

REINSURANCE AGREEMENT

Relating to PLAE Alba With-Profits Fund policies

Dated [●] 2022

PHOENIX LIFE ASSURANCE EUROPE DESIGNATED ACTIVITY
COMPANY

as Cedant

and

PHOENIX LIFE LIMITED

as Reinsurer

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THIS AGREEMENT is made on [●] 2022

BETWEEN

(1) PHOENIX LIFE ASSURANCE EUROPE DESIGNATED ACTIVITY COMPANY, a company registered in Ireland (number 684882) whose registered office is at 90 St Stephen's Green, Dublin, D02 F653 ("**PLAE**"); and

(2) PHOENIX LIFE LIMITED, a company registered in England (registered number 01016269) whose registered office is at 1 Wythall Green Way, Wythall, Birmingham B47 6WG ("**PLL**"),

each, a "**party**", and together, the "**parties**".

WHEREAS:

- (A) On or around the date of this Agreement, PLL shall transfer its European Economic Area business to PLAE by way of an insurance business transfer scheme pursuant to Part VII of the Financial Services and Markets Act 2000 in the UK and a scheme in the Republic of Ireland under Section 13 of the Assurance Companies Act 1909 and Regulation 178 of the European Union (Insurance and Reinsurance) Regulations 2015.
- (B) PLAE and PLL have agreed that, following the insurance business transfer schemes, PLL shall reinsure and indemnify PLAE in respect of the Reinsured Liabilities (as that term is defined below), subject to the terms, conditions and limitations set forth in this Agreement and the Transaction Documents (as such term is defined below).

WHEREBY IT IS AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 In this Agreement and the schedules:

- "Account Control Agreement"** means the account control agreement entered into between the PLL as chargor, PLAE as secured party and HSBC Bank plc as custodian dated [●] 2022;
- "Accounting Liabilities"** means any provision held on PLL's balance sheet in respect of the Reinsured Liabilities of the PLL Alba WP Fund (in accordance with Surplus Funds 3.1(3) and (4) in the PRA Rulebook);
- "Adjustment Amount"** means the amount calculated in accordance with the methodology set out in paragraph 4 of Part A1 of Schedule 2 (*Calculation of Termination Amount*) (as applicable);
- "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, the Data

Protection Laws and any applicable 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;

"Back-Book Premium" means the amount calculated in accordance with Schedule 1 (*Back-Book Premium*);

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

"Business Guidelines" means the collective term for the risk management policies, business standards, governance and internal control systems from time to time, providing consistent risk management practices across the Group;

"Calendar Year" means the one year period of time commencing on and including 1 January and ending on and including 31 December;

"Capital Resources" means, in relation to a reference undertaking, funds which are eligible under Solvency II to satisfy its Solvency Capital Requirement;

"CBI" means the Central Bank of Ireland;

"Change of Control" means, in respect of a party, a change in Control of that party which causes it to be controlled by a different ultimate parent undertaking to the other party to this Agreement;

"Claim Amount" has the meaning given to it in Clause 4 (*Reinsurance Claims*);

"Closure Uplift" means such increase (if any) in the benefit entitlement of a Reinsured Policy, on a guaranteed or non-guaranteed basis, as determined by the PLL Board, having regard to the PLL 2009 Scheme and paragraph 16 of the PLAE 2022 Scheme;

"Collateral Process Agreement" means the collateral process agreement relating to security and investment management arrangements between PLL and PLAE dated [●] 2022;

"Consent Claim" means any claim under a Reinsured Policy where:

- (i) the disability annuity benefit is equal to or in excess of € 40,000 per annum; or
- (ii) in the case of any other claim, the lump sum benefit is equal to or in excess of € 300,000,

and/or such other amount or criteria as the parties may agree in writing from time to time;

"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;

"Cost of Capital"

means the costs of raising and providing the Capital Resources required to meet the reference undertaking's Solvency Capital Requirement as defined in Solvency II attributable to PLAE, in respect of the Reinsured Liabilities in the PLAE Alba WP Fund (including the Closure Uplifts) on the Termination Date, calculated by PLAE using:

- (i) the PLAE Pillar 1 Solvency II regulatory capital requirement using the standard formula (except that, if PLAE uses a Solvency II capital model to calculate its SCR at the Termination Date, such PLAE internal model shall be used instead of the Solvency II standard formula);
- (ii) generally accepted actuarial techniques in a manner consistent with the PPFM for the PLL Alba WP Fund and Solvency II attributable to PLAE; and
- (iii) a cost of capital rate appropriate for PLAE as defined in Article 39 of the Solvency II Delegated Regulation,

and then discounted using the basic risk-free interest rate for the maturity period corresponding to each year, based on the latest risk-free interest rate provided by EIOPA for that year;

"Custodian Accounts"

means the custodian accounts in relation to the PLL Alba WP Fund within the meaning given to the term "Phoenix With-Profits Custodian Accounts" in the Deed of Fixed Charge;

"Custody Agreement"

has the meaning given to it in the Deed of Fixed Charge;

"Data Protection Laws"

means any and all data protection laws and regulations applicable from time to time during the term of this Agreement including European Union or member state laws, the General Data Protection Regulation (EU)

2016/679, the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019, the Data Protection Act 2018 in the United Kingdom, the Data Protection Acts 1988 to 2018 in Ireland and any other data protection or privacy laws of any other country applicable to either party and any guidance issued by any relevant data protection authority or regulatory body applicable to either party;

"Deed of Fixed Charge"	means the deed of fixed charge between PLL as chargor and PLAE as secured party dated [●] 2022;
"Deed of Floating Charge"	means the deed of floating charge dated [●] 2022 between PLL as chargor and PLAE as secured party;
"Default Interest"	means EURIBOR at the relevant time plus a margin of 100 basis points, or such other rate as may be agreed from time to time pursuant to Clause 20 (<i>Interest</i>);
"Effective Date"	means the date and time on which the PLAE 2022 Scheme takes effect;
"EIOPA"	means the European Insurance and Occupational Pensions Authority;
"EURIBOR"	means, in respect of any period, the rate per annum quoted on the relevant Bloomberg screen (ticker EE00O/N) at close of business for each day of the period, for the offering of deposits in euro overnight and if such rate is below zero, EURIBOR will be deemed to be zero. If such Bloomberg 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;
"euro" or "€"	means the lawful currency of the participating member states of the European Union, in accordance with the legislation relating to Economic and Monetary Union;
"Event of Default"	has the meaning given to it in Clause 16.1;
"Expenses Cashflow Amount"	means the amount calculated in accordance with Schedule 3 (<i>Calculation of Expenses Cashflow Amount</i>);
"Expert"	has the meaning given to it in Clause 34.3;
"FCA"	means the Financial Conduct Authority;
"FCA Handbook"	means the handbook of rules and guidance issued by the FCA from time to time pursuant to FSMA;
"Finance Technical Committee"	has the meaning given to it in Clause 10.3 of this Agreement;
"FSMA"	means the Financial Services and Markets Act 2000;

"Fixed Charge Arrangements"	means the Deed of Fixed Charge, the Account Control Agreement, the Collateral Process Agreement and the Custody Agreement;
"Fundamental Provisions"	means (i) in respect of PLAE, Clause 10 (<i>Management of Business</i>) and Clause 12.1 (<i>Covenants</i>) of this Agreement; and (ii) in respect of PLL, Clause 10 (<i>Management of Business</i>) and Clause 12.2 (<i>Covenants</i>) of, and the obligations of PLL to provide Posted Collateral (as defined in Schedule 7 (<i>Collateral</i>)) in accordance with Schedule 7 (<i>Collateral</i>) to, this Agreement and clause 3 (<i>Covenant to Pay Secured Liabilities</i>) of the Deed of Fixed Charge and the Deed of Floating Charge;
"Governmental Authority"	means any government, quasi-governmental, statutory, regulatory or administrative authority, judicial body, department, commission, authority, tribunal, or any other competent authority or entity in any part of the world having responsibility for the regulation or governance of the business comprising the Reinsured Liabilities and/or the subject matter of this Agreement, and/or having regulatory or supervisory jurisdiction over either party, including the CBI, the PRA and the FCA, as applicable;
"Group"	means the ultimate parent undertaking of the relevant party and its subsidiary undertakings from time to time;
"Independent Actuary"	means the independent actuary appointed by the parties from time to time, or, where the parties are unable to agree, the UK Institute and Faculty of Actuaries shall nominate the independent actuary;
"Inherited Estate"	means the estimated realistic value of the assets less the estimated realistic value of the liabilities allocated from time to time to the PLL Alba WP Fund. It is calculated using realistic assumptions and generally accepted methodologies on a basis determined by the PLL Board, and in a way consistent with COBS 20 in the FCA Handbook;
"Initial Termination Amount"	means the amount calculated in accordance with the methodology set out in paragraph 1 of Part A1 of Schedule 2 (<i>Calculation of Termination Amount</i>);
"Insolvency Event"	means, in respect of PLL, the occurrence of any of the events set out in Clauses 16.1.2 to 16.1.6 inclusive;
"Interim Termination Amount"	means the amount calculated in accordance with the methodology set out in paragraph 2 of Part A1 of Schedule 2 (<i>Calculation of Termination Amount</i>);

"Investment Management Agreement"	has the meaning given to it in the Deed of Fixed Charge;
"MSA Agreements"	means: <ul style="list-style-type: none">(i) the existing intra group Management Services Agreements with Pearl Group Management Services Limited, Pearl Group Services Limited and PGMSI (and other group life companies including PLL) amended and restated on 31 January 2020 (previously dated 11 November 2016); and(ii) the new intra group Management Services Agreements (in respect of the PLAE WP Funds and other funds) entered into by PLAE with Standard Life Assets and Employee Services Limited (Irish Branch) (and indirectly other group service companies including Pearl Group Management Services Limited, Pearl Group Services Limited, PGMSI and ReAssure UK Services Limited) on or before the Effective Date, each as amended, superseded or replaced from time to time with the consent of PLAE or PLL, as the case may be, in accordance with Clause 12 (<i>Covenants</i>);
"MSA Counterparty"	means each of Standard Life Assets and Employee Services Limited (Irish Branch), Pearl Group Management Services Limited, Pearl Group Services Limited, PGMSI and ReAssure UK Services Limited (and other group life companies) or any of their permitted transferees or assignees;
"Net Amount"	has the meaning given to it in Clause 7.2;
"Netting Day"	has the meaning given to it in Clause 7.1;
"Non-Default Interest"	means EURIBOR (subject to any adjustment agreed between the parties in accordance with Clause 17.3) at the time of payment of the Adjustment Amount;
"Non-Profit BEL"	means the best estimate liabilities in respect of non-profit Reinsured Policies or non-profit elements of Reinsured Policies calculated using generally accepted actuarial techniques and in a manner consistent with the applicable PPFM and Solvency II;
"Notice of Reinsurance Business Committee Meeting"	has the meaning given to it in Clause 11.3;
"Notifiable Matter"	means:

- (i) any new business written by PLAE pursuant to Clause 10.2 and any top-up business approved by PLAE, in each case where the value, annual premium equivalent or increment attributable to that new business in respect of any Reinsured Policy is equal to or in excess of € 300,000;
- (ii) in connection with the investment element of any with-profits policy, where the maturity, surrender or switch approved by PLAE in connection with any Reinsured Policy is equal to or in excess of € 300,000; and/or
- (iii) in the case of any other claim, any claim approved by PLAE in respect of any Reinsured Policy where the lump sum benefit is equal to or in excess of € 300,000,

or such other amount or criteria as the parties may agree in writing from time to time;

"PGMSI"

means PGMS (Ireland) Limited, a company registered in Ireland (number 342705) whose registered office is at 25-28 North Wall Quay, Dublin 1, D01 H104;

"PLAE 2022 Scheme"

means the insurance business transfer schemes under Part VII of FSMA (as amended by The Financial Services (Miscellaneous) (Amendment) (EU Exit) Regulations 2019) in the UK and in the Republic of Ireland under Section 13 of the Assurance Companies Act 1909 and Regulation 178 of the European Union (Insurance and Reinsurance) Regulations 2015 on or around the date of this Agreement transferring (along with certain non-profit business of ReAssure Life Limited) the Transferred Policies (as defined in the PLAE 2022 Scheme) of PLL, from PLL to PLAE;

"PLAE 90% WP Fund"

means the with-profits fund bearing the name "PLAE 90% With-Profits Fund" established by PLAE as at the Effective Date;

"PLAE 90% WP Fund Reinsurance Agreement"

means the agreement of even date herewith entitled "PLAE 90% WP Fund Reinsurance Agreement" between PLL and PLAE;

"PLAE Alba WP Fund"

means the with-profits fund bearing the name "PLAE Alba With-Profits Fund" established by PLAE as at the Effective Date;

"PLAE Board"

means the board of directors of PLAE from time to time;

"PLAE Head of Actuarial Function"

means PLAE's head of actuarial function within the meaning of Solvency II or, if those requirements are no longer in effect, the person appointed by PLAE from

time to time as head of the function described at Regulation 50 of the European Union (Insurance and Reinsurance) Regulations 2015 or, if PLAE is no longer required to maintain such a function, a person possessing appropriate actuarial qualifications nominated for the purposes of this Agreement by PLAE;

"PLAE Phoenix WP Fund" means the with-profits fund bearing the name "PLAE Phoenix With-Profits Fund" established by PLAE as at the Effective Date;

"PLAE Phoenix WP Fund Reinsurance Agreement" means the agreement of even date herewith entitled "PLAE Phoenix WP Fund Reinsurance Agreement" between PLL and PLAE;

"PLAE Reinsurance Agreements" means this Agreement, the PLAE 90% WP Fund Reinsurance Agreement, the PLAE Phoenix WP Fund Reinsurance Agreement, the PLAE SPI WP Fund Reinsurance Agreement and the unit-linked reinsurance agreements between PLL and PLAE and between ReAssure Life Limited and PLAE;

"PLAE SPI WP Fund" means the with-profits fund bearing the name "PLAE SPI With-Profits Fund" established by PLAE as at the Effective Date;

"PLAE SPI WP Fund Reinsurance Agreement" means the agreement of even date herewith entitled "PLAE SPI WP Fund Reinsurance Agreement" between PLL and PLAE;

"PLAE WP Fund" means, as appropriate on an individual or collective basis, the PLAE 90% WP Fund, the PLAE Alba WP Fund, the PLAE Phoenix WP Fund and the PLAE SPI WP Fund;

"PLL 2009 Scheme" means the insurance business transfer scheme under Part VII of FSMA providing for the transfer to PLL of the business of Scottish Mutual Assurance Limited and Scottish Provident Limited in February 2009;

"PLL 90% WP Fund" means the with-profits fund bearing the name "90% With-Profits Fund" maintained by PLL as at the Effective Date;

"PLL Alba WP Fund" means the with-profits fund bearing the name "Alba With-Profits Fund" maintained by PLL as at the Effective Date;

"PLL Board" means the board of directors of PLL from time to time;

"PLL Chief Actuary" means the person approved from time to time to perform the "Chief Actuary function" on behalf of PLL in accordance with the Insurance – Senior Management Functions part of the PRA Rulebook, or such other

person performing an equivalent role under any amended or replacement regulatory requirement;

"PLL Phoenix WP Fund" means the with-profits fund bearing the name "Phoenix With-Profits Fund" maintained by PLL as at the Effective Date;

"PLL Reinsurance Services" means the services provided by PLL to PLAE as part of this Agreement in respect of the reinsurance of the Reinsured Policies including:

- (i) determination and implementation of investment strategies;
- (ii) producing and monitoring run-off plans for the PLL Alba WP Fund and informing PLAE of those plans; **[LL Note: Clarified in (b) and (c) to refer to PLL providing information to PLAE on PLL's business to assist PLAE in relation to its operation of this Agreement]**
- (iii) declaration of bonuses for the PLL Alba WP Fund and informing PLAE of those amounts;
- (iv) monitoring payout ratios;
- (v) reconciliation and monitoring of payments;
- (vi) estate distributions;
- (vii) valuation of funds and returns on funds;
- (viii) managing the benefits payable under this Agreement in relation to the Reinsured Policies in accordance with, and monitoring compliance with, the relevant PPFM; and
- (ix) other services required to ensure compliance with COBS 20 in the FCA Handbook

and including those subcontracted by PLL under the relevant MSA Agreements, all such services as amended from time to time in accordance with Clause 10.9.2;

"PLL SPI WP Fund" means the with-profits fund bearing the name "SPI With-Profits Fund" maintained by PLL as at the Effective Date;

"PLL WP Actuary" means the person appointed from time to time to perform the with-profits actuary function described in SUP 4.3.16 AR in the FCA Handbook and the Senior Insurance Management Function part of the PRA Rulebook for the PLL Alba WP Fund;

"PLL With-Profits Committee"	means the With-Profits and Supervisory Committee of PLL from time to time fulfilling the role of a "with-profits committee" in accordance with the FCA Handbook;
"PLL WP Fund"	means, as appropriate on an individual or collective basis, the PLL 90% WP Fund, the PLL Alba WP Fund, the PLL Phoenix WP Fund and the PLL SPI WP Fund and any other with-profits fund or with-profits sub-fund which may be a successor to the relevant PLL WP Fund in accordance with the PLL 2009 Scheme;
"PPFM"	means the Principles and Practices of Financial Management maintained by PLL in effect from time to time in respect of the PLL Alba WP Fund;
"PRA"	means the Prudential Regulatory Authority;
"PRA Rulebook"	means the book of rules applicable to Solvency II firms issued by the PRA from time to time, pursuant to FSMA;
"Premium Payment"	has the meaning given to it in Clause 3.2;
"Proposed Settlement"	has the meaning given to it in Clause 11.7;
"Quarter Date"	means 31 March, 30 June, 30 September and 31 December for each Calendar Year to the extent this Agreement is in effect on such dates;
"Quarterly Report"	has the meaning given to it in Schedule 6 (<i>Reporting</i>);
"Recovered"	means any part of any Reinsured Liability that is recovered by PLAE as insurer under the Reinsured Policies from a policyholder, intermediary or third party;
"Regulatory Event"	means, at any time after the Effective Date, a change in Applicable Law, including any change in any official or generally published interpretation of Applicable Law by a Governmental 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 Governmental Authority;
"Reinsurance Business Committee"	has the meaning given to it in Clause 11.1;
"Reinsurance Business Committee Terms of Reference"	has the meaning given to it in Clause 11.2;
"Reinsured Business"	means the business giving rise to the Reinsured Liabilities;

"Reinsured Liabilities"	means any and all liabilities paid or settled, or which become due for payment or settlement, by (or on behalf of) PLAE on or after the Effective Date, in respect of the Reinsured Policies and including any liabilities in respect of a PLAE Alba WP Fund Policy in accordance with paragraph 25.1.3(i) of (and as defined in) the PLAE 2022 Scheme;
"Reinsured Policies"	means: <ul style="list-style-type: none">(i) the life insurance and pensions policies which are transferred and allocated to the PLAE Alba WP Fund pursuant to the PLAE 2022 Scheme; and(ii) any other policy if and only to the extent that the premiums in respect of that policy are allocated to the PLAE Alba WP Fund;
"SCR Event"	means PLL's Capital Resources falling to less than 105% of its Solvency Capital Requirement in accordance with then-current standards under Solvency II for the EU under Directive 2009/138/EC and legislation made pursuant to it;
"Significant Claims"	means any Notifiable Matters and/or any Consent Claims;
"Solvency II"	means: <ul style="list-style-type: none">(i) in relation to PLAE, EU Solvency II under Directive 2009/138/EC and legislation made pursuant to it; and(ii) in relation to PLL, the Applicable Law relating to PLL concerning the authorisation and supervision of insurance undertakings;
"Solvency Capital Requirement" or "SCR"	means the level of capital, currently of that name, that either party is required to maintain under Solvency II;
"Sub-CQS3 Rating"	means a rating assigned to credit quality step 4 or below, in accordance with then-current standards under Solvency II for the EU under Directive 2009/138/EC and legislation made pursuant to it;
"Tax" or "Taxation"	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 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 Effective Date, 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, Germany, or the Republic of Ireland;

"Term" has the meaning given to it in Clause 15 (*Term*);

"Termination Amount" means the amount calculated in accordance with the methodology set out in (i) paragraph 3 of Part A1; (ii) Part A2; or (iii) Part B, in each case of Schedule 2 (*Calculation of Termination Amount*) (as applicable);

"Termination Amount Dispute Notice" has the meaning given to it in Clause 17.4;

"Termination Date" means the date of receipt of a Termination Notice;

"Termination Notice" means a written notice of termination served by one party on the other party in accordance with Clause 16.4;

"Transaction Documents" means this Agreement, the Deed of Floating Charge, the Collateral Process Agreement, the Fixed Charge Arrangements and the PLAE 2022 Scheme or such documents as are agreed by the parties to be Transaction Documents for the purposes of this Agreement;

"VAT" means:

- (i) within the European Union, any Tax imposed by any Member State in conformity with the Directive of the Council of the European Union on the common system of value added tax (2006/112/EC); and
- (ii) outside the European Union, any Tax corresponding to, or substantially similar to, the common system of value added tax referred to in paragraph (i) of this definition; and

"With-Profits BEL" means the best estimate liabilities in respect of with-profits Reinsured Policies or with-profits elements of Reinsured Policies calculated using generally accepted actuarial techniques and in a manner consistent with the applicable PPFM and Solvency II and providing for future policy-related liabilities.

1.2 In this Agreement, unless otherwise specified:

- 1.2.1 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;
- 1.2.2 any reference 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;
- 1.2.3 any reference to any rules, regulations or guidance made by the CBI, the PRA and/or the FCA (as applicable) shall be deemed to include a reference to such rules, regulations or guidance as amended or replaced from time to time;
- 1.2.4 any reference to any regulator (including the CBI, FCA and PRA) shall be deemed to include a reference to any successor regulators;
- 1.2.5 expressions used which have meanings under FSMA shall bear those meanings;
- 1.2.6 any reference to a party or any other person shall include its successors in title, permitted assigns and permitted transferees;
- 1.2.7 the expressions "**subsidiary**" and "**holding company**" shall have the meanings given in section 1159 of the Companies Act 2006, save that, for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c) of the Companies Act 2006, a company shall be treated as a member of another company:
- (i) if any shares in that other company are held by a person acting on behalf of the company or any of its subsidiaries;
 - (ii) if any of its subsidiaries is a member of that other company; or
 - (iii) if any shares in that other company are held by a person (or that person's nominee) by way of security or in connection with the taking of security granted by the company or any of its subsidiaries;
- 1.2.8 the expressions "**subsidiary undertaking**" and "**parent undertaking**" shall have the meaning given in section 1162 of the Companies Act 2006, save that, for the purposes of section 1162(2) of the Companies Act 2006, an undertaking shall also be treated as a member of another undertaking if any shares in that other undertaking are held by a person (or that person's nominee) by way of security or in connection with the taking of security granted by the undertaking or any of its subsidiary undertakings;
- 1.2.9 headings are inserted for convenience only and shall not affect the construction of this Agreement;
- 1.2.10 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;
- 1.2.11 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;

- 1.2.12 any reference to writing shall include any modes of reproducing words in a legible and non-transitory form;
- 1.2.13 any reference to a calculation, decision, determination or opinion of the PLAE Board or PLL's Board (or any similar expression) shall be deemed to include a calculation, decision, determination or opinion of a duly constituted committee or duly authorised representative of the PLAE Board or PLL's Board (as appropriate);
- 1.2.14 the expression "**variation**" shall include any variation, amendment, modification, supplement, deletion, replacement or termination, however effected;
- 1.2.15 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;
- 1.2.16 "**including**" or "**includes**" means including or includes, without limitation;
- 1.2.17 any reference to an amount shall be exclusive of any applicable value added or other tax;
- 1.2.18 any reference to time is to London time and Dublin time;
- 1.2.19 any reference to a "**day**" (including within the phrase "**Business Day**") shall mean a period of 24 hours running from midnight to midnight; and
- 1.2.20 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.

2 REINSURANCE

- 2.1 With effect from the Effective Date, PLAE shall cede to PLL and PLL shall reinsure and indemnify PLAE in respect of the Reinsured Liabilities on the terms and conditions set out in this Agreement.
- 2.2 PLL's obligations to PLAE pursuant to Clause 2.1 shall be fully and exclusively discharged by the calculation and settlement of the Net Amount as provided in Clause 7 (*Net Amounts*) and, in the case of early termination, by payment of the Termination Amount.
- 2.3 In relation to the Reinsured Liabilities:
 - 2.3.1 subject to Clause 2.3.2 and Clause 10 (*Management of Business*), PLL shall follow all the decisions and fortunes and settlements, including any late payments, of PLAE in respect of the Reinsured Liabilities; and
 - 2.3.2 PLL shall:
 - (i) not be liable for any liabilities arising in connection with PLAE's operational risk in respect of any actions or omissions occurring following the Effective Date, in respect of the Reinsured Liabilities;
 - (ii) only be liable for an amount determined by PLAE (having regard to paragraph 16 of the PLAE 2022 Scheme) to be due for the benefit of a policyholder, where PLL (in accordance with the PPFM) has determined an amount to be due under an equivalent policy allocated

to the PLL Alba WP Fund in the same proportion as the Reinsured Policy, and then only to the extent of the amount determined by PLL in respect of the equivalent policy;

- (iii) not be liable to pay PLAE any amount in respect of any ex gratia payments made by PLAE in respect of a Reinsured Policy; and
- (iv) subject to the terms of the PLAE 2022 Scheme relating to Mis-selling/Mal-administration Liabilities, not be liable for an amount that is otherwise determined by PLAE to be due for the benefit of a policyholder, where such amount has been determined by PLAE in a manner which is inconsistent with the established practices of PLL.

2.4 PLL shall be entitled to retrocede (subject at all times to maintenance of confidentiality and compliance with Clause 24 (*Data Protection*)) all or part of its liabilities under this Agreement without the consent of PLAE if:

- 2.4.1** such retrocession does not adversely affect PLAE's rights, obligations or security under this Agreement and/or any other Transaction Document; and
- 2.4.2** PLL's obligations to PLAE under this Agreement and/or any other Transaction Document shall continue and not in any way be affected by such retrocession.

3 REINSURANCE PREMIUMS

3.1 At the Effective Date, PLAE shall pay (or procure the payment of) the Back-Book Premium to PLL. The payment of the Back-Book Premium shall, if the PLAE 2022 Scheme comes into effect in accordance with its terms, be satisfied by the set-off and retention of assets by PLL that would otherwise be transferred to PLAE pursuant to the PLAE 2022 Scheme, in accordance with the terms of paragraph 3.2 of the PLAE 2022 Scheme, so that PLAE will not be required to transfer any assets in order to pay the Back-Book Premium.

3.2 From the Effective Date, an amount equal to the aggregate insurance premiums received by (or on behalf of) PLAE in respect of the Reinsured Liabilities on any Business Day (the "**Premium Payment**") shall become due for payment by PLAE to PLL by the end of the month following PLAE providing PLL with written notice of such Premium Payment (such notice not to be unreasonably withheld or delayed) or, if later, the payment date specified in such notice. The Premium Payment shall be payable in accordance with Clause 7 (*Net Amounts*).

4 REINSURANCE CLAIMS

From the Effective Date, an amount equal to the aggregate amounts payable by (or on behalf of) PLAE to (or on behalf of) policyholders in respect of the Reinsured Liabilities having regard to the terms of paragraph 16 of the PLAE 2022 Scheme (the "**Claim Amount**") shall become due for payment (subject to Clause 11 (*Business Oversight*)) by PLL to PLAE by the end of the month following PLAE providing PLL with written notice of such Claim Amount, or, if later, the payment date specified in such notice. The Claim Amount shall be payable in accordance with Clause 7 (*Net Amounts*).

5 EXPENSES CASHFLOW

5.1 At the Effective Date, PLL shall pay £1 million to PLAE.

5.2 From the Effective Date, PLL shall pay to PLAE the Expenses Cashflow Amount in respect of the Reinsured Liabilities.

5.3 The Expenses Cashflow Amount shall be payable monthly on the last Business Day of each month and settled in accordance with Clause 7 (*Net Amounts*).

6 RECOVERIES

Where all or any part of any Reinsured Liability is Recovered by PLAE, PLAE shall pay to PLL the amount so Recovered payable monthly on the last Business Day of each month and settled in accordance with Clause 7 (*Net Amounts*).

7 NET AMOUNTS

7.1 Notwithstanding the references in Clauses 2 (*Reinsurance*), 3 (*Reinsurance Premiums*) and 4 (*Reinsurance Claims*) to any Premium Payment or Claim Amount and Clauses 5 (*Expenses Cashflow*) and 6 (*Recoveries*) to any Expenses Cashflow Amount and Recoveries, becoming due for payment by one party to the other party, the payments to be made by the parties in respect of such amounts shall be determined on a net basis in accordance with Clause 7.2 and, subject to Clauses 3.1 and 8.2, paid in accordance with Clause 7.3 by the last Business Day of each month (the "**Netting Day**"). The relevant payment obligations of each of PLAE and PLL under Clauses 3 (*Reinsurance Premiums*), 4 (*Reinsurance Claims*), 5 (*Expenses Cashflow*) and 6 (*Recoveries*) shall be deemed satisfied and discharged by the payment by the relevant party of any such net amount.

7.2 The net amount due (the "**Net Amount**") on each Netting Day shall be an amount equal to "**P**", where:

P = **Q** plus **R** *minus **s** minus **t**;

Q = the Premium Payment due for payment on the relevant Netting Day from PLAE to PLL under Clause 3 (*Reinsurance Premiums*);

R = amounts Recovered by PLAE and notified to PLL in respect of the relevant Netting Day in accordance with Clause 6 (*Recoveries*);

s = Expenses Cashflow Amount (as determined by PLAE and notified to PLL) arising in respect of the relevant Netting Day; and

t = the Claim Amount due for payment on the relevant Netting Day from PLL to PLAE under Clause 4 (*Reinsurance Claims*).

7.3 Where, in relation to that Netting Day, the Net Amount is:

7.3.1 a positive number, PLAE shall pay PLL; or

7.3.2 a negative number, PLL shall pay PLAE,

an amount equal to the Net Amount, in each case, with payment being due on the Business Day immediately following the relevant Netting Day unless otherwise agreed in writing by both parties.

7.4 Notwithstanding the provisions in Clauses 2 (*Reinsurance*), 3 (*Reinsurance Premiums*), 4 (*Reinsurance Claims*), 5 (*Expenses Cashflow*), 6 (*Recoveries*) or the other provisions of this Clause 7, PLL shall have the right to review the Net Amount and its constituent elements and request from PLAE reasonable supporting evidence of the same. In the event that,

following its review under this Clause, PLL disagrees with the Net Amount or any of its constituent elements, the parties shall use reasonable endeavours to agree the correct amounts. If the amounts cannot be agreed within five (5) Business Days, the matter shall be escalated to the parties' respective chief executive officers, who will seek (acting in good faith) to agree the amounts due. For the avoidance of doubt, nothing in this Clause 7.4 shall affect PLL's obligation to first pay the Net Amount in accordance with the other provisions of this Clause 7 (*Net Amounts*).

7.5 Where the Net Amount paid on a Netting Day in accordance with Clause 7.3 was:

7.5.1 a positive number and the new Net Amount agreed in accordance with Clause 7.4 in respect of a Netting Day:

- (i) is lower (including a negative number), the difference shall be paid by PLL to PLAE; or
- (ii) is higher, the difference shall be paid by PLAE to PLL; and

7.5.2 a negative number and the new Net Amount agreed in accordance with Clause 7.4 in respect of a Netting Day:

- (i) is lower (being a higher negative number), the difference shall be paid by PLL to PLAE; or
- (ii) is higher (including a positive number), the difference shall be paid by PLAE to PLL,

in each case, with payment being due on the Netting Day immediately following the date such Net Amount is agreed unless otherwise agreed in writing by both parties.

8 PAYMENTS

8.1 All payments between the parties under this Agreement shall be made without delay and in a manner consistent with the orderly payment of insurance claims.

8.2 For the avoidance of doubt, PLL's payment obligations pursuant to this Agreement shall not be affected by, and shall be paid without diminution on, the insolvency of PLAE (for the avoidance of doubt, without prejudice to PLL's rights of set-off under Clause 32 (*Set-off*)).

8.3 All amounts payable under this Agreement shall be settled in euros electronically, to such accounts (including custody accounts) as one party may notify to the other in writing from time to time.

9 REPORTING

9.1 The parties shall each comply with their reporting obligations to the other party, as set out in Schedule 6 (*Reporting*), unless otherwise mutually agreed.

9.2 In addition to the information which the parties are otherwise required to provide pursuant to the terms of this Agreement, each party must provide (promptly on request) any information that is reasonably required by the other party in order to carry out calculations and all other actions required pursuant to the terms of this Agreement, to comply with any applicable regulatory, statutory (or other legal) and tax requirements or to prepare regulatory or statutory reports and/or returns and/or to comply with any request from a Governmental Authority.

10 MANAGEMENT OF BUSINESS

- 10.1** PLAE shall be responsible for carrying out the business giving rise to the Reinsured Liabilities, including the entry into and administering of all policies and insurance contracts, the managing of all contact with policyholders, the conduct of all claims that have arisen or which may arise under any policy and of any incidental negotiations relating to such claims and PLAE shall consult with PLL in advance in writing prior to entering into any agreements for the provision of such services to it either by third parties or other members of its Group. PLAE shall in good faith take into account any reasonable requests by PLL in relation to the provision of such services to it.
- 10.2** Without prejudice to the provisions of paragraphs 21 and 25 of the PLAE 2022 Scheme, any new business written by PLAE, which is reinsured pursuant to the terms of this Agreement, shall be on a pricing basis which PLL considers (acting reasonably) to be acceptable.
- 10.3** PLAE shall appoint and maintain a "**Finance Technical Committee**" which shall from time to time have sufficient with-profits expertise to provide oversight in relation to the PLAE WP Funds. The Finance Technical Committee shall exercise powers of oversight in relation to benefits for customers allocated to the PLAE WP Funds and any other with-profits funds maintained by PLAE from time to time.
- 10.4** The PLAE Board shall:
- 10.4.1** be entitled to make representations to the PLL WP Actuary, the PLL With-Profits Committee, the PLL Board and the chief executive officer of PLL on matters affecting the Reinsured Policies and to receive an explanation of the basis for decisions which affect holders of such Reinsured Policies, and PLL shall have regard to all such representations when making its decisions; and
 - 10.4.2** be provided with the relevant papers for the PLL With-Profits Committee which relate to the Reinsured Policies (in line with the practices and processes of the PLL With-Profits Committee) a sufficient period prior to the relevant meeting of the PLL With-Profits Committee to allow:
 - (i) the PLAE Finance Technical Committee to consider those papers and raise any points both at the meeting of the Reinsurance Business Committee referred to in the sub-clause below and at the relevant meeting of the PLL With-Profits Committee; and
 - (ii) matters arising from the PLAE Finance Technical Committee's review of those papers to be considered at a meeting of the Reinsurance Business Committee taking place in advance of the relevant meeting of the PLL With-Profits Committee.
- 10.5** If the parties are not able to reach an agreement following such representations, the parties will attempt to settle any such disagreement using the dispute resolution process in accordance with Clause 34 (*Dispute Resolution*), commencing at Clause 34.1.3.
- 10.6** PLL shall have the right to review and approve, such approval not to be unreasonably withheld or delayed, all policyholder and intermediary documents and communications relating to the Reinsured Policies where the subject matter or content of such documents could create or extend PLL's obligations in relation to the Reinsured Liabilities, prior to any such documents or communications being circulated by PLAE to the relevant policyholders. If any such documents or communications that are circulated to the relevant policyholders

without PLL's consent (in breach of this Clause 10.6) create or materially extend any obligation in connection with the Reinsured Policies, that additional obligation or exposure shall not constitute a Reinsured Liability under this Agreement.

10.7 PLL shall maintain and comply with the PPFM and shall consult with PLAE in advance, which shall be noted and discussed at the Finance Technical Committee, before making any amendments to the principles of the PPFM. Subject to legal and regulatory requirements, PLL shall give PLAE at least six weeks' notice of any amendments to the PPFM which materially affect the substance of publications that PLAE is required by regulation to send to its policyholders.

10.8 PLL shall ensure that the role profile of the PLL WP Actuary and the terms of reference of the PLL With-Profits Committee shall provide that the obligation to consider the interests of all with-profits policyholders shall also include an obligation to consider the interests of holders of the Reinsured Policies, as if they were policyholders of PLL investing in the relevant PLL WP Fund.

10.9 Reinsurance administration services

10.9.1 From the Effective Date, PLL shall perform the PLL Reinsurance Services.

10.9.2 Any changes to the PLL Reinsurance Services shall require the approval of the Reinsurance Business Committee and then PLL (such approval not to be unreasonably withheld or delayed).

10.9.3 Except as otherwise expressly set out in this Agreement, the extent of any liability of PLL to PLAE in respect of the PLL Reinsurance Services shall be limited to the restrictions in, and amounts recovered by, PLL under the relevant MSA Agreements.

11 BUSINESS OVERSIGHT

11.1 The parties acknowledge and agree that a committee shall be established for the purpose of monitoring the management of the PLAE Reinsurance Agreements (the "**Reinsurance Business Committee**").

11.2 The membership and proceedings of the Reinsurance Business Committee shall be governed by the terms of reference set out in Schedule 4 (*Reinsurance Business Committee Terms of Reference*) (the "**Reinsurance Business Committee Terms of Reference**") as well as the provisions of this Clause 11. The Reinsurance Business Committee Terms of Reference shall only be amended with the agreement of PLL, ReAssure Life Limited and PLAE.

11.3 Each of the parties shall, within one (1) Business Day of the date of this Agreement, nominate its representatives for the Reinsurance Business Committee. The Reinsurance Business Committee shall be convened (as required by either party) by any representative serving notice to all other representatives of the Reinsurance Business Committee ("**Notice of Reinsurance Business Committee Meeting**"). Unless the representatives agree otherwise, the Reinsurance Business Committee shall be convened within two (2) Business Days of the date of the Notice of Reinsurance Business Committee Meeting. The quorum for the Reinsurance Business Committee is set out in the Reinsurance Business Committee Terms of Reference.

11.4 The Reinsurance Business Committee shall be responsible for:

- 11.4.1 overseeing Significant Claims which are Reinsured Liabilities;
 - 11.4.2 overseeing the acceptability of pricing new business (as set out in Clause 10.2), and the other matters referred to in Clause 10 (*Management of Business*);
 - 11.4.3 monitoring, reviewing and challenging all day to day operational aspects of the PLAE Reinsurance Agreements, including any information required by either party;
 - 11.4.4 reporting to the Finance Technical Committee, parties' Boards or governance committees, the relevant PLL WP Actuary and the PLL With-Profits Committee (where applicable) any actions that may be required as a result of this review; and
 - 11.4.5 the other responsibilities referred to in Schedule 4 (*Reinsurance Business Committee Terms of Reference*).
- 11.5 PLAE shall notify PLL of any Notifiable Matters (such notification to be to an e-mail address notified by PLL to PLAE in writing) at or before the next meeting of the Reinsurance Business Committee which takes place after PLAE has identified the Notifiable Matter. Subject to Clause 11.7 below in relation to Consent Claims, nothing in this Clause shall prevent PLAE from settling any such claims to which a Notifiable Matter relates.
- 11.6 The Reinsurance Business Committee shall discuss any and all Notifiable Matters notified by PLAE to PLL. PLL shall have the opportunity to make representations at any meeting of the Reinsurance Business Committee as to the amount that they would consider reasonable for PLAE to pay or have paid (and PLL to reinsure) in respect of any claim under a Reinsured Policy which is notified to PLL as a Notifiable Matter. For the avoidance of doubt, no vote shall be taken in respect of any Notifiable Matter and all Notifiable Matters shall be included, as appropriate, within the relevant Quarterly Report.
- 11.7 Unless otherwise agreed in writing by both parties, PLAE shall not agree to settle any Consent Claim without PLL's prior written consent (such consent not to be unreasonably withheld or delayed). PLAE shall notify PLL of all Consent Claims, such notification to be to an e-mail address notified by PLL to PLAE in writing, and shall include the amount which PLAE proposes to pay in settlement of the Consent Claim (the "**Proposed Settlement**"), the plan number, the policyholder name, the type of policy, the type of claim (e.g. maturity, death, retirement, transfer, partial transfer etc.), the claim amount and the payment authoriser (the "**Consent Claim Notice**").
- 11.8 Unless otherwise agreed in writing by both parties, where:
- 11.8.1 PLAE has notified PLL of a Consent Claim and the Proposed Settlement in accordance with Clause 11.7 and PLL, acting reasonably, disagrees with the Proposed Settlement;
 - 11.8.2 PLAE has failed to notify PLL of a Consent Claim prior to its settlement; or
 - 11.8.3 PLAE has notified PLL of a Consent Claim and the Proposed Settlement in accordance with Clause 11.7 and PLAE subsequently settles the Consent Claim for an amount in excess of the Proposed Settlement,

then PLL shall be entitled (in the case of Clause 11.8.1, within two (2) Business Days of the date of the Consent Claim Notice and, in the case of Clause 11.8.2 or 11.8.3, within two (2)

Business Days of the date on which PLL became aware of such Consent Claim and reasonable details relating thereto, including the quantum of such Consent Claim) to escalate the matter to the parties' respective chief executive officers, who will seek (acting in good faith) to agree settlement of the Consent Claim.

11.9 Unless otherwise agreed in writing by both parties, the parties shall use all reasonable endeavours to resolve any disputes under and in accordance with this Clause 11 by no later than:

11.9.1 in respect of Consent Claims which have not yet been paid by (or on behalf of) PLAE, the best estimate of the date (or, if known, the actual date) on which PLAE, acting reasonably, considers it appropriate to pay the Consent Claim; and

11.9.2 in respect of Consent Claims which have been paid by PLAE, twenty (20) Business Days prior to the date on which PLAE must provide the Quarterly Report reflecting payment of the relevant Consent Claim to PLL in accordance with paragraph 1.1 of Schedule 6 (*Reporting*).

11.10 Unless otherwise agreed in writing by both parties, if a dispute under and in accordance with this Clause 11 is not resolved five (5) Business Days prior to the date on which PLAE must provide the Quarterly Report reflecting payment of the relevant Consent Claim to PLL in accordance with Schedule 6 (*Reporting*):

11.10.1 the Quarterly Report reflecting payment of the relevant Consent Claim shall reflect only such amount of the Consent Claim as is not disputed between the parties (and such proportion of any amount of reinsurance attaching to such Consent Claim as is equal to the undisputed proportion of such Consent Claim);

11.10.2 an amount equal to the amount of the Consent Claim as is disputed between the parties shall be rolled over into the next Quarterly Report; and

11.10.3 the parties shall agree to escalate the disputed Consent Claim to their respective chief executive officers, who will (acting in good faith) seek to agree all disputes in respect of the relevant Consent Claim and the dispute resolution process in Clause 34 (*Dispute Resolution*) shall apply, commencing at Clause 34.1.3.

11.11 Notwithstanding Clauses 11.1 to 11.10, the parties shall agree to accelerate the processes set out above (or any other processes agreed by both parties pursuant to Clauses 11.7 to 11.10) in order to resolve any disputes and agree settlements in respect of any Consent Claim where such earlier settlement is required by Applicable Law.

12 COVENANTS

12.1 PLAE covenants in relation to its performance of its obligations under the Transaction Documents that:

12.1.1 it shall comply in all material respects with Applicable Law;

12.1.2 subject to Applicable Law, it shall at all times during the Term comply in all material respects with the Business Guidelines;

12.1.3 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 by Applicable Law to enable it lawfully to enter into and perform its obligations under the Transaction Documents; and

12.1.4 in respect of a proposed amendment of, or variation to, any of the MSA Agreements to which it is a party, where such amendment or variation relates to or may have a material impact on the Reinsured Policies, PLAE shall not agree to such amendment or variation without the prior written consent of PLL (such consent not to be unreasonably withheld or delayed).

12.2 PLL covenants in relation to its performance of its obligations under the Transaction Documents that:

12.2.1 it shall comply in all material respects with Applicable Law;

12.2.2 subject to Applicable Law, it shall at all times during the Term comply in all material respects with the Business Guidelines and the PPFM;

12.2.3 it shall provide written notice to PLAE in advance (where practicable) or after the event (where advance notice is not practicable), in either case on a timely basis:

(i) in respect of an SCR Event occurring; or

(ii) if PLL is assigned a credit rating which is a Sub-CQS3 Rating or PLL's credit rating is withdrawn;

12.2.4 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 by Applicable Law to enable it lawfully to enter into and perform its obligations under the Transaction Documents; and

12.2.5 in respect of a proposed amendment of, or variation to, any of the MSA Agreements to which it is a party, where such amendment or variation relates to or may have a material impact on the Reinsured Policies, PLL shall not agree to such amendment or variation without the prior written consent of PLAE (such consent not to be unreasonably withheld or delayed).

13 WARRANTIES

13.1 No term of this Agreement shall be a warranty except where the term expressly so provides.

13.2 No terms of this Agreement which are expressed to be warranties (or which might otherwise be construed as warranties) shall take effect as warranties within the meaning of the Marine Insurance Act 1906 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.

13.3 PLAE warrants to PLL that, as at the date of execution of this Agreement:

13.3.1 it has the power to enter into and perform its obligations under this Agreement, the Fixed Charge Arrangements and the Deed of Floating Charge and all necessary authorisations have been obtained;

- 13.3.2** the obligations expressed to be assumed by it under this Agreement, the Fixed Charge Arrangements and the Deed of Floating Charge 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));
 - 13.3.3** the execution, delivery and performance of this Agreement, the Fixed Charge Arrangements and the Deed of Floating Charge does 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;
 - 13.3.4** it is duly registered and validly exists under Irish law; and
 - 13.3.5** it carries on its business in all material respects in accordance with Applicable Law.
- 13.4** PLL warrants to PLAE that, as at the date of execution of this Agreement:
- 13.4.1** it has the power to enter into and perform its obligations under this Agreement, the Fixed Charge Arrangements and the Deed of Floating Charge and all necessary authorisations have been obtained;
 - 13.4.2** the obligations expressed to be assumed by it under this Agreement, the Fixed Charge Arrangements and the Deed of Floating Charge 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));
 - 13.4.3** the execution, delivery and performance of this Agreement, the Fixed Charge Arrangements and the Deed of Floating Charge does 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;
 - 13.4.4** it is duly registered and validly exists under English law;
 - 13.4.5** it carries on its business in all material respects in accordance with Applicable Law;
 - 13.4.6** it is not the subject of an Insolvency Event and no Insolvency Event will occur in respect of PLL as a (direct or indirect) result of it entering into this Agreement, the Fixed Charge Arrangements or the Deed of Floating Charge; and
 - 13.4.7** it is not the subject of a SCR Event and no SCR Event will occur in respect of PLL as a (direct or indirect) result of it entering into this Agreement, the Fixed Charge Arrangements or the Deed of Floating Charge.

14 INSPECTION OF RECORDS

- 14.1** PLL or its appointed representatives may, during normal office hours of PLAE at the business premises from time to time of PLAE and as soon as reasonably practicable after a request

is made, inspect and take copies, at PLL's own expense, of such of PLAE's records and documents which relate to the Reinsured Liabilities.

- 14.2** PLAE or its appointed representatives may, during normal office hours of PLL at the business premises from time to time of PLL and as soon as reasonably practicable after a request is made, inspect and take copies, at PLAE's own expense, of such of PLL's records and documents which relate to the Reinsured Liabilities.
- 14.3** It is agreed that PLL's and PLAE's rights of inspection shall continue as long as any liability remains hereunder.
- 14.4** The right of inspection being provided shall not be construed to allow either party 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.

15 TERM

This Agreement shall take effect from the Effective Date and shall continue in force until natural expiry or termination in accordance with Clause 16 (*Termination on Notice*) (the "**Term**").

16 TERMINATION ON NOTICE

- 16.1** PLAE shall have the right to terminate this Agreement in full, subject to Clause 16.4, by serving a Termination Notice on PLL on or after the occurrence of any of the following events (each, an "**Event of Default**"):
- 16.1.1** PLL fails to make a payment which is due and payable to PLAE as required under this Agreement, the Fixed Charge Arrangements or the Deed of Floating Charge and such failure is not rectified within five (5) Business Days of being notified by PLAE of such failure;
 - 16.1.2** any procedure is commenced with a view to the winding up or reorganisation of PLL except in the case of (i) a solvent reorganisation or (ii) any winding-up petition which PLAE is reasonably satisfied is frivolous or vexatious or is discharged or dismissed within ten (10) Business Days of commencement or, if earlier, the date on which it is advertised;
 - 16.1.3** any step is taken or any procedure is commenced with a view to the appointment of an administrator, receiver, administrative receiver, examiner or liquidator (or other insolvency officer) in relation to PLL or all or a substantial part of its assets, except in the case of any winding-up petition or administration application which PLAE is reasonably satisfied is frivolous or vexatious or is discharged or dismissed within ten (10) Business Days of commencement or, if earlier, the date on which it is advertised as the case may be;
 - 16.1.4** the holder of any security over all or a substantial part of the assets of PLL takes any step to enforce that security or all or a substantial part of the assets of PLL are subject to attachment, sequestration, execution or any similar process;
 - 16.1.5** PLL 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; or

- 16.1.6** anything analogous to the matters set out in Clauses 16.1.1 to 16.1.5 occurs in relation to PLL in any jurisdiction.
- 16.2** PLAE shall have the right to terminate this Agreement in full, subject to Clause 16.4, by serving a Termination Notice on PLL on or after the occurrence of any of the following events:
- 16.2.1** material breach by PLL of a Fundamental Provision, which is either incapable of remedy or, if capable of remedy, is not remedied within thirty (30) Business Days of being notified by PLAE of such breach;
 - 16.2.2** it becomes unlawful in any relevant jurisdiction for PLAE or PLL to perform all or any material part of this Agreement, the Fixed Charge Arrangements or the Deed of Floating Charge, and such unlawfulness is not remedied within thirty (30) Business Days after PLAE gives notice in writing to PLL in respect of such unlawfulness;
 - 16.2.3** PLL ceases to hold any authorisation (including any exemption from authorisation), permission, approval, registration, consent or licence which it requires in order to perform its material obligations under this Agreement, the Fixed Charge Arrangements or the Deed of Floating Charge, and fails to obtain such permission, approval, registration, consent or licence within thirty (30) Business Days of notice in writing from PLAE requiring it to do so;
 - 16.2.4** PLL amends any principle of the PPFM in a way in which PLAE considers, acting reasonably, to have a materially adverse impact on holders of the Reinsured Policies;
 - 16.2.5** PLL elects, pursuant to paragraph 20 of the PLL 2009 Scheme to be released from its obligation to maintain the PLL Alba WP Fund (other than where PLL elects to merge the PLL Alba WP Fund with another of its with-profits funds in accordance with the PLL 2009 Scheme);
 - 16.2.6** an SCR Event occurs; or
 - 16.2.7** PLL is assigned a credit rating which is a Sub-CQS3 Rating.
- 16.3** Subject to Clause 16.4, PLL shall have the right to terminate this Agreement in full by serving a Termination Notice on PLAE on or after the occurrence of any of the following events:
- 16.3.1** PLAE fails to make a payment which is due and payable to PLL as required under this Agreement (including, for the avoidance of doubt, the Back-Book Premium) and such failure is not rectified within five (5) Business Days of being notified by PLL of such failure;
 - 16.3.2** a material breach by PLAE of a Fundamental Provision 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 PLL of such breach;
 - 16.3.3** it becomes unlawful in any relevant jurisdiction for PLAE or PLL to perform all or any material part of this Agreement and such unlawfulness is not remedied within thirty (30) Business Days after PLL gives notice in writing to PLAE in respect of such unlawfulness; or
 - 16.3.4** PLAE 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 PLL requiring it to do so.

16.4 Following the occurrence of one of the events described in Clause 16.1, 16.2 or 16.3, the relevant party may only exercise its related right to terminate this Agreement by giving notice in writing (a "**Termination Notice**") to the other party (specifying the event in this Clause 16 relied on as giving rise to the right to terminate this Agreement) at any time from the date on which the event occurs until the date that falls sixty (60) Business Days after:

16.4.1 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

16.4.2 if a period of time is specified to remedy, rectify or dismiss the event described in Clause 16.1, 16.2 or 16.3, the date on which such period of time ends.

16.5 Where PLL proposes a change to the terms of the investment mandate in accordance with Clause 3 of the Collateral Process Agreement and PLL and PLAE are unable to reach agreement in respect of such change following the conclusion of the applicable process set out in Clause 3 of the Collateral Process Agreement, then PLAE shall have the right to terminate this Agreement by serving a Termination Notice following the final date for resolution of such dispute pursuant to Clause 3.11 of the Collateral Process Agreement.

17 EFFECT OF TERMINATION

17.1 Where this Agreement is terminated by the mutual agreement of the parties hereto, the Termination Amount shall be calculated in accordance with paragraph 3 of Part A1 of Schedule 2 (*Calculation of Termination Amount*) and shall be paid by PLL to PLAE subject to and in accordance with the provisions of Clauses 17.2, 17.3 and 17.4.

17.2 If either party serves a Termination Notice in accordance with Clause 16 (*Termination on Notice*) (other than following the occurrence of an Event of Default):

17.2.1 if Part A1 of Schedule 2 (*Calculation of Termination Amount*) applies, PLL shall, within three (3) Business Days of the Termination Date, calculate in good faith the Initial Termination Amount (in accordance with paragraph 1 of Part A1 of Schedule 2 (*Calculation of Termination Amount*)) and pay this amount to PLAE;

17.2.2 if Part A1 of Schedule 2 (*Calculation of Termination Amount*) applies, PLL shall within twenty (20) Business Days of the Termination Date, calculate in good faith the Interim Termination Amount (in accordance with paragraph 2 of Part A1 of Schedule 2 (*Calculation of Termination Amount*)) and pay the Interim Termination Amount to PLAE;

17.2.3 the parties shall negotiate in good faith to agree any amendments to the PLAE 2022 Scheme as may be required as a result of the termination of this Agreement;

17.2.4 if Part A2 of Schedule 2 (*Calculation of Termination Amount*) applies, PLAE shall calculate the Cost of Capital, and provide its calculation to PLL, as soon as reasonably practicable; and

17.2.5 PLL shall, as soon as reasonably practicable, calculate in good faith the Termination Amount (in accordance with paragraph 3 of Part A1 of Schedule 2 (*Calculation of Termination Amount*) or Part A2 of Schedule 2 (*Calculation*

of Termination Amount), as the case may be) and, promptly following such determination, deliver written notice of the Termination Amount to PLAE provided that, if Part A2 of Schedule 2 (*Calculation of Termination Amount*) applies, PLAE shall calculate the Cost of Capital prior to this calculation.

17.3 Within thirty (30) Business Days of agreement (including deemed agreement in accordance with Clause 17.4):

17.3.1 where Part A1 of Schedule 2 (*Calculation of Termination Amount*) applies (the Termination Amount having been calculated in accordance with paragraph 3 of Part A1 of Schedule 2 (*Calculation of Termination Amount*) and notified to PLAE in accordance with Clause 17.2.5), the parties shall calculate the Adjustment Amount and:

- (i) where the Adjustment Amount is a positive number, PLL shall pay PLAE; or
- (ii) where the Adjustment Amount is a negative number, PLAE shall pay PLL,

an amount equal to the Adjustment Amount and such amount shall be subject to the payment of Non-Default Interest (subject to any reasonable adjustment to the Non-Default Interest rate agreed between the parties (acting in good faith) to reflect any material market changes during the period which the Non-Default Interest is being applied); and

17.3.2 where Part A2 of Schedule 2 (*Calculation of Termination Amount*) applies (the Termination Amount having been calculated in accordance with Part A2 of Schedule 2 (*Calculation of Termination Amount*) and notified to PLAE in accordance with Clause 17.2.5), PLL shall pay PLAE an amount equal to the Termination Amount calculated in accordance with Part A2 of Schedule 2 (*Calculation of Termination Amount*).

17.4 If PLAE wishes to dispute the calculation of the Termination Amount (other than the Cost of Capital) prepared by PLL (as calculated in accordance with Part A1 or Part A2, as the case may be, of Schedule 2 (*Calculation of Termination Amount*) and notified to PLAE in accordance with Clause 17.2.5) or, as the case may be and where applicable, PLL wishes to dispute the calculation of the Cost of Capital prepared by PLAE, the relevant party must notify the other of such dispute within thirty (30) Business Days of receipt of the Termination Amount or Cost of Capital calculation (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 (or Termination Amount Dispute Notices) within thirty (30) Business Days of receipt by the relevant party of such Termination Amount Dispute Notice (or, in the case of two Termination Amount Dispute Notices having been served, the date that the later of the two notices is received). If the parties are unable to agree within this period, either party may escalate the matter to the Independent Actuary, whose determination regarding the Termination Amount and/or Cost of Capital (as applicable) shall be binding on the parties. Failure by PLAE or PLL to issue a Termination Amount Dispute Notice within thirty (30) Business Days of receipt of the Termination Amount or Cost of Capital calculation (as applicable) shall constitute its deemed agreement to the Termination Amount or Cost of Capital (as applicable) as originally calculated.

17.5 If PLAE serves a Termination Notice in accordance with Clause 16.1 following the occurrence of an Event of Default:

17.5.1 the Independent Actuary shall calculate the Termination Amount (in accordance with Part B of Schedule 2 (*Calculation of Termination Amount*)). Following notification of the Termination Amount, each of PLAE and PLL shall have twelve (12) Business Days to dispute the calculation and provide the Independent Actuary with a description in writing in reasonable detail of the matter(s) disputed together with relevant calculations, and with a copy to the other party (an "**IA Termination Amount Dispute Notice**"). Following receipt of an IA Termination Amount Dispute Notice, the Independent Actuary shall take into consideration the disputed matters and the representations of PLAE and PLL in determining whether to amend the Termination Amount in accordance with Part B of Schedule 2 (*Calculation of Termination Amount*). After such consideration the Independent Actuary's determination of the Termination Amount shall be binding on the parties. If PLAE or PLL, as the case may be, does not dispute the Termination Amount within twelve (12) Business Days it shall be deemed to accept the Termination Amount. PLL shall pay the Termination Amount which shall become immediately due and payable by PLL to PLAE on: (i) if neither party disputes the Termination Amount, the date falling 12 Business Days from the date on which the parties are notified of the Termination Amount or such earlier date as the parties may agree; or (ii) following either party disputing the Termination Amount within the 12 Business Day period referred to above, the date of the Independent Actuary's determination of the Termination Amount; and

17.5.2 the parties shall negotiate in good faith to agree any amendments to the PLAE 2022 Scheme as may be required as a result of the termination of this Agreement.

17.6 For the avoidance of doubt, Clause 17.5 shall also apply in a situation where an Event of Default occurs after an initial Termination Notice not relating to an Event of Default has been served by PLAE on PLL, but prior to the Adjustment Amount having been paid in accordance with Clause 17.3. In this scenario, PLAE may serve a further notice under Clause 16.1, upon which the Termination Amount calculated in accordance with Part B of Schedule 2 (*Calculation of Termination Amount*) shall become due and payable by PLL to PLAE pursuant to Clause 17.5 (less any amounts already paid under Clause 17.2.1 or 17.2.2).

17.7 Notwithstanding Clause 20.1, the Termination Amount payable in accordance with Clause 17.5.1 shall be subject to Non-Default Interest (rather than Default Interest), and for the period from (but excluding) the date on which the payment is due to (and including) the date of actual payment.

18 TAX EVENT, REGULATORY EVENT OR CHANGE IN APPLICABLE LAW

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

18.1 a material adverse effect on a party's ability to effect and carry out its obligations under this Agreement; or

- 18.2** the benefit of this Agreement to a party becoming materially less favourable than is the case as of the date of the respective agreements (as appropriate),

then the party affected by the Tax Event, Regulatory Event or a change in Applicable Law 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, Regulatory Event or change in Applicable Law. If the parties are not able to agree an amendment to the relevant agreement within thirty (30) Business Days of the notice, the parties shall escalate to their respective chief executive officers, who will seek (acting in good faith) to agree such an amendment and the dispute resolution process in Clause 34 (*Dispute Resolution*) shall apply starting with Clause 34.1.3.

19 PROVISIONS SURVIVING TERMINATION

- 19.1** 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.
- 19.2** Clauses 17 (*Effect of Termination*), 25 (*Confidentiality*), 27 (*Notices*), 30 (*Entire Agreement*), 32 (*Set-off*) and 35 (*Governing Law and Jurisdiction*) (and, to the extent necessary for the interpretation thereof, Clause 1 (*Interpretation*)) shall survive the termination of this Agreement.

20 INTEREST

- 20.1** 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.
- 20.2** 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.

21 SECURITY ARRANGEMENTS

- 21.1** At or before the Effective Date, the parties shall enter into the Deed of Floating Charge and the Fixed Charge Arrangements and shall from time to time ensure the collateral is deposited into the Custodian Accounts in accordance with Schedule 7 (*Collateral*).
- 21.2** At or before the Effective Date, the parties shall enter into the Investment Management Agreement and the Collateral Process Agreement (the "**Investment Management Arrangements**") pursuant to which the parties shall agree the terms upon which the collateral deposited in the Custodian Accounts will be managed. The Investment Management Arrangements shall contain provisions setting out appropriate requirements in respect of the composition, duration and nature of the assets deposited in the Custodian Account in the context of the applicable Reinsured Liabilities backed by such assets.

22 VAT

Any consideration given under this Agreement for the transactions contemplated by this Agreement is expressed to be inclusive of amounts in respect of VAT.

23 WITHHOLDINGS AND DEDUCTIONS

- 23.1** All sums paid under this Agreement shall be paid free and clear of all deductions or withholdings whatsoever, save only as may be required by law.
- 23.2** If any deductions or withholdings are required by law in respect of any sum paid by a party under this Agreement, the party shall pay such sum as will, after such deduction or withholding has been made, leave the recipient the amount it would have received in the absence of any deduction or withholding.

24 DATA PROTECTION

- 24.1** Each party confirms that it will at all times comply with the Data Protection Laws, to the extent that the Data Protection Laws apply to it in the performance of its obligations hereunder (particularly in relation to the protection of personal and/or sensitive data relating to individuals).
- 24.2** Without prejudice to Clause 24.1, the provisions of Schedule 5 (*Data Transfer Provisions*) shall apply to PLL's performance of its obligations under this Agreement.

25 CONFIDENTIALITY

- 25.1** Each party agrees to keep confidential and not disclose to any other person the material terms of this Agreement and the transaction contemplated hereby and all information received by it from the other party relating to the material terms of this Agreement and such transaction.
- 25.2** This Clause 25 shall not prevent any party from disclosing any information:
- 25.2.1** relating to the existence and the general nature of this Agreement;
 - 25.2.2** already in the public domain (other than as a result of a breach by such party of this Agreement);
 - 25.2.3** already known to such party prior to receipt of such information from the other party;
 - 25.2.4** as reasonably required for the proper administration of this Agreement, including in pursuit of the settlement of a dispute in relation to this Agreement via a settlement process agreed by the parties;
 - 25.2.5** to retrocessionaires, Affiliates and representatives;
 - 25.2.6** as may be required or requested by any Governmental Authority to which such party is subject;
 - 25.2.7** to the extent required by any Applicable Law;
 - 25.2.8** to its professional advisers and auditors; or
 - 25.2.9** to an expert, to a member of a tribunal or to any court of competent jurisdiction.

26 ANNOUNCEMENTS

- 26.1** No party (nor any of its representatives or members of its Group) 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.
- 26.2** The restriction in Clause 26.1 shall not apply to the extent that the announcement or circular (i) is required by Applicable Law, 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 (ii) contains only information which has previously become publicly available other than through that party's fault (or that of any of its representatives or members of its Group).

27 NOTICES

- 27.1** 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 or delivered by hand/courier) and must be sent to the address, or email address (where relevant) of the relevant party given in this Clause 27, unless another address or email address has been notified in writing by the relevant party in accordance with Clause 27.3. If sent by post, the relevant notice must be delivered or sent by prepaid first class or recorded delivery post.
- 27.2** Subject to Clause 27.3, the notice details of the parties for the purposes of this Clause 27 are as follows:

PLL

Address:
1 Wythall Green Way,
Wythall,
Birmingham
B47 6WG

Email: [●]

PLAE

Address:
90 St. Stephen's Green
Dublin 2, Dublin
D02 F653
Ireland

Email: [●]

- 27.3** 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 (5) Business Days after the notification has been received or such later date as may be specified in the notice.

28 TRANSFERS AND ASSIGNMENT

- 28.1** 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.
- 28.2** Each party shall be responsible for its own costs and expenses incurred in respect of any such transfer or assignment.

29 INVALIDITY, REMEDIES AND WAIVERS

29.1 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, the parties agree to co-operate with one another to seek to resolve or rectify any such issues and agree that this shall not affect or impair:

29.1.1 the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or

29.1.2 the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of this Agreement.

29.2 A waiver or variation of this Agreement will only be effective if it is in writing, is signed by each party and has been consented to in writing by both the PLL WP Actuary and the PLAE Head of Actuarial Function (on the basis that the proposed waiver or variation is not expected to materially and adversely affect (i) the contractual rights of the holders of Reinsured Policies and the holders of policies written in or allocated to the PLAE Alba WP Fund; or (ii) their reasonable expectations regarding non-contractual rights under such policies and taking into account the interests of the other policyholders in the PLL Alba WP Fund).

29.3 Except as provided for in this Agreement:

29.3.1 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;

29.3.2 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

29.3.3 the parties' rights and remedies contained in this Agreement are cumulative and not exclusive of rights or remedies provided by law.

30 ENTIRE AGREEMENT

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.

31 FURTHER ASSURANCE

31.1 Each party shall and shall, if relevant, procure that each member of its Group (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.

31.2 In the event that a Change of Control occurs in relation to PLAE, PLAE agrees to meet PLL to discuss the changes required to this Agreement as a consequence of such Change of Control.

32 SET-OFF

Either party may set off an obligation owed by the other party under this Agreement.

33 GENERAL

- 33.1** 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 those Acts.
- 33.2** This Agreement may be executed in any number of counterparts, and by the parties in 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.
- 33.3** The parties acknowledge and agree that, so far as permitted by Applicable Law, the provisions of the UK 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 UK Insurance Act 2015.
- 33.4** Each party shall pay its own costs incurred in connection with the negotiation, and entry into, of this Agreement.

34 DISPUTE RESOLUTION

- 34.1** In the event of any dispute or difference arising out of or relating to this Agreement other than a dispute which is subject to the dispute resolution provisions set out in the Collateral Process Agreement:
- 34.1.1** the parties will, in the first instance, use their respective reasonable endeavours to resolve the dispute;
- 34.1.2** in the event that the dispute is not resolved within 30 Business Days, then the parties shall refer the dispute to the Reinsurance Business Committee;
- 34.1.3** in the event that the dispute is not resolved within a further 30 Business Days, then the parties shall refer the dispute to the chief executive officers of the parties to resolve the dispute; and
- 34.1.4** in the event that the chief executive officers of the parties are unable to resolve the dispute within 20 Business Days of it being referred to them, the parties will appoint an Expert within a further 20 Business Days in accordance with Clause 34.3 and the dispute will be referred to that Expert who will act as an expert and not an arbitrator whose decision will be binding on both parties.
- 34.2** The Expert shall establish procedures for resolving the dispute and permitting each party to submit evidence not later than 20 Business Days after the date of his/her appointment and shall submit his/her decision within 20 Business Days after the date of his/her appointment. The costs of the dispute resolution shall be shared equally by the parties to the dispute except that each party shall bear its own legal costs.
- 34.3** For the purposes of this Agreement, "**Expert**" means an independent actuary or other appropriately qualified professional appointed by the written agreement of the parties or (in default of agreement within the 20 Business Day period referred to in Clause 34.1.4) appointed by the President of the UK Institute and Faculty of Actuaries.

35 GOVERNING LAW AND JURISDICTION

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. The courts of England and Wales are to have exclusive jurisdiction to settle any dispute, whether contractual or non-contractual, arising out of or in connection with this Agreement.

DRAFT

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

SIGNED by)
)
)
) **Director**
)
for and on behalf of
PHOENIX LIFE ASSURANCE
EUROPE DESIGNATED
ACTIVITY COMPANY

SIGNED by)
)
)
) **Director**
)
for and on behalf of
PHOENIX LIFE LIMITED

DRAFT

Schedule 1

Back-Book Premium

The back-book premium should be an amount equivalent to:

- (a) the With-Profits BEL and the Non-Profit BEL (calculated by reference to the value of the Reinsured Policies as at 31 December 2021 (the "**calculation date**")),

as adjusted to reflect:

- (b) the fair value of all maturities, claims and surrenders, as well as any changes in economic conditions, which occur between the calculation date and the Effective Date.

In determining the fair value in respect of both paragraphs (a) and (b) above, the parties should have regard for generally accepted actuarial practice in assessing fair value (assessed from both PLL's and PLAE's perspectives).

Schedule 2 Calculation of Termination Amount

Part A

In the event of termination of this Agreement pursuant to Clause 16 (*Termination on Notice*) (other than following the occurrence of an Event of Default) or following termination by the mutual agreement of the parties hereto (subject to any amendments agreed in accordance with Clause 17.1), the Termination Amount and the Adjustment Amount and, where Part A1 applies, the Initial Termination Amount and the Interim Termination Amount shall be as set out below:

Points of general application

Unless the context otherwise requires, calculations shall be made using PLL's assumptions, bases and methodologies from time to time as evidenced from its most recent accounts and Solvency II (UK version) reporting with any changes in those accounts being objectively justifiable by reference to changes in economics, regulation or other relevant measures external to PLL.

Part A1

This Part A1 applies other than where termination occurs following PLL having elected to be released from its obligation to maintain the PLL Alba WP Fund (except where PLL elects to merge the PLL Alba WP Fund with another of its with-profits funds).

1 Initial Termination Amount

The Initial Termination Amount shall be an amount (as determined by PLL acting in good faith), as at the Quarter Date immediately preceding the Termination Date (or if not yet calculated an estimated roll-forward from the next preceding Quarter Date), equal to:

A + B + C, where

A = 10% of PLL's With-Profits BEL in respect of the Reinsured Liabilities;

B = 10% of PLL's Non-Profit BEL in respect of the Reinsured Liabilities; and

C = 10% of any Accounting Liabilities held by PLL in respect of the Reinsured Liabilities, to the extent those liabilities would fall to PLAE as a result of the termination, but only to the extent not already captured by A or B above (for the avoidance of doubt, including any amounts owed to the custodian of the Custodian Accounts or any other third party).

2 Interim Termination Amount

The Interim Termination Amount shall be an amount (as determined by PLL acting in good faith) equal to:

- 2.1** 80% of PLL's With-Profits BEL in respect of the Reinsured Liabilities as at the Termination Date;
- 2.2** 80% of the value of PLL's Non-Profit BEL in respect of the Reinsured Liabilities as at the Termination Date;
- 2.3** an amount equal to three years of projected Inherited Estate distributions to policyholders in respect of the Reinsured Liabilities as at the Termination Date having regard to the prevailing methodology for estate distribution at the time, including having regard to the then current

run-off plan (if any) prepared by PLL for the PLL Alba WP Fund in accordance with COBS 20.2 and SUP App 2.15 in the FCA Handbook prepared by the PLL WP Actuary for the PLL SPI WP Fund (except that no such amount shall be payable in circumstances where PLL is not making (or ceases to make within twenty (20) Business Days of the Termination Date) distributions of the Inherited Estate to its policyholders); and

- 2.4** an amount equal to the 80% of the Accounting Liabilities in respect of the Reinsured Liabilities to the extent those liabilities would fall to PLAE as a result of the termination as at the Termination Date, but only to the extent not already captured by paragraphs 2.1 to 2.3 above (for the avoidance of doubt, including any amounts owed to the custodian of the Custodian Accounts or any other third party),

less the Initial Termination Amount.

3 Termination Amount

The Termination Amount shall be an amount (as determined by PLL acting in good faith) equal to the aggregate of paragraphs 3.1 to 3.4 below:

- 3.1** PLL's With-Profits BEL in respect of the Reinsured Liabilities as at the Termination Date;
- 3.2** PLL's Non-Profit BEL in respect of the Reinsured Liabilities as at the Termination Date;
- 3.3** an amount equal to the percentage share of the Inherited Estate (less an amount equal to the present value of the shareholder's share of future distributions of surplus in accordance with the PLL 2009 Scheme from the PLL Alba WP Fund) in respect of the Reinsured Liabilities as at the Termination Date having regard to the prevailing methodology for estate distribution at the time, including having regard to the then current run-off plan (if any) prepared by PLL for the PLL Alba WP Fund in accordance with COBS 20.2 and SUP App 2.15 in the FCA Handbook prepared by the PLL WP Actuary for the PLL Alba WP Fund, subject to paragraph 3.5 below;
- 3.4** an amount equal to the Accounting Liabilities in respect of the Reinsured Liabilities, to the extent those liabilities would fall to PLAE as a result of the termination, as at the Termination Date, but only to the extent not already captured by paragraphs 3.1 to 3.3 above (for the avoidance of doubt, including any amounts owed to the custodian of the Custodian Accounts or any other third party).
- 3.5** the percentage share of the Inherited Estate referred to in paragraph 3.3 above must be confirmed by the Independent Actuary to be fair both to holders of policies in the PLAE Alba WP Fund and holders of policies in the PLL Alba WP Fund having regard to the estate distribution methodology referred to in paragraph 3.3 above and to the calculation in paragraphs 3.1 to 3.4 above; unless the Boards of PLL and PLAE:
- 3.5.1** agree (on an arm's length and objective basis) that PLAE's expected share as at the Termination Date of the Inherited Estate attributable to the Reinsured Liabilities identified and agreed as contemplated in paragraph 3.5.2 below is less than £1 million; and
- 3.5.2** agree the calculation of the Inherited Estate attributable to the Reinsured Liabilities (including the resulting value),

provided that such amounts shall be calculated in accordance with Applicable Law.

4 Adjustment Amount

The Adjustment Amount shall be an amount equal to the difference between:

- 4.1 the Termination Amount; and
 - 4.2 the sum of (i) the total amount paid in respect of the Initial Termination Amount and (ii) the total amount paid in respect of the Interim Termination Amount,
- and, for the avoidance of doubt, shall be a positive number where the Termination Amount exceeds the sum in paragraph 4.2 above.

Part A2

Where termination occurs following PLL having elected to be released from its obligation to maintain the PLL Alba WP Fund (except where PLL elects to merge the PLL Alba WP Fund with another of its with-profits funds), the Termination Amount shall be an amount equal to the aggregate of paragraphs 1 to 4 below:

- 1 PLL's With-Profits BEL in respect of the Reinsured Liabilities as at the Termination Date including the Closure Uplift applied by PLL on its ceasing to maintain the PLL Alba WP Fund;
- 2 PLL's Non-Profit BEL in respect of the Reinsured Liabilities as at the Termination Date;
- 3 an amount equal to PLAE's Cost of Capital; and
- 4 an amount equal to the Accounting Liabilities in respect of the Reinsured Liabilities, to the extent those liabilities would fall to PLAE as a result of the termination, as at the Termination Date, but only to the extent not already captured by paragraphs 1 to 3 above (for the avoidance of doubt, including any amounts owed to the custodian of the Custodian Accounts or any other third party).

Part B

In the event of termination of this Agreement pursuant to Clause 16.1 following the occurrence of an Event of Default, the Termination Amount shall be as set out below:

Termination Amount

The Termination Amount shall be an amount equal to the Total Amount. The Total Amount shall be an amount equal to the aggregate of paragraphs 1 to 4 below:

- 1 PLL's With-Profits BEL in respect of the Reinsured Liabilities as at the Termination Date;
- 2 PLL's Non-Profit BEL in respect of the Reinsured Liabilities as at the Termination Date;
- 3 an amount equal to the percentage share of the Inherited Estate (less an amount equal to the present value of the shareholder's share of future distributions of surplus in accordance with the PLL 2009 Scheme from the PLL Alba WP Fund) in respect of the Reinsured Liabilities as at the Termination Date having regard to the prevailing methodology for estate distribution at the time, including having regard to the then current run-off plan (if any) prepared by PLL for the PLL Alba WP Fund in accordance with COBS 20.2 and SUP App 2.15 in the FCA Handbook prepared by the PLL WP Actuary for the PLL Alba WP Fund, subject to paragraph 5 below;
- 4 an amount equal to the Accounting Liabilities in respect of the Reinsured Liabilities, to the extent those liabilities would fall to PLAE as a result of the termination, as at the Termination Date, but only to the extent not already captured by paragraphs 1 to 3 above; and

- 5** the percentage share of the Inherited Estate referred to in paragraph 3 of this Part B must be confirmed by the Independent Actuary to be fair both to holders of policies in the PLAE Alba WP Fund and holders of policies in the PLL Alba WP Fund having regard to the estate distribution methodology referred to in paragraph 3 above and to the calculation in paragraphs 1 to 4 above; unless the Boards of PLL and PLAE:
- 5.1** agree (on an arm's length and objective basis) that PLAE's expected share as at the Termination Date of the Inherited Estate attributable to the Reinsured Liabilities identified and agreed as contemplated in paragraph 5.2 below is less than £1 million; and
- 5.2** agree the calculation of the Inherited Estate attributable to the Reinsured Liabilities (including the resulting value),
provided that such amounts shall be calculated in accordance with Applicable Law.

Schedule 3

Calculation of Expenses Cashflow Amount

- 1** Subject to paragraph 2 below, the Expenses Cashflow Amount should include:
 - 1.1** the fixed fee per policy that the PLL Alba WP Fund would have paid to PLL and/or a MSA Counterparty in respect of the Reinsured Policies in connection with the relevant MSA Agreements (as set out in the MSA Agreements referred to in paragraph (ii) of the definition of "MSA Agreements") but for the transfer of the Reinsured Policies to PLAE under the PLAE 2022 Scheme;

PLUS
 - 1.2** any amounts of Irish Tax that are charged to PLAE WP Funds.
- 2** The components of the Expenses Cashflow Amount relating to the MSA Agreements should not exceed the fees (classed as "Evergreen") that the PLL Alba WP Fund would have otherwise paid to PLL and/or a MSA Counterparty in connection with the relevant MSA Agreements had the policies not been transferred (being the fees set out in the MSA Agreements referred to in paragraph (ii) of the definition of "MSA Agreements").

Schedule 4 Reinsurance Business Committee Terms of Reference

Purpose	Monitoring and management of the reinsurance treaties covering the with–profits (WP) and unit linked (UL) business that is reinsured by PLAE to PLL and ReAssure Life Limited (RLL) pursuant to the terms of the relevant WP and UL PLAE Reinsurance Agreements
Key responsibilities	<ul style="list-style-type: none"> ▪ To monitor, review and challenge all day-to-day operational aspects of the PLAE Reinsurance Agreements, including information required by any party ▪ To provide a point of interface between PLAE and its primary reinsurers, PLL and RLL ▪ To review the reporting provided by PLL and RLL and/or PLAE under the terms of the WP and UL PLAE Reinsurance Agreements and provide challenge or reports to relevant governance bodies in PLAE, PLL and RLL, including the PLAE Head of Actuarial Function, PLL With-Profits Committee (WPC) and relevant PLL WP Actuary ▪ To support the PLAE Finance Technical Committee to consider any papers or proposals in respect of the PLAE Reinsurance Agreements and raise any points in advance of the relevant WPC ▪ To support parties' boards or governance committees and the WPC (where applicable) with information or input required ▪ Seek to resolve any disputed matters as part of its discussions drawing on technical expertise and senior management as applicable ▪ To monitor and manage the operation of the WP and UL PLAE Reinsurance Agreements to include: <ul style="list-style-type: none"> ○ With-profits <ul style="list-style-type: none"> ▪ Monitoring, reviewing and challenging all day-to-day operational aspects of the WP PLAE Reinsurance Agreements, including any information required by either party, including provision of services under the WP PLAE Reinsurance Agreements including review and approval where required ▪ Monitoring PLL's WP management, bonus setting, WP asset management

	<ul style="list-style-type: none"> ▪ Overseeing Significant Claims which are Reinsured Liabilities under the WP PLAE Reinsurance Agreements ▪ Overseeing the acceptability of pricing of new business under the WP PLAE Reinsurance Agreements and other matters referred to in Clause 10 of the WP PLAE Reinsurance Agreements and review and discussion of Notifiable Matters (defined in each WP PLAE Reinsurance Agreement) ▪ Reporting to the Finance Technical Committee, parties’ Boards or governance committees, the relevant PLL WP Actuary and the PLL WPC (where applicable) any actions that may be required as a result of this monitoring and review <ul style="list-style-type: none"> ○ Unit linked <ul style="list-style-type: none"> ▪ Monitor and manage the operation of the UL PLAE Reinsurance Agreements, including provision of services including review and approval where required ▪ Review the addition, closure, merger or sub-division of unit linked funds ▪ Monitor UL asset management, fund performance, investment MI
Inputs	As defined by the PLAE Reinsurance Agreements including reinsurance accounts, solvency MI on PLL and RLL, fund performance MI and WP investment MI, and copies of relevant papers for the WPC and other governance
Outputs	Reporting to the PLAE Finance Technical Committee, parties’ boards or governance committees and With–Profits Committees and excos on the activities of the Committee, and to convey instructions from the PLAE governance bodies and PCF role holders to the reinsurers
Chair	To alternate between PLAE, PLL and RLL
Secretary	[TBC]

Membership	<ul style="list-style-type: none">▪ PLL and PLAE should each have two representatives for the reinsured WP business and PLL, RLL and PLAE should each have two representatives for the reinsured UL business [LL Note: Paragraph above deleted because it was partially making the same statement as is made in this paragraph: this paragraph provides the correct drafting]▪ Quorum – three (3) representatives, provided that at least one (1) relevant representative from each party is present▪ Where matters are referred to the Reinsurance Business Committee under this Agreement for any form of determination, approval or other action, or as part of the dispute resolution process, the Reinsurance Business Committee shall be deemed to have given its consent only if:<ul style="list-style-type: none">○ PLAE and RLL (in respect of RLL UL reinsurance agreement matters) have agreed with such matter; or○ PLAE and PLL (in respect of WP PLAE Reinsurance Agreement matters or in respect of PLL UL reinsurance agreement matters) have agreed with such matter▪ The Chair will not have a casting vote
Open Invites	
Timing	Proposed monthly (subject to intervening right of any member to convene on minimum two (2) Business Days' notice)



Schedule 5 Data Transfer Provisions

[Dated [●]]

Data Transfer Agreement

3 In this Schedule 5, unless the context otherwise requires, the following words shall have the following meanings:

"Controller"	has the meaning set out in the Data Protection Legislation;
"Data Protection Legislation"	means any law, statute, declaration, decree, directive, legislative enactment, order, ordinance, regulation, rule or other binding restriction which relates to the protection of individuals with regards to the Processing of Personal Data to which a party is subject in relation to this Agreement;
"Data Subject"	has the meaning set out in the Data Protection Legislation;
"GDPR"	means the EU GDPR and/or the UK GDPR as the context requires;
"EU GDPR"	means Regulation 2016/679 of 27 April 2016 the European Parliament and of the Council on the protection of individuals with regard to the Processing of Personal Data and on the free movement of such data;
"ICO"	means the UK Information Commissioner and/or the Irish equivalent, as appropriate;
"Personal Data"	has the meaning set out in the Data Protection Legislation;
"Personnel"	means all persons engaged or employed from time to time by a Party in connection with this Agreement, including employees, consultants, contractors and permitted agents;
"Reinsurance Data"	means information, materials and data, including Personal Data and Special Category Personal Data which is made available or accessible to PLL by PLAE under, or in connection with this Agreement;
"Processing"	has the meaning set out in the Data Protection Legislation (and "Process" and "Processed" shall be construed accordingly);
"Reinsurance Data"	means information, materials and data, including Personal Data and Special Category Personal Data which is made available or accessible to PLL by PLAE under, or in connection with this Agreement;
"Restricted Country"	means a country, territory or jurisdiction that is outside the UK or the European Economic Area which is not the subject of an adequacy determination by the UK Secretary of State or the European Commission (as applicable);

"Restricted Transfer"	means the transfer, storing or Processing of Reinsurance Data or storing Reinsurance Data in a Restricted Country, either through direct transfer, remote access or onward transfer;
"Security Requirements"	means the requirements regarding the security of the Personal Data, as set out in the Data Protection Legislation (including, in particular the measures set out in Article 32(1) of the GDPR (taking due account of the matters described in Article 32(2) of the GDPR)) as applicable;
"Special Category Personal Data"	means Personal Data that incorporates such categories of data as are listed in Article 9(1) of the GDPR and Personal Data relating to criminal convictions and offences;
"UK GDPR"	means the EU GDPR as amended in accordance with the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019 (as amended by SI 2020 no. 1586) and incorporated into UK law under the UK European Union (Withdrawal) Act 2018

4 Data Sharing

- 4.1** PLAE shall provide to PLL the Reinsurance Data for the purpose set out in the Appendix to this Schedule 5 and in accordance with the terms of this Agreement.
- 4.2** PLL agrees to use the Reinsurance Data in accordance with the terms of this Agreement.
- 4.3** PLAE transfers, or grants access to, the Reinsurance Data to PLL on the basis of this Agreement and as specified in the Appendix to this Schedule 5.

5 Role of the Parties and General Obligations

- 5.1** The Parties acknowledge that the factual arrangement between them dictates the role of each Party in respect of the Data Protection Legislation. Notwithstanding the foregoing, the Parties anticipate that each Party acts as a Controller in respect of the Reinsurance Data.
- 5.2** Each Party shall:
 - 5.2.1** comply at all times with the Data Protection Laws;
 - 5.2.2** ensure that all required registrations with the ICO are current and up to date and that any registration fee due is paid;
 - 5.2.3** implement and maintain technical and organisational measures sufficient to comply at least with the obligations imposed on a Controller by the Security Requirements;
 - 5.2.4** take all reasonable steps to ensure the reliability and integrity of any of its Personnel who shall have access to the Reinsurance Data, and ensure that each member of its Personnel shall have entered into appropriate contractually-binding confidentiality undertakings;
 - 5.2.5** before the commencement of any Restricted Transfer, comply with such external transfer requirements as set out in the Data protection Laws.

Appendix Data Protection Particulars

(a) Subject matter and purpose of the Processing:	Reinsurance Data, which includes Personal Data, is shared by PLAE with PLL to allow PLL to process the Reinsurance Business, to include the payments of claims to policyholders
(b) Relationship of the Parties (i.e., whether Controller / Process or other)	PLAE and PLL shall each be Controller in respect of the Reinsurance Data
(c) Nature of the Processing:	The Processing will involve storage and analysis for the purpose of the Reinsurance Business
(d) Duration and Frequency of the Processing:	Reinsurance Data is shared by PLAE with PLL throughout the Term and for the purpose of payment of claims by PLL
(e) Types of Personal Data being Processed:	<p><u>Personal Data</u>: Name, address and other contact details, policy number</p> <p><u>Special Category Personal Data</u>: vulnerable customer details and details of health conditions</p>
(f) Categories of Data Subjects:	Policyholders
(g) Recipient of the Personal Data:	PLL

Schedule 6 Reporting

1 Reporting Obligation

- 1.1 PLAE shall provide a quarterly report ("**Quarterly Report**") to PLL in relation to the period to each Quarter Date or as soon as reasonably practicable following each Quarter Date or such other date as the parties may agree in writing from time to time. Each Quarterly Report shall include all Notifiable Matters in respect of the relevant period and shall be substantially in the form of the template report set out in Annex 1 to this Schedule or such other format as the parties may agree in writing from time to time.
- 1.2 Pursuant to the terms of the Collateral Process Agreement, PLL shall procure that written information is provided to or available to PLAE on a quarterly basis setting out, in reasonable detail, the nature and composition of the Posted Collateral (as defined in Schedule 7 (*Collateral*)).

2 Additional Reporting Obligations

- 2.1 In addition to the information which must be included in the Quarterly Reports (as detailed in Annex 1 to this Schedule) or of which the parties are otherwise required to provide notice pursuant to the terms of this Agreement and the Collateral Process Agreement:
- 2.1.1 each party must provide (promptly on request) any information that is reasonably required by the other party in order to comply with any applicable regulatory, statutory (or other legal) and tax requirements or to prepare regulatory or statutory reports and/or returns;
- 2.1.2 without prejudice to paragraph 2.1.1 above, PLAE shall provide to PLL:
- (i) subject to sub-paragraph (ii) below, all data contained in Annex 2 to this Schedule at the intervals set out in Annex 2 to this Schedule; and
 - (ii) as soon as reasonably practicable, any other information which PLL may reasonably request in connection with, or related to, this Agreement (or the reinsurance arrangements, including any security or collateral associated with the reinsurance arrangements) from time to time, including all transactions covered by this Agreement; and
- 2.1.3 without prejudice to paragraph 2.1.1 above, PLL shall provide to PLAE:
- (i) subject to paragraph (ii) below, all data contained in Annex 2 at the intervals set out in Annex 2; and
 - (ii) as soon as reasonably practicable, any other information which PLAE may reasonably require in connection with, or related to, this Agreement (or the reinsurance arrangements, including any security or collateral associated with the reinsurance arrangements) from time to time and/or the operation of the with-profits business from time to time.

3 Systems Access Arrangements

- 3.1 Subject to paragraph 4 below, PLL and PLAE may agree in writing from time to time that, as an alternative to providing any information in accordance with the reporting regime set out in the Annexes to this Schedule, the relevant information may be provided by way of systems access, provided that each party is satisfied that adequate controls, including data protection controls, are in place (a "**Systems Access Arrangement**").

3.2 Where a Systems Access Arrangement is in place and systems access is provided in accordance with the Systems Access Arrangement, PLL or PLAE (as applicable) shall be deemed to comply with its obligations as set out in paragraph 3 and the Annexes in respect of the provision of the information to provide the information that is the subject of the Systems Access Arrangement.

3.3 Either of PLL or PLAE may withdraw any Systems Access Arrangement at any time by notice in writing to the other party.

4 Schedule Review Process

PLL and PLAE may (acting reasonably and in good faith) submit to the other party any proposals for amendments to this Schedule 6. Any proposal will be subject to approval of the Reinsurance Business Committee.

DRAFT

Annex 1 – Template Quarterly Report (illustrative format only)**Premiums Report**

Summary of Premium Payments received: value, date, policy, fund, breakdown/totals, etc.

Claims Report

Summary of Claim Amounts paid (example table)

Reporting period:	Date		
		Number of claims	Total claims (€)
Claims (total)		Number	Amount (€)
Claims (by reason):			
- Lapses		Number	Amount (€)
- Deaths		Number	Amount (€)
- Maturities		Number	Amount (€)
- Partial surrenders		Number	Amount (€)
- Disability claims		Number	Amount (€)
Claims (by fund):			
Alba		Number	Amount (€)
SPI		Number	Amount (€)
Phoenix		Number	Amount (€)
90%		Number	Amount (€)
Claims paid above €300,000 Notifiable Matter limit			
Claims paid above €40,000/300,000 Consent Claim limit(s)			

Expenses Cashflow Amounts Report

Summary of Expenses Cashflow Amounts received: value, date, fund, breakdown/totals, etc.

New Business Report

(Where applicable)

Annex 2

Information/Data	Frequency (if required)	Who provided by	Who to
Bonus rates and pay out monitoring information	Bi-annual	PLL	PLAE
Valuation of asset shares and investment returns	Bi-annual	PLL	PLAE
Confirmation of : - PPFM compliance - COBS fund management compliance	Annually	PLL	PLAE
Solvency MI	Quarterly	PLL	PLAE
If PLL's Capital Resources fall below 105% of its SCR, PLL's solvency position and SCR coverage ratio	Immediately on event and weekly thereafter until above trigger	PLL	PLAE
If PLL's Capital Resources fall below 125% of its SCR, PLL's solvency position and SCR coverage ratio	Immediately on event and monthly thereafter until above trigger	PLL	PLAE
Information on collateral including asset values and value posted into the segregated account. Collateral rebalancing and control framework confirmations	Quarterly		
Notice of any downward movement in credit rating	Immediate with monitoring rate to be agreed	PLL	PLAE
Business Guidelines – reportable framework breach	Immediate	PLL/PLAE	PLAE/PLL
Valuation of best estimate liabilities including with profit best estimate liabilities and non-profit best estimate liabilities	Quarterly	PLAE	PLL
Unit fund valuation	Quarterly	PLAE	PLL
Notice of any events giving rise to PLL right of termination	Immediate	PLAE	PLL
Confirmation of : WPOPs compliance/operation of waiver	Annually	PLAE	PLL

Schedule 7 Collateral

1 Definitions

For the purposes of this Schedule 7 the following definitions shall have the following meanings:

"Base Currency" means euro;

"Base Currency Equivalent" means, with respect to an amount on a Valuation Date, in the case of an amount denominated in the Base Currency, such Base Currency amount and, in the case of an amount denominated in a currency other than the Base Currency (the **"Other Currency"**), the amount in the Base Currency required to purchase such amount of the Other Currency at the spot exchange rate determined by the Valuation Agent for value on such Valuation Date;

"Cash" means any cash, whether representing capital or income in any currency (arising out of or in connection with the Securities);

"Cash Account" means the Custodian Account for Cash;

"Delivery Amount" has the meaning given to it in paragraph 4.1 of this Schedule 7;

"Eligible Collateral" has the meaning given to it in paragraph 2 (*Eligible Collateral*) of this Schedule 7;

"Minimum Transfer Amount" means €100,000;

"Notice" has the meaning given to it in paragraph 6.1.1(i);

"Posted Collateral" means:

- (i) all Cash for the time being held in or standing to the credit of the Cash Account together with all interest from time to time accruing thereon which has been credited to the Cash Account; and
- (ii) all Securities being recorded or held in or standing to the credit of the Securities Account from time to time,

in each case, which have been posted in the Cash Account or the Securities Account (as applicable) pursuant to this Agreement;

"Recalculation Date" has the meaning given to it in paragraph 6.1.2;

"Resolution Date" means the final date for resolution of any dispute relating to the Value of the Posted Collateral pursuant to the dispute resolution process set out in the Collateral Process Agreement;

"Return Amount" has the meaning given to it in paragraph 4.2 (*Withdrawals: Valuation*) of this Schedule 7;

"Securities" means securities (including any interests in collective investment schemes) that qualify as Eligible Collateral;

"Securities Account" means the Custodian Account for Securities;

"Settlement Day" means in relation to a date (i) with respect to a transfer of cash or other property (other than Securities), the next Business Day and (ii) with respect to a transfer of

Securities, the first Business Day after such date on which settlement of a trade in the relevant Securities, if effected on such date, would have been settled in accordance with customary practice when settling through the clearance system agreed between the parties for delivery of such Securities or, otherwise, on the market in which such Securities are principally traded (or, in either case, if there is no such customary practice, on the first Business Day after such date on which it is reasonably practicable to deliver such Securities);

"Target Collateral Amount" means an amount equal to:

A + B + C, where

- A** = 65% of PLL's With-Profits BEL in respect of the Reinsured Liabilities
- B** = 65% of PLL's Non-Profit BEL in respect of the Reinsured Liabilities
- C** = 65% of any Accounting Liabilities held in respect of the Reinsured Liabilities, to the extent those liabilities would fall to PLAE as a result of the termination of this Agreement, but only to the extent not already captured by A or B above (for the avoidance of doubt, including any amounts owed to the custodian of the Custodian Accounts or any other third party);

"Valuation Agent" means PLL unless a Termination Notice has been served under Clause 16.1, in which case it shall be PLAE;

"Valuation Date" means:

- (i) each Quarter Date; and
- (ii) any date upon which a valuation occurs following a demand by PLL or PLAE pursuant to paragraph 4.4 (*Additional Valuation Dates*) of this Schedule 7;

"Valuation Percentage" means, for any item of Posted Collateral, the percentage specified in paragraph 2 (*Eligible Collateral*) of this Schedule 7;

"Valuation Time" means 5:00 p.m. London time on each Valuation Date, or (if different) the time on such date at which the relevant Reinsured Liabilities or the relevant liabilities or assets are valued for the purposes of Solvency II regulatory reporting or pursuant to this Agreement; and

"Value" means for any Valuation Date or other date for which Value is calculated, with respect to Posted Collateral that is:

- (a) an amount of Cash, the Base Currency Equivalent of such amount multiplied by the applicable Valuation Percentage, if any; and
- (b) a Security, the Base Currency Equivalent of the bid price obtained by the Valuation Agent multiplied by the applicable Valuation Percentage, if any,

provided that the Value of any Posted Collateral that is not Eligible Collateral shall be zero.

2 Eligible Collateral

The following items will qualify as **"Eligible Collateral"**:

Eligible Collateral	Valuation Percentage %
Cash in any currency	100%
Debt securities and negotiable debt obligations issued by governments, quasi government entities, corporates and other entities of all types	100%
Equity obligations issued by entities of all types	100%
Interests in collective investment schemes	100%

3 Target Collateral Amount

PLL shall procure that on or promptly following each Valuation Date, the Value of the Posted Collateral deposited in the Custodian Accounts, together with all related rights, shall be at least equal to the Target Collateral Amount, subject to the provisions set out in this Schedule, the Deed of Fixed Charge and the Collateral Process Agreement.

4 Top Up and Withdrawal

4.1 Top Up: Valuation

Subject to paragraph 5 (*Conditions Precedent, Calculations and Substitutions*) and paragraph 6 (*Dispute Resolution*), upon a demand made by PLAE on or promptly following a Valuation Date, if the Delivery Amount for that Valuation Date equals or exceeds the Minimum Transfer Amount, then PLL will transfer to the Custodian Accounts Eligible Collateral having a Value as of the date of transfer at least equal to the applicable Delivery Amount.

The "**Delivery Amount**" applicable to PLL for any Valuation Date will equal the amount by which:

4.1.1 the Target Collateral Amount for that Valuation Date,
exceeds

4.1.2 the Value as of that Valuation Date of all Posted Collateral together with all related rights (as adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in either case, has not yet been completed and for which the relevant Settlement Day falls on or after such Valuation Date).

4.2 Withdrawals: Valuation

Subject to paragraph 5 (*Conditions Precedent, Calculations and Substitutions*) and paragraph 6 (*Dispute Resolution*), upon a demand made by PLL on or promptly following a Valuation Date, if the Return Amount for that Valuation Date equals or exceeds the Minimum Transfer Amount, then PLL shall be permitted to withdraw Posted Collateral specified by PLL in that demand having a Value as of the date of transfer as close as practicable to the applicable Return Amount.

The "**Return Amount**" applicable for any Valuation Date will equal the amount by which:

4.2.1 the Value as of that Valuation Date of all Posted Collateral together with all related rights (as adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in either case, has not yet been completed and for which the relevant Settlement Day falls on or after such Valuation Date),

exceeds

4.2.2 the Target Collateral Amount for that Valuation Date.

4.3 Rounding

If the Delivery Amount or the Return Amount for a relevant Valuation Date equals or exceeds the Minimum Transfer Amount, the Delivery Amount and the Return Amount will be rounded up or down to the nearest integral multiple of €100,000 respectively.

4.4 Additional Valuation Dates

Where either of PLL or PLAE reasonably believes that there has been a material change in the Value of the Posted Collateral since the previous Valuation Date, it may demand an additional valuation of such assets, and such valuation shall occur on a date as soon as reasonably practicable following the date of such demand.

5 Conditions Precedent, Calculations and Substitutions

5.1 Conditions Precedent

Each obligation of PLL under paragraph 4 (*Top Up and Withdrawal*), paragraph 5.3 (*Substitutions*) and paragraph 6 (*Dispute Resolution*) and of PLAE under paragraph 4 (*Top Up and Withdrawal*) and paragraph 6 (*Dispute Resolution*) is subject to the conditions precedent that no Enforcement Event (as defined in the Deed of Fixed Charge) has occurred and is continuing.

5.2 Calculations

All calculations of Value and of the Target Collateral Amount for the purposes of paragraph 3 (*Target Collateral Amount*), paragraph 4 (*Top Up and Withdrawal*), paragraph 5.3 (*Substitutions*) and paragraph 6.1 (*Dispute of Valuation*) will be made by the Valuation Agent as of the relevant Valuation Time. The Valuation Agent will notify the other party of its calculations promptly following the applicable Valuation Date (or, in the case of paragraph 6.1 (*Dispute of Valuation*), following the date of calculation).

5.3 Substitutions

5.3.1 Subject to paragraph 5.3.2 PLL may on any Business Day by notice (a "**Substitution Notice**") inform PLAE that it wishes to transfer to the Custodian Accounts Eligible Collateral (the "**Substitute Collateral**") specified in that Substitution Notice in substitution for certain Eligible Collateral (the "**Original Collateral**") specified in the Substitution Notice comprised in PLL's Posted Collateral.

5.3.2 If PLAE notifies PLL that it has consented to the proposed substitution, (a) PLL will be obliged to transfer the Substitute Collateral on the first Settlement Day following the date on which it receives notice (which may be oral telephonic notice) from PLAE of its consent and (b) subject to paragraph 5.1 (*Conditions Precedent*), PLL will be entitled to withdraw the Original Collateral not later than the Settlement Day following the date on which the Substitute Collateral is transferred to the Custodian Accounts (the "**Substitution Date**"); provided that PLL will only be entitled to the return of

Original Collateral with a Value as of the date of transfer as close as practicable to, but in any event not more than, the Value of the Substitute Collateral as of that date.

6 Dispute Resolution

6.1 Dispute of Valuation

6.1.1 If

- (i) one of the parties disputes on reasonable grounds the calculation under any notice and/or instruction served pursuant to paragraph 4 (*Top Up and Withdrawal*) or paragraph 5.3 (*Substitutions*) (each a "**Notice**") the disputing party will notify the other party not later than the close of business three (3) Business Days following the receipt of such Notice; or
- (ii) a party disputes the Value of any Securities posted, withdrawn or substituted pursuant to paragraph 4 (*Top Up and Withdrawal*) or paragraph 5.3 (*Substitutions*), the disputing party will notify the other party within ten (10) Business Days of such posting, withdrawal, substitution or entry into (as applicable),

(each date of notice of a dispute being a "**Value Dispute Date**"), the parties will then consult with each other in an attempt to resolve the dispute in accordance with the terms of the Collateral Process Agreement.

6.1.2 If the parties fail to resolve the dispute by the Resolution Date, then PLAE will procure a recalculation of the Value (and any accompanying calculation required pursuant to paragraph 4 (*Top Up and Withdrawal*) or paragraph 5.3 (*Substitutions*)) by:

- (i) utilising any calculations of that part of the Posted Collateral or Substitute Collateral (as applicable) that the parties have agreed are not in dispute; and
- (ii) calculating that part of the Posted Collateral or Substitute Collateral (as applicable) in dispute and attributable to Securities by requesting Qualifying Bid Prices for such Securities from at least two (2) and up to five (5) Approved Dealers;

where:

"Qualifying Bid Price" means, with respect to a particular series of Securities, a firm, unconditional and immediately executable bid price for a notional amount of such Securities being not less than the notional amount of Securities comprising the Posted Collateral or Substitute Collateral that are subject to dispute, which has been obtained between 10.00 am and 3.00 pm (Dublin time) on the Business Day following the Resolution Date; and

"Approved Dealer" means one of the five leading dealers in the United Kingdom in the relevant market selected by PLAE (acting reasonably).

PLAE shall notify PLL of, and provide reasonable evidence with respect to, the Qualifying Bid Prices for replacement transactions it has obtained, as soon as reasonably practicable and in any event no later than close of business (Dublin time) on the Business Day following the Resolution Date (the date of such notice being the "**Recalculation Date**"), and the Value of such Securities shall be determined to

be the highest of such Qualifying Bid Prices for replacement transactions, as applicable, multiplied by the applicable Valuation Percentage.

7 Notification of dispute resolution

7.1 If a dispute is resolved pursuant to paragraph 6.1 (*Dispute of Valuation*), then:

7.1.1 if the dispute relates to paragraph 6.1.1(i), the date on which the dispute is resolved pursuant to such consultation shall be treated as the date of receipt of the applicable Notice (such notice to be deemed amended as necessary pursuant to the agreement reached by the parties pursuant to paragraph 6.1.1), for the purposes of paragraph 4 (*Top Up and Withdrawal*) or paragraph 5.3 (*Substitutions*); and

7.1.2 if the dispute relates to paragraph 6.1.1(ii), the parties shall make any adjustments to the Posted Collateral as may be required pursuant to the agreement reached by the parties pursuant to paragraph 6.1.1 within two (2) Business Days of such resolution.

7.2 if a dispute is resolved following a recalculation pursuant to paragraph 6.1.2 then:

7.2.1 if the dispute relates to paragraph 6.1.1(i), the Recalculation Date shall be treated as the date of receipt of the applicable Notice (such notice to be deemed amended as necessary pursuant to the recalculation for the purposes of paragraph 4 (*Top Up and Withdrawal*) or paragraph 5.3 (*Substitutions*); and

7.2.2 if the dispute relates to paragraph 6.1.1(ii), the parties shall make any adjustments to the Posted Collateral as may be required pursuant to such recalculation within two (2) Business Days of the Recalculation Date.