDS FIRST LIFE ASSURANCE COMPANY DESIGNATED ACTIVITY COMPANY** of Friends First House, Cherrywood Business Park, Loughlinstown, Dublin (registered in the Republic of Ireland with company number 165970) (the "**Cedant**"); and
2. **AVIVA LIFE & PENSIONS UK LIMITED** of Wellington Row, York, North Yorkshire, England, YO90 1WR (registered in England and Wales with company number 03253947) (the "**Reinsurer**"),

each a "**Party**" and together the "**Parties**".

WHEREAS:

- (A) On or around the date of this Agreement, the Reinsurer shall transfer certain business to the Cedant by way of an insurance business transfer scheme, sanctioned by the High Court in England and under Part VII of the Financial Services and Markets Act 2000.
- (B) The Cedant and the Reinsurer have agreed that, following such insurance business transfer scheme, the Reinsurer shall reinsure and indemnify the Cedant on a quota-share basis in respect of one hundred per cent. (100%) of the Reinsured Business (as that term is defined below), subject to the terms, conditions and limitations set forth in this Agreement and the Transaction Documents.
- (C) The Cedant and Reinsurer have agreed that, in furtherance of the Reinsurer's obligation to reinsure and indemnify the Cedant as mentioned in recital (B), the Reinsurer will continue to perform (or, as the case may be, to procure the performance of) certain management and administration activities relating to the Reinsured Business on its own account.

WHEREBY IT IS AGREED as follows:

1. INTERPRETATION

1.1 In this Agreement and the schedules:

"Affiliates" means, in relation to a Party, a subsidiary or a holding company of that Party and any other subsidiaries of such holding companies from time to time (and for the purposes of this Agreement subsidiary

and holding company shall have the meanings ascribed to them in the Companies Act 2006);

“ALPI Belgian Fund”

means the fund named ALPI Belgian Fund, as established and maintained by the Cedant pursuant to the Scheme, including any successor to such fund;

“ALPI FLAS Fund”

means the fund named ALPI FLAS Fund, as established and maintained by the Cedant pursuant to the Scheme, including any successor to such fund;

“ALPI FP Fund”

means the fund named ALPI FP Fund, as established and maintained by the Cedant pursuant to the Scheme, including any successor to such fund;

“ALPI New Fund”

means the fund named ALPI New Fund, as established and maintained by the Cedant pursuant to the Scheme, including any successor to such fund;

“ALPI Old Fund”

means the fund named ALPI Old Fund, as established and maintained by the Cedant pursuant to the Scheme, including any successor to such fund;

“Applicable Law”

means any and all law (whether civil, criminal or administrative), common law, statutes, statutory instruments, treaties, conventions, directives, regulations or rules made thereunder, by-laws, demands, decrees, injunctions, resolutions, orders or judgments in any applicable jurisdiction, including the principles, rules and guidance set out in the CBI Consumer Protection Code 2012, the (Ireland) Code of Practice on Data Protection in the Insurance Sector 2013, FCA Handbook, the PRA Rulebook and

the Data Protection Legislation and any related or similar rules of any other Governmental Authority, binding on or applicable to the relevant person or in respect of the relevant matter as the context requires together with any statements or codes of practice made by Insurance Ireland as currently in effect from time to time (notwithstanding the fact that such Insurance Ireland statements and codes of practice are not legally binding);

“Aviva Group”

means Aviva plc (a company registered in England and Wales with registered number 02468686) and its Affiliates from time to time;

“Balancing Assets”

has the meaning given to it in the Scheme;

“BEL”

means the best estimate of liabilities in respect of insurance policies, as calculated in accordance with Solvency II;

“Belgian Fund Back-Book Premium”

means the amount calculated in accordance with the methodology set out in Part A of Schedule 2;

“Belgian Fund Business”

means all life insurance policies of the Cedant that are allocated to the ALPI Belgian Fund (including increments and options relating to such policies);

“Belgian Fund Liabilities”

means any and all liabilities paid or settled, or which become due for payment or settlement, by (or on behalf of) the Cedant to policyholders from the Risk Transfer Time and which are allocated from time to time to the ALPI Belgian Fund (including, for the avoidance of doubt, any

such liabilities in respect of the Belgian Fund Business);

“Business Day”

means a day (other than a Saturday or Sunday) on which banks are open for general business in London or Dublin;

“Business Guidelines”

means the collective term for the Aviva risk management policies, business standards, governance and internal control systems from time to time, providing consistent risk management practices across the Aviva Group, including the following business standards as at the date of this Agreement: Asset Liability Management; Asset Management Fees; Asset Management Product Development; Asset Valuation; Brand; Business Protection; Capital Management; Communications, Corporate Responsibility and Climate Change, Credit Collateral Management; Customer Experience; Customer Propositions; Data Governance; Distribution; External Auditor; Financial Crime; Financial Reporting; Financial Risk Mitigation; Fund Management; Global Data Privacy; Health & Safety; Information Technology; Internal Audit; Internal Control; Internal Model Independent Validation; Investment Management; Legal, Company Secretarial and Public Policy; Life Insurance Claims Handling; Life Insurance Inforce Management; Life Insurance Technical Pricing; Life Insurance Technical Provisions; Life Insurance Underwriting; Liquidity Standard; People; Procurement & Outsourcing; Regulatory; Remuneration; Securities Finance; SII Data Governance; SII Model Governance; Strategy and

Planning; Stress Scenario Testing; Tax; Transactions; and Unit Pricing;

“CBI”	means the Central Bank of Ireland (or any successor entity);
“Change of Control”	means, in respect of a Party, a change in Control of that Party which causes that Party to be Controlled by an entity which is not an Affiliate of that Party at the time the change in Control takes effect;
“Claims Payment”	has the meaning given to it in <u>clause 4</u> (Reinsurance Claims);
“Commission Amount”	has the meaning given to it in <u>clause 5.1</u> (Commission Amounts);
“Control”	means, in relation to a company, the ability of a person, directly or indirectly, to ensure that the activities and business of the company are conducted in accordance with the wishes of that person, and a person shall be deemed to have Control of a company if it possesses or acquires the majority of the issued share capital or the voting rights in that company, or the right to appoint a majority of directors on the board of the company, or the right to receive the majority of the income of that company on any distribution by it of all of its income or the majority of its assets on a winding up, and “Controlled” shall be construed accordingly;
“Data Protection Legislation”	means (i) any legislation from time to time in the United Kingdom or the Republic of Ireland which implements Directive 95/46/EC or Directive 2002/58/EC; (ii) from 25 May 2018, GDPR; and (iii) any other legislation in force from time to time in the United Kingdom or Republic of

Ireland relating to privacy and/or the processing of personal data (including, for the avoidance of doubt, any successor or replacement legislation to the legislation referred to in limbs (i) and (ii) above);

“Default Interest”

means LIBOR at the relevant time plus a margin of 20 basis points, or such other rate as may be agreed from time to time pursuant to clause 17.2;

“EEA”

means the European Economic Area;

“Estimate Adjustment Amount”

means any amount that the parties agree that the Estimate Termination Amount ought to have been following the issue of a Termination Amount Dispute Notice in accordance with clause 15.2 less the Estimate Termination Amount actually paid to the Cedant in accordance with clause 15.1(B) (provided that if no Termination Amount Dispute Notice is issued within the time permitted under clause 15.2 then the Estimate Adjustment Amount shall equal zero (0));

“Estimate Termination Amount”

has the meaning given in clause 15.1(B);

“Expert”

has the meaning given to it in clause 26 (*Dispute Resolution and Arbitration*);

“FCA Handbook”

means the handbook of rules and guidance issued by the Financial Conduct Authority from time to time pursuant to the Financial Services and Markets Act 2000;

“FLAS Fund Back-Book Premium”

means the amount calculated in accordance with the methodology set out in Part B of Schedule 2;

“FLAS Fund Business”

means all life insurance policies of the Cedant that are allocated to the ALPI

	FLAS Fund (including increments and options relating to such policies);
“FLAS Fund Liabilities”	means any and all liabilities paid or settled, or which become due for payment or settlement, by (or on behalf of) the Cedant to policyholders from the Risk Transfer Time and which are allocated from time to time to the ALPI FLAS Fund (including, for the avoidance of doubt, any such liabilities in respect of the FLAS Fund Business);
“FP Fund Back-Book Premium”	means the amount calculated in accordance with the methodology set out in Part C of <u>Schedule 2</u> ;
“FP Fund Business”	means all life insurance policies of the Cedant that are allocated to the ALPI FP Fund (including increments and options relating to such policies);
“FP Fund Liabilities”	means any and all liabilities paid or settled, or which become due for payment or settlement, by (or on behalf of) the Cedant to policyholders from the Risk Transfer Time and which are allocated from time to time to the ALPI FP Fund (including, for the avoidance of doubt, any such liabilities in respect of the FP Fund Business);
“GDPR”	means Regulation 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data;
“Governmental Authority”	means any government, quasi-governmental, statutory or regulatory, administrative, calendar or judicial body department, commission, authority, tribunal, agency, stock exchange, police,

customs or airport authority or any other competent authority or entity in any part of the world having responsibility for the regulation or governance of the Reinsured Business (or any part thereof) and/or the subject matter of this Agreement, and/or having regulatory or supervisory jurisdiction over either Party, including the CBI, the Prudential Regulation Authority and the Financial Conduct Authority, as applicable;

“Insolvency Event”

means, in respect of the Reinsurer, the occurrence of any of the events set out in Clauses 14.1(F) to 14.1(J) inclusive;

“LIBOR”

means, in respect of any period, the rate per annum quoted on the relevant Reuters screen at or about 11:00 a.m. on the first day of such period, for the offering of deposits in Euro for a period of three (3) months and if such rate is below zero, LIBOR will be deemed to be zero. If such Reuters page or service ceases to be available, the payee Party may specify another page or service displaying the relevant rate after consultation with the paying Party and with Aviva Group Treasury settling any disputes;

“Linked Policy”

means a long-term insurance contract (or a constituent part of a long-term insurance contract) comprised in the Reinsured Business where the benefits are wholly or partly determined by reference to the value of Linked Units, but excludes any With-Profits Policy;

“Linked Units”

means, in relation to a Linked Policy, units of an fund maintained for the purpose of calculating benefits under the relevant policy, being units linked to the value of, or

the income from, assets of any description or by reference to fluctuations in, or in an index of, the value of assets of any description including any successor to any such fund;

“New Fund Back-Book Premium” means the amount calculated in accordance with the methodology set out in Part D of Schedule 2;

“New Fund Business” means all life insurance policies of the Cedant that are allocated to the ALPI New Fund (including increments and options relating to such policies);

“New Fund Liabilities” means any and all liabilities paid or settled, or which become due for payment or settlement, by (or on behalf of) the Cedant to policyholders from the Risk Transfer Time and which are allocated from time to time to the ALPI New Fund (including, for the avoidance of doubt, any such liabilities in respect of the New Fund Business);

“Non-Profit Back-Book Premium” means the amount calculated in accordance with the methodology set out in Part E of Schedule 2;

“Non-Profit Business” means all life insurance policies of the Cedant that (i) are allocated to the Other Business Fund, and (ii) either (a) comprise any of the products set out in Schedule 5, or (b) which the Cedant and the Reinsurer agree in writing shall be reinsured to the “Non-Profit Sub-Fund” maintained by the Reinsurer pursuant to this Agreement;

“Non-Profit Liabilities” means any and all liabilities paid or settled, or which become due for payment or settlement, by (or on behalf of) the Cedant to policyholders from the Risk

	Transfer Time in connection with the Non-Profit Business;
“Old Fund Back-Book Premium”	means the amount calculated in accordance with the methodology set out in Part F of <u>Schedule 2</u> ;
“Old Fund Business”	means all life insurance policies of the Cedant that are allocated to the ALPI Old Fund (including increments and options relating to such policies);
“Old Fund Liabilities”	means any and all liabilities paid or settled, or which become due for payment or settlement, by (or on behalf of) the Cedant to policyholders from the Risk Transfer Time and which are allocated from time to time to the ALPI Old Fund (including, for the avoidance of doubt, any such liabilities in respect of the Old Fund Business);
“Other Business Fund”	means the fund named “Other Business Fund”, as maintained by the Cedant, including any successor to such fund;
“PRA Rulebook”	means the book of rules applicable to insurance firms subject to Solvency II issued by the Prudential Regulation Authority from time to time pursuant to the Financial Services and Markets Act 2000;
“Premium Payment”	has the meaning given to it in <u>clause 3</u> (Reinsurance Premiums);
“Providing Party”	has the meaning given to it in <u>clause 8</u> (Additional Reporting);
“Quarter End Date”	means 31 March, 30 June, 30 September and 31 December of any year;

“Quarter Start Date”	means the day after a Quarter End Date;
“Quarterly Payment Date”	means, in relation to a Reference Period, the date falling thirty (30) Business Days after the Quarter End Date at the end of that Reference Period;
“Quarterly Report”	has the meaning given to it in <u>clause 7</u> (Quarterly Reporting);
“Reference Period”	means each period from (and including) a Quarter Start Date to (and including) the next Quarter End Date, provided that the first Reference Period shall be the period from the Risk Transfer Time to (and including) the first Quarter End Date after the Risk Transfer Time, and the final Reference Period being the period from and including the Quarter Start Date immediately preceding the Termination Date and ending on (and including) the Termination Date;
“Regulatory Event”	means, at any time after the Risk Transfer Time, a change in Applicable Law, including any change in official or generally published interpretation of Applicable Law by a regulatory authority or by a court or other judicial body of competent jurisdiction, relating to the conduct of insurance or reinsurance business or companies and/or financial services businesses or firms or the sale or marketing of insurance contracts, or any action taken by any regulatory authority;
“Reinsurance Oversight Costs”	means the costs agreed between the Parties from time to time to reimburse the costs incurred by the Cedant in overseeing the operation of the Reinsured

Business pursuant to this Agreement and the Side Letter;

“Reinsured Business”

means, together, the Belgian Fund Business, the FLAS Fund Business, the FP Fund Business, the New Fund Business, the Non-Profit Business and the Old Fund Business;

“Reinsured Liabilities”

means, together, the Belgian Fund Liabilities, the FLAS Fund Liabilities, the FP Fund Liabilities, the New Fund Liabilities, the Non-Profit Liabilities and the Old Fund Liabilities;

“Reinsured Quota”

means one hundred per cent. (100%);

“Reinsurer Funds”

means the following funds maintained by the Reinsurer: the “Belgian Sub-Fund”, the “FLAS With-Profit Sub-Fund”, the “FP With-Profit Sub-Fund”, the “New With-Profit Sub-Fund”, the “Non-Profit Sub-Fund”, and the “Old With-Profit Sub-Fund”, including any successor to such funds;

“Requesting Party”

has the meaning given to it in clause 7 (Additional Reporting);

“Risk Transfer Time”

means the time from which the Scheme takes effect, by order of the High Court in England;

“Scheme”

means the insurance business transfer scheme, sanctioned by the High Court in England under Part VII of the Financial Services and Markets Act 2000 on or around the date of this Agreement, to transfer certain business of the Reinsurer to the Cedant;

“Security Arrangements”	has the meaning given to it in <u>clause 18</u> (Security Arrangements);
“Side Letter”	has the meaning given in clause 9.1;
“Solvency II”	means Directive 2009/138/EC, any regulation, directive, enactment, statutory provision or other legislation implementing that directive, and any associated or consequential amendments or changes to the FCA Handbook or the PRA Rulebook pursuant to that directive and any such regulation, directive, enactment, statutory provision or other legislation implementing that directive (unless otherwise stated);
“Tax”	means any kind of tax, duty or levy or any similar charge, whether or not similar to any in force at the date of this Agreement, and whether of the United Kingdom or the Republic of Ireland or elsewhere, and any related fine, penalty, interest or other amount;
“Tax Authority”	means any government, state or municipality or any local, state, federal or other authority, body or official anywhere in the world exercising a fiscal, revenue, customs or excise function (including, without limitation, HM Revenue & Customs in the UK and the Office of the Revenue Commissioners in the Republic of Ireland);
“Tax Event”	means, at any time after the Risk Transfer Time, a change in Applicable Law relating to Tax or its interpretation, or prevailing practice or action taken by any Tax Authority or any court or tribunal in the United Kingdom or Ireland;

“Term”	has the meaning given in <u>clause 13.1</u> ;
“Termination Adjustment Amount”	means the Termination Amount less the Estimate Termination Amount plus any Estimate Adjustment Amount (provided that where the Estimate Adjustment Amount is a negative number, such number as a positive integer shall be subtracted from the Estimate Termination amount);
“Termination Amount”	means the amount calculated in accordance with the methodology set out in <u>Schedule 4</u> ;
“Termination Amount Dispute Notice”	has the meaning given to it in <u>clause 15</u> (Effect of Termination);
“Termination Date”	means the date of natural expiry of this Agreement or, if earlier, the date on which a termination by notice takes effect in accordance with <u>clauses 14.1, 14.2 and 14.5</u> ;
“Total Back-Book Premium”	means the aggregate value of the Belgian Fund Back-Book Premium, the FLAS Fund Back-Book Premium, the FP Fund Back-Book Premium, the New Fund Back-Book Premium, the Non-Profit Back-Book Premium, and the Old Fund Back-Book Premium;
“Transaction Documents”	means this Agreement, the Scheme, the executed Security Arrangements and the Side Letter;
“Transfer Methodology”	means the methodology on inter-business unit transfers approved by the Aviva Group, as amended from time to time;

- “Tribunal”** has the meaning given to it in clause 26 (Dispute Resolution and Arbitration);
- “VAT”** means:
- (A) any Tax imposed in compliance with the council directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112);
 - (B) to the extent not included in paragraph (A) above, any Tax imposed by the United Kingdom Value Added Tax Act 1994 and legislation and regulations supplemental thereto; and
 - (C) any other Tax of a similar nature to the Taxes referred to in paragraph (A) or paragraph (B) above, whether (i) imposed in a member state of the EU in substitution for, or levied by such member state in addition to, the Taxes referred to in paragraph (A) or paragraph (B) above or (ii) imposed in any other jurisdiction for any reason; and
- “With Profits Policies”** means any long-term insurance contract (or a constituent part of a long-term insurance contract) comprised in the Reinsured Business where the benefits are (or, if the holder of the policy so elects, would become) wholly or partly determined by reference to the value of a discretionary annual bonus or final bonus or other discretionary benefit payable to policyholders (including such bonuses and benefits applied by increases in the value or number of notional units allocated to a policyholder of a with-profits fund).

1.2 In this Agreement, unless otherwise specified:

- (A) references to clauses are to clauses of, and schedules to, this Agreement;
- (B) use of any gender includes the other genders;
- (C) references to a “company” shall be construed so as to include any corporation or other body corporate, wherever and however incorporated or established;
- (D) references to a “person” shall be construed so as to include any individual, firm, company, corporation, body corporate, government, state or agency of a state, local or municipal authority or government body or any joint venture, association or partnership (whether or not having separate legal personality);
- (E) a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted and shall include any subordinate legislation made from time to time under that statute or statutory provision;
- (F) any reference to a “day” (including within the phrase “Business Day”) shall mean a period of 24 hours running from midnight to midnight;
- (G) references to times are to London time; and
- (H) where there is a Change of Control of the Cedant or the Reinsurer (or both):
 - (i) the Parties acknowledge that references in this Agreement to the Aviva Group, individuals within the Aviva Group or policies of the Aviva Group may no longer be appropriate as one Party (or both) would no longer be part of the Aviva Group; and
 - (ii) the Parties shall enter into discussions in good faith to determine whether any amendment to such references should be made, given the Change of Control and the other circumstances in existence at the relevant time.

1.3 In this Agreement, unless otherwise specified:

- (A) all headings and titles are inserted for convenience only and are to be ignored in the interpretation of this Agreement; and
- (B) the schedules form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement, and any reference to this Agreement shall include the schedules.

1.4 Where, in relation to any reference to Solvency II in this Agreement, the relevant rules or provisions of Solvency II are no longer relevant or otherwise appropriate (as a result of a change in Applicable Law for the Cedant or the Reinsurer or otherwise) the Cedant and the Reinsurer shall discuss in good faith, and endeavour to agree, what alternative rules

or provisions most nearly approximate or are analogous to such rules or provisions of Solvency II, or which otherwise would be appropriate to apply, and such alternative rules or provisions shall apply. If the Cedant and the Reinsurer cannot agree on appropriate alternative rules or provisions, the dispute shall be resolved in accordance with clause 26.

2. REINSURANCE

2.1 With effect from the Risk Transfer Time, the Cedant shall cede to the Reinsurer and the Reinsurer shall reinsure and indemnify the Cedant in respect of the Reinsured Quota of the Reinsured Liabilities on the terms and conditions set out in this Agreement.

2.2 The Reinsurer's obligations to the Cedant pursuant to clause 2.1 shall be discharged by the calculation and settlement of the Claims Payments and the Commission Amounts in accordance with the provisions of this Agreement.

2.3 The Reinsurer shall follow all the decisions and fortunes and settlements, including any *ex gratia* payments, compromises, commutation payments, regulatory fines or settlements of the Cedant (including, for the avoidance of doubt, such decisions, fortunes and settlements made on the Cedant's behalf), in respect of the Reinsured Business.

2.4 The Reinsurer shall reinsure:

- (A) the Belgian Fund Liabilities to the "Belgian SF" maintained by the Reinsurer;
- (B) the FLAS Fund Liabilities to the "FLAS With-Profit Sub-Fund" maintained by the Reinsurer;
- (C) the FP Fund Liabilities to the "FP With-Profit Sub-Fund" maintained by the Reinsurer;
- (D) the New Fund Liabilities to the "New With-Profit Sub-Fund" maintained by the Reinsurer;
- (E) the Non-Profit Liabilities to the "Non-Profit Sub-Fund" maintained by the Reinsurer; and
- (F) the Old Fund Liabilities to the "Old With-Profit Sub-Fund" maintained by the Reinsurer.

2.5 Subject to the terms of the order sanctioning the Scheme, the Cedant shall allocate any Commission Amounts received from the Reinsurer to the Other Business Fund.

3. REINSURANCE PREMIUMS

3.1 At the Risk Transfer Time, the Total Back-Book Premium shall become payable by the Cedant to the Reinsurer. The Cedant's liability to pay the Total Back-Book Premium shall, if ordered by the High Court in England under the terms of the order sanctioning the

Scheme, be satisfied by the retention of certain assets by the Reinsurer that would otherwise be transferred to the Cedant pursuant to the Scheme. If there is any adjustment to the Total Back-Book Premium agreed between the Parties following the Risk Transfer Time, this adjustment may likewise be satisfied by retention by the Cedant or the Reinsurer (as the case may be) of the Balancing Assets that would otherwise transfer between the Cedant and Reinsurer pursuant to the Scheme.

- 3.2 From the Risk Transfer Time, amounts equal to the Reinsured Quota of any amounts received by (or on behalf of) the Cedant in respect of the Reinsured Business ("**Premium Payments**") shall be paid by (or on behalf of) the Cedant to the Reinsurer.
- 3.3 During the Term, each Party shall promptly make available (or procure to be made available) to the other such information as the other reasonably requires to comply with its obligations under clause 3.2.
- 3.4 Subject to the terms of the order sanctioning the Scheme, the Reinsurer shall allocate:
- (A) the Belgian Fund Back-Book Premium and Premium Payments relating to the Belgian Fund Liabilities to the "Belgian SF" maintained by the Reinsurer;
 - (B) the FLAS Fund Back-Book Premium and Premium Payments relating to the FLAS Fund Liabilities to the "FLAS With-Profit Sub-Fund" maintained by the Reinsurer;
 - (C) the FP Fund Back-Book Premium and Premium Payments relating to the FP Fund Liabilities to the "FP With-Profit Sub-Fund" maintained by the Reinsurer;
 - (D) the New Fund Back-Book Premium and Premium Payments relating to the New Fund Liabilities to the "New With-Profit Sub-Fund" maintained by the Reinsurer;
 - (E) the Non-Profit Back-Book Premium and Premium Payments relating to the Non-Profit Liabilities to the "Non-Profit Sub-Fund" maintained by the Reinsurer; and
 - (F) the Old Fund Back-Book Premium and Premium Payments relating to the Old Fund Liabilities to the "Old With-Profit Sub-Fund" maintained by the Reinsurer.
- 3.5 The obligation of the Cedant under clause 3.2 to make any Premium Payment may be satisfied in full by the payment of a sum equal to that Premium Payment by the relevant policyholder to the Reinsurer in lieu of the Cedant paying the same to the Reinsurer.

4. REINSURANCE CLAIMS

- 4.1 From the Risk Transfer Time, amounts equal to the Reinsured Quota of the Reinsured Liabilities ("**Claims Payments**") shall be paid by the Reinsurer to the Cedant.
- 4.2 During the Term, each Party shall promptly make available (or procure to be made available) to the other such information as the other reasonably requires to comply with its obligations under clause 4.1.

4.3 The Reinsurer's obligations under clause 4.1 to make any Claims Payments shall at all times be discharged by the Reinsurer in such manner that:

- (A) funds in the "Belgian SF" maintained by the Reinsurer shall only be used to settle the Belgian Fund Liabilities of the Cedant;
- (B) funds in the "FLAS With-Profit Sub-Fund" maintained by the Reinsurer shall only be used to settle the FLAS Fund Liabilities of the Cedant;
- (C) funds in the "FP With-Profit Sub-Fund" maintained by the Reinsurer shall only be used to settle the FP Fund Liabilities of the Cedant;
- (D) funds in the "New With-Profit Sub-Fund" maintained by the Reinsurer shall only be used to settle the New Fund Liabilities of the Cedant;
- (E) funds in the "Non-Profit Sub-Fund" maintained by the Reinsurer shall be used to settle the Non-Profit Liabilities of the Cedant; and
- (F) funds in the "Old With-Profit Sub-Fund" maintained by the Reinsurer shall only be used to settle the Old Fund Liabilities of the Cedant,

provided that the Reinsurer may also discharge Claims Payments from the "Non-Profit Sub-Fund" maintained by the Reinsurer or any other fund maintained by the Reinsurer that is not a with-profit fund at the Reinsurer's absolute discretion in accordance with Applicable Law.

4.4 The obligation of the Reinsurer under clause 4.1 to make any Claims Payment may be satisfied in full by the payment of a sum equal to that Claims Payment by the Reinsurer to the relevant policyholder in lieu of the Reinsurer paying the same to the Cedant.

5. COMMISSION AMOUNTS

5.1 The "Commission Amount" due in respect of any Reference Period shall be an amount equal to " p ", where:

$$p = q \times 1.15; \text{ and}$$

$$q = \text{the relevant Reinsurance Oversight Costs in respect of that Reference Period,}$$

with the Reinsurer paying an amount equal to the absolute value of p to the Cedant. The Commission Amount in respect of a Reference Period shall be payable by the Quarterly Payment Date in respect of that Reference Period.

6. PAYMENTS

- 6.1 Save as otherwise specified in this Agreement, all payments between the Parties under this Agreement shall be settled electronically, to such accounts as the Parties may notify to the other in writing from time to time.
- 6.2 The Reinsurer shall make Claims Payments without delay and in a manner consistent with the orderly payment of claims by the Cedant.

7. QUARTERLY REPORTING

- 7.1 The Reinsurer shall provide a **"Quarterly Report"** to the Cedant in a spreadsheet file format (or such other format as may be agreed by the Parties from time to time) in relation to each Reference Period as soon as reasonably practicable following the Quarter End Date at the end of the Reference Period (and in any event by the date falling twenty (20) Business Days after the Quarter End Date at the end of the Reference Period). Each Quarterly Report shall contain:
- (A) the aggregate value of all Premium Payments paid by the Cedant (or, where clause 3.5 applies, by the policyholders) to the Reinsurer during the relevant Reference Period;
 - (B) the aggregate value of all Claims Payments paid by the Reinsurer to the Cedant (or, where clause 4.4 applies, to the policyholders) during the relevant Reference Period; and
 - (C) the Commission Amount in respect of the Reference Period.
- 7.2 The Quarterly Report shall be in substantially the form set out in Schedule 3.

8. ADDITIONAL REPORTING

- 8.1 Each Party (the **"Providing Party"**) shall, in a timely manner, use all reasonable endeavours to provide to the other Party (the **"Requesting Party"**) such reporting, workings, information and assistance reasonably requested in writing by the Requesting Party as are sufficient for the Requesting Party to manage its exposure to the Providing Party, to comply with the Requesting Party's legal and regulatory obligations in respect of the Reinsured Business, to report in line with Aviva Group reporting and agreed management reporting regarding the Reinsured Business and to meet any reasonable requirement arising from Applicable Law or any regulatory requirement in respect of the Reinsured Business, including without limitation the requirements set out in the CBI's 'Domestic Actuarial Regime and Related Governance Requirements under Solvency II' (2015) and 'Guidance for (Re)Insurance Undertakings on Head of Actuarial Function Role' (2016) as amended or superseded from time to time. Unless otherwise agreed, the Parties acknowledge and agree that it would not be reasonable for a Requesting Party to request such reporting, workings, information or assistance where the Requesting Party would be able to provide the same in a more efficient or economical manner than the Providing Party could.

- 8.2 Either Party may, by notice in writing to the other Party, call for a meeting to review any reports or information provided by the other Party with the appropriate experts from the other Party (and the other Party shall use all reasonable endeavours to procure that such experts are made available to attend such a meeting) within twenty (20) Business Days of such notice.

9. FURTHERANCE OF REINSURANCE AND CALCULATION OF REINSURED LIABILITIES

- 9.1 The Reinsurer shall perform, or otherwise procure the performance of, certain activities (the "**Policy Activities**") relating to the management and administration of the policies comprising the Reinsured Liabilities, as more fully described in a side letter (dated on or around the date of this Agreement) made between the Reinsurer and the Cedant (the "**Side Letter**").

- 9.2 The Reinsurer shall, fully and effectively, indemnify and hold harmless the Cedant against any losses arising from:

- (A) the Reinsurer's breach of this Agreement or the Side Letter or the performance or procurement of the Policy Activities under this Agreement or the Side Letter, including in respect of any fines, penalties, sanctions and associated losses arising from any act or omission of the Reinsurer or as a result of a decision made by a Governmental Authority in respect of the performance or procurement by the Reinsurer of such Policy Activities; and
- (B) any liability relating to the Reinsured Business which is allocated, pursuant to the terms of the Scheme, to the ALPI Belgian Fund, ALPI FLAS Fund, ALPI FP Fund, ALPI New Fund, ALPI Old Fund or the Other Business Fund that is not otherwise a Reinsured Liability; and
- (C) all third party rights and claims (present or future, actual or contingent) that transfer to the Cedant pursuant to the terms of the Scheme and that relate to the Reinsured Business, or arise as a result of the Reinsured Business (including any adverse costs orders in relation to the same),

in each case save to the extent (i) that the Cedant is expressly required by any Governmental Authority to bear such loss, or (ii) such loss arises from the Cedant's negligence, bad faith, wilful act or default, or breach of this Agreement or the Side Letter.

- 9.3 The Cedant shall, fully and effectively, indemnify and hold harmless the Reinsurer against any losses arising from the Cedant's breach of this Agreement or the Side Letter, including in respect of any fines, penalties, sanctions and associated losses arising from any act or omission of the Cedant, save (i) to the extent such loss arises from the Reinsurer's negligence, bad faith, wilful act or default, or breach of this Agreement or the Side Letter; or (ii) to the extent that the Reinsurer is expressly required by any Governmental Authority to bear such loss.

9.4 The Side Letter shall govern the performance of the Policy Activities and provide the Cedant with certain rights over the Reinsurer's performance of the Policy Activities, but the Reinsurer shall at all times perform the Policy Activities for its own account and in furtherance of its obligations to reinsure and indemnify the Cedant as required by the applicable provisions of this Agreement.

9.5 For the duration of the Term:

- (A) the Cedant shall adopt the Reinsurer's calculations of the values of Linked Units when (i) allocating units to Linked Policies, and (ii) determining actual or prospective claims with respect to Linked Policies;
- (B) to the extent that discretion exists within the terms of With Profits Policies, the application of such discretion will be set by the Reinsurer in accordance with the Reinsurer's principles and practices of financial management (as amended from time to time), and the Cedant shall adopt the Reinsurer's application of such discretion. Exercises of discretion to which this clause 9.5(B) shall apply include, without limitation, discretion with respect to the declaration of bonus rates, the application of market value reductions, the rates for the application of premiums to purchase units, the rates for the cancellation of units, the terms for amendment of benefits on partial surrender and amendments at the discretion of the policyholder; and
- (C) the calculation of the amounts payable by the Cedant to policyholders in respect of the Reinsured Liabilities (and accordingly the calculation of the amounts payable by the Reinsurer to the Cedant in respect of the same under clause 4) will at all times be undertaken on the basis that:
 - (i) a deduction will be made, in accordance with the applicable terms and conditions of the relevant policies, in respect of the charges, costs and expenses incurred in respect of the management of the relevant Reinsurer Fund; and
 - (ii) except as agreed between the parties and as permitted by the Scheme, no deduction will be made in respect of any charges, costs and expenses incurred by the Cedant in the management and operation of the Cedant's own business.

9.6 If at any time after the date of this Agreement the Cedant is required by Applicable Law or by a Tax Authority to perform some or all of the Policy Activities or is otherwise required to incur expenses in relation to the Reinsured Business not currently provided for by this Agreement, the parties shall re-negotiate the terms of their commercial relationships in good faith.

9.7 It is the mutual understanding of the parties that nothing to be done by either party under this Agreement or the Side Letter will constitute the making of a supply on which VAT will be chargeable in any jurisdiction. If, notwithstanding the foregoing, it is at any time determined that anything done under this Agreement or under the Side Letter has to be

treated as a supply on which VAT is chargeable (whether the person required to account for such VAT is the maker of that supply or the recipient thereof), the parties shall engage in good faith to agree which party shall bear the economic cost of the VAT.

10. COVENANTS

10.1 The Cedant covenants in relation to its performance of its obligations under this Agreement that:

- (A) it shall comply in all material respects with Applicable Law;
- (B) subject to Applicable Law, it shall at all times during the Term comply in all material respects with the Business Guidelines;
- (C) it shall provide written notice to the Reinsurer in advance (where practicable) or after the event (where advance notice is not practicable), in either case on a timely basis, in respect of any proposed modification to or exception from the Business Guidelines; and
- (D) it shall obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations, approvals, licences and consents required in or by Applicable Law to enable it lawfully to enter into and perform its obligations under this Agreement.

10.2 The Reinsurer covenants in relation to its performance of its obligations under this Agreement that:

- (A) it shall comply in all material respects with Applicable Law;
- (B) subject to Applicable Law, it shall at all times during the Term comply in all material respects with the Business Guidelines;
- (C) it shall provide written notice to the Cedant in advance (where practicable) or after the event (where advance notice is not practicable), in either case on a timely basis, in respect of any proposed modification to or exception from the Business Guidelines;
- (D) it shall provide written notice to the Cedant in advance (where practicable) or after the event (where advance notice is not practicable), in either case on a timely basis, in respect of:
 - (i) so long as the Reinsurer is incorporated in an EEA state, the Reinsurer ceasing to satisfy the "Solvency Capital Requirement" under Solvency II;
 - (ii) so long as the Reinsurer is incorporated in an equivalent third country for the purposes of Solvency II, the Reinsurer ceasing to satisfy the applicable requirement equivalent to the "Solvency Capital Requirement" under Solvency II; or

- (iii) so long as the Reinsurer is incorporated in a country not deemed to be an equivalent third country for the purposes of Solvency II, the Reinsurer being given a credit rating assigned to credit quality step 4 or below under Solvency II; and
- (E) it shall obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations, approvals, licences and consents required in or by Applicable Law to enable it lawfully to enter into and perform its obligations under this Agreement.

11. WARRANTIES

- 11.1 No term of this Agreement shall be a warranty except where the term expressly so provides.
- 11.2 No terms of this Agreement which are expressed to be warranties (or which might otherwise be construed as warranties) shall take effect as warranties that would grant a right to terminate or avoid this Agreement for breach of warranty but shall, instead, be construed and take effect as innominate terms and there shall be no right to terminate or avoid for breach of warranty save as expressly set out in this Agreement.
- 11.3 The Cedant warrants to the Reinsurer that, as at the date of execution of this Agreement:
 - (A) it has the power to enter into and perform its obligations under this Agreement, and all necessary authorisations have been obtained;
 - (B) the obligations expressed to be assumed by it under this Agreement constitute valid and binding obligations (subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally and subject to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law));
 - (C) the execution, delivery and performance of this Agreement do not violate or conflict with any Applicable Law, any direction or order or judgment of any court or any agency of government, or any contractual restriction binding on or affecting it or any of its assets or its constitutive documents;
 - (D) it is duly incorporated and validly exists under Irish law; and
 - (E) it carries on its business in all material respects in accordance with Applicable Law.
- 11.4 The Reinsurer warrants to the Cedant that, as at the date of execution of this Agreement:
 - (A) it has the power to enter into and perform its obligations under this Agreement, and all necessary authorisations have been obtained;

- (B) the obligations expressed to be assumed by it under this Agreement constitute valid and binding obligations (subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally and subject to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law));
- (C) the execution, delivery and performance of this Agreement do not violate or conflict with any Applicable Law, any direction or order or judgment of any court or any agency of government, or any contractual restriction binding on or affecting it or any of its assets or its constitutive documents;
- (D) it is duly incorporated and validly exists under English law;
- (E) it carries on its business in all material respects in accordance with Applicable Law; and
- (F) it is not the subject of an Insolvency Event and no Insolvency Event will occur in respect of the Reinsurer as a (direct or indirect) result of it entering into this Agreement.

12. INSPECTION OF RECORDS

- 12.1 The Cedant or its appointed representatives may at any time during normal office hours of the Reinsurer and at a time and place to be mutually agreed between the Parties, inspect and take copies, at the Cedant's own expense, of such of the Reinsurer's records and documents which relate to the Reinsured Business.
- 12.2 It is agreed that the Cedant's right of inspection shall continue as long as any liability remains hereunder.
- 12.3 The right of inspection being provided shall not be construed to allow the Cedant the right to delay or withhold payment for any amounts which fall due under this Agreement in accordance with terms and conditions as specified herein.

13. TERM

- 13.1 This agreement shall take effect from the Risk Transfer Time and shall continue in force until its termination in accordance with clause 14 or its natural expiry upon satisfaction of all Reinsured Liabilities (the "**Term**").

14. TERMINATION ON NOTICE

- 14.1 Subject to clause 14.3, the Cedant shall have the right to terminate this Agreement in full by giving the Reinsurer notice in writing on or after the occurrence of any of the following events:

- (A) the Reinsurer fails to make a payment which is due and payable to the Cedant as required under this Agreement and such failure is not rectified within thirty (30) Business Days of being notified by the Cedant of such failure;
- (B) a material breach by the Reinsurer of this Agreement which is either incapable of remedy or, if capable of remedy, is not remedied within thirty (30) Business Days of being notified by the Cedant of such breach;
- (C) it becomes unlawful in any relevant jurisdiction for the Cedant or the Reinsurer to perform all or any material part of this Agreement and such unlawfulness is not remedied within thirty (30) Business Days after the Cedant gives notice in writing to the Reinsurer in respect of such unlawfulness;
- (D) the Reinsurer ceases to hold any authorisation, permission, approval, registration, consent or licence which it requires in order to perform its material obligations under this Agreement and fails to obtain such permission, approval, registration, consent or licence within thirty (30) Business Days of notice in writing from the Cedant requiring it to do so;
- (E) a Change of Control occurs such that the Reinsurer and/or the Cedant cease to be Affiliates;
- (F) any procedure is commenced with a view to the winding up or reorganisation of the Reinsurer except in the case of (i) a solvent reorganisation or (ii) any winding-up petition which is frivolous or vexatious or is discharged, stayed or dismissed within ten (10) Business Days of commencement or, if earlier, the date on which it is advertised;
- (G) any step is taken or any procedure is commenced with a view to the appointment of an administrator, receiver, administrative receiver or liquidator in relation to the Reinsurer or all or a substantial part of its assets except in the case of any winding-up petition or administration application which is frivolous or vexatious or is discharged, stayed or dismissed within ten (10) Business Days of commencement or, if earlier, the date on which it is advertised as the case may be;
- (H) the holder of any security over all or a substantial part of the assets of the Reinsurer takes any step to enforce that security or all or a substantial part of the assets of the Reinsurer are subject to attachment, sequestration, execution or any similar process;
- (I) the Reinsurer is unable to pay its debts as they fall due within the meaning of section 123(1)(e) or 123(2) of the Insolvency Act 1986;
- (J) anything analogous to the matters set out in sub-clauses (F) to (I) above occurs in relation to the Reinsurer in any jurisdiction;

- (K) there is an act of fraud by the Reinsurer which deprives the Cedant of any amount, right or benefit material to this Agreement that the Cedant would otherwise have received or had but for the fraud;
- (L) the Cedant becomes entitled to terminate this Agreement on grounds of a Tax Event or Regulatory Event pursuant to clause 14.4; or
- (M) if the board of the Cedant makes a determination in accordance with paragraphs 39.1 or 39.2 of the Scheme, provided that the provisions of paragraph 39.4 of the Scheme are complied with.

14.2 Subject to clause 14.3, the Reinsurer shall have the right to terminate this Agreement in full by giving the Cedant notice in writing on or after the occurrence of any of the following events:

- (A) the Cedant fails to make a payment which is due and payable to the Reinsurer as required under this Agreement and such failure is not rectified within thirty (30) Business Days of being notified by the Reinsurer of such failure;
- (B) a material breach by the Cedant of this Agreement which is either incapable of remedy or, if capable of remedy, is not remedied within thirty (30) Business Days of being notified by the Reinsurer of such breach;
- (C) it becomes unlawful in any relevant jurisdiction for the Cedant or the Reinsurer to perform all or any material part of this Agreement and such unlawfulness is not remedied within thirty (30) Business Days after the Reinsurer gives notice in writing to the Cedant in respect of such unlawfulness;
- (D) the Cedant ceases to hold any authorisation, permission, approval, registration, consent or licence which it requires in order to perform its material obligations under this Agreement and fails to obtain such permission, approval, registration, consent or licence within thirty (30) Business Days of notice in writing from the Reinsurer requiring it to do so;
- (E) the Cedant transfers all or a substantial part of its business to another entity (including any transfer pursuant to the Assurance Companies Act, 1909, the Insurance Act, 1989, or the European Union (Insurance and Reinsurance) Regulations 2015 or any analogous foreign process or proceeding) without the Reinsurer's consent (such consent not to be unreasonably withheld or delayed); or
- (F) there is an act of fraud by the Cedant which deprives the Reinsurer of any amount, right or benefit material to this Agreement that the Reinsurer would otherwise have received or had but for the fraud,

and, for the avoidance of doubt, if (i) an event of a kind referred to in sub-clauses 14.1(F) to 14.1(J) occurs in relation to the Cedant, and (ii) the Reinsurer does not otherwise have the right to terminate this Agreement (in accordance with this clause

14.2 or otherwise), the Reinsurer shall continue to perform its contractual obligations without diminution.

14.3 Following the occurrence of one of the events described in clause 14.1 or 14.2, the relevant Party may only exercise its related right to terminate this Agreement by giving notice in writing to the other Party at any time from the date on which the event occurs until the date that falls sixty (60) Business Days after:

- (A) the later of (i) the date on which the relevant event occurs, or (ii) the date on which the relevant Party became aware of the occurrence of the event; or
- (B) if a period of time is specified to remedy, rectify or dismiss the event described in clause 14.1 or 14.2, the date on which such period of time ends.

14.4 In the event that a Tax Event or a Regulatory Event occurs which results in, or is reasonably likely to result in (in a Party's opinion, acting in good faith):

- (A) a material adverse effect on a Party's ability to effect and carry out its obligations under this Agreement; or
- (B) the benefit of this Agreement to a Party becoming materially less favourable than is the case as of the date of this Agreement,

then the Party affected by the Tax Event or Regulatory Event shall give notice to the other Party and the Parties shall enter into negotiations in good faith and use reasonable endeavours to agree an amendment to this Agreement so that the performance of each Party is no longer affected by such Tax Event or Regulatory Event. If the Cedant is the Party affected by the Tax Event or the Regulatory Event and, following negotiations between the Parties for forty (40) Business Days, no such agreement has been reached, then the Cedant shall thereafter be entitled to terminate this Agreement in accordance with clause 14.1(L).

14.5 Following the giving of any notice to terminate this Agreement pursuant to clause 14.1 or 14.2, the Cedant shall, acting in good faith, produce a proposal of the steps to be taken by it pursuant to paragraphs 39.1 or 39.2 of the Scheme, and the Parties shall cooperate in good faith to ensure that the requirements of the Scheme with regard to the termination of this Agreement are complied with as soon as possible (including, for the avoidance of doubt, complying with the provisions of paragraph 39.4 of the Scheme in relation to the steps to be taken by the Cedant pursuant to paragraphs 39.1 or 39.2 of the Scheme). Any termination of this Agreement pursuant to clause 14.1 or 14.2 shall not take effect before the later of:

- (A) the date that falls ten (10) Business Days after the date of the written notice given pursuant to clause 14.1 or 14.2; and
- (B) the date the requirements of the Scheme with regard to the termination of this Agreement have been fully complied with,

provided that, unless otherwise agreed between the Cedant and the Reinsurer, if termination has not taken effect prior to the date falling six (6) calendar months after the date of the written notice given pursuant to clause 14.1 or 14.2, then the termination shall take effect on the first Business Day falling six (6) calendar months after the date of the written notice given pursuant to clause 14.1 or 14.2.

15. EFFECT OF TERMINATION

15.1 Following early termination of this Agreement in accordance with clause 14:

- (A) on and from the Termination Date, neither the Cedant nor the Reinsurer shall have any further payment obligations to each other under clauses 3, 4 or 5; and
- (B) the Reinsurer shall, within three (3) Business Days of the Termination Date, calculate in good faith an estimate of the Termination Amount (the "**Estimate Termination Amount**") and pay this amount to the Cedant; and
- (C) the Reinsurer shall, as soon as reasonably practicable after paying the Estimate Termination Amount to the Cedant, calculate and notify the Cedant of the Termination Amount.

15.2 If the Cedant wishes to dispute the calculation of the Estimate Termination Amount or the Termination Amount prepared by the Reinsurer, it shall notify the Reinsurer of such dispute within thirty (30) Business Days of receipt of the Estimate Termination Amount calculation referred to in clause 15.1(B) or the Termination Amount calculation referred to in clause 15.1(C) (as applicable). Such notice (a "**Termination Amount Dispute Notice**") shall set out in reasonable detail a description of the matter(s) disputed, together with any relevant calculations. The Parties shall use reasonable endeavours to reach agreement on the matters set out in a Termination Amount Dispute Notice within thirty (30) Business Days of receipt by the Reinsurer of such Termination Amount Dispute Notice, and in the absence of such agreement the dispute shall be resolved in accordance with clause 26. Failure to issue a Termination Amount Dispute Notice within thirty (30) Business Days of receipt of the Estimate Termination Amount calculation referred to in clause 15.1(B) or the Termination Amount calculation referred to in clause 15.1(C) shall constitute the Cedant's deemed agreement to the Estimate Termination Amount or the Termination Amount (as applicable) as originally calculated by the Reinsurer.

15.3 Within thirty (30) Business Days of agreement (including deemed agreement) of the Estimate Adjustment Amount or the Termination Amount:

- (A) where the Estimate Adjustment Amount or the Termination Adjustment Amount (as applicable) is a positive number, the Reinsurer shall pay the Cedant;
- (B) where the Estimate Adjustment Amount or the Termination Adjustment Amount (as applicable) is zero (0), neither party shall pay to the other;
- (C) where the Estimate Adjustment Amount or the Termination Adjustment Amount (as applicable) is a negative number, the Cedant shall pay the Reinsurer,

an amount equal to the Estimate Adjustment Amount or the Termination Adjustment Amount (as applicable).

16. PROVISIONS SURVIVING TERMINATION

- 16.1 The accrued rights and obligations of the Parties under this Agreement (including any amounts which have become due and payable prior to the Termination Date) shall survive the termination of this Agreement.
- 16.2 Clauses 6, 15, 16, 17, 19, 20, 21, 23, 26, 27 and 28 (and, to the extent necessary for the interpretation thereof, clause 1) shall survive the termination of this Agreement.

17. INTEREST

- 17.1 Unless provided otherwise in this Agreement, any amounts due by either Party under this Agreement which are outstanding for more than five (5) Business Days after the date on which payment of such amount is due shall be subject to the payment of Default Interest by the debtor for the period from (but excluding) the date on which payment is due to (and including) the date of actual payment.
- 17.2 In the event that either Party wishes to review the rate of Default Interest it shall provide written notice to the other Party. The Parties shall negotiate in good faith to reach agreement on a change to the rate of Default Interest within thirty (30) Business Days of receipt of such notice by the receiving Party, and in the absence of such agreement, the rate of Default Interest shall remain unchanged.

18. SECURITY ARRANGEMENTS

- 18.1 By the Risk Transfer Time, the Parties shall enter into the agreed form documentation set out at Schedule 1 to this Agreement (the "**Security Arrangements**").

19. CONFIDENTIALITY AND DATA PROTECTION

- 19.1 The Reinsurer undertakes to regard the transactions hereunder and any information provided by or on behalf of the Cedant, as well as this Agreement (for the purposes of this clause 19, "**Information**"), as strictly confidential and further undertakes declares and agrees that it or its representatives will not at any time make use of Information either directly or indirectly other than as required:

- (A) for the performance of its obligations hereunder or under the Side Letter (including to the extent necessary for its risk management, reinsurance or retrocession of risk),
- (B) for the exercise of its rights hereunder or under the Side Letter; or
- (C) for its compliance with legal or regulatory requirements

(for the purposes of this clause 19, the "**Purposes**").

19.2 The Reinsurer may store Information in its group-wide IT (Information Technology) systems but shall be entitled only to make Information available to companies within the Reinsurer's group of companies where this is necessary for any one or more of the Purposes. The Reinsurer may also pass Information to third parties where necessary for any one or more of the Purposes, such parties being limited to professional advisers, arbitrators, auditors, governing bodies, regulatory bodies, market administration bureaux, data service providers and retrocessionaires, provided that the Reinsurer shall obtain from any party to whom Information is passed an undertaking to treat the same as confidential in materially the same terms as this clause 19. In the event that the Reinsurer is required to provide Information to other third parties beyond those specified, this shall be subject to the prior written consent of the Cedant, unless the Reinsurer is prohibited by law from seeking or obtaining such consent.

19.3 The Parties acknowledge that each Party will act as a separate and independent data controller in relation to personal data which they process pursuant to this Agreement.

19.4 Each Party undertakes:

- (A) to comply with Data Protection Legislation; and
- (B) that where a Party's establishment undertaking the data processing is located outside the EEA, and such location is not one that the European Commission considers pursuant to Data Protection Legislation to provide adequate protection, it will ensure that any processing is governed by:
 - (i) the provisions of the model data controller-data controller agreement approved pursuant to Commission Decision C(2004) 5271 dated 27 December 2004 (as amended and superseded from time to time); or
 - (ii) the EU – US Privacy Shield scheme (or successor thereof) insofar as that Party's establishment undertaking such data processing participates in such scheme, where the same is located in the United States and the EC considers pursuant to data protection laws such scheme (or successor thereof) provides adequate protection.

19.5 Each Party further undertakes to:

- (A) put in place and maintain appropriate technical and organisational measures to protect personal data against unauthorised or unlawful processing or accidental destruction, loss or damage, taking into account the state of the art, the cost of implementation and the nature, scope, context and purposes of processing, as well as the risk of varying likelihood and severity for the freedoms of natural persons;
- (B) provide to the other Party any information or assurance in respect of the security of any personal data processed by it pursuant to this Agreement as may be reasonably required by the other Party to comply with its obligations under the Data Protection Legislation of the state in which that Party is located;

- (C) only process personal data for the purposes of this Agreement;
- (D) not process personal data for longer than is necessary to carry out the purposes of this Agreement (other than to comply with a requirement of Applicable Law);
- (E) notify the other Party without undue delay following any personal data breach in respect of personal data received from the other Party; and
- (F) co-operate with the other Party, to the extent reasonably requested in relation to:
 - (i) a request to the other Party from a data subject to exercise any right under the Data Protection Legislation;
 - (ii) any other communication from a data subject to the other Party concerning the processing of their personal data;
 - (iii) any communication from a supervisory authority where the establishment is located, concerning the processing of personal data, or compliance with Data Protection Legislation;
 - (iv) notifications to a supervisory authority or to data subjects which are required following a personal data breach involving personal data; or
 - (v) enabling a Party to comply with its obligations under Data Protection Legislation.

19.6 Each Party undertakes to take all reasonable steps appropriate to provide a fair processing notice to those data subject(s) whose personal data is to be disclosed to the other Party under this Agreement.

19.7 The expressions "personal data", "data controller", "data subject", "process", "personal data breach" and "supervisory authority" shall bear the meaning given to them in Data Protection Legislation and, in the case of "personal data", shall (without limitation) include special categories of personal data (as defined in GDPR).

20. ANNOUNCEMENTS

20.1 No Party (nor any of its Affiliates or representatives) shall make any announcement or issue any circular in connection with the existence or subject matter of this Agreement without the prior written approval of the other Party, such approval not to be unreasonably withheld or delayed.

20.2 The restriction in clause 20.1 shall not apply to the extent that the announcement or circular (i) is required by Applicable Law, (ii) by any stock exchange or any Governmental Authority or supervisory body or authority of competent jurisdiction, whether or not the requirement has the force of law, or (iii) contains only information which has previously become publicly available other than through that Party's fault (or that of any of its Affiliates or representatives).

21. NOTICES

- 21.1 Any notice, request, instruction or other document given under this Agreement must be made in writing. Writing includes e-mail (other than in the case of legal notices or notices to terminate this Agreement, which must be sent by post) and must be sent to the address, or email address (where relevant) of the relevant Party given in this clause 21, unless another address or email address has been notified in writing by the relevant Party in accordance with clause 21.3. If sent by post, the relevant notice must be delivered or sent by prepaid first class recorded delivery post or by courier.
- 21.2 Subject to clause 21.3, the notice details of the Parties for the purposes of this clause 21 are as follows:

The Cedant

Address:

One Park Place,
Hatch Street,
Dublin 2

Email:

irelandcosec@aviva.com

Marked for the attention of:

the Company Secretary

The Reinsurer

Address:

Aviva,
Wellington Row,
York YO90 1WR

Email:

lplaw@aviva.com

Marked for the attention of:

the General Counsel, Aviva UKI

- 21.3 A party may change its notice details by giving notice to the other party of the change in accordance with this clause. That notice shall only be effective on the date falling five clear Business Days after the notification has been received or such later date as may be specified in the notice.

22. TRANSFERS AND ASSIGNMENT

- 22.1 No Party shall, without the prior written consent of the other Party (such consent not to be unreasonably withheld or delayed), assign, transfer or declare a trust over all or any part of its rights or obligations under this Agreement.
- 22.2 Each Party shall be responsible for its own costs and expenses incurred in respect of any such transfer or assignment

23. INVALIDITY, REMEDIES AND WAIVERS

- 23.1 If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction that shall not affect or impair:
- (A) the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or

- (B) the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of this Agreement.

23.2 Except as provided for in this Agreement:

- (A) any failure by a Party to exercise or delay in exercising a right or remedy provided by this Agreement or by law shall not impair or constitute a waiver of that or any other right or remedy;
- (B) no single or partial exercise of a right or remedy provided by this Agreement or by law shall prevent any further exercise of that or any other right or remedy; and
- (C) the Parties' rights and remedies contained in this Agreement are cumulative and not exclusive of rights or remedies provided by law.

24. ENTIRE AGREEMENT

24.1 The Transaction Documents set out the entire agreement between the Parties in relation to the subject matter hereof. The Transaction Documents supersede any previous agreement in respect of the same subject matter between the Parties whether written or oral. Each Party acknowledges that in entering into this Agreement it places no reliance on any representation in relation to the subject matter of this Agreement otherwise than as expressly set out herein. Nothing in this Agreement may operate to limit or exclude any liability for fraud.

25. FURTHER ASSURANCE

25.1 Each Party shall and shall, if relevant, procure that each of its Affiliates (other than the other Party) shall upon request, at its own expense, at all times from the date of this Agreement do or procure the doing of all things as may be required to give full effect to this Agreement, including the execution of all deeds and documents.

26. DISPUTE RESOLUTION AND ARBITRATION

26.1 All disputes in relation to this Agreement shall, prior to further escalation in accordance with this clause 26, be referred to:

- (A) the Chief Financial Officers of the Cedant and the Reinsurer; and
- (B) no earlier than ten (10) Business Days following the reference referred to in clause 26.1(A), the Chief Financial Officer of the Aviva Group.

26.2 Subject to clause 26.1, any dispute or difference between the Parties in relation to:

- (A) interpretation of this Agreement; or
- (B) any calculation to be made under this Agreement,

shall be settled by dispute resolution in accordance with the procedure set out in clauses 26.3 and 26.4. All other disputes or differences between the Parties shall, unless otherwise agreed between the Parties, be settled by arbitration in accordance with the procedure set out in clause 26.5.

26.3 Any dispute or difference between the two Parties to which this clause 26.3 applies shall be referred in writing to appropriate actuaries and/or lawyers (depending on the subject matter of the dispute or difference) within, or appointed by, the Reinsurer, who will endeavour to settle the dispute in good faith. If the dispute has not been agreed or settled within thirty (30) Business Days of it being referred to such actuaries and/or lawyers, the dispute shall be referred to:

- (A) an independent actuary and/or lawyer within the Aviva Group, jointly appointed by the Parties; or
- (B) failing agreement on the joint appointment of an independent actuary and/or lawyer within the Aviva Group for thirty (30) Business Days, an independent actuary and/or lawyer appointed by the President of the Institute and Faculty of Actuaries and/or by the President of the Law Society (as appropriate),

for resolution (in either case, such appointee being an “**Expert**”).

26.4 If an Expert is appointed in accordance with clause 26.3:

- (A) the process for resolution of the dispute shall be determined by the Expert, who shall act as an expert and not as an arbitrator;
- (B) the Parties shall have the right to make representations to the Expert within the process for resolution of the dispute determined by the Expert;
- (C) the decision of the Expert shall, in the absence of manifest error, be final and binding on the Parties;
- (D) all costs incurred by the Expert shall be borne by the Parties in equal shares unless the Expert determines otherwise;
- (E) each Party shall, upon any request by the Expert, provide the Expert with such information as is within its possession or control and reasonably required by the Expert, to the extent that such provision is within such Party’s power (without contravention of any Applicable Law or any binding agreement); and
- (F) the Parties shall use all reasonable endeavours to ensure that the Expert will give his decision within sixty (60) Business Days of the reference to such Expert.

26.5 Subject to clauses 26.1 and 26.2, all disputes and differences arising under or in connection with this Agreement shall be referred to arbitration, in accordance with the following principles:

- (A) the arbitration tribunal (the “**Tribunal**”) shall consist of three arbitrators, one to be appointed by each of the Parties and the third to be appointed by the two appointed arbitrators. The third member of the Tribunal shall be appointed as soon as practicable (and no later than twenty (20) Business Days) after the appointment of the two Party-appointed arbitrators. The Tribunal shall be constituted upon the appointment of the third arbitrator;
- (B) the arbitrators shall be persons (including those who have retired) with not less than ten (10) years’ experience of insurance or reinsurance within the industry or as lawyers or other professional advisers serving the industry. Where the dispute or difference relates to With Profits Policies, the arbitrators shall have sufficient qualifications to ensure that their ruling adheres to the rules applicable to such business as derived from the Scheme, any principles and practices of financial management applicable to such With Profits Policies (or any other equivalent rules that are applicable) and Applicable Law;
- (C) where a Party fails to appoint an arbitrator within ten (10) Business Days of being called upon to do so or where the two party-appointed arbitrators fail to appoint a third within twenty (20) Business Days of their appointment, then upon application the President of the Institute and Faculty of Actuaries will appoint an arbitrator to fill the vacancy. At any time prior to the appointment by the President of the Institute and Faculty of Actuaries the Party or arbitrators in default may make such appointment;
- (D) the Tribunal may at its sole discretion make such orders and directions as it considers to be necessary for the final determination of the matters in dispute. The Tribunal shall have the widest discretion permitted under the law governing the arbitral procedure when making such orders or directions;
- (E) the seat of arbitration shall be London, England. The proceedings shall be conducted in English and the law governing the arbitral procedure shall be the law of England and Wales;
- (F) service of any request for arbitration made pursuant to this clause 26.5 shall be at the address given for the sending of notices under this Agreement;
- (G) any decision made pursuant to arbitration in accordance with this clause 26.5 shall be binding on all the Parties; and
- (H) nothing in this clause 26.5 shall prevent a Party from seeking interim relief and/or conservatory measures from any court of competent jurisdiction.

27. GENERAL

- 27.1 A variation to this Agreement shall only be effective if made in writing signed by or on behalf of each of the Parties.

- 27.2 No person shall have any right to enforce any term or condition of this Agreement under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy which exists or is available apart from that Act.
- 27.3 This Agreement may be executed in any number of counterparts, and by the Parties on separate counterparts, but shall not be effective until each Party has executed at least one counterpart. Each counterpart shall constitute an original of this Agreement but all of the counterparts taken together shall constitute one and the same agreement.
- 27.4 The Parties acknowledge and agree that, so far as permitted by Applicable Law, the provisions of the Insurance Act 2015 shall not apply to this Agreement. Accordingly, the Parties agree that the rights and remedies of each Party pursuant to this Agreement may differ from those that might otherwise be available under the Insurance Act 2015.
- 27.5 The Parties acknowledge and agree that the Reinsurer shall be permitted to reinsure its liabilities under this Agreement to a retrocessionaire, including (for the avoidance of doubt) another member of the Aviva Group.
- 27.6 In the event that a change in Applicable Law results in a provision of this Agreement contravening, or becoming likely to contravene, Applicable Law, then the Parties shall negotiate in good faith to amend the relevant provision taking into account the other provisions of this Agreement and their economic substance and spirit, with the aim of maintaining the spirit (both economic and functional) of this Agreement.

28. GOVERNING LAW

- 28.1 This Agreement and any non-contractual obligations arising from or in connection with it shall be governed by, and shall be construed in accordance with, English law.

IN WITNESS WHEREOF each Party has executed this Agreement on the date first written above.

SIGNED by)
)
)
.....)

**for and on behalf of
FRIENDS FIRST LIFE
ASSURANCE COMPANY
DESIGNATED ACTIVITY
COMPANY**

.....
Director

SIGNED by)
)
)
.....)

**for and on behalf of
AVIVA LIFE & PENSIONS UK
LIMITED**

.....
Director

Schedule 1
Security Arrangements (agreed form)

DATED

2019

AVIVA LIFE & PENSIONS UK LIMITED
(as Chargor)

- and -

FRIENDS FIRST LIFE ASSURANCE COMPANY DESIGNATED ACTIVITY COMPANY
(as Reinsured)

DEED OF CHARGE

Slaughter and May
One Bunhill Row
London EC1Y 8YY

THIS DEED OF CHARGE made on 2019

BETWEEN:

- (1) **Aviva Life & Pensions UK Limited**, a company incorporated in England and Wales under registered number 4096141 whose registered office is at Wellington Row, York, YO90 1WR (the “**Chargor**”); and
- (2) **Friends First Life Assurance Company Designated Activity Company**, a company incorporated in the Republic of Ireland under registered number 165970 whose registered office is at Friends First House, Cherrywood Business Park, Loughlinstown, Dublin 18, Ireland (the “**Reinsured**”).

WITNESSES as follows:

1. Interpretation

- 1.1 In this Deed, except insofar as the context otherwise requires, the following words and expressions shall have the meanings set out below:

“**Brexit Reinsurance Agreement**” means the reinsurance agreement dated on or around the date of this Deed whereby the Chargor agrees to reinsure the Reinsured in respect of certain business transferred to it from the Chargor pursuant to Part VII of the Financial Services and Markets Act 2000 which the Chargor had previously written pursuant to EU passporting permissions, and to which this Deed is attached as an appendix.

“**Business Day**” means a day other than a Saturday, Sunday or public holiday in England or Ireland on which banks are ordinarily open for business in London and Dublin;

“**Charged Property**” means the assets of the Chargor from time to time (other than any Excluded Assets), and includes any part of them;

“**Enforcement Event**” means any event or circumstance specified in Clause 14.1 (*Termination on Notice*) (excluding paragraphs (C), (E), (L) and (M) thereof) of the Brexit Reinsurance Agreement;

“**Excluded Assets**” means any asset subject to fixed security, or over which the Chargor is prohibited, either absolutely or conditionally, from creating security, including where prior consent would be required;

“**Insurance Debts**” has the meaning attributed to that expression by Regulation 2 of The Insurers (Reorganisation and Winding Up) Regulations 2004;

“**Liabilities**” means any liability, damage, loss, cost, claim or expense of any kind or nature (including VAT), whether direct, indirect, special, consequential or otherwise;

“**Reinsurance Contracts**” means reinsurance contracts written by the Chargor which are contracts of long term insurance as that term is defined in Article 3 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;

“**Secured Amounts**” means all money and liabilities now or in the future due, owing or incurred in any manner to the Reinsured by the Chargor under or in connection with the Brexit Reinsurance Agreement, whether actually, prospectively or contingently;

“**Security Interest**” means any right or interest arising out of:

- (A) any mortgage, charge, pledge, assignment (whether or not expressed to be by way of security), hypothecation, lien, encumbrance or other priority or security interest of any kind, howsoever created or arising;
- (B) any deferred purchase, title retention, trust, sale-and-repurchase, sale-and-leaseback, hold back or “flawed asset” arrangement or right of set-off;
- (C) any other agreement or arrangement of any kind having the same or a similar commercial or economic effect as security; and
- (D) any agreement for any of the foregoing; and

“**VAT**” means valued added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature.

1.2 **Interpretation:** Unless the context otherwise requires, in this Deed:

- (A) references to any party shall be construed so as to include that party’s respective successors in title, permitted assigns and permitted transferees;
- (B) “**including**” and “**in particular**” shall not be construed restrictively but shall mean respectively “including, without prejudice to the generality of the foregoing” and “in particular, but without prejudice to the generality of the foregoing”;
- (C) a “**person**” includes any individual, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing;
- (D) “**variation**” includes any variation, amendment, accession, novation, restatement, modification, assignment, transfer, supplement, extension, deletion or replacement however effected and “**vary**” and “**varied**” shall be construed accordingly;

- (E) **“writing”** includes facsimile transmission legibly received except in relation to any certificate, notice or other document which is expressly required by this Deed to be signed and **“written”** has a corresponding meaning;
- (F) subject to clause 12 (*Variations*), references to this Deed or to any other document include references to this Deed or such other document as varied in any manner from time to time;
- (G) the singular shall include the plural and vice versa; any gender shall include the other genders; clauses shall be construed as references to clauses of this Deed.

1.3 **Statutes:** Any reference to any statute or statutory instrument or any section of it shall be deemed to include a reference to any statutory modification or re-enactment of it for the time being in force.

1.4 **Headings:** Headings in this Deed are inserted for convenience and shall not affect its interpretation.

2. **Covenant to pay Secured Amounts**

The Chargor hereby covenants that it will pay or discharge when due to the Reinsured all Secured Amounts owing by it to the Reinsured in accordance with the terms of the Brexit Reinsurance Agreement.

3. **Creation of Floating Charge and Crystallisation**

3.1 As continuing security for the payment or discharge of the Secured Amounts, the Chargor hereby charges to the Reinsured by way of floating charge all its right to and title in the Charged Property, provided that, unless and until all Insurance Debts of the Chargor have been fully discharged, the amount recoverable under this Deed shall not exceed such amount (up to the Secured Amounts) as the Reinsured would have been entitled to receive from the Chargor if the Secured Amounts had been unsubordinated Insurance Debts of the Chargor and had not been hereby secured.

3.2 The Reinsured shall not appoint out of court a receiver, an administrator or other person in a similar capacity and shall not take possession of the Charged Property without a court order.

3.3 The Reinsured may crystallise the floating charge by giving notice to the Chargor in respect of any or all of the Charged Property where:

- (A) an administrator, a liquidator or other person in a similar capacity has been appointed to act in relation to the Chargor; and
- (B) the Reinsured reasonably considers there to be a serious imminent risk that such person may distribute a dividend to creditors (other than preferential creditors) of the Chargor.

3.4 The floating charge created by clause 3.1 shall crystallise if and when:

- (A) an Enforcement Event has occurred and is continuing and the Reinsured has served a notice in writing to the Chargor in accordance with Clause 14.1 of the Brexit Reinsurance Agreement; and
- (B) an administrator, a liquidator or other person in a similar capacity (including but not limited to persons in foreign jurisdictions) decides or resolves to take or takes any step to distribute a dividend to creditors (other than preferential creditors) of the Chargor, or gives notice or otherwise expresses his intention to do so to such creditors.

In such event, the floating charge created by Clause 3.1 shall automatically and instantly crystallise into a fixed charge over the Charged Property.

- 3.5 A charge which has crystallised under Clauses 3.3 or 3.4 may, by notice in writing given at any time by the Reinsured, be reconverted into a floating charge in relation to the Charged Property specified in such notice.

4. Representations and Warranties

The Chargor represents and warrants to the Reinsured that:

- (A) it has the capacity and power to execute and deliver this Deed and to perform its obligations under it and has taken all necessary action to authorise such execution, delivery and performance;
- (B) the persons signing this Deed on its behalf are duly authorised to do so on its behalf;
- (C) it has obtained all authorisations of any governmental or regulatory body required in connection with execution, delivery and performance of this Deed and such authorisations are in full force and effect;
- (D) the execution, delivery and performance of this Deed has not, and will not, violate any law or rule applicable to it;
- (E) it is acting as a principal in entering into this Deed and performing its obligations hereunder; and
- (F) it has the right to charge the Charged Property in favour of the Reinsured under this Deed.

5. Ranking

The floating charge hereby created shall rank *pari passu* with any prior, contemporaneous or subsequent floating charge which is expressed to rank *pari passu* with it that secures liabilities incurred by the Chargor under or in connection with Reinsurance Contracts with other reinsureds or cedants.

6. Ordinary course of dealings

- 6.1 At all times prior to the crystallisation of the floating charge created by this Deed, the Chargor shall be at liberty to deal with the Charged Property in the ordinary course of business.
- 6.2 Without any intention to limit the scope of paragraph 6.1, it is hereby agreed that the Chargor may, in the ordinary course of business, enter into any agreement for the transfer of securities, financial instruments, money and/or other assets by way of a stock lending or borrowing, repurchase arrangement or sale and buy-back, as well as enter into collateralised derivatives contracts, and perform its obligations under any such agreement, arrangement or contract.

7. Continuance of Security; Redemption

- 7.1 Without prejudice to the generality of clause 2 (*Covenant to pay Secured Amounts*), the charge, covenants and provisions contained in this Deed shall remain in force as a continuing security to the Reinsured, notwithstanding any settlement of account or any other act, event or matter whatsoever, except only the execution by the Reinsured of an absolute and unconditional release by deed under English law.
- 7.2 Once the Secured Amounts are repaid and discharged in full and the Chargor has no further obligation (whether actual, prospective or contingent) in relation to the Brexit Reinsurance Agreement, the Chargor shall be entitled to redeem the security constituted by this Deed and to require the Reinsured to effect a full release and discharge of it, including performing all such deeds, acts and things as are necessary to release the Charged Property from the security created by this Deed.

8. Reinsured's Undertaking

If the Reinsured is notified in advance in writing that a meeting of creditors of the Chargor is to be convened or held for the purposes of approving a proposal for a scheme of arrangement under Part 26 of the Companies Act 2006 or for a voluntary arrangement under Part 1 of the Insolvency Act 1986 in respect of the Chargor, the Reinsured undertakes that it will agree to be bound by the proposal and (to the extent necessary to give effect to the intention of this clause) to release the security constituted by this Deed, provided that:

- (A) the proposal has the effect of ensuring that the Reinsured will receive the amount recoverable under this Deed up to the limit specified in clause 3.1; and
- (B) if (but only if) the Reinsured had notified the Chargor at or prior to the meeting that the Reinsured opposed the proposal, the proposal would have been passed by the requisite majority(ies) even if the Reinsured had been entitled to vote on the proposal in respect of the Secured Amounts as an Insurance Debt and had voted against the proposal in respect of that amount.

9. Additional Security

The charge contained in this Deed is in addition to, and shall neither be merged in, nor in any way exclude or prejudice, any other Security Interest, right of recourse or other right whatsoever which the Reinsured may now or in the future hold or have (or would apart from this Deed hold or have) as regards the Chargor or any other person in respect of the Secured Amounts, whether by virtue of contract, statute or otherwise.

10. Third Party Rights

No person other than a party to this Deed shall have any right by virtue of the Contracts (Rights of Third Parties) Act 1999 to enforce any term (express or implied) of this Deed, but without prejudice to any right or remedy of the third party which may exist or be available apart from that Act.

11. Forbearance and Illegality

11.1 **Delay etc:** All rights, powers and privileges under this Deed shall continue in full force and effect, regardless of the Reinsured exercising, delaying in exercising or omitting to exercise any of them.

11.2 **Illegality, invalidity, unenforceability:** Any provision of this Deed which is or becomes illegal, invalid or unenforceable shall be ineffective only to the extent of such illegality, invalidity and unenforceability, without invalidating the remaining provisions of this Deed.

12. Variations

No variation of this Deed shall be valid and constitute part of this Deed, unless such variation shall have been made in writing and signed by the Chargor and the Reinsured.

13. Demands, Notices etc

13.1 **Demands:** A demand for payment or other demand or notice to the Chargor under this Deed shall be made or given by any director or officer of the Reinsured in accordance with clause 13.2.

13.2 **Addresses for notice and deemed service:** Each party shall notify to the other party an authorised address and email address in the United Kingdom or the Republic of Ireland for the purpose of this clause and the first such authorised address for each party shall be the address and email address stated in clause 13.3. Any demand, notice, consent or approval or other communication to be given under this Deed shall be in writing and shall either be delivered personally or sent by pre-paid post or email to the relevant party's address or email address stated in clause 13.3 (or such other address or email address (in each case in the United Kingdom or the Republic of Ireland) as is notified in writing from time to time by such party to the other party in accordance with the requirements of this clause). Any such notice shall be effective upon receipt and shall be deemed to have been received:

- (A) if delivered personally, at the time of delivery;
- (B) if sent by pre-paid post, at noon two Business Days following posting; and
- (C) if communicated by email, upon receipt by the recipient,

PROVIDED that where, in the case of delivery by hand or email, delivery or transmission occurs after 3.00pm on a Business Day or on a day which is not a Business Day, receipt shall be deemed to occur at 9.00am on the next following Business Day.

13.3 Addresses for service: For the purposes of this clause the authorised address of each party shall be the address set out below:

(A) **Chargor:**

Address: Wellington Row, York, YO90 1WR

Email address: lplaw@aviva.com (and cc'd to thomas.sealy@aviva.com)

Attention: General Counsel, Aviva UKI

(B) **Reinsured:**

Address: One Park Place, Hatch Street, Dublin 2

Email address: irelandcosec@aviva.com

Attention: The Company Secretary

14. Governing law and jurisdiction

14.1 **Governing law:** This Deed and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with English law.

14.2 Jurisdiction of English courts:

- (A) The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed, including a dispute regarding the existence, validity or discharge of this Deed or the security comprised in it or any non-contractual obligations connected with it (a "**Dispute**").
- (B) The parties agree that the English courts are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.
- (C) Nothing in this clause limits the rights of the Reinsured to bring proceedings against the Chargor in connection with this Deed in any other court of competent jurisdiction or concurrently in more than one jurisdiction.

15. Counterparts

This Deed may be executed in any number of counterparts, each of which when executed and delivered is an original and all of which together evidence the same Deed.

THIS DEED has been executed by the Parties as a deed and it shall take effect on the day and year first above written.

EXECUTED as a **DEED** by)
as attorney for and on behalf of)
AVIVA LIFE & PENSIONS UK LIMITED in)
the presence of)

Signature of attorney

Witness signature

Witness name

Witness address

Witness occupation

PRESENT when the common seal of)
FRIENDS FIRST LIFE ASSURANCE)
COMPANY DAC)
was affixed hereto:)

Director

Director/Secretary

Schedule 2

Calculation of Back-Book Premiums

The Parties shall agree the value of the Belgian Fund Back-Book Premium, the FLAS Fund Back-Book Premium, the FP Fund Back-Book Premium, the New Fund Back-Book Premium, the Non-Profit Back-Book Premium and the Old Fund Back-Book Premium (each, for the purposes of this schedule only, a “**Back-Book Premium**”), in accordance with Parts A, B, C, D, E and F below and based upon the best information available to the Parties. For the avoidance of doubt, the starting point for the calculation of the Back-Book Premium before any margin is applied is the value of the Transferred Liabilities (as such term is defined under the Scheme) that relate to the Reinsured Business. Any references below to Best Estimate Liabilities (“BEL”) shall therefore include liabilities relating to the Reinsured Business other than the BEL should any such liabilities transfer under the Scheme.

In the event of any dispute between the Reinsurer and the Cedant as to the value of a Back-Book Premium, the Parties shall consult with each other and attempt to reach a solution satisfactory to both Parties. If the Parties are unable to agree a value, then the chief financial officer of Aviva plc (from time to time) shall determine the value of such Back-Book Premium.

Part A: Belgian Fund Back-Book Premium

The Belgian Fund Back-Book Premium shall represent the economic value of the Reinsured Quota of the Belgian Fund Liabilities as at the Risk Transfer Time. In relation to such insurance business, this shall be calculated as BEL plus an appropriate margin in accordance with Solvency II and the Transfer Methodology in force at the appropriate time. The Belgian Fund Back-Book Premium shall be agreed by the boards of both the Cedant and the Reinsurer acting reasonably and in good faith.

Part B: FLAS Fund Back-Book Premium

The FLAS Fund Back-Book Premium shall represent the economic value of the Reinsured Quota of the FLAS Fund Liabilities as at the Risk Transfer Time. In relation to such insurance business, this shall be calculated as BEL plus an appropriate margin in accordance with Solvency II and the Transfer Methodology in force at the appropriate time. The FLAS Fund Back-Book Premium shall be agreed by the boards of both the Cedant and the Reinsurer acting reasonably and in good faith.

Part C: FP Fund Back-Book Premium

The FP Fund Back-Book Premium shall represent the economic value of the Reinsured Quota of the FP Fund Liabilities as at the Risk Transfer Time. In relation to such insurance business, this shall be calculated as BEL plus an appropriate margin in accordance with Solvency II and the

Transfer Methodology in force at the appropriate time. The FP Fund Back-Book Premium shall be agreed by the boards of both the Cedant and the Reinsurer acting reasonably and in good faith.

Part D: New Fund Back-Book Premium

The New Fund Back-Book Premium shall represent the economic value of the Reinsured Quota of the New Fund Liabilities as at the Risk Transfer Time. In relation to such insurance business, this shall be calculated as BEL plus an appropriate margin in accordance with Solvency II and the Transfer Methodology in force at the appropriate time. The New Fund Back-Book Premium shall be agreed by the boards of both the Cedant and the Reinsurer acting reasonably and in good faith.

Part E: Non-Profit Back-Book Premium

The Non-Profit Back-Book Premium shall represent the economic value of the Reinsured Quota of the Non-Profit Liabilities as at the Risk Transfer Time. In relation to such insurance business, this shall be calculated as BEL plus an appropriate margin in accordance with Solvency II and the Transfer Methodology in force at the appropriate time. The Non-Profit Back-Book Premium shall be agreed by the boards of both the Cedant and the Reinsurer acting reasonably and in good faith.

Part F: Old Fund Back-Book Premium

The Old Fund Back-Book Premium shall represent the economic value of the Reinsured Quota of the Old Fund Liabilities as at the Risk Transfer Time. In relation to such insurance business, this shall be calculated as BEL plus an appropriate margin in accordance with Solvency II and the Transfer Methodology in force at the appropriate time. The Old Fund Back-Book Premium shall be agreed by the boards of both the Cedant and the Reinsurer acting reasonably and in good faith.

Schedule 3
Quarterly report (template)

Cedant: Friends First Life Assurance Company dac

Reinsurer: Aviva Life & Pensions UK Ltd

Reference Period:

(A) Premium Payments Paid by Cedant to the Reinsurer €'000s (See Note 1)

	With Profit Business	Non Profit Business	Unit Linked Business	Unitised With Profit Business	Total
Belgian Fund Business					
FLAS Fund Business					
FP Fund Business					
New Fund Business					
Old Fund Business					
Non Profit Business					
Total					

(B) Premium Payments Paid by Policyholders to the Reinsurer €'000s (See Note 1)

	With Profit Business	Non Profit Business	Unit Linked Business	Unitised With Profit Business	Total
Belgian Fund Business					
FLAS Fund Business					
FP Fund Business					
New Fund Business					
Old Fund Business					

Non Profit Business					
Total					

(C) Claim Payments Paid by the Reinsurer to the Cedant €'000s (See Note 2)

	With Profit Business	Non Profit Business	Unit Linked Business	Unitised With Profit Business	Total
Belgian Fund Business					
FLAS Fund Business					
FP Fund Business					
New Fund Business					
Old Fund Business					
Non Profit Business					
Total					

(D) Claim Payments Paid by the Reinsurer to the Policyholders €'000s (See Note 2)

	With Profit Business	Non Profit Business	Unit Linked Business	Unitised With Profit Business	Total
Belgian Fund Business					
FLAS Fund Business					
FP Fund Business					
New Fund Business					
Old Fund Business					
Non Profit Business					
Total					

(E) Ceding Commission in respect of the Reference Period €'000s	
--	--

Note 1:

Reinsurance Treaty Clause 3.5: "The obligation of the Cedant under clause 3.2 to make any Premium Payment may be satisfied in full by the payment of a sum equal to that Premium Payment by the relevant policyholder to the Reinsurer in lieu of the Cedant paying the same to the Reinsurer."

Note 2:

Reinsurance Treaty Clause 4.4: "The obligation of the Reinsurer under clause 4.1 to make any Claims Payment may be satisfied in full by the payment of a sum equal to that Claims Payment by the Reinsurer to the relevant policyholder in lieu of the Reinsurer paying the same to the Cedant."

Schedule 4
Calculation of Termination Amount

The Termination Amount calculation shall take account of the methodology used to derive the Total Back-Book Premium, as outlined in Schedule 2 for each fund and any subsequent changes to the Aviva Group Transfer Methodology. It shall represent the economic value of the Reinsured Quota of the Reinsured Liabilities as at the Termination Date, including liabilities other than the BEL that relate to the Reinsured Business should any such liabilities transfer under the Scheme. In relation to the Termination Amount in respect of the FP Fund Business and the Old Fund Business, this shall be calculated as BEL plus an allowance for future distributions of the estate in respect of these funds taking into account the sustainable estate distributions at the appropriate time. In relation to the Termination Amounts in respect of the Belgian Fund Business, the FLAS Fund Business, the New Fund Business and the Non-Profit Business, this shall be calculated as BEL plus an appropriate margin in accordance with Solvency II and the Transfer Methodology in force at the appropriate time. The Termination Amount shall be agreed by the boards of both the Cedant and the Reinsurer acting reasonably and in good faith.

Schedule 5
Products comprising Non-Profit Business

Territory	Product name	Description	Approx. no. of policies
Sweden	Alphasave	Unit linked regular/single premium fixed term investment	3,200
Sweden	Personal Investment Plan Regular Premium	Unit linked regular premium fixed term investment	60
Sweden	Personal Investment Plan Single Premium	Unit linked single premium fixed term investment	80
Ireland	Irish Personal Pension	Unit linked personal pension contract	360
Ireland	Irish Portfolio Bond	Unit linked bond	110
Ireland	Ulster Bank Bond	Unit linked bond	50
Germany	Terma	Regular premium life insurance	60
Germany	Gala	Unit linked regular premium fixed term investment with life cover	170
Germany	Diva	Unit linked pension savings contract	70
Germany	Basic	Unit linked regular and single premium pension contracts	14,000
Germany	Business	Unit linked regular and single premium pension	18,000

		contracts. May take regular withdrawals.	
Germany	Private	Unit linked regular and single premium pension contracts. May take regular withdrawals. Closer to traditional savings plans.	26,000
Iceland	Options Term Assurance	Fixed term level benefit regular premium life insurance	5,700
Iceland	Options Critical Illness	Fixed term level benefit regular premium critical illness	7,100
Iceland	Options Investment Plan	Unit linked regular premium fixed term	5,500

Schedule 3
NIA Amount and Nominated Investment Assets

1 Calculation of the NIA Amount

- 1.1 By no later than ten (10) Business Days prior to the Effective Time, the Transferor shall calculate and provide the Transferee with its best estimate of what the Transferor expects the Capitalisation Amount will be as at the Effective Time (such estimate being the “NIA Amount”), based upon the best information available to the Transferor at the time that it carries out such estimate. If the Capitalisation Amount is a negative number, then the NIA Amount shall equal zero and no Nominated Investment Assets shall be transferred to the Transferee pursuant to this Scheme.

2 Determination of the Nominated Investment Assets

- 2.1 Once the NIA Amount has been notified in accordance with paragraph 1 of this Schedule, the Transferor and the Transferee shall discuss and identify such property of the Transferor as is equal to the value of the NIA Amount and which the parties agree shall form part of the Transferred Assets and be transferred to the Transferee pursuant to this Scheme (the “**Nominated Investment Assets**”).
- 2.2 Where the parties reach agreement in relation to the identity of the Nominated Investment Assets, details of those assets shall be set down in writing and shall be deemed to be the Nominated Investment Assets. If the parties fail to reach agreement in relation to the identity of the Nominated Investment Assets within five (5) Business Days of the notification of the NIA Amount, then the identity of the Nominated Investment Assets shall be determined by the chief financial officer of Aviva plc (from time to time). The determination of the identity of the Nominated Investment Assets by the chief financial officer of Aviva plc shall be binding on both parties.

Schedule 4
Calculation of Guaranteed IWPF Bonuses

1 Principles of calculation

- 1.1 The Transferee shall calculate the fair value of liabilities of the Transferee in respect of the Converting IWPF Policies (for the purposes of this schedule only, "**Liabilities**") as at the IWPF Conversion Date.
- 1.2 For the purposes of calculating the Guaranteed IWPF Bonuses the fair value of the Liabilities shall be greater than or equal to the fair value of the property allocated to the ALPI Irish WPF (for the purposes of this schedule only, "**Assets**") as at the IWPF Conversion Date. Therefore, as required by paragraph 42.4, if the fair value of the Assets is less than the fair value of the Liabilities on the IWPF Conversion Date, then for the purpose of calculating the Guaranteed IWPF Bonuses the fair value of the Assets will be taken to be equal to the fair value of the Liabilities.
- 1.3 For the purposes of determining the fair value of the Liabilities, the assumptions and methods used will be on the basis that the IWPF Conversion does not take place.
- 1.4 Except where otherwise provided, the assumptions and methods used for the purposes of this schedule shall be determined by the Board of the Transferee having taken appropriate actuarial advice.
- 1.5 In calculating the fair value of the Assets and the Liabilities it will be assumed that the transfer of amounts by or to the ALPI Irish WPF in accordance with paragraph 42.2(a) have taken place immediately prior to Conversion.
- 1.6 The form and amounts of the Guaranteed IWPF Bonuses shall be determined by the Board of the Transferee, having taken appropriate actuarial advice and having consulted with the Head of Actuarial Function.
- 1.7 Having determined the value of the Assets at the IWPF Conversion Date (as modified, if necessary, in accordance with paragraph 1.2 of this schedule), the Guaranteed IWPF Bonuses shall be determined on a basis designed to equate the value of the Assets with the value of the Liabilities in respect of the Converting IWPF Policies, as increased by the Guaranteed IWPF Bonuses applied to such Policies. For this purpose:
- (a) in determining the value of the liabilities under the Converting IWPF Policies on and from the IWPF Conversion Date (for the purposes of this schedule only, the "**Post-Conversion Liabilities**"), the assumptions and methods used (including assumptions regarding the

property backing the Post-Conversion Liabilities) shall take into consideration that, on and from the IWPF Conversion Date, the Converting IWPF Policies shall not be with-profits Policies;

- (b) the assumptions and methods used will be fair to holders of Converting IWPF Policies as determined by the Board of the Transferee, having taken appropriate actuarial advice and having consulted the Head of Actuarial Function (accepting that the Head of Actuarial Function may wish to seek its own external advice on this matter);
- (c) the Post-Conversion Liabilities shall take account of all guarantees and options under the Converting IWPF Policies;
- (d) the Guaranteed IWPF Bonuses shall apply to the Converting IWPF Policies until those policies terminate in accordance with their terms;
- (e) the determination of the Guaranteed IWPF Bonuses shall take into account any associated shareholder interest and the allocated tax thereon as if the amounts allocated to Converting IWPF Policies under the Guaranteed IWPF Bonuses were with-profits bonuses; and
- (f) the determination of the Guaranteed IWPF Bonuses will assume that there is no additional cost of capital associated with the Conversion.

1.8 For the purposes of this schedule “**fair value**” means the value that the Board of the Transferee, having taken appropriate actuarial advice and having consulted with the Head of Actuarial Function, determines is fair both to the Transferee and to the holders of Converting IWPF Policies.