

IN THE ROYAL COURT OF JERSEY

{SAMEDI DIVISION}

IN THE MATTER OF ATHORA IRELAND PUBLIC LIMITED COMPANY

-AND-

IN THE MATTER OF UTMOST IRELAND DESIGNATED ACTIVITY COMPANY

-AND-

**IN THE MATTER OF AN APPLICATION PURSUANT TO ARTICLE 27 OF AND
SCHEDULE 2 TO THE INSURANCE BUSINESS (JERSEY) LAW 1996**

REPRESENTATION

THE REPRESENTATION of Athora Ireland Public Limited Company ("Athora Ireland"), a company incorporated in Ireland on 3 August 2001 as a public limited company with registration number 346275 and having its registered office at 2nd Floor IFSC House, Custom House Quay, Dublin 1, Ireland, and Utmost Ireland Designated Activity Company ("Utmost Ireland"), a company incorporated in Ireland on 11 March 1999 with registration number 303257 and having its registered office at Block 2, Harcourt Centre, Harcourt Street, Dublin 2, Ireland shows as follows:

Purpose of the Representation

1. This Representation relates to a proposed scheme (a draft of which is annexed to this Representation, the "**Jersey Scheme**") for the transfer from Athora Ireland to Utmost Ireland of long-term insurance business carried on by Athora Ireland, in or from within Jersey, pursuant to Article 27 and Schedule 2 to the Insurance Business (Jersey) Law 1996, as amended (the "**Insurance Business Law**"). The Jersey Scheme is intended to transfer certain long-term insurance business principally on the same terms as an insurance business transfer scheme under the provisions of section 13 of the Assurance Companies Act 1909 (as amended), regulation 41 of the European Union (Insurance and Reinsurance) Regulations 2015 (as amended) ("**2015**

Regulations") and the Insurance Act 1989. There will be a separate scheme in Guernsey (the **"Guernsey Scheme"**) pursuant to Section 44 of the Insurance Business (Bailiwick of Guernsey) Law 2002. The terms of the Irish Scheme are incorporated into the Jersey Scheme, save where they are expressly excluded, and form the Schedule to the Jersey Scheme. The Irish Scheme, the Guernsey Scheme and the Jersey Scheme are collectively referred to as the **"Scheme"**.

2. Save as they may be expressly defined in this Representation or where the context requires otherwise, defined words or expressions used in this Representation will carry the same meaning as set out in the Jersey Scheme (which incorporates the Irish Scheme).

Introduction

3. Athora Ireland is authorised by the Central Bank of Ireland to undertake the business of life assurance and the business of life reinsurance in Class I (life assurance and contracts to pay annuities on human life, but excluding Classes II and III), Class III (contracts linked to investment funds) and Class VI (capital redemption) in accordance with the European Union (Insurance and Reinsurance) Regulations 2015 (the **"2015 Regulations"**). Athora Ireland is authorised to carry on insurance business in those classes in Ireland and (i) on a freedom of services basis in the UK and (ii) on a freedom of establishment basis in Germany.
4. Athora Ireland is a regulated entity with the Jersey Financial Services Commission with permissions to carry out class III – linked long term insurance business.
5. Utmost Ireland is authorised by the Central Bank of Ireland to undertake the business of life assurance in Class III (contracts linked to investment funds) and Class VI (capital redemption) in accordance with the 2015 Regulations. Utmost Ireland's authorisation pursuant to the 2015 Regulations entitles it to acquire and carry on the Transferred Business that has hereto been carried on by Athora Ireland.
6. Utmost Ireland is a regulated entity with the Jersey Financial Services Commission with permissions to carry out class III – linked long term insurance business, and class VI – capital redemption contracts, which include the class comprised within the Jersey Business as defined below and in the Jersey Scheme.
7. The reason for the Transfer is for commercial business purposes, to enable Utmost Ireland to acquire a further book of life assurance business to complement its existing book of business.

The Transfer also enables Athora Ireland to implement the first step of its long-term strategy following its acquisition by Athora Life Re Limited, which involves focussing on alternative lines of business.

8. The Scheme sets out the process for putting into effect the transfer of Athora Ireland's non-guaranteed offshore bond business (the "**Offshore Bond Business**") to Utmost Ireland. The Offshore Bond Portfolio business comprises unit-linked policies sold primarily in the United Kingdom but with some policies in Jersey and Guernsey.
9. As part of Athora Ireland's long-term insurance business is carried on in or from within Jersey and falls within the classes of insurance business set out in Part 1 of Schedule 1 to the Insurance Business Law (the "**Jersey Business**"), the Representors seek approval of the Jersey Scheme to effect the transfer of the Jersey Business. As at 11 July 2018 there are 23 Transferring Policies where the current address of the policyholder is in Jersey (the "**Transferring Jersey Policies**").

Independent Actuary

10. Pursuant to paragraph 3 of Schedule 2 to the Insurance Business Law, an independent actuary, Ms. Rosemary Commons (a director at Towers Watson (Ireland) Limited), has prepared a report in relation to the Irish Scheme (the "**Independent Expert's Report**"). In her report, Ms Commons confirms that her conclusions apply equally to the Jersey Policyholders and the Jersey Scheme.

Notices and Availability of Documents

11. In accordance with the requirement under paragraph 4(a) of Schedule 2 to the Insurance Business Law, a notice will be published in the Jersey Gazette stating that this application has been made and publishing details of the address from which copies of this Representation and the Independent Expert's Report will be available.
12. In accordance with the requirement under paragraph 4(c) of Schedule 2 to the Insurance Business Law, a copy of this Representation, the Independent Expert's Report and the Policyholder Letter (as defined in paragraph 16 below) will be served on the JFSC at least 21 days before the Representors seek an order sanctioning the Jersey Scheme.
13. In accordance with the requirements under paragraphs 4(d) and 5 of Schedule 2 to the Insurance Business Law, copies of this Representation and the Independent Expert's Report will be made available:

- a. for inspection at the offices of Carey Olsen, 47 Esplanade, St Helier, Jersey, JE1 0BD for a period of not less than 21 days beginning with the date of the first publication of the notice referred to in paragraph 7 above; and
- b. for collection at any time during normal business hours before the grant of the order sanctioning the Jersey Scheme.

Notification to Policyholders and Members

14. Paragraph 4(b) of Schedule 2 to the Insurance Business Law requires (except where the Court has otherwise directed) that a statement setting out the terms of the Jersey Scheme and containing a summary of the Independent Expert's Report sufficient to indicate the opinion of the actuary on the likely effects of the Jersey Scheme on the Policyholders of the Representors, be sent to:-

- a. each of the policyholders of the Representors; and
- b. every member of the Representors,

(the "Paragraph 4(b) Requirement").

15. The Paragraph 4(b) Requirement, in this case, means that the required statement should (unless the Court directs otherwise) comprise the following:

- a. a complete copy of the Jersey Scheme;
- b. a complete copy of the Irish Scheme (which forms the Schedule to the Jersey Scheme); and
- c. a summary which sufficiently records the conclusions in the Independent Expert's Report.

16. The Paragraph 4(b) Requirement, in this case, also means that such statement should (unless the Court directs otherwise) be sent to the following different classes of persons:

- a. every member of the Representors (the "**Members**");
- b. each of the policyholders of policies of the Representors, including persons who hold or have an interest in policies issued as part of the business conducted by Athora Ireland in or from within Jersey.

17. Subject to the directions of the Court disapplying the Paragraph 4(b) Requirement, it is intended that the Representors will use reasonable endeavours to send to each of the Jersey policyholders (except those excluded in accordance with paragraph 18 below) the following (the "**Policyholder Letter**"):

- a. a covering letter explaining the Representors' intention to transfer business from the Athora Ireland to Utrmost Ireland; and
- b. a guide to the Scheme, which includes:
 - i. a statement setting out a summary of the terms of the Scheme and a summary of the Independent Expert's Report; and
 - ii. a commonly asked Questions and Answers document.

Directions: Content of the Policyholder Pack

18. The Representors accordingly apply for directions dispensing with the Paragraph 4(b) Requirement in relation to the content of the Policyholder Pack on the grounds that:

- a. sending a complete copy of the Jersey Scheme (incorporating, as it does, a full copy of the Irish Scheme as the Schedule) would not generally be helpful to policyholders because of the length and technical nature of this document;
- b. the content of the Policyholder Pack is sufficient to inform recipients of relevant information relating to the Scheme because it contains a summary of the terms of the Scheme (including the Jersey Scheme) and the conclusions from the Independent Expert's Report in relation to the Scheme, as well as a statement to the effect that the Jersey Scheme will be implemented in Jersey on substantially the same terms as are

contained in the Irish Scheme and that the conclusions from the Independent Expert's Report in relation to the Irish Scheme apply equally to the Jersey Scheme;

- c. copies of this Representation, including the Jersey Scheme and the Irish Scheme incorporated therein, and the Independent Expert's Report will be made available:
 - i. for inspection at the offices of Carey Olsen, 47 Esplanade, St Helier, Jersey, JE1 0BD for a period of not less than 21 days beginning with the date of the publication of the notice in the Jersey Gazette;
 - ii. for collection at any time during normal business hours before the grant of an order sanctioning the Jersey Scheme;
- d. the Representors will make available a complete copy of the Jersey Scheme, the Irish Scheme, the Guernsey Scheme and the Independent Expert's Report on their websites and the Representors will send a complete copy of the Jersey Scheme, the Guernsey Scheme and the Irish Scheme and the Independent Expert's Report, free of charge, to any Policyholder who requests a copy.

Directions: Recipients of the Policyholder Pack

19. The Representors also apply for directions dispensing with the Paragraph 4(b) Requirement in relation to the recipients to whom the Policyholders Packs are to be sent on the grounds that:
- a. the Members do not need to be sent a statement as required by Paragraph 4(b) of Schedule 2 to the Insurance Business Law or the Policyholder Pack on the basis that the directors of the parent companies (i.e. Athora Life Re Limited and Utmost Holdings Ireland Limited) are fully aware of the proposed transfer and the Schemes; and
 - b. it is not necessary for the Policyholder Pack be sent to the policyholders of Athora Ireland whose policies will not be transferred (the "Non-Transferring Policyholders") or to the policyholders of Utmost Ireland, as it is not considered that the Transfer will materially affect such policyholders. Further, receipt of the Policyholder Pack could cause unnecessary concern and confusion on their part.

- c. the Non-Transferring Policyholders and the policyholders of Utmost Ireland may also become aware of the proposals pursuant to the Irish Scheme and the Jersey Scheme because:
- i. a notice containing the described information in relation to the Jersey Scheme will be published in the Jersey Gazette as described in paragraph 10 above;
 - ii. a Notice of Intention to make the application together with the hearing date shall be published in Iris Oifigiúil, the Irish Independent, the Irish Examiner, and the Financial Times (International Edition); and
 - iii. a copy of the summary of the Irish Scheme and a summary of the Independent Expert's Report together with other documents relating to the Irish Scheme, the Guernsey Scheme and the Jersey Scheme including actuarial reports, and the full terms of the Irish Scheme, the Guernsey Scheme and the Jersey Scheme will also be available online.

WHEREFORE THE REPRESENTORS SEEK THAT THE COURT MAKES THE FOLLOWING ORDERS

Directions

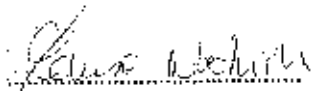
- a. that service of a statement as required by Paragraph 4(b) of Schedule 2 to the Insurance Business (Jersey) Law 1996 upon each of the policyholders and on each Member of the Representatives shall be dispensed with;
- b. that the Representatives shall compile a "Policyholder Letter" comprising the following documents:

- i. a covering letter explaining the Representatives' intention to transfer business from Athora Ireland to Utmost Ireland;
 - ii. a guide to the Scheme, which includes a statement setting out a summary of the terms of the Irish Scheme, the Guernsey Scheme and the Jersey Scheme, a summary of the Independent Expert's Report, as referred to in paragraph 4(b)(ii) of Schedule 2 to the Insurance Business (Jersey) Law 1996, and a commonly asked Questions and Answers document.
- c. further, that the Representatives shall:
- i. send the Policyholder Pack to all those holders of the Transferring Jersey Policies who Athora Ireland has identified have a current address in Jersey;
 - ii. cause a notice to be published in the Jersey Gazette stating that this application has been made and giving details of an address from which copies of this Representation and/or the Independent Expert's Report may be obtained; and
 - iii. make a complete copy of the Jersey Scheme, the Guernsey Scheme and the Irish Scheme and the Independent Expert's Report available on their website.
- d. that such other interim order(s) be made as the Court deems appropriate;
- e. that further consideration of the Representation be adjourned to 4 December 2018.

On 4 December 2018 or such other date as may be directed by the Court, the Representatives will seek the following further orders:

- a. that an order be made pursuant to paragraph 1 of Schedule 2 of the Insurance Business (Jersey) Law 1996 sanctioning the Jersey Scheme;
- b. that the Representors do within 10 days from the date of such order referred to in paragraph a. above or such longer period as the JFSC may allow, deposit two office copies of such order with the JFSC; and
- c. that such other order(s) be made as this Court shall deem appropriate.

Dated this 2nd day of August 2018



Louise Woolrich

Advocate for the Representors

Address for service:

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47 Esplanade
St Helier
Jersey
JE1 0BD

**IN THE ROYAL COURT OF JERSEY
SAMEDI DIVISION**

**IN THE MATTER OF
ATHORA IRELAND PLC
(FORMERLY AEGON IRELAND PLC)**

and

**IN THE MATTER OF
UTIMOST IRELAND DAC**

**AND IN THE MATTER OF AN APPLICATION PURSUANT TO ARTICLE 27 OF AND
SCHEDULE 2 TO THE INSURANCE BUSINESS (JERSEY) LAW 1996**

**LONG TERM INSURANCE BUSINESS
TRANSFER SCHEME**

CONTENTS

Paragraph heading and number	Page Number
1. DEFINITIONS AND INTERPRETATION	1
2. INTRODUCTION	5
3. TRANSFER OF BUSINESS BY INCORPORATION OF THE IRISH SCHEME	6
4. JERSEY EFFECTIVE TIME	8
5. MODIFICATIONS OR ADDITIONS	8
6. GOVERNING LAW	9
SCHEDULE: THE IRISH SCHEME	10
SECOND SCHEDULE: THE GUERNSEY SCHEME	11

PART A - DEFINITIONS AND INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

1.1 In this Jersey Scheme (as defined below), the following words and expressions shall have the following meanings:

"2015 Regulations" means the European Union (Insurance and Reinsurance) Regulations 2015 (S.I. 485 of 2015);

"Excluded Jersey Assets" means all property, rights, powers and assets of the Transferor other than the Transferring Jersey Business and the Jersey Books and Records;

"Excluded Jersey Liabilities" means any claims, demands, actions, suits, settlements, proceedings, losses, damages, liabilities, costs, interest, penalties and expenses of the Transferor, including in respect of Taxation, whether suffered or incurred directly or indirectly, save for the Transferring Jersey Liabilities;

"Guernsey Scheme" means a scheme made pursuant to Section 44 of the Insurance Business Law sanctioning the transfer of the Guernsey Business, a copy of which is appended in the Second Schedule to this Jersey Scheme, with or subject to any modification, addition or change made or imposed from time to time in accordance with its terms;

"Guernsey Insurance Business Law" means the Insurance Business (Bailiwick of Guernsey) Law, 2002;

"Guernsey Royal Court" means the Royal Court of Guernsey;

"Insurance Business Law" means the Insurance Business (Jersey) Law 1996, a Jersey statute;

"Irish Scheme" means the scheme for the transfer of insurance business for the purposes of Ireland's Assurance Companies Act 1909 and the Insurance Act 1989, and the European Union (Insurance and Reinsurance) Regulations 2015, a copy of which is appended in the First Schedule to this Jersey Scheme, with or subject to any modification, addition or change made or imposed from time to time in accordance with its terms;

"Jersey Additional External Link Arrangements" means any and all insured fund external link agreements / arrangements the terms of which are not in writing (and are therefore not included in Schedule 1 to the Irish Scheme), which are utilised by the Transferor for the purposes of facilitating the investment of assets related to (i) the Transferring Jersey Business; and / or (ii) both the Transferring Jersey Business and the ULG Business at the Jersey Effective Time, including but not limited to, the agreements between the Transferor and the respective parties detailed below:

(i) Absolute;

(ii) Investec;

(iii) Kames;

(iv) Newton;

(v) Royal London; and

(vi) Schroder;

"Jersey Books and Records" means all books, records and other information relating exclusively or primarily to the Transferring Jersey Business and all information relating to customers, suppliers, agents and distributors and other information in each case relating exclusively to the Transferring Jersey Business (including the employees in any jurisdiction who are wholly or mainly assigned to the Transferring Jersey Business immediately before the Jersey Effective Time) (other than the Jersey Retained Records);

"Jersey Common External Link Agreements" means the insured fund external link agreements utilised for the purposes of facilitating the investment of assets related to the Transferring Jersey Business and the ULG Business entered between the Transferor and the respective parties detailed below:

- (i) Aberdeen Fund Managers Ltd
- (ii) Artemis Fund Managers Limited;
- (iii) Aviva Investors UK Fund Services Limited;
- (iv) AXA Investment Managers UK Limited;
- (v) Baillie Gifford & Co. Limited;
- (vi) Cazenove Investment Fund Management Limited;
- (vii) Fidelity;
- (viii) First State Investments Limited;
- (ix) GLG Partners Investment Funds Limited;
- (x) Henderson Investment Funds Limited;
- (xi) Invesco Fund Managers Limited;
- (xii) JP Morgan Funds Limited;
- (xiii) Jupiter Unit Trust Managers Limited;
- (xiv) Lazard Fund Managers Limited;
- (xv) M&G Securities Limited;
- (xvi) Old Mutual Investment Management Limited;
- (xvii) Threadneedle Investment Services Limited; and
- (xviii) UBS Global Asset Management Funds Limited;

as further detailed as a Seller Contract in Schedule 1 to the Irish Scheme, together with any other contracts entered into by the Transferor with any other fund manager following the date of this Jersey Scheme which sets out the basis on which the Jersey Offshore Bond Business Unit-Linked

Assets are invested in those funds, at the Jersey Effective Time (other than the Blackrock Agreement and the Jersey Additional External Link Arrangements);

"Jersey Effective Time" means the time and date when this Jersey Scheme shall become operative in accordance with paragraph 4;

"Jersey Offshore Bond Business Unit-Linked Assets" means the unit-linked assets backing the unit-linked liabilities held in respect of the Transferring Jersey Policies;

"Jersey Order" means an order made by the Royal Court pursuant to Schedule 2 to the Insurance Business Law and/or Article 27 of the Insurance Business Law sanctioning this Jersey Scheme and any order (including any subsequent order) in relation to this Jersey Scheme made by the Royal Court pursuant to the Insurance Business Law;

"Jersey Policyholder" means a Policyholder holding a Jersey Policy;

"Jersey Retained Records" means any accounting and financial and other records of the Transferor relating to the Transferring Jersey Business, which the Transferor is required by law to retain;

"Jersey Sanctions Hearing" the hearing of the application to sanction this Jersey Scheme;

"Jersey Scheme" means this scheme made pursuant to Article 27 of and Schedule 2 to the Insurance Business Law in its original form or with or subject to any modification, addition or condition which may be approved or imposed;

"JFSC" means the Jersey Financial Services Commission (and any successor to such authority);

"Residual Jersey Asset" means any property or other rights falling within the definition of Transferring Jersey Assets:

(i)

(a) In respect of which the Royal Court has declined to sanction the transfer to the Transferee under the Insurance Business Law;

(b) where the Transferor and the Transferee agree in writing that the transfer of such property should be delayed or such property should not be transferred at all;

(c) which is outside the jurisdiction of the Royal Court or in respect of which its transfer pursuant to an order of the Royal Court is not recognised by the laws of the jurisdiction in which the property is situated; or

(d) which cannot be transferred or vested in the Transferee for any other reason,

(ii) together with any proceeds of sale or income or other accrual or return, whether or not in the form of cash, earned or received from time to time after the Jersey Effective Time, in respect of any property to in paragraphs (i)(a) to (d) of this definition;

"Residual Jersey Liabilities" means any liability whatsoever of the Transferor in respect of the Transferring Jersey Assets:

- (a) that is attributable to or connected with a Residual Jersey Asset and arises at any time before the Subsequent Jersey Transfer Date applicable to the Residual Jersey Asset;
- (b) in respect of which the Royal Court has declined to order the transfer to the Transferee under the Insurance Business Law;
- (c) which cannot be transferred or vested in the Transferee for any other reason as the Jersey Effective Time; or
- (d) where the Transferor and the Transferee agree in writing that the transfer of such liability should be delayed or that such liability should not be transferred;

"Royal Court" means the Royal Court of Jersey;

"Subsequent Jersey Transfer Date" means, in relation to any Residual Jersey Asset or Residual Jersey Liability, the date after the Jersey Effective Time on which such Residual Jersey Asset or Residual Jersey Liability is or is to be transferred to the Transferee, namely:

- (a) in respect of any Residual Jersey Asset falling within paragraph (i)(a), (i)(c) or (i)(d) of the definition of Residual Jersey Assets, and of any Residual Jersey Liability which is attributable to or connected with that Residual Jersey Asset, or which falls within paragraph (b) or (c) of the definition of Residual Jersey Liability, the date on which any impediment to its transfer shall have been removed or overcome; and
- (b) in respect of any Residual Jersey Asset falling within paragraph (i)(b) or (ii) of the definition of Residual Jersey Assets, and of any Residual Jersey Liability which is attributable to or connected with that Residual Jersey Asset, and of any Residual Jersey Liability falling within paragraph (d) of the definition of Residual Jersey Liability, the date on which the Transferor and the Transferee agree the transfer should take effect;

"Transferring Jersey Assets" means

- (i) all unit-linked assets backing the unit-linked liabilities held in respect of the Transferring Jersey Policies;
- (ii) all cash backing the unit-linked liabilities held in respect of the Transferring Jersey Policies;
- (iii) cash and cash equivalent (if any) in an amount equal to the amount of cash and cash equivalent required to be transferred to the Transferee at the Jersey Effective Time to achieve an Estimated Tangible Net Asset Value of zero as set out in the "Cash and Cash Equivalent" line item in the Pre-Closing TNAV Statement; and
- (iv) the Transferring Jersey Contracts;

"Transferring Jersey Business" means the Transferring Jersey Policies, including all rights and powers of the Transferor under or by virtue of the Transferring Jersey Policies, the Transferring Jersey Assets and the Transferring Jersey Liabilities, including the rights of the Transferor in respect of the Transferring Jersey Contracts, but excluding:

- (a) the Residual Jersey Assets and the Residual Jersey Liabilities;
- (b) the Excluded Jersey Assets and the Excluded Jersey Liabilities; and
- (c) the ULG Business;

"Transferring Jersey Contracts" means (a) the Jersey Common External Link Agreements; (b) such other contracts (other than the Jersey Common External Link Agreements) to which the Transferor is a party which relate to the Transferring Jersey Business; and (c) the Transferring Jersey Policies;

"Transferring Jersey Liabilities" means the entire amount of all debts, liabilities and obligations (whether actual, future or contingent and whether known or unknown at the Jersey Effective Time) owed or to be performed by the Transferor to the Jersey Policyholders or third parties arising out of or in connection with the Transferring Jersey Policies or the Transferring Jersey Assets, other than the Excluded Jersey Liabilities and, until the Subsequent Jersey Transfer Date, the Residual Jersey Liabilities;

"Transferring Jersey Policies" means the policies written by the Transferor up to and including the Effective Time under the product names Wealth Management Portfolio, Private Client Portfolio, Wealth Planning Account, Investment Portfolio, Money Market Portfolio, Estate Protection Plan and Flexible Investment Plan and which form part of the long term insurance business (as such expression is interpreted for the purpose of the Insurance Business Law) carried on by the Transferor at the Effective Time in or from within Jersey, including all certificates, supplemental coverages, endorsements, riders and ancillary agreements in connection therewith and all rights, interests, benefits, powers, liabilities and obligations of the Transferor therein; and

"ULG Business" means (i) the business undertaken by the Transferor under the product names Aegon Secure DepotRente (Germany), Aegon Secure Kapital (Germany), 5 for Life (UK), Aegon Secure Lifetime Income (UK), Aegon Secure Capital (UK), Aegon Secure Income (UK), Aegon Secure Trustee Investment (UK) and Aegon Variabele Lijfrente (Netherlands) and (ii) the Reinsurance Business.

1.2 In this Jersey Scheme, unless the subject or context requires otherwise:

- 1.2.1 words and expressions defined in the Irish Scheme shall have the same meanings as are given to them in the Irish Scheme; and
- 1.2.2 expressions used in the Jersey Scheme which have meanings under the Insurance Business Law shall bear those meanings.

1.3 Without prejudice to the generality of paragraph 3.1 of this Jersey Scheme, the principles of interpretation set out in paragraph 1.2 of the Irish Scheme shall be incorporated by reference into and shall form part of this Jersey Scheme as if reproduced herein, *mutatis mutandis*.

2. INTRODUCTION

- 2.1 Athora Ireland plc (formerly Aegon Ireland plc) (the "Transferor") is a life assurance company, incorporated in Ireland on 3 August 2001. It has its registered office and principal place of business at 2nd Floor, IFSC House, Custom House Quay, Dublin 1. The sole shareholder of the Transferor is Athora Life Re Ltd (being a company incorporated under the laws of Bermuda).

- 2.2 The Transferor is authorised by the Central Bank of Ireland (the "**Central Bank**") to undertake the business of life assurance in Class I (Life assurance and contracts to pay annuities on human life, but excluding Classes II and III), Class III (Contracts linked to investment funds) and Class VI (Capital Redemption) in accordance with the 2015 Regulations. This authorisation remains in full force and effect. The Transferor is also authorised to undertake life reinsurance business in the said classes.
- 2.3 The Transferor has a Category A permit granted under Article 7 of the Insurance Business Law in respect of long term insurance business of a type falling within paragraph III (linked long term) of Part 1 of Schedule 1 to the Insurance Business Law.
- 2.4 Utmost Ireland Designated Activity Company (the "**Transferee**") is a life assurance company incorporated in Ireland on 11 March 1999 with registered number 303257. It has its registered office and principal place of business at Block 2, Harcourt Centre, Harcourt Street, Dublin 2. The sole shareholder of the Transferee is Harcourt Life Assurance Designated Activity Company (being a company incorporated under the laws of Ireland).
- 2.5 The Transferee is authorised by the Central Bank to undertake the business of life assurance in Class III (contracts linked to investment funds) and Class VI (capital redemption operations) in accordance with the 2015 Regulations. This authorisation remains in full force and effect.
- 2.6 The Transferee has a Category A permit granted under Article 7 of the Insurance Business Law in respect of long term insurance business of a type falling with the following paragraphs of Part 1 of Schedule 1 to the Insurance Business Law: III (linked long term) and VI (capital redemption).
- 2.7 It has been agreed by the board of directors of the Transferor to approve the draft Irish Scheme, the draft Guernsey Scheme and the draft Jersey Scheme, subject to the requirements of the Central Bank (in respect of the Irish Scheme), the Guernsey Financial Services Commission (in respect of the Guernsey Scheme) and the JFSC (in respect of the Jersey Scheme) and the sanction of the High Court of Ireland (in respect of the Irish Scheme), the Guernsey Royal Court (in respect of the Guernsey Scheme) and the Royal Court (in respect of the Jersey Scheme).
- 2.8 It is intended that the Transferee should acquire the Offshore Bonds Business carried on by the Transferor (being the Transferring Business) from the Transferor with effect as and from the Effective Time and in accordance with the terms and conditions set out in the Irish Scheme.
- 2.9 The Transferring Jersey Business is part of the Transferring Business and it is intended that the Transferring Jersey Business be transferred to the Transferee with effect as and from the Jersey Effective Time on substantially the same terms as the Irish Scheme. Accordingly it is proposed that a Jersey Order of the Royal Court be sought for the sanction of this Jersey Scheme.
- 2.10 The Transferor has notified the JFSC of the terms of this Jersey Scheme in accordance with the Insurance Business Law.
- 2.11 The Transferor and the Transferee hereby agree to appear by Counsel on the hearing of the application to sanction this Jersey Scheme and have undertaken to be bound by the Jersey Scheme and to take all reasonable steps (including the execution of documents) which may be necessary or expedient to give effect to this Jersey Scheme.
3. **TRANSFER OF BUSINESS BY INCORPORATION OF THE IRISH SCHEME**
- 3.1 The terms of the Irish Scheme shall apply to the Transferring Jersey Business, the Transferring Jersey Assets and the Transferring Jersey Liabilities in the same manner as they apply to the

Transferring Business, the Transferring Assets and the Transferring Liabilities, and (save to the extent inconsistent with any of the provisions of the Jersey Scheme) the terms of the Irish Scheme (subject to the excluded paragraphs of the Irish Scheme set out at paragraph 3.2 of this Jersey Scheme) shall be incorporated in to and shall form part of the Jersey Scheme as if reproduced herein, *mutatis mutandis*. For this purpose, the following definitions of the Irish Scheme shall be read and construed as follows:

- 3.1.1 Additional External Link Arrangements shall be read as Jersey Additional External Link Arrangements;
 - 3.1.2 Books and Records shall be read as Jersey Books and Records;
 - 3.1.3 Common External Link Agreements shall be read as Jersey Common External Link Agreements;
 - 3.1.4 Court shall be read as the Royal Court;
 - 3.1.5 Effective Time shall be read as Jersey Effective Time;
 - 3.1.6 Excluded Assets shall be read as Excluded Jersey Assets;
 - 3.1.7 Excluded Liabilities shall be read as Excluded Jersey Liabilities;
 - 3.1.8 Offshore Bond Business Unit-Linked Assets shall be read as Jersey Offshore Bond Business Unit-Linked Assets;
 - 3.1.9 Order shall be read as Jersey Order;
 - 3.1.10 Policyholders shall be read as Jersey Policyholders;
 - 3.1.11 Residual Asset shall be read as Residual Jersey Asset;
 - 3.1.12 Residual Liabilities shall be read as Residual Jersey Liabilities;
 - 3.1.13 Retained Records shall be read as Jersey Retained Records;
 - 3.1.14 Sanctions Hearing shall be read as Jersey Sanctions Hearing;
 - 3.1.15 Scheme shall be read as Jersey Scheme;
 - 3.1.16 Subsequent Transfer Date shall be read as Subsequent Jersey Transfer Date;
 - 3.1.17 Transferring Assets shall be read as Transferring Jersey Assets;
 - 3.1.18 Transferring Business shall be read as Transferring Jersey Business;
 - 3.1.19 Transferring Contracts shall be read as Transferring Jersey Contracts;
 - 3.1.20 Transferring Liabilities shall be read as Transferring Jersey Liabilities; and
 - 3.1.21 Transferring Policies shall be read as Transferring Jersey Policies.
- 3.2 Paragraphs 3.1 (*Effective Time*), 3.6 (*Modifications or additions*) and 3.10 (*Governing Law*) of the Irish Scheme shall not form part of and shall not be incorporated into this Jersey Scheme.

- 3.3 This Jersey Scheme is ancillary to the Irish Scheme. Nothing in this Jersey Scheme shall operate so as to prevent or conflict with any transfer provided for by the Irish Scheme or the Guernsey Scheme.

4. JERSEY EFFECTIVE TIME

- 4.1 Subject to paragraph 4.2, this Jersey Scheme shall become operative simultaneously with the Irish Scheme becoming operative or shall lapse in accordance with the terms of the Irish Scheme unless otherwise ordered by the Royal Court on the application of the Transferor and the Transferee.
- 4.2 Notwithstanding paragraph 5.1, in the event that the Royal Court imposes any modification of or addition to this Jersey Scheme or any further condition or provision affecting the same, this Jersey Scheme shall not become operative on the Jersey Effective Time unless the Transferor and the Transferee consent to such modification, addition or condition.

5. MODIFICATIONS OR ADDITIONS

- 5.1 Subject to paragraph 5.5 of this Jersey Scheme, the Transferor and the Transferee may consent for and on behalf of themselves, and may consent on behalf of all persons concerned (other than the JFSC) to any amendment, modification or addition to this Jersey Scheme or to any other further condition or provision affecting this Scheme which the Court may approve or impose prior to the sanction of this Jersey Scheme.
- 5.2 Subject to paragraphs 5.4 and 5.5 of this Jersey Scheme, after the Jersey Effective Time, the Transferee may vary the terms of this Scheme with the consent of the Royal Court, including, if at any time, the provisions of this Jersey Scheme, in the opinion of the board of directors of the Transferee, prove to be impossible, impracticable or inequitable to implement, provided that in any such case:
- 5.2.1 the JFSC shall be notified of and be given the opportunity to be heard at the hearing of the Royal Court at which such application is considered;
 - 5.2.2 such application shall be accompanied by a report from an independent actuary to the effect that in his opinion the proposed amendment will not materially adversely affect the interests of the Jersey Policyholders affected by the proposed amendment; and
 - 5.2.3 to the extent any such variation affects any right, obligation or interest of the Transferor, the Transferor has consented thereto.
- 5.3 If such approval is granted, the Transferee may amend the terms of this Scheme in accordance with such consent.
- 5.4 Subject to paragraph 5.5 of this Jersey Scheme, the consent of the Royal Court shall not be required in relation to minor and/or technical amendments to the terms of this Jersey Scheme (including amendments to correct manifest errors) that may be agreed by the Transferor and the Transferee in writing, provided that the JFSC has been notified of the same at least 28 days in advance of the amendment being made and has not objected (unless the JFSC has confirmed non-objection prior to that date).
- 5.5 Any action taken or to be taken, and any thing done or to be done, by or on behalf of the Transferor, the Transferee or any other person in connection with or in relation to the Schedule to this Jersey Scheme which would (but for this paragraph 5.5 of this Jersey Scheme) require the

consent, approval or confirmation of no objection of or by the Royal Court, the JFSC or any other person, or require any notification to be made or any certification to be given by or to any person, shall not require such consent, approval or confirmation to be given, and shall not require the making of such notification or the giving of such certification, if such action is taken or such thing is done in accordance with the terms of the Irish Scheme.

6. GOVERNING LAW

This Jersey Scheme and any disputes or claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with Jersey law.

FIRST SCHEDULE: THE IRISH SCHEME

SECOND SCHEDULE: THE GUERNSEY SCHEME

