

SCHEDULE 2

THE HIGH COURT

2023 No. COS

IN THE MATTER OF THE ASSURANCE COMPANIES ACT 1909, THE INSURANCE ACT 1989
AND THE EUROPEAN UNION (INSURANCE AND REINSURANCE) REGULATIONS 2015

AND IN THE MATTER OF A PROPOSED TRANSFER OF INSURANCE BUSINESS
BETWEEN IRISH LIFE ASSURANCE PUBLIC LIMITED COMPANY AND SAOL ASSURANCE
DESIGNATED ACTIVITY COMPANY TRADING AS AIB LIFE

SCHEME

THIS SCHEME RECORDS THAT

- (A) Pursuant to a distribution agreement between Irish Life Assurance Public Limited Company (the "Transferor") and Allied Irish Banks, plc ("AIB") dated 1 February 2012 and subsequently amended (the "Transferor Distribution Agreement"), certain life assurance products (including savings, pensions and investments) were sold by the Transferor to AIB customers (the "Customers") through AIB's distribution network.
- (B) Under a Subscription and Shareholders Agreement (the "SHA") dated 23 June 2021 and made between AIB and Canada Life Irish Holding Company Limited ("CLIHC"), AIB and CLIHC agreed to establish Saol Assurance Holdings Limited (formerly AIB JV Holdings Limited) ("Transferee HoldCo") as a 50:50 joint venture holding company. Pursuant to the SHA, it was also agreed that Saol Assurance Designated Activity Company, trading as AIB Life (formerly AIB JV Designated Activity Company) (the "Transferee") would be incorporated as Transferee HoldCo's wholly owned insurance company subsidiary. The Transferee, after receiving its authorisation as an insurance undertaking from the Central Bank on 17 February 2023, entered into an exclusive distribution agreement with AIB in relation to the sale and distribution of life assurance products to AIB customers through various AIB distribution channels on 15 May 2023.
- (C) This Scheme is adopted in order to give effect to a business transfer agreement ("BTA") dated 12 May 2022 between the Transferor, Irish Life Group Limited ("ILG") and the Transferee, by which, among other things, the Transferee will acquire from the Transferor the Transferring Policies.
- (D) The Transferring Policies comprise the life assurance products (savings, pensions and investment plan life assurance), with the exception of life protection products and certain other categories of policies, which have been sold by the Transferor to Customers through AIB's distribution network under the Transferor Distribution Agreement, as described in further detail in the Scheme.
- (E) AIB and the Transferor amended the Transferor Distribution Agreement pursuant to an Amendment and Restatement Agreement dated 3 August 2022 and terminated it in accordance with its amended terms by entering into the DA Amendment and Termination Agreement. The provisions of the Transferor Distribution Agreement that were agreed to survive termination and relate to the Transferring Policies were then deemed to, and do, constitute a continuing agreement between the Transferor and AIB dated [•] 2023¹ (the "Transferring Policies Run-Off Distribution Agreement"). The Transferring Policies DA Novation Agreement facilitates

¹ Note to draft: To be entered into in September 2023.

the novation of, *inter alia*, the Transferring Policies Run-Off Distribution Agreement, insofar as it relates to the Transferring Policies, to the Transferee on the Effective Date.

- (F) The Transaction is conditional upon certain conditions being fulfilled to the satisfaction of the Transferor and the Transferee (each acting reasonably), including:
- 1) the agreement (or deemed agreement) of any applicable Regulatory Authority in each Member State, in which any commitments under the Transferring Policies concluded by the Transferor are situated, following such notifications as are deemed appropriate by the Central Bank (if any);
 - 2) that the Central Bank does not object to the Transaction;
 - 3) confirmation in writing from the Central Bank certifying that the Transferee has the necessary eligible own funds to cover the Solvency Capital Requirement referred to in Regulation 113 of the 2015 Regulations;
 - 4) satisfaction of any applicable requirements under Part 3 of the Competition Act 2002 (as amended), if required;
 - 5) satisfaction of all relevant pre-transfer Transferring Policyholder notification requirements in connection with the transfer of the Transferring Policies or otherwise in connection with the Transaction as may be determined or directed by Applicable Laws or by the Court and any applicable Regulatory Authority; and
 - 6) the sanction of the Scheme by the Court.
- (G) Subject to such authorisations as are by law required to be obtained, it is proposed that the Transferring Policies, as hereinafter defined, shall by Order of the Court, be transferred to the Transferee and be dealt with in accordance with the BTA and the Scheme subject to, and in accordance with, section 13 of the 1909 Act and section 36 of the 1989 Act.
- (H) The Transferor has notified the Central Bank of the terms of this Scheme in accordance with regulation 41 of the 2015 Regulations.

AND THIS SCHEME THEREFORE PROVIDES

1. Interpretation

In this Scheme the following expressions have the following meanings:

“1909 Act” means the Assurance Companies Act 1909 (as amended);

“1989 Act” means the Insurance Act 1989 (as amended);

“2015 Regulations” means the European Union (Insurance and Reinsurance) Regulations 2015 (as amended);

“Affiliate” means, with respect to any person, any other person that directly or indirectly controls, is controlled by, or is under common control with, such person;

“AIB” has the meaning ascribed to that term in the Preamble;

"AIB Distributed Policies" means all (i) those executive pension plans issued by the retail division of the Transferor pursuant to the Transferor Distribution Agreement prior to 22 April 2021; and (ii) all in-force unit-linked life savings and all investment plans, personal pension plans issued by the retail division of the Transferor pursuant to the Transferor Distribution Agreement, including any endorsements or amendments thereto and under which any liability or contingent liability remains unsatisfied or outstanding at the Effective Date;

"Applicable Laws" means all applicable laws, rules, regulations, ordinances, directives, statutes, treaties, conventions, and other agreements between states, or between states and the European Union or other supranational bodies, rules of common law, and all other laws of, or having effect in, relevant jurisdictions, authorisations, permits, licences, rules of any stock exchange on which the shares of the Transferor or the Transferee (or any of their holding companies) are listed, binding orders, decrees, or rulings of any Regulatory Authority and formal guidance or measures of any Regulatory Authority;

"Buyer Group" means Transferee HoldCo and any undertaking that is a subsidiary undertaking of Transferee HoldCo;

"BTA" has the meaning ascribed to that term in the Preamble;

"Central Bank" means the Central Bank of Ireland;

"CLIHC" has the meaning ascribed to that term in the Preamble;

"Court" means the High Court or the Court of Appeal or the Supreme Court as each of their respective jurisdictions are determined by the laws of Ireland;

"Customers" has the meaning ascribed to that term in the Preamble;

"DA Amendment and Termination Agreement" means the Amendment and Termination Agreement made between AIB and the Transferor dated 14 May 2023;

"Data Protection Legislation" means all applicable laws and regulatory requirements in relation to data protection and privacy (i.e. protecting the fundamental rights and freedoms of individuals to privacy with respect to the processing of personal data), or similar laws that apply in relation to the processing of Transferring Policyholder Data, including without limitation, (a) the GDPR, (b) the European Communities (Electronic Communications Networks and Services) (Privacy and Electronic Communications) Regulations 2011, (c) any national data protection or privacy laws applicable to the Transferor or the Transferee, and (d) all applicable implementing, derivative or related laws, rules and regulations;

"Effective Date" means the effective date of the Transfer as specified in the Order;

"Encumbrance" means a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including a title transfer or retention arrangement) having similar effect;

"Excluded Liabilities" means any Extra-Contractual Obligations to the extent:

- (a) the conduct, including a course of dealing giving rise to the liability arising out of or relating to a Transferring Policy (the **"Conduct"**), occurs prior to the date of the BTA; and

1.1.1. the Conduct occurred after the date of the BTA but prior to the Effective Date, except where the Conduct conformed with standards, practices or directions agreed to by the Transferee or was requested by, or subsequently consented to or ratified by, the Transferee;

“Excluded Policies” means:

- (a) all AIB Distributed Policies issued by the Transferor to AIB Customers prior to 2 April 2012;
- (b) all AIB Distributed Policies with an investment in an Excluded Fund;
- (c) all AIB Distributed Policies issued and/or administered by the Transferor’s Corporate Business Division;
- (d) all AIB Distributed Policies for which AIB no longer acts as the servicing agent under the terms of the Transferor Distribution Agreement;
- (e) investment bonds which are past the end of their investment term;
- (f) executive pension plans that were issued by the Retail Division of the Transferor after 22 April 2021;
- (g) all AIB Distributed Policies sold in the United Kingdom; and
- (h) any standard PRSA policies of the Transferor which would otherwise have been Transferring Policies ("standard PRSA" having the meaning in Part X of the Pensions Act 1990 (as amended));

“Excluded Fund” means any Transferor Linked Fund in which any AIB Distributed Policy is invested and which is not deemed to have a suitable corresponding Transferee Linked Fund into which such AIB Distributed Policies can be invested pursuant to the Scheme, including the following:

- (a) Direct Property;
- (b) Directly invested in externally managed funds, such as Davy, Fidelity and Amundi;
- (c) Guaranteed Funds:
 - i. Guaranteed Cash
 - ii. Exempt Guaranteed Fund
 - iii. Protected Consensus Markets Fund;

“Extra-Contractual Obligations” means all liabilities to any person arising out of or relating to the Transferring Policies other than liabilities arising under the express terms and conditions and within the policy limits of the Transferring Policies as such terms are reasonably interpreted by the Transferor. In this definition, liabilities include any loss in excess of the limits arising under or covered by any Transferring Policy, any liability for fines, penalties, Taxes, fees, forfeitures, compensatory, consequential, punitive, exemplary, special treble, bad faith, tort, statutory or any other form of extra-contractual damages, as well as all professional fees and expenses relating thereto; which liabilities arise out of, result from or related to, any act, error or omission, whether or not intentional, negligent, fraudulent, in bad faith or otherwise (actual or alleged), arising out of or relating to the Transferring Policies, including the

investigation, defence, prosecution, trial, settlement (including the failure to settle) or handling of claims, benefits, or payments under the Transferring Policies, including the failure to pay or the delay in payment or errors in calculating or administering the payment of benefits, claims or any other amounts due or alleged to be due under or in connection with the Transferring Policies;

“Estimated Variable Fund Charge” means the variable percentage of any Fund Management Charge applicable to the unit-linked funds underlying the Transferring Policies as calculated by the Transferee on the Effective Date based on the proportion of the underlying unit-linked fund invested in each of the underlying funds and the specific charges for such underlying funds;

“Fund Management Charge” means the overall charges that are applied to the unit-linked funds underlying the Transferring Policies, which:

- (a) before the Effective Date, are calculated by reference to a (i) fixed percentage of the relevant unit-linked fund; and (ii) a variable percentage of the relevant unit-linked fund to create an aggregate fund management charge that is applied to the unit-linked funds underlying the relevant Transferring Policy; and
- (b) on and from the Effective Date, shall be calculated, in accordance with paragraph 6.3 of this Scheme, by reference to a single fixed percentage of relevant unit-linked fund, which shall include the Estimated Variable Fund Charge as a fixed percentage.

“GDPR” means Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation);

“Head of Actuarial Function” means the actuary from time to time of the Transferee appointed pursuant to Regulation 50 of the 2015 Regulations;

“ILG” has the meaning ascribed to that term in the Preamble;

“ILIM” means Irish Life Investment Managers Limited;

“Independent Actuary” means Eamonn Phelan, Fellow Member of the Society of Actuaries in Ireland, of the firm of Milliman Limited, instructed by the Transferor and the Transferee to report in the capacity of independent actuary pursuant to section 13(3) of the 1909 Act in relation to this Scheme;

“Linked Policies” means policies the benefits of which are linked to:

- a) unit-linked funds (and including, without limitation, such policies the effecting and carrying out of which constitutes Class III insurance as specified in the 2015 Regulations); and/or
- b) real property assets (including rights over property consisting of land and/or buildings).

“Order” means the order of the Court made under section 13 of the 1909 Act that sanctions the Transaction and includes any orders made by the Court under section 36 of the 1989 Act (including any ancillary order thereunder and to provide for the transfer of the data);

"Pension Policyholder" means with respect to any Transferring Policy that is a pension product, any holder of such Transferring Policy that has chosen the "ARF Income Lifestyle Strategy"; the "ARF Investment Lifestyle Strategy" or the "Annuity Lifestyle Strategy";

"Real Property Assets" means the real property assets (including rights over property consisting of land and/or buildings) underlying the unit linked liabilities in respect of the Transferring Policies that have been listed at Schedule 1, as same may be updated by the Transferor and the Transferee prior to the Effective Date, provided always that any amendments, changes or updates this list of such Real Property Assets shall be made in accordance with the methodology for assessing the Real Property Assets that has been reviewed and considered by the Independent Actuary in the preparation of his report, such that any such change shall not result in any material prejudice to the relevant policyholders;

"Records" means the electronic (and, to the extent arising, physical) records constituting part of the Transferring Business as agreed by the parties, through the designated lead representative of each of the Transferor and the Transferee, acting reasonably;

"Reference Date" means the calendar quarter end (being 31 March, 30 June, 30 September or 31 December) preceding the final Court hearing to approve the Scheme which is not less than one calendar month prior to such hearing;

"Regulatory Authority" means the Central Bank, and any other person, body, authority, government, local government, regulatory agency with regulatory enforcement, administrative and/or criminal powers in any jurisdiction, and any other governmental authority that regulates any member of the Seller Group or any member of the Buyer Group, other than a Tax Authority;

"Residual Assets" means (i) any property or other rights falling within the definition of Transferring Assets, which:

- (a) by reason of it being outside or not subject to the jurisdiction of the Court or otherwise, the Court has declined to order the transfer to the Transferee under the 1909 Act, the 1989 Act or the 2015 Regulations (as applicable)
- (b) is not, or is not capable of being, transferred or vested in the Transferee on the Effective Date by the Order for any reason;
- (c) the Transferor and the Transferee agree in writing that the transfer of such property should be delayed or such property should not be transferred; and

(ii) any proceeds of sale or income or other accrual or return, whether or not in the form of cash, from time to time received after the Effective Date in respect of or earned on any property or asset (or any interest therein) referred to in paragraph (i) of this definition.

"Residual Liabilities" means all liabilities and obligations (whether present or future, certain or contingent) of the Transferor that is attributable to or connected with any property, asset, interest or agreement referred to in the definition of Residual Assets and arises at any time before the Subsequent Transfer Date applicable to that Residual Asset;

"Seller Group" means the Transferor and all its parent undertakings and all their respective subsidiary undertakings (excluding any member of the Buyer Group);

"Scheme" means this Scheme in its original form or with or subject to any modification, addition or condition which may be approved or imposed by the Court;

“SHA” has the meaning ascribed to that term in the Preamble;

“Subsequent Transfer Date” means the date on which any of the Residual Assets and/or the Residual Liabilities are or are to be transferred to the Transferee, namely in respect of any Residual Asset and Residual Liability associated therewith, the date on which (or within a reasonable timeframe after) any impediment to its transfer shall have been removed or overcome or, as applicable, the date on which the Transferor and the Transferee agree the transfer should take place;

“Tax” or “Taxation” means any form of taxation, levy, duty, charge, contribution, withholding, or impost of whatever nature (including any related fine, penalty, surcharge, or interest) imposed, collected, or assessed by, or payable to, a Tax Authority and includes, for the avoidance of doubt, income tax on amounts equivalent to or in respect of income tax required to be deducted or withheld from or accounted for in respect of any payment;

“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 the Irish Revenue Commissioners;

“Transaction” means the transfer of the Transferring Business to the Transferee;

“Transferee” has the meaning ascribed to that term in the Preamble;

“Transferee Linked Funds” means the unit-linked funds established by the Transferee and managed by ILIM on behalf of the Transferee, which on and from the Effective Date shall be linked to a Transferring Policy as set out in Schedule 2 (each an “Transferee Linked Fund”);

“Transferee HoldCo” has the meaning ascribed to that term in the Preamble;

“Transferee Real Property Asset” has the meaning ascribed to that term in Clause 7.5;

“Transferor” has the meaning ascribed to that term in the Preamble;

“Transferor Distribution Agreement” has the meaning ascribed to that term in the Preamble;

“Transferor Linked Funds” means the unit-linked funds established and managed by ILIM on behalf of Transferor, which immediately prior to the Effective Date are linked to a Transferring Policy as set out in Schedule 2 (each an “Transferor Linked Fund”) or, to the extent relevant, such proportion thereof to which the Transferring Policies relate;

“Transferor Real Property Asset” has the meaning ascribed to that term in Clause 7.5;

“Transferring Assets” means all investment assets (including the relevant property or assets allocated and appropriated as of the Effective Date to each Transferor Linked Fund, the Real Property Assets, cash and other assets, if any) held by the Transferor in connection with or relating to the Transferring Policies, including all assets representing technical provisions calculated as a whole by the Transferor held by the Transferor in respect of its liabilities under the Transferring Policies, in accordance with the 2015 Regulations and any related EU delegated regulations, but excluding, for the avoidance of doubt, any asset, or the relevant proportion of an asset, that (i) is related to a policy that is not a Transferring Policy; and/or (ii) was previously connected or related to a Transferring Policy but is not transferring because it has been agreed between the parties that the cash value of such underlying asset should transfer instead of that underlying asset;

“Transferring Business” means:

- (b) the Transferor's right, title, and interest (free from all Encumbrances) in the Transferring Policies;
- (c) the Records;
- (d) the Transferring Assets; and
- (e) the Transferring Liabilities;

"**Transferring Liabilities**" means all risks, obligations, and liabilities of the Transferor arising out of, or relating to, the Transferring Policies (whether present or future, certain or contingent), to the extent such risks, obligations, and liabilities have not been otherwise transferred or novated to the Transferee, including: (i) liabilities for claims, benefits, interest on claims or unearned premiums, amounts payable for returns or refunds of premiums, claim and other loss adjustment expenses, including litigation expenses and attorney's fees, in each case whether incurred before, at or after the Effective Date; (ii) all liabilities arising out of changes to the terms and conditions of the Transferring Policies that are required under Applicable Laws or consented to by the Transferee; (iii) all premium Taxes (including the 1% levy on insurance premiums) due or accrued in respect of premiums paid with respect to the Transferring Policies after the Effective Date; (iv) all assessments and similar charges payable after the Effective Date with respect to the Transferring Policies in connection with participation by the Transferor whether voluntary or involuntary, in any guarantee association established or governed by any jurisdiction; (v) all commissions, expense allowances, other compensation, and other servicing and administration fees and other obligations payable with respect to the Transferring Policies to AIB whether incurred before, at or after the Effective Date; (vi) all escheat and unclaimed property liabilities arising under the Transferring Policies, whether incurred before, at or after the Effective Date, arising or incurred in the ordinary course of the Transferor's business (excluding any fines, interest, penalties or other payments arising as a result of a failure to timely pay escheat or abandoned property liabilities); and (vii) Extra-Contractual Obligations; provided that Transferring Liabilities shall not include, and the Transferee shall not be liable for, any Excluded Liabilities;

"**Transferring Policies**" means all rights relating to (i) all AIB Distributed Policies including any endorsements or amendments thereto, which are, or may be deemed to have been, in existence on the Effective Date and under which any liability or contingent liability remains unsatisfied or outstanding at the Effective Date, and (ii) every application received by the Transferor and outstanding on the Effective Date which, if accepted by the Transferor, would have constituted an AIB Distributed Policy but excluding (for the avoidance of doubt) the Excluded Policies (each, a "Transferring Policy");

"**Transferring Policies DA Novation Agreement**" means the agreement entitled "Deed of Novation and Amendment to Transferring Policies Run-Off Distribution Agreement" between (1) AIB, (2) the Transferor and (3) the Transferee dated [•]² in respect of the novation of certain of the Transferor's rights and obligations under the Transferring Policies Run-Off Distribution Agreement to the Transferee;

"**Transferring Policies Run-Off Distribution Agreement**" has the meaning ascribed to that term in the Preamble;

"**Transferring Policyholder**" means, with respect to any Transferring Policy, the holder of such Transferring Policy;

² Note to draft: To be entered into in September 2023 but only taking effect on the transfer of the Transferring Business to the Transferee

“Transferring Policyholder Data” means the personal data (as defined the Data Protection Legislation) of the Transferring Policyholders;

In this Scheme “property” includes property, rights and powers of every description; “liabilities” includes duties and obligations; and “transfer” includes (as the context may require) assign or assignment, dispose or disposal and convey or conveyance.

Any reference in this Scheme to an enactment or a statutory provision shall be deemed to include that enactment or statutory provision as amended, varied or re-enacted from time to time.

Unless the context otherwise requires, any reference in this Scheme to a paragraph or sub-paragraph or to an Appendix shall be a reference to a paragraph or sub-paragraph of, or to the Appendix to, this Scheme, and any reference in a paragraph to a sub-paragraph shall be a reference to a sub-paragraph of that paragraph.

2. Transfer of Liabilities

- 2.1 On the Effective Date, the Transferring Liabilities shall, in accordance with this Scheme and by virtue of the Order and without any further act or instrument (but subject to the terms of the Order), be fully and effectively transferred to and become liabilities of the Transferee, with the effect that the Transferor shall be wholly released from, and the Transferee shall succeed to, any liability in respect of such Transferring Liabilities (other than liabilities relating to the Excluded Policies).
- 2.2 The Transferor and the Transferee hereby agree to appear by Counsel on the hearing of the Petition to sanction this Scheme and have undertaken to be bound by the Scheme and shall each take all such steps, actions and do all such things (including the execution and delivery of any documents) as may be required to effect or perfect the transfer to and vesting in the Transferee of the Transferring Liabilities in accordance with the terms of this Scheme provided that any request by the Transferor and the Transferee to effect or perfect the transfer to the Transferee of any Transferring Liabilities must be made as soon as practicable after the Effective Date, and in any event no later than one year from the Effective Date.
- 2.3 The Transferee shall discharge on behalf of the Transferor or, failing that, shall indemnify the Transferor from and after the Effective Date against:
- (a) all Residual Liabilities which are not or are not capable of being transferred on the Effective Date by this Scheme or by the Order, until the relevant liability is transferred to or becomes a liability of the Transferee; and
 - (b) save as otherwise provided in this Scheme, any other liability (other than Taxation accrued before the Effective Date) in connection with the Transferring Business or arising as a direct result of the Transaction or any document executed to give effect to the Transaction accruing on or after the Effective Date on or after (i) the Effective Date with respect to the Transferring Liabilities; or (ii) in respect of any Residual Liability, the Subsequent Transfer Date referable to that Residual Liability.
- 2.4 Where the Transferor is entitled to receive an amount pursuant to the indemnity at paragraph 2.3, it shall be entitled to receive such amount as, after payment of or provision for any liability to Taxation in respect of the amount receivable, will result in the receipt of an amount equal to the liability indemnified against.
- 2.5 Excluded Liabilities shall not be transferred pursuant to the Scheme.

3. **Transfer of Assets**

3.1 On the Effective Date:

- (a) the Transferee shall become entitled to all the rights and powers of the Transferor whatsoever subsisting on the Effective Date under or by virtue of the Transferring Policies; and
- (b) the Transferring Assets shall be fully and effectively transferred to the Transferee free from all Encumbrances (if any) affecting such Transferring Assets.

3.2 The Transferee shall accept without investigation or requisition such title as the Transferor shall have (i) at the Effective Date to the Transferring Assets; and (ii) at the relevant Subsequent Transfer Date to the Residual Assets.

4. **Excluded Policies**

The Excluded Policies shall not be transferred to the Transferee by this Scheme and the liabilities under, and assets representing the technical provisions held by the Transferor in respect of, the Excluded Policies shall remain liabilities of the Transferor.

5. **Continuity**

5.1 Subject to paragraph 0, the Transferring Business shall by Order of the Court and without any further act or instrument be transferred to and vest in the Transferee in accordance with this Scheme for all the estate and interest therein of the Transferor free from all Encumbrances (if any) then affecting any asset comprised therein, and the Transferring Liabilities of the Transferor to be transferred to the Transferee pursuant to paragraph 2.1 shall likewise (but subject to the terms of any Order which may be made by the Court under section 36 of the 1989 Act in connection with this Scheme) become liabilities and obligations of the Transferee and shall cease to be liabilities and obligations of the Transferor.

5.2 Subject to the terms of any Order which may be made by the Court under section 36 of the 1989 Act in connection with this Scheme and subject to paragraph 2.5, if any proceedings shall be pending by or against the Transferor in connection with any Transferring Policy on the Effective Date the same shall be continued by or against the Transferee with effect from the Effective Date.

5.3 On and with effect from each Subsequent Transfer Date, all Residual Liabilities shall become liabilities and obligations of the Transferee and shall cease to be liabilities and obligations of the Transferor and all actual and potential proceedings by or against the Transferor in connection with the Residual Assets or the Residual Liabilities shall (but subject to the terms of any Order which may be made by the Court under section 36 of the 1989 Act in connection with this Scheme) shall be continued by or against the Transferee with effect from the Subsequent Transfer Date.

6. **The Transferee's rights in relation to the Transferring Policies**

6.1 The Transferee may after the Effective Date:

- (a) exercise such discretions under the Transferring Policies as are available to be exercised by it under the terms and conditions of those Transferring Policies in accordance with any principles which are for the time being applied generally in the Transferor in relation to such business;

- (b) modify the terms and conditions applicable to any Transferring Policies or Transferring Assets, in accordance with any principles which are for the time being applied generally in the Transferor in relation to such business,
- and subject in every case to the provisions of the applicable Transferring Policies conditions and the rules applicable to any relevant Transferring Asset, and where relevant, to the opinion of the Head of Actuarial Function.
- 6.2 Save as set out at paragraphs 6.3 to 6.4 of this Scheme, there will be no changes in approach to unit pricing and/or changes to the approach to fund charges as described in the Transferring Policies with respect to the unit-linked funds underlying the Transferring Policies as a result of the implementation of this Scheme.
- 6.3 The approach to fund charges and unit pricing under the Transferring Policies that are Linked Policies shall, on and from the Effective Date, operate in accordance with the terms and conditions of those Transferring Policies subject to the following modifications:
- (a) the total Fund Management Charge (including, for the avoidance of doubt, the Estimated Variable Fund Charge) applicable to the unit-linked funds underlying the Transferring Policies shall be calculated and set in advance by reference to a single fixed percentage of each relevant unit-linked fund, which shall include the Estimated Variable Fund Charge as a fixed percentage;
- (b) the Transferee will, on an annual basis, perform a formal review of the Fund Management Charge (each an "Annual Fund Management Charge Review") to identify differences between the variable charge actually levied on the relevant unit-linked funds underlying the Transferring Policies and the Estimated Variable Fund Charge applied to those underlying funds in accordance with paragraph 6.3(a) of this Scheme;
- (c) in the event that the Transferee identifies that the variable charge actually levied on the relevant unit-linked funds underlying a Transferring Policy is persistently, and predicted to continue to be, lower or higher than the Estimated Variable Charge pursuant to the Annual Fund Management Charge Review or otherwise, the Transferee shall take such measures as it deems appropriate to reflect such lower or higher ongoing charges in the Fund Management Charge applicable to the Transferring Policies;
- (d) pursuant to the Annual Fund Management Charge Review, in the event that the Estimated Variable Fund Charge attributable to a unit-linked fund underlying a Transferring Policy is identified as having exceeded, by 0.02% or more in absolute terms, the actual variable percentage of the Fund Management Charge applicable to a unit-linked fund underlying the Transferring Policies over the previous 12 months (as at the time of the Annual Fund Charge Review), the Transferee will reimburse the applicable unit-linked fund underlying the relevant Transferring Policy by way of a contribution into the applicable fund; and
- (e) the results of the Annual Fund Charge Review and any proposed reimbursement or other measures will be presented to the Transferee's Investment Management Committee for review and approval on an annual basis.
- 6.4 On and from the Effective Date, certain unit-linked funds underlying Transferring Policies shall be invested in other collective investment schemes and/or investment funds (rather than directly in underlying investments), which shall in respect of two such underlying funds

undergo an increase of 0.02% in the overall investment costs, including charges incurred by the Transferring Policyholder.

7. Linked Funds

- 7.1 The Transferring Policies which are Linked Policies and which immediately prior to the Effective Date were linked to an Transferor Linked Fund (including the relevant property or assets allocated and appropriated as of the Effective Date to each such Transferor Linked Fund) shall, on and from the Effective Date, and in a manner consistent with the terms and conditions of the relevant Transferring Policies, be linked to a corresponding Transferee Linked Fund in accordance with Schedule 2 hereto and shall be of equivalent value. Each such Transferee Linked Fund shall have similar characteristics and the same risk rating to the relevant Transferor Linked Fund that was linked to that Transferring Policy immediately prior to the Effective Date.
- 7.2 To the extent necessary, any fund merger or other similar changes to permit relevant Transferring Policies to be linked to a Transferee Linked Fund as set out at Schedule 2 hereto shall be effected. Any such merger or other changes of unit-linked funds and any changes to the rules of operation (including unit pricing) of the Linked Funds following the Effective Date will comply with the principles set out in Clause 6.1 above.
- 7.3 All relevant property or assets (or, if agreed between the parties, such cash value as agreed between the parties of such property or assets) appropriated to an Transferor Linked Fund on the Effective Date shall transfer to, and be appropriated, by the Transferee to a relevant Transferee Linked Fund.
- 7.4 If the relevant holder of a Transferring Policy is a Pension Policyholder, the Parties acknowledge that the Pension Policyholder's chosen strategy will continue to operate as described in Part 2 of Schedule 2 and that following the Effective Date, the Transferor Linked Funds within that policyholder's strategy will change as described in Part 2 of Schedule 2.
- 7.5 The Transferring Policies which are Linked Policies and which immediately prior to the Effective Date were linked to certain Real Property Assets (each a "Transferor Real Property Asset") shall, on and from the Effective Date, pursuant to and in accordance with the terms and conditions of the relevant Transferring Policies, be linked to comparable Real Property Assets (each a "Transferee Real Property Asset") and shall be of equivalent value (or to the extent the value is not equivalent, any shortfall shall be represented by a cash value as agreed between the parties). The pool of Transferee Real Property Assets shall be representative of and proportionate to the pool of Transferor Real Property Assets that were linked to the Transferring Policies immediately prior to the Effective Date, taking into account all material aspects of the relevant Transferring Policies and the relevant Transferor Real Property Assets that were linked to that Transferring Policy immediately prior to the Effective Date, including consideration of diversification and various property portfolio metrics, such as sector weighting, income/yield, vacancy, lease length and forecast capital expenditure.
- 7.6 Particulars of the Transferee Real Property Assets that shall be linked to the Transferring Policies on and from the Effective Date are set out at Schedule 1 hereto.
- 7.7 The Transferor and the Transferee shall promptly take such steps and execute such documents as may be requisite as and when appropriate to effect or perfect the transfer to the Transferee of any Transferring Asset to which this section 7 applies.

8. **Residual Assets and Liabilities**

- 8.1 No Residual Assets or Residual Liabilities shall be transferred to or vested in the Transferee in accordance with this Scheme on the Effective Date.
- 8.2 On the relevant Subsequent Transfer Date, each Residual Asset and each Residual Liability, shall in accordance with this Scheme and by virtue of the Order and without any further act or instrument (but subject to the terms of the Order), be fully and effectively transferred to and become assets or liabilities (as the case may be) of the Transferee, with the effect that:
- (a) each Residual Asset shall be transferred to the Transferee subject to all Encumbrances (if any) affecting such Residual Asset;
 - (b) the Transferor shall be wholly released from, and the Transferee shall succeed to, any liability in respect of such Residual Liability (other than liabilities relating to the Excluded Policies); and
 - (c) each Residual Asset shall thereupon be treated as a Transferring Asset in all respects and each Residual Liability shall thereupon be treated as a Transferring Liability and the provisions of this Scheme applicable to Transferring Assets or Transferring Liabilities (as the case may be) shall apply mutatis mutandis to such assets and/or liabilities.
- 8.3 Pending a Subsequent Transfer Date, the Transferor shall hold any Residual Assets as trustee for the Transferee and shall be subject to the Transferee's directions (acting reasonably) in respect thereof, in the case of any such Residual Asset, from and after the Effective Date until the relevant asset is transferred to or otherwise vested in the Transferee.
- 8.4 The Transferor and the Transferee shall execute such documents as may be required as and when appropriate to effect or perfect the transfer to the Transferee of any Residual Asset to which paragraph 8.2 applies.
9. **Transfer of Data**
- 9.1 On and from the Effective Date, by virtue of the Order, the Transferor shall have liberty to transfer and shall transfer to the Transferee all data (including personal data) contained in the Records, which may include Transferring Policyholder Data protected under the Data Protection Legislation, held by or on behalf of the Transferor in relation to the Transferring Policies, the Transferring Assets and the Transferring Liabilities. The Transferee shall from the time of such transfer become the data controller in respect of the data concerned.
- 9.2 On and from the relevant Subsequent Transfer Date, if any, by virtue of the Order, the Transferor shall have liberty to transfer and shall transfer to the Transferee all data (including personal data) contained in the Records, which may include Transferring Policyholder Data protected under the Data Protection Legislation, held by or on behalf of the Transferor in relation to the Residual Assets and the Residual Liabilities. The Transferee shall from the time of such transfer become the data controller in respect of the data concerned.
- 9.3 To the extent that an authority has been given to the Transferor in connection with a Transferring Policy by the holder thereof, whether pursuant to data protection legislation or otherwise, such authority shall, on and after the Effective Date be deemed to have been given to the Transferee.

10. Premia

- 10.1 All premia attributable or referable to Transferring Policies, which accrued on or after the Effective Date, shall on and after the Effective Date be payable to the Transferee.
- 10.2 Any mandate or other instruction in force on the Effective Date and providing for the payment by a banker or other intermediary of premiums payable under any of the Transferring Policies shall thereafter take effect as if it had provided for and authorised such payment to the Transferee.

11. Policy References

- 11.1 All references in any Transferring Policies contained within the Transferring Business to the Transferor or its board of directors or other officer shall from the Effective Date be read as references to the Transferee or its board of directors or other officer (as the case may be).
- 11.2 All rights or duties exercisable in respect of the Transferring Policies which are expressed as being exercisable by or as being the responsibilities of the Transferor or its board of directors or other officer shall upon the Effective Date be exercisable or required to be performed by the Transferee or its board of directors or other officer (as the case may be).

12. Rights of Transferring Policyholders

- 12.1 Subject to the provisions of this Scheme, every Transferring Policyholder insured under the Transferring Business shall, as and from the Effective Date, become entitled in substitution of any rights enforceable by or available to him/her under his/her Transferring Policy(ies) against the Transferor to the same rights or rights against the Transferee and the obligations of such Transferring Policyholder shall as and from the Effective Date become enforceable (so far as still subsisting) by the Transferee in place of the Transferor.
- 12.2 The Transferee shall carry out, perform and complete all of the terms and conditions of the Transferring Policies.

13. Effective Date

- 13.1 This Scheme shall become effective at 00.01 hours on [1 November] 2023 or such other date as may be specified in an Order of the Court sanctioning this Scheme under section 13 of the 1909 Act and unless this Scheme shall become effective at 00.01 hours on [1 November] 2023, or such later date as the Transferor and the Transferee may approve and the Court may allow upon the application of either party, it shall lapse.
- 13.2 Notwithstanding the provisions of paragraph 13.1, this Scheme shall not become effective unless the Transferor, the Transferee and the Independent Actuary shall be satisfied as a result of discussions between the Transferor, the Transferee and the Revenue Commissioners that there will be no material adverse Tax consequence arising from the implementation of this Scheme (other than such Tax consequence which the Independent Actuary has deemed does not materially adversely impact the security of benefits for policyholders or their reasonable expectations). For the avoidance of doubt, any Tax liabilities which crystallise as a result of the transfer of the Transferring Assets pursuant to the Scheme will not be borne by the Transferring Policyholders.

14. Costs and Expenses

- 14.1 Except where this Clause 14 provides otherwise, the Transferor and the Transferee will each bear their own costs and expenses incurred in connection with the preparation and carrying

into effect of this Scheme and no costs or expenses incurred in connection with the preparation and carrying into effect of this Scheme will be borne by policyholders of either party.

- 14.2 The Transferee shall bear all costs associated with the due diligence on the Transaction and the costs relating to the Independent Actuary. The Transferor shall bear all costs associated with any individual policyholder notifications and publication/advertising required in connection with the Transaction.
- 14.3 All other third party costs in relation to the implementation of the Transaction are to be borne by the Transferor and/or the Transferee as is customary for transactions of this type.
- 14.4 For the avoidance of doubt, it is recognised that the Transferor will be petitioner to the High Court in relation to the Scheme and will bear all of its own costs associated with the pleadings and instructing counsel and court costs related to the Scheme. The Transferee will bear all of its own costs in relation to Court process in relation to the Scheme.

15. **Modifications or Additions**

- 15.1 The Transferor and the Transferee may jointly consent for and on behalf of the parties hereto and all other persons concerned to any amendment, modification or addition to this Scheme or to any further condition or provision affecting the same which the Court may approve provided that the Central Bank shall have been notified of any proposal to make such an amendment, modification or addition and may appear and be heard before the Court prior to the sanction of the Scheme.
- 15.2 After the Effective Date, the Transferee may vary the terms of this Scheme with the consent of the Court, including, without limitation, if at any time, the provisions of this Scheme, in the opinion of the board of directors of the Transferee, prove to be impossible, impracticable or inequitable to implement, provided that in any such case:
- (a) the Central Bank and the Transferor shall be notified of and have the right to be heard at the hearing of the Court at which such application is considered;
 - (b) such application shall be accompanied by a report from an independent actuary to the effect that in his or her opinion the proposed amendment will not materially adversely affect the interests of any Transferring Policyholder affected by the proposed variation; and
 - (c) to the extent any such variation materially affects any right, obligation or interest of the Transferor, the Transferor has (acting reasonably) not objected thereto.

16. **No Third Party Rights**

Subject to the provisions of paragraph 15.2 of this Scheme, nothing in this Scheme shall confer or purport to confer on any third party any benefit or the right to enforce any term of this Scheme.

17. **Governing Law**

This Scheme shall be governed by and construed in accordance with the laws of Ireland.

18. **Successor and Assigns**

This Scheme will bind and inure to the benefit of the successors and assigns of the Transferor and the Transferee.

19. **Notices**

19.1 Any notice or other communication in connection with this Scheme (each a "Notice") shall be delivered by hand, email, recorded delivery or courier using an internationally recognised courier company.

19.2 A Notice to the Transferor shall be sent to such persons or addresses as the Transferor may notify to the Transferee from time to time.

19.3 A Notice to the Transferee shall be sent to such persons or addresses as the Transferee may notify to the Transferor from time to time.

20. **Evidence of Transfer**

The production of a copy of the Order, with any modifications, amendments and/or additions made thereto in accordance with this Scheme, shall for all purposes, be evidence of the transfer to and vesting in the Transferee of the Transferring Business.

Dated 2023

Schedule 1

Real Property Assets

Transferee Real Property Assets	
1.	2006-2008 Citywest, D24 RW52
2.	2-4 Merrion Row, D02 DC66
3.	Hambleden House, D02 WV96
4.	57-58 Grafton Street, D02 NY74 (including 54 South King Street, D02 NV99)
5.	73 Grafton Street, D02 WE00
6.	5 GPO Buildings, D01 E129

Schedule 2

Part 1

Particulars of the corresponding internal linked funds

Current Transferor Linked Fund	Transferee Linked Fund	Risk Rating (stays the same)
Multi Asset Portfolio Fund 2 ARF Fund	Fusion 2	2
Multi-Asset Portfolio Fund 3 Diversified Cautious Fund	Fusion 3	3
Multi-Asset Portfolio Fund 4 Diversified Balanced Fund	Fusion 4	4
Multi Asset Portfolio Fund 5 Diversified Growth Fund Consensus Fund Managed Portfolio Fund 4 (Intermediate)	Fusion 5	5
Multi-Asset Portfolio 6	Fusion 6	6
Stability Fund	Indexed Multi-Asset 2	2
Consensus Cautious Fund Managed Portfolio Fund 1 (Foundation)	Indexed Multi-Asset 3	3
Managed Portfolio Fund 2 (Base) Managed Portfolio Fund 3 (Core)	Indexed Multi-Asset 4	4
Managed Portfolio Fund 5 (Dynamic)	Indexed Multi-Asset 5	5
Managed Portfolio Fund 6 (Aggressive)	Indexed Multi-Asset 6	6
Global Cash Fund AIB Safe Deposit Fund	Cash	1
Indexed European Gilts Fund	Euro Government Bond	3
Indexed Euro Corporate Bond Fund	Euro Corporate Bond	3
Multi-Manager Target Return Fund	Multi-Strategy Alternatives	3
Pension Protection Fund Annuity Fund	Euro Long Dated Bond	4
Consensus Equity Fund Indexed World Equities Fund Ethical Global Equity Fund	Developed World Equity	6
Indexed Emerging Markets Equity Fund	Emerging Market Equity	7

Part 2

Lifestyling Strategies

ARF Income Lifestyle Strategy

Current Strategy Fund	Transferee Fund	Risk Rating (stays the same)
Fund(s) chosen by the Pension Policyholder	See Part 1 of Schedule 2	See Part 1 of Schedule 2
Stability Fund	Indexed Multi-Asset 2	2
Global Cash Fund	Cash	1
ARF Fund	Fusion 2	2

ARF Investment Lifestyle Strategy

Current Strategy Fund	Transferee Fund	Risk Rating (stays the same)
Fund(s) chosen by the Pension Policyholder	See Part 1 of Schedule 2	See Part 1 of Schedule 2
Stability Fund	Indexed Multi-Asset 2	2
Global Cash Fund	Cash	1
Multi Asset Portfolio 4 Fund	Fusion 4	4

Annuity Lifestyle Strategy

Current Strategy Fund	Transferee Fund	Risk Rating (stays the same)
Fund(s) chosen by the Pension Policyholder	See Part 1 of Schedule 2	See Part 1 of Schedule 2
Stability Fund	Indexed Multi-Asset 2	2
Global Cash Fund	Cash	1
Annuity Fund	Euro Long Dated Bond	4