

Scheme under Part 9 of the *Life Insurance Act 1995* (Cth) for the transfer of the life insurance business of TAL Life Insurance Services Limited ABN 31 003 149 157 to TAL Life Limited ABN 70 050 109 450

The meaning of words in title case is set out in clause 8.1.

1 Overview

- (a) This is a scheme prepared pursuant to Part 9 of the Life Act and operates only on, and subject to, its confirmation by the Federal Court (**Scheme**).
- (b) This Scheme gives effect to the transfer deed between TAL Life Limited (**TAL Life**), TAL Life Insurance Services Limited (**TLISL**) and TAL Dai-ichi Life Australia Pty Ltd ABN 97 150 070 483 (**TAL Dai-ichi**) entered into on or around 3 September 2024 (**Transfer Deed**), under which TLISL has agreed to transfer its Life Business to TAL Life, subject to confirmation by the Federal Court of this Scheme and satisfaction of certain conditions.
- (c) TAL Life and TLISL are registered as life companies under the Life Act. TAL Life and TLISL are incorporated in New South Wales. The sole shareholder of each of TAL Life and TLISL is TAL Dai-ichi. The ultimate parent company of both TAL Life and TLISL is Dai-ichi Life Holdings, Inc.
- (d) The objective of this Scheme is to transfer the Life Business from TLISL to TAL Life in the manner provided for by this Scheme.
- (e) This Scheme is based on a combined actuarial report prepared by Mr Joshua Corrigan and Mr Neil Ch'ng, the appointed actuaries (respectively) of TAL Life and TLISL, and an actuarial report of Mr Alan Merten, an independent actuary.

2 Transfer of the Life Business

2.1 Effective Time

Subject to the Federal Court confirming the Scheme, this Scheme takes effect on and from 11:59pm (AEDT) on 31 March 2025 or on such other date as the Federal Court may determine (**Effective Time**).

2.2 Transfer of the Life Business

At the Effective Time, the Life Business is transferred from TLISL to TAL Life, and TAL Life obtains and assumes all rights and benefits, and all obligations and liabilities of the Life Business on the basis, and in the manner, set out in this Scheme.

2.3 Consequences of the transfer of the Life Business

Without limiting clause 2.2, the happenings and consequences set out in clauses 3 to 6 occur at and from the Effective Time unless otherwise stated.

3 Consequences of the transfer of the Life Business

3.1 Issuer of TLISL Policies

TAL Life becomes the issuer of the TLISL Policies and TLISL ceases to be the issuer of the TLISL Policies.

3.2 TLISL Policy Owners

- (a) TAL Life becomes the issuer of the TLISL Policies in place of TLISL and the TLISL Policy Owners become TAL Life Policy Owners. For the avoidance of doubt, the TLISL Policies will remain in-force and there will be no cessation of the TLISL Policies as a result of the Scheme.
- (b) The rights and liabilities of the TLISL Policy Owners will be the same in all respects as they would have been if:
 - (1) the applications on which the TLISL Policies were based had been made to, or accepted by, TAL Life instead of TLISL; and
 - (2) the TLISL Policies had originally been issued by TAL Life instead of TLISL (subject to the variations set out in this Scheme).

3.3 Assumption of policy liabilities

TAL Life assumes all liabilities and obligations of TLISL under, or in respect of, the TLISL Policies.

3.4 Release of policy liabilities

TLISL is released and discharged from all liabilities and obligations under, or in respect of, the TLISL Policies.

3.5 Rights and benefits

TAL Life, as issuer of the TLISL Policies pursuant to clause 3.1, is entitled to all rights and benefits of TLISL under, or in respect of, the TLISL Policies, including:

- (a) the right to receive any fees payable under, or in respect of, the TLISL Policies;
- (b) the right to receive premiums payable under, or in respect of, the TLISL Policies; and
- (c) the right to enforce all rights and remedies available under the TLISL Policies, including in respect of any non-payment of such premiums or fees.

3.6 Authorities

All directions, authorities, mandates or instructions given to TLISL:

- (a) to deduct premiums or fees payable in respect of the TLISL Policies (including by debiting a bank account, through automatic payroll deductions or through electronic bank transfer); or
- (b) to disclose or obtain information in the course of carrying on the Life Business of TLISL,

are deemed to be given to TAL Life instead of TLISL.

3.7 Policy claims

Any person having a claim on or obligation to TLISL under, or in respect of, a TLISL Policy, has the same claim on or obligation to TAL Life instead of TLISL, irrespective of when such claim or obligation arose.

3.8 Proceedings

Any proceedings in connection with a TLISL Policy that are pending, or that commence, whether by or against TLISL, in any court, tribunal or entity dealing with complaints, must be continued by or against TAL Life instead of TLISL and must be amended to that effect.

3.9 Policy owner remediation

TAL Life will assume the conduct and administration of, and the liability for, any policy owner remediation programs being conducted by TLISL prior to the Effective Time but which have not been completed at the Effective Time.

3.10 Applications

Any application for a TLISL Policy which has not been accepted by TLISL at the Effective Time is, for all intents and purposes, to be treated as an application to TAL Life, and any policy resulting from such an application takes effect as a TAL Life Policy.

3.11 Commissions

TAL Life:

- (a) bears the obligation to pay commissions payable to any person in respect of a TLISL Policy; and
- (b) is entitled to seek repayment of commission (whether originally paid by TAL Life or TLISL) in excess of the recipient's entitlement, instead of TLISL.

3.12 Contracts and Reinsurance Treaties

- (a) TAL Life, as the life company that is to assume all the rights and liabilities in respect of the TLISL Policies, assumes the position of TLISL under all TLISL Contracts as if TAL Life was the original party to those contracts in place of TLISL. The TLISL Contracts will continue in full force and effect on this basis.
- (b) Without limiting clause 3.12(a):
 - (1) TAL Life assumes all rights, powers, privileges, and all liabilities and obligations of TLISL under the TLISL Contracts, whenever occurring;

- (2) TAL Life assumes the position of TLISL under the TLISL Contracts in respect of any proceedings pending by, or against, TLISL in respect of the TLISL Contracts;
 - (3) all references to TLISL in a TLISL Contract will be read as a reference to TAL Life;
 - (4) all references to TLISL Statutory Fund No.1 in a TLISL Contract will be read as a reference to TAL Life Statutory Fund No.1; and
 - (5) all references to TLISL Statutory Fund No.2 in a TLISL Contract will be read as a reference to TAL Life Statutory Fund No.2.
- (c) TLISL is released and discharged from all obligations and liabilities under the TLISL Contracts.
 - (d) Each Reinsurance Treaty under which TLISL is the cedant will transfer to TAL Life, with the same consequences as set out above in clauses 3.12(a) to 3.12(c) with respect to the TLISL Contracts.

3.13 Consequences for TLISL Policies

Without the creation of a new policy or contract of insurance:

- (a) all references to TLISL in a TLISL Policy are replaced with TAL Life;
- (b) all references to TLISL Statutory Fund No.1 in a TLISL Policy will be read as a reference to TAL Life Statutory Fund No.1;
- (c) all references to TLISL Statutory Fund No.2 in a TLISL Policy will be read as a reference to TAL Life Statutory Fund No.2; and
- (d) the terms and conditions of TLISL Policies will not change as a result of the Scheme.

3.14 Consequences for TAL Life Policies

The terms and conditions of TAL Life Policies will not change as a result of the Scheme.

4 TLISL Statutory Funds

4.1 TLISL Policies

- (a) Each TLISL Policy referable to TLISL Statutory Fund No.1 becomes a TAL Life Policy referable to TAL Life Statutory Fund No.1.
- (b) Each TLISL Policy referable to TLISL Statutory Fund No.2 becomes a TAL Life Policy referable to TAL Life Statutory Fund No.2.

4.2 TLISL Assets

- (a) The TLISL Assets of TLISL Statutory Fund No.1 become assets of TAL Life Statutory Fund No.1.
- (b) The TLISL Assets of TLISL Statutory Fund No.2 become assets of TAL Life Statutory Fund No.2.

4.3 TLISL Liabilities

- (a) The TLISL Liabilities of TLISL Statutory Fund No.1 become liabilities of the TAL Life Statutory Fund No.1.
- (b) The TLISL Liabilities of TLISL Statutory Fund No.2 become liabilities of the TAL Life Statutory Fund No.2.
- (c) The liabilities of the TLISL Statutory Fund No.1 and TLISL Statutory Fund No.2 will be transferred individually for an amount equal to the carrying value in TLISL financial records at the Effective Time.

5 Conduct of the Life Business at and from the Effective Time

- (a) On and from the Effective Time, TAL Life will maintain such policies and practices as are required to enable it to conduct the Life Business in a manner which is consistent with its legal and regulatory obligations, and which satisfies the contractual rights and benefits of the TLISL Policy Owners.
- (b) For the purposes of this clause 5, “policies and practices” includes any policies and practices relating to:
 - (1) the method of determining premium rates and charges;
 - (2) underwriting and claims management;
 - (3) each insurer’s capital management framework;
 - (4) each insurer’s reinsurance management framework;
 - (5) each insurer’s risk management framework;
 - (6) each insurer’s business continuity and material outsourcing framework;
 - (7) each insurer’s data risk framework (including cyber security and data risk management);
 - (8) each insurer’s dispute resolution framework; and
 - (9) each insurer’s remediation programs, including the “TAL Enterprise Remediation Guiding Principles”, which is aligned to the ASIC Regulatory Guide RG 277 *Consumer Remediation* and the ASIC best practice field guide titled “Making it Right: how to run a consumer centred remediation”.
- (c) TAL Life must review its policies and practices periodically to ensure that they remain appropriate. Where appropriate, TAL Life will adjust the policies and practices to take better account of its legal and regulatory obligations and with due regard to maintaining the contractual rights and benefits of the TLISL Policy Owners.

6 Implementation

TAL Life and TLISL will do all such things and execute all such deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the provisions of this Scheme and the transactions contemplated by them.

7 Costs of the Scheme

All costs, including any stamp duty, associated with the transfer of the Life Business of TLISL will be paid by TAL Dai-ichi and not by TLISL Policy Owners or TAL Life Policy Owners.

8 Interpretation

8.1 Definitions

In this Scheme:

APRA means the Australian Prudential Regulation Authority.

Australian Policy Owners' Retained Profits has the meaning given in the Life Act.

Capital Adequacy Requirement means in the case of a statutory fund or a shareholders' fund, the capital adequacy requirement as determined in accordance with APRA Prudential Standard LPS 110 *Capital Adequacy*.

Effective Time has the meaning given in clause 2.1.

Federal Court means the Federal Court of Australia.

Life Act means the *Life Insurance Act 1995* (Cth).

Life Business means all of TLISL's life insurance business including the TLISL Assets and the TLISL Liabilities.

life insurance business has the meaning given in the Life Act.

Reinsurance Treaty means a contract under which a party, the reinsurer, agrees to indemnify another party, the cedant, for a specified share of the risk that arises from a specified class of insurance policies issued by the cedant.

TAL Life means TAL Life Limited ABN 70 050 109 450.

Transfer Deed has the meaning given in clause 1(b).

TAL Life Policies means the policies issued by TAL Life that are referable to a TAL Life Statutory Fund immediately prior to the Effective Time.

TAL Life Policy Owner means an owner of a TAL Life Policy.

TAL Life Statutory Fund means a fund established by TAL Life that relates solely to the life insurance business of TAL Life or a particular part of that business.

TLISL means TAL Life Insurance Services Limited ABN 31 003 149 157.

TLISL Assets means all assets referable to the Life Business immediately prior to the Effective Time, including:

- (a) the assets supporting any Australian Policy Owners' Retained Profits in relation to the TLISL Statutory Funds immediately prior to the Effective Time;
- (b) the assets supporting the policy liabilities in respect of the TLISL Policies immediately prior to the Effective Time;
- (c) the assets supporting any other liabilities of the TLISL Statutory Funds immediately prior to the Effective Time; and

- (d) all other assets of the TLISL Statutory Funds immediately prior to the Effective Time.

For the avoidance of doubt, TLISL Assets do not include any assets of the TLISL Shareholders' Fund.

TLISL Contracts means all contracts entered into by TLISL in relation to the Life Business prior to the Effective Time, excluding the Reinsurance Treaties.

TLISL Liabilities means all liabilities (actual and contingent) referable to the Life Business immediately prior to the Effective Time, including:

- (a) the policy liabilities in respect of the TLISL Policies immediately prior to the Effective Time; and
- (b) all other liabilities of the TLISL Statutory Funds immediately prior to the Effective Time.

For the avoidance of doubt, TLISL Liabilities do not include any liabilities of the TLISL Shareholders' Fund.

TLISL Policies means the policies issued by TLISL that are referable to a TLISL Statutory Fund immediately prior to the Effective Time.

TLISL Policy Owner means an owner of a TLISL Policy.

TLISL Shareholders' Fund means the TLISL fund maintained separately from the TLISL Statutory Funds that holds, among other assets, the minimum amount of capital required to be held outside the TLISL Statutory Funds in accordance with the Capital Adequacy Requirement.

TLISL Statutory Fund means a fund established by TLISL that relates solely to the Life Business of TLISL or a particular part of that business.

8.2 Interpretation

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply:

- (a) A reference to:
 - (1) a legislative provision or legislation (including subordinate legislation) is to that provision or legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (2) a document (including this document) or agreement, or a provision of a document (including this document) or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (3) a party to this document or to any other document or agreement includes a successor in title, permitted substitute or a permitted assign of that party;
 - (4) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
 - (5) anything (including a right, obligation or concept) includes each part of it.
- (b) A singular word includes the plural, and vice versa.

- (c) If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
- (d) A reference to **information** is to information of any kind in any form or medium, whether formal or informal, written or unwritten, for example, computer software or programs, concepts, data, drawings, ideas, knowledge, procedures, source codes or object codes, technology or trade secrets.
- (e) The expression **this document** or **this Scheme** includes the agreement, arrangement, understanding or transaction recorded in this document, including any schedule to this document or this Scheme.
- (f) A reference to time is a reference to Sydney, New South Wales, Australia time.