

[Name]

[Address]

17 October 2025

IMPORTANT INFORMATION

Dear Clients,

Proposed transfer of the long term insurance businesses of The Canada Life Assurance Company ("CLA") and Canada Life Limited ("CLL") to MyPace Life Limited ("MPL")

Policy Number: [Policy Number]

We are writing to advise you of the proposed transfer of the long term business underwritten in or from Hong Kong by each of CLA and CLL via their respective Hong Kong branches to MPL ("**Proposed Transfer**"). The reason for the Proposed Transfer is that CLA and CLL wish to cease to carry on any class of long term business in or from Hong Kong and close their respective Hong Kong branches.

This letter sets out important information regarding the Proposed Transfer of the long term business carried on by each of CLA and CLL in or from Hong Kong ("**Business**") to MPL. The scope of the Business being transferred to MPL is set out in the Summary of the Scheme dated 27 August 2025 ("**Summary of the Scheme**") under Schedule 1 to this letter. As a long term policy holder (whether in force, expired, terminated, matured, surrendered or lapsed) of CLL, your policy(ies) will be included in the Proposed Transfer. The Proposed Transfer will be carried out in accordance with the statutory process set out in section 24 of the Insurance Ordinance (Cap. 41) (the "**Ordinance**"), under which an application shall be made to the Court of First Instance (the "**Hong Kong Court**") for the sanction of a scheme setting out the terms of the transfer (the "**Scheme**"). The application has been made by way of petition (the "**Petition**") to the Hong Kong Court on 27 August 2025.

After the transfer of the Business and implementation of the Scheme, 100% of the insurance risks under your policy(ies) shall be ceded by MPL to the Barbados Branch of CLA ("**CLA BB**") through the coinsurance agreements entered into by MPL and CLA BB dated 28 August 2025 ("**Coinsurance Agreements**").

The Scheme will be considered in the substantive hearing of the Petition in the Hong Kong Court which is scheduled to take place at 11 a.m. on 9 December 2025. The transfer contemplated under the Scheme will not proceed unless it is approved by the Hong Kong Court.

An independent actuary, Clement Bonnet (the “**Independent Actuary**”), a Fellow member of the French Institute of Actuaries and a Fellow member of the Actuarial Society of Hong Kong, has been appointed by CLA, CLL and MPL to examine the terms of the Scheme and the Coinsurance Agreements and the likely effects of the Scheme and the Coinsurance Agreements on the long term policy holders of CLA and CLL respectively and to prepare a report based on the financial information of CLA and CLL as at 31 December 2024 for the Hong Kong Court (the “**Independent Actuary’s Report**”). The Independent Actuary’s Report considers the likely effects of the Scheme and the Coinsurance Agreements on the reasonable expectations of the long term policy holders of CLA and CLL respectively and, in particular, the policy holders of the respective Transferring Policies (as defined in Part 1 of Schedule 1 to this letter) with regard to benefits and levels of service. He has also considered the effect of the Scheme and the Coinsurance Agreements on the financial security of the long term policy holders of CLA and CLL respectively and, in particular, the policy holders of the respective Transferring Policies, and the adequacy of safeguards in the Scheme and the Coinsurance Agreements to ensure that they operate as presented. Summary of the Scheme and the Independent Actuary’s Report are included in Schedules 1 and 2 to this letter. A supplementary report (the “**Supplementary Report**”) has been prepared by the Independent Actuary to provide an update on the relevant financial information of CLA and CLL as of 30 June 2025 and opine on whether there is any change in the view of the Independent Actuary as set out in the Independent Actuary’s Report and a copy of the Supplementary Report will be posted on the website of MPL at www.mypace.life, the website of CLA at www.canadalife.com/hongkong-portfolio-transfer and the website of CLL at www.canadalife.co.uk/transferring-policies-to-my-pace-life around November 2025.

Any person who alleges that he or she would be adversely affected by the carrying out of the Scheme is entitled to be heard in the substantive hearing of the Petition before the Hong Kong Court. If you intend to appear at the substantive hearing of the Petition in the Hong Kong Court, you are requested to give preferably not less than seven calendar days’ prior written notice to CLL or MPL. Please refer to the section “**Substantive Hearing of the Petition**” in **Schedule 1 – Part 2: “Further Information on the Hearing”** for details. Unless you intend to appear at the substantive hearing of the Petition in the Hong Kong Court or object to the Scheme, there is no need for you to take any action. However, it is important that you understand the details of the Proposed Transfer. We recommend that you read this letter carefully.

If our records show that you are or have been a tax resident of the United Kingdom (“**UK tax resident**”), you will receive an additional letter from us explaining how the Proposed Transfer may affect your tax liabilities (“**Tax Letter**”). If it is not shown in our records that you are or have been a UK tax resident, you will not receive the Tax Letter from us. However, if you in fact are or have been a UK tax resident, please contact CLL at 01707 423660 calls charged at local rate (or from overseas +44 [0]1707 423660) or write to CLL at Canada Life Limited, Canada Life Place, Potters Bar, EN6 5BA, or alternatively e-mail CLL at CSTaxEnquiry@canadalife.co.uk so that we can further consider whether the Tax

Letter should be sent to you. Even after the Proposed Transfer, if you realise that you have been a UK tax resident prior to the Transfer Date (as defined below), you may still contact CLL:

- By phone: 01707 423660 calls charged at local rate (or from overseas +44 [0]1707 423660)
- By email: CSTaxEnquiry@canadalife.co.uk
- By letter: Canada Life Limited, Canada Life Place, Potters Bar, EN6 5BA

CLL will still treat you fairly and consider whether the Tax Letter should be sent to you.

The effect of the Proposed Transfer on the Transferring Policies

The Scheme shall become effective at 00:01 a.m. hours (Hong Kong time) on such date as CLA, CLL and MPL may decide, which date shall be within 90 days after the sanctioning of the Scheme by the Hong Kong Court ("**Transfer Date**"). MPL has applied to the Insurance Authority for authorization to carry on Classes A (life and annuity), C (linked long term), D (permanent health), G (Retirement scheme management category I), H (Retirement scheme management category II) and I (Retirement scheme management category III) of long term business in or from Hong Kong and an approval-in-principle has been obtained. Subject to the grant of authorization by the Insurance Authority, MPL will have the requisite license to carry on the relevant classes (i.e. Classes A (life and annuity) and C (linked long term)) of long term business and is therefore capable of taking up the Business carried on by CLA and CLL. Subject to the sanctioning of the Scheme by the Hong Kong Court, it is expected that the Scheme will take effect on 1 January 2026, but this may be subject to change as mutually agreed between CLA, CLL and MPL. After the Transfer Date, CLA and CLL will cease to carry on any class of long term business in or from Hong Kong, and they will apply to the Insurance Authority to withdraw their respective authorization to carry on any long term business in or from Hong Kong. Further, after withdrawal of authorization, both CLA and CLL will also close their respective Hong Kong branches and notify the Companies Registry of Hong Kong that they will cease to have their places of business in Hong Kong. After cessation of their places of business in Hong Kong, CLA and CLL will no longer be registered non-Hong Kong companies under Part 16 of the Companies Ordinance (Cap. 622).

Unless the Scheme shall become effective on or before 90 days after the date on which the order of the Hong Kong Court is granted, or such later date and/or time, if any, as CLA, CLL and MPL may decide and the Hong Kong Court may allow, it shall lapse.

If the Hong Kong Court sanctions the Scheme, all the Transferring Policies , including your policy(ies) will be transferred from CLA or CLL, as the case may be, to MPL. After completion of the Proposed Transfer, all the Transferring Policies will be administered by MPL, which will become the insurer of such policies in place of CLA or CLL, as the case may be. **All other terms and provisions of the Transferring Policies will not change.**

We will notify you in writing after the Scheme has been sanctioned by the Hong Kong Court and has taken effect.

Please refer to Schedule 1 to this letter for details on the arrangements if the transfer contemplated under the Scheme is approved by the Hong Kong Court.

If the Scheme is not sanctioned by the Hong Kong Court, the Proposed Transfer will not take place and the Transferring Policies, including your policy(ies) will remain with CLA or CLL, as the case may be, which will continue to be the insurer of such policies, including being responsible for their administration and servicing. If the Proposed Transfer does not take place, we will notify you in writing.

The Scheme has been structured to ensure that the interests of the policyholders are safeguarded. **The Independent Actuary has opined, amongst others, on the likely effects of the Scheme and the Coinsurance Agreements on the reasonable expectations with regard to benefits and levels of service and the effects of the Scheme and the Coinsurance Agreements on the financial security of the long term policy holders of CLA and CLL respectively. You are advised to refer to Part 1: “Key Assessment of the Independent Actuary” and Part 2: “Summary of the Independent Actuary's Report” in Schedule 2.**

Further information

If you wish to obtain further information, you may:

- inspect copies of this letter (in both English and Chinese), the Petition (in English only) (having annexed thereto a copy of the Scheme (in both English and Chinese)) filed at the Hong Kong Court, the Independent Actuary's Report (in both English and Chinese) and the order of the Hong Kong Court giving directions for the Petition (a copy of which is also enclosed in this letter) at the office of Baker & McKenzie, our solicitors, at 14th Floor, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong, during the following periods between 9 a.m. to 5:30 p.m. (Hong Kong time) on normal business days (Monday to Friday (except public holidays)) from 17 October 2025 to 13 November 2025 (i.e. for a period of at least 21 calendar days (inclusive of weekend days and public holidays) from the date of this letter);
- visit the website of MPL at www.mypace.life or the website of CLL at www.canadalife.co.uk/transferring-policies-to-my-pace-life, until the end of the substantive hearing of the Petition in the Hong Kong Court;
- obtain copies of the Petition (in English only) (having annexed thereto a copy of the Scheme (in both English and Chinese)) and the Independent Actuary's Report (in both English and Chinese) free of charge by writing to the offices of CLL or MPL at

the addresses below at any time before the sanctioning of the Scheme by the Hong Kong Court; and/or

CLL	Hong Kong	22/F., Manulife Financial Centre, 223-231 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong
MPL	Hong Kong	7/F., 118 Connaught Road West, Sheung Wan, Hong Kong

- refer to the "Frequently Asked Questions" ("**FAQs**") as enclosed in this letter.

If you have any questions about the Proposed Transfer, please contact CLL at (852) 2827 7344 or MPL at (852) 3153 2965, or write to CLL or MPL at the addresses above, marking your envelope "Canada Life Long Term Insurance Transfer", or alternatively e-mail your question to CLL at CLL-HKportfoliotransfer@canadalife.com or to MPL at info@mypace.life.

Yours sincerely,



Gabriel Joon-Jae Chang, Chief Executive Officer
The Canada Life Assurance Company, Hong Kong Branch



Lindsey Rix-Broom, Chief Executive Officer
Canada Life Limited, Hong Kong Branch

A handwritten signature in black ink, appearing to be 'Rui Huang', written in a cursive style.

Rui Huang, Proposed Chief Executive Officer
MyPace Life Limited

Schedule 1

Part 1

SUMMARY OF THE SCHEME

1. Background

- 1.1. The Canada Life Assurance Company (“**CLA**”) was initially formed in Canada by incorporation on 25 April 1849. Throughout its history CLA has gone through several amalgamations under Canadian law, including one on 31 December 2012, when CLA amalgamated with Crown Life Insurance Company, and most recently on 1 January 2020, when CLA further amalgamated with The Great-West Life Assurance Company, London Life Insurance Company, London Insurance Group Inc. and Canada Life Financial Corporation. CLA is wholly-owned by Great-West Lifeco Inc., a publicly-traded Canadian corporation listed on the Toronto Stock Exchange using the identifier GWO. CLA is a federally regulated Canadian insurance company and has extra provincial insurance registrations across all Canadian jurisdictions. CLA was registered as a non-Hong Kong company under Part XI of the former Companies Ordinance (Cap. 32) (now Part 16 of the Companies Ordinance (Cap. 622) (the “**CO**”)) on 31 August 1984. The principal place of business of CLA in Hong Kong is at Units 2109-11, 21/F., Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong.
- 1.2. CLA is an authorized insurer under the Insurance Ordinance (Cap. 41) (the “**Ordinance**”) with authorization to carry on Class A (life and annuity) of long term business in or from Hong Kong. CLA has ceased to effect any new contracts of insurance in or from Hong Kong, including contracts of reinsurance accepted but excluding (1) contracts of reinsurance ceded, (2) renewal of in-force insurance contracts and (3) conversion of in-force insurance contracts to other insurance contracts since 1994 (with the relevant note on such cessation inserted in the Insurance Authority’s register of authorized insurers on 28 June 1995, as amended on 14 November 2007).
- 1.3. Canada Life Limited (“**CLL**”) was incorporated in the England and Wales on 25 February 1970. It is a wholly-owned indirect subsidiary of CLA. CLL is authorised by the Prudential Regulatory Authority (the “**PRA**”) with reference number 110394 and regulated by the Financial Conduct Authority (the “**FCA**”) and the PRA under the Financial Services and Markets Act 2000 (“**FSMA**”). CLL is listed as authorised under FSMA from 1 December 2001. CLL was registered as a non-Hong Kong company under Part XI of the former Companies Ordinance (Cap. 32) (now Part 16 of the CO) on 31 August 1984. The principal place of business of CLL in Hong Kong is at 22/F., Manulife Financial Centre, 223-231 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong.
- 1.4. CLL is an authorized insurer under the Ordinance with authorization to carry on Classes A (life and annuity) and C (linked long term) of long term business in or from Hong Kong. However, CLL does not carry on any Class A (life and annuity) of

long term business in or from Hong Kong. CLL has ceased to effect any new contracts of insurance in or from Hong Kong, including contracts of reinsurance accepted but excluding contracts of reinsurance ceded since 14 June 1995.

- 1.5. MyPace Life Limited ("**MPL**") was incorporated in Hong Kong on 31 May 2024. MPL is 51% owned by Asia Insurance Company, Limited ("**Asia Insurance**") and 49% owned by PACE Solutions Limited ("**PACE**"). In order to take over the Business carried on by CLA and CLL, an application was made by MPL to the Insurance Authority on 1 August 2025 for authorization to carry on Classes A (life and annuity), C (linked long term), D (permanent health), G (Retirement scheme management category I), H (Retirement scheme management category II) and I (Retirement scheme management category III) of long term business in or from Hong Kong. On 25 August 2025, an approval-in-principle was granted by the Insurance Authority to MPL to carry on those classes of long term business in or from Hong Kong. Subject to the grant of authorization by the Insurance Authority, MPL will have the requisite license to carry on the relevant classes (i.e. Classes A (life and annuity) and C (linked long term)) of long term business and is therefore capable of taking up the Business carried on by CLA and CLL.
- 1.6. CLA, CLL and MPL, among other parties, shall enter into a framework agreement around August or September 2025, pursuant to which CLA and CLL shall agree to transfer, and MPL shall agree to accept, the long term business carried on in or from Hong Kong by each of CLA and CLL via their respective Hong Kong branches (collectively, the "**Business**"), subject to the sanction of the Court of First Instance (the "**Hong Kong Court**").
- 1.7. After the Proposed Transfer (as defined below), CLA and CLL will cease to carry on any class of long term business in or from Hong Kong, and they will apply to the Insurance Authority to withdraw their respective authorization to carry on any long term business in or from Hong Kong. Further, after withdrawal of authorization, both CLA and CLL will also close their respective Hong Kong branches and notify the Companies Registry of Hong Kong that they will cease to have their places of business in Hong Kong. After cessation of their places of business in Hong Kong, CLA and CLL will no longer be registered non-Hong Kong companies under Part 16 of the CO.

2. The Proposed Transfer

- 2.1. It is proposed that, pursuant to section 24 of the Ordinance, the Business shall be transferred from CLA and CLL to MPL ("**Proposed Transfer**") in accordance with the terms of the Scheme and subject to the order of the Hong Kong Court ("**Hong Kong Order**") made pursuant to sections 24 and 25(1) of the Ordinance. Such Business shall comprise the Transferring Policies, the Transferring Assets, the Transferring Liabilities, the Residual Assets and the Residual Liabilities of each of CLA and CLL, as defined below. In this regard, "**Transferring Policies**" means, for each of CLA and CLL, (i) all insurance policies constituting the long term business underwritten by its Hong Kong branch in or from Hong Kong which are in force as at the Transfer Date (as defined below); (ii) all insurance policies constituting the

long term business underwritten by its Hong Kong branch in or from Hong Kong which have expired, terminated, matured or surrendered as at the Transfer Date but there are claims or payments outstanding under such policies or in respect of which a notice of claim has been received by CLA or CLL; (iii) all insurance policies constituting the long term business underwritten by its Hong Kong branch in or from Hong Kong which have lapsed for not more than 4 years as at the Transfer Date, including all proposals, applications, certificates, supplemental coverages, endorsements, riders and ancillary agreements in connection with (i), (ii) and (iii); and (iv) all proposals and applications for policy renewals and reinstatements received by its Hong Kong branch but the processing of which has not been completed by its Hong Kong branch prior to the Transfer Date (which shall be processed by MPL after the Transfer Date).

- 2.2. In respect of CLA, under the Canadian insurance regulatory regime to which CLA is subject, no prior consent or approval from the Office of the Superintendent of Financial Institutions of Canada (the "**OSFI**") is required for the transfer to MPL of the Transferring Policies of CLA. In respect of CLL, no prior consent or approval from the PRA or the FCA is required for the transfer to MPL of the Transferring Policies of CLL.
- 2.3. CLA, CLL and MPL shall further agree that after the transfer of the Business and implementation of the Scheme, 100% of the insurance risks under the Transferring Policies shall be ceded by MPL to CLA (acting through its Barbados branch, "**CLA BB**") through the Coinsurance Agreements. CLA BB was registered under the Laws of Barbados on 26 November 2010 as an External Company and is regulated by the Barbados Corporate Affairs and Intellectual Property Office in accordance with the Companies Act Cap. 308. CLA BB is duly licensed under the Insurance Act, Cap. 310 as a Class 2 insurer and is regulated by the Barbados Financial Services Commission. CLA BB is licenced to provide long term reinsurance of policies issued by third parties and related companies. Under the Foreign Currency Permits Act, 2018, CLA BB holds a Foreign Currency Permit that is regulated by the Barbados International Business Unit. In this regard, "**Coinsurance Agreements**" mean each of:
 - (i) the coinsurance agreement to be entered into by MPL and CLA BB around August or September 2025 under which 100% of the insurance risks under the Transferring Policies of CLA which are participating policies (after they are transferred to and assumed by MPL as the transferee insurer pursuant to the Scheme) shall be ceded by MPL to CLA BB as set out therein ("**CLA Participating Coinsurance Agreement**"), and
 - (ii) the coinsurance agreement to be entered into by MPL and CLA BB around August or September 2025 under which 100% of the insurance risks under (i) the Transferring Policies of CLL and (ii) the Transferring Policies of CLA which are not participating policies (after such policies in (i) and (ii) are transferred to and assumed by MPL as the transferee insurer pursuant to the Scheme) shall

be ceded by MPL to CLA BB as set out therein ("**Non-par Coinsurance Agreement**").

2.4. As part of the transfer of Business under the Proposed Transfer, the Coinsurance Assets (as defined below) and Coinsurance Liabilities (as defined below) in the CLA Long Term Funds (as defined below) and CLL Long Term Fund (as defined below) will be transferred to MPL by CLA and CLL (as the case may be). Immediately following such transfers, under the Coinsurance Agreements (as defined below), all such Coinsurance Assets and Coinsurance Liabilities (other than (a) certain assets attributable to the Transferring Policies of CLL as agreed between MPL and CLL ("**Excluded CLL Coinsurance Assets**"); and (b) the liabilities attributable to or connected with such Excluded CLL Coinsurance Assets, other than any liabilities ceded under the Non-par Coinsurance Agreement ("**Excluded CLL Coinsurance Liabilities**") shall, upon receipt by MPL from CLA and CLL pursuant to the Proposed Transfer, be transferred immediately by MPL to CLA BB as part of the initial reinsurance premiums. To streamline all such transfers under the Proposed Transfer and Coinsurance Agreements, it is proposed that all such transfers shall be deemed to be effected in the following manner:

- (i) for Coinsurance Assets and Coinsurance Liabilities within the CLL Long Term Fund (other than the Excluded CLL Coinsurance Assets and Excluded CLL Coinsurance Liabilities), CLL will transfer them directly to CLA BB; and
- (ii) for Coinsurance Assets and Coinsurance Liabilities within the CLA Long Term Funds, CLA will reallocate them from CLA (acting through its Hong Kong branch, "**CLA HK**") to CLA BB.

2.5. In this regard, "**Coinsurance Assets**" mean the aggregate of:

- (i) the "**Relevant Transferring Assets**" of each of CLL and CLA, which mean, for each of CLA and CLL, the property, assets, cash or investments falling within paragraph (i) of the definition of "Transferring Assets" below (excluding any of its Residual Assets, as defined below) which shall be determined by CLA and CLL (as the case may be) in accordance with the methodology set out in such definition, i.e., the Relevant Transferring Assets are the Transferring Assets which are held in the CLA Long Term Funds or CLL Long Term Fund (as the case may be), excluding any and all right, discretion, authority, power or benefit of CLL or CLA under or by virtue of (i) their Transferring Policies; and (ii) any intermediary agreements (including broker agreements and agent and agency agreements); and
- (ii) the "**Relevant Residual Assets**" of each of CLL and CLA, which mean, for each of CLA and CLL, the property, assets, cash or investments falling within:
 - (a) paragraph (i)(A) of the definition of "Residual Assets" below and
 - (b) paragraph (ii) of the definition of "Residual Assets" in respect of the property, assets, cash or investments falling within sub-paragraph (a) of this definition,

i.e., the Relevant Residual Assets are the Residual Assets which are held in the CLA Long Term Funds or CLL Long Term Fund (as the case may be), excluding any and all right, discretion, authority, power or benefit of CLL or CLA under or by virtue of (a) their Transferring Policies; and (b) any intermediary agreements (including broker agreements and agent and agency agreements).

2.6. **“Coinsurance Liabilities”** mean the aggregate of:

- (i) the **“Relevant Transferring Liabilities”** of each of CLL and CLA, which mean, for each of CLA and CLL, all its liabilities and obligations as at the Transfer Date (as defined below) attributable to its Relevant Transferring Assets, but excluding any of its Excluded Liabilities and Residual Liabilities (each as defined below), and
- (ii) the **“Relevant Residual Liabilities”** of each of CLL and CLA, which mean, for each of CLA and CLL, all of its liabilities and obligations (whether present, future or contingent) whatsoever which are attributable to or connected with a Relevant Residual Asset and arise at any time before the Subsequent Transfer Date (as defined below) applicable to such Relevant Residual Asset.

2.7. For the avoidance of doubt, pursuant to the Coinsurance Agreements, although the Excluded CLL Coinsurance Assets and Excluded CLL Coinsurance Liabilities shall be retained by MPL, the fair market value of such Excluded CLL Coinsurance Assets (less the fair market value of the Excluded CLL Coinsurance Liabilities) will become a payable by MPL to CLA BB.

2.8. Based on the above introduction, the operative terms of the Scheme related to the Proposed Transfer are set out herein below.

3. Transfer Date

3.1. The Scheme shall become effective at 00:01 a.m. hours (Hong Kong time) on such date as CLA, CLL and MPL may decide, which date shall be within 90 days after the date on which the Hong Kong Order is granted sanctioning the Scheme (**“Transfer Date”**). Subject to the grant of the Hong Kong Order, it is expected that the Scheme will take effect on 1 January 2026, but this may be subject to change as mutually agreed between CLA, CLL and MPL.

4. Transfer of Transferring Assets and Transferring Liabilities

4.1. On and with effect from the Transfer Date, subject to “Note 1” below, the Transferring Assets of CLA and CLL shall, by virtue of the Hong Kong Order and without any further act or instrument but subject to the section on “Further or Other Acts or Assurance” below, be transferred by CLA and CLL respectively to, and vested in, MPL, subject to any Encumbrances in respect thereof.

4.2. Subject to “Note 1” below, (i) no Residual Asset of CLA and CLL shall be transferred to or vested in MPL in accordance with the Scheme on the Transfer Date; and (ii) on and with effect from each Subsequent Transfer Date, each Residual Asset of CLA and CLL to which such Subsequent Transfer Date applies shall, by virtue of

the Hong Kong Order and without any further act or instrument, be transferred by CLA and CLL respectively to, and vested in, MPL, subject to any Encumbrances in respect thereof. Each such Residual Asset shall thereupon be treated as if it was a Transferring Asset in all respects and the provisions of the Scheme applicable to Transferring Assets shall apply mutatis mutandis to such assets.

- 4.3. Pending a Subsequent Transfer Date, subject to “Note 2” below, for each Residual Asset of CLA and CLL, each of CLA and CLL shall, on and with effect from the Transfer Date, hold such Residual Asset, as trustee and in trust for MPL absolutely and shall be subject to MPL’s directions (acting reasonably) in respect thereof until the relevant Residual Asset is transferred to or otherwise vested in MPL or is disposed of (whereupon each of CLA and CLL shall account to MPL for the proceeds of sale thereof), and MPL shall have authority to act as the attorney of each of CLA and CLL in respect of such Residual Asset for all such purposes.
- 4.4. MPL shall accept without investigation or requisition, such title as each of CLA and CLL shall have to each Transferring Asset and Residual Asset as at the time of the relevant transfer, regardless of whether the relevant transfer is carried out under paragraph 4.1 or 4.2 above or deemed to be effected under “Note 1” below.
- 4.5. **Note 1:** In view of the transfer of Relevant Transferring Assets (excluding those which are Excluded CLL Coinsurance Assets, the “**Relevant Transferring Asset (ECCA)**”) and Relevant Residual Assets (excluding those which are Excluded CLL Coinsurance Assets, the “**Relevant Residual Assets (ECCA)**”) (i.e., Coinsurance Assets, excluding the Excluded CLL Coinsurance Assets) by MPL to CLA BB (after receipt of them by MPL pursuant to the Scheme) as contemplated under the Coinsurance Agreements and as described above, for the purpose of simplifying the process of asset transfers, the respective obligations of CLL, CLA and MPL in relation to the transfers of the Relevant Transferring Assets (ECCA) and Relevant Residual Assets (ECCA) as set out above shall be deemed to be satisfied by the completion of all of the following actions:
 - (i) CLL transferring directly to CLA BB (a) all Relevant Transferring Assets (ECCA) that are attributable to CLL on the Transfer Date and (b) each Relevant Residual Asset (ECCA) that is attributable to CLL on the applicable Subsequent Transfer Date; and
 - (ii) CLA reallocating the ownership and title of those Relevant Transferring Assets (ECCA) and Relevant Residual Assets (ECCA) that are attributable to CLA HK from CLA HK to CLA BB on the Transfer Date and re-characterizing such assets in the books of CLA BB as Coinsurance Assets.
- 4.6. As CLA HK and CLA BB are of the same legal entity, no third party consent is required for the reallocation of the ownership and title of the assets as set out in sub-paragraph (ii) of “Note 1” above (despite the different nature of such assets held by CLA HK and CLA BB before and after the reallocation), and therefore such reallocation shall be completed on the Transfer Date.

- 4.7. **Note 2:** In respect of each Relevant Residual Asset (ECCA) of CLL, for the period from the Transfer Date to the applicable Subsequent Transfer Date, MPL in turn shall hold its rights and any beneficial interest it has obtained under the paragraph 4.3 above in respect of such Relevant Residual Asset (ECCA) on trust for CLA BB for the purpose of the Coinsurance Agreements.
- 4.8. For the avoidance of doubt, the part of the Relevant Transferring Assets and Relevant Residual Assets which are the Excluded CLL Coinsurance Assets shall be transferred by CLL to MPL and kept by MPL in accordance with paragraph 2.7 above.
- 4.9. CLA, CLL and MPL shall as and when appropriate execute all such documents, including assignments, and do all such other acts and things as may be required to effect or perfect the transfer to, and vesting in, MPL of any Transferring Asset or Residual Asset, including the transfer to, and vesting in, CLA BB of any Relevant Transferring Asset (ECCA) or Relevant Residual Asset (ECCA).
- 4.10. In this regard, "**Transferring Assets**" means, for each of CLA and CLL,
- (i) the property, assets, cash or investments (wherever situated) as are attributable to its Transferring Policies and held in or allocated to the CLA Long Term Funds (as defined below) or CLL Long Term Fund (as defined below), as the case may be, and for each CLA Long Term Funds and CLL Long Term Fund, such property, assets, cash or investments shall be determined by CLA and CLL (as the case may be) with an aggregate value sufficient to cover the aggregate value of Transferring Liabilities (as defined below) as at the valuation date of the Transfer Date (and the aggregate value of which shall be assessed by calculating all its Fulfilment Cash Flows (excluding cash flows associated with the provision for expenses held in the non-participating fund), excluding the Risk Adjustment for Non-Financial Risk and Cost of Guarantees as at the Transfer Date attributable to its Transferring Policies, which shall be calculated on an IFRS 17 basis. For clarity, Fulfilment Cash Flows do not include any Contractual Service Margin in accordance with IFRS 17);
 - (ii) all its right, discretion, authority, power or benefit under or by virtue of its Transferring Policies; and
 - (iii) all its right, discretion, authority, power or benefit under or by virtue of any intermediary agreements (including broker agreements and agent and agency agreements) to the extent they are attributable to its Transferring Policies,
- but excluding any of its Residual Assets (as defined below) and, for the avoidance of doubt, any other agreements entered into by CLA and CLL.
- 4.11. "**Residual Asset**" means:
- (i) for each of CLA and CLL, (A) any property, assets, cash or investments (wherever situated) as are attributable to its Transferring Policies and held in or allocated to the CLA Long Term Funds or CLL Long Term Fund, as the case may be; and (B) all its right, discretion, authority, power or benefit under or by

virtue of its Transferring Policies; and (C) all its right, discretion, authority, power or benefit under or by virtue of any intermediary agreements (including broker agreements and agent and agency agreements) to the extent they are attributable to its Transferring Policies, in respect of which, as at the Transfer Date, either:

- (a) the consent of any person or persons (other than CLA and CLL (as the case may be), MPL, the Hong Kong Court, the OSFI, the PRA or the FCA) is required but has not been obtained; or
 - (b) the waiver by any person or persons of any right to acquire, or to be offered the right to, or to offer to, acquire or procure the acquisition of, all or any part of such property or asset is required but has not been obtained; or
 - (c) by reason of it being outside or not subject to the jurisdiction of the Hong Kong Court or otherwise, the Hong Kong Court has declined to order the transfer to MPL under sections 24 and 25(1) of the Ordinance (as applicable); or
 - (d) is not, or is not capable of being, transferred or vested in MPL on the Transfer Date by the Hong Kong Order for any reason; or
 - (e) CLA and CLL (as the case may be) and MPL agree in writing that the transfer of such property or asset should be delayed or such property or asset should not be transferred; and
- (ii) any proceeds of sale or income or other accrual or return whatsoever, whether or not in the form of cash, from time to time earned or received after the Transfer Date in respect of any property or asset (or any interest therein) referred to in sub-paragraph (i) of this definition.

4.12. **“Subsequent Transfer Date”** means in relation to any Residual Asset and/or Residual Liability (as defined below), the date (falling after the Transfer Date) on which the transfer of such Residual Asset and/or Residual Liability provided for by the Scheme shall take effect and such Residual Asset and/or Residual Liability shall vest in MPL, being: (i) in respect of any Residual Asset falling within sub-paragraph (i)(a) or (b) of the definition above; and any Residual Liability, the date on which the requisite consent or requisite waiver to enable the same to be transferred to MPL upon the terms of the Scheme are: (a) obtained; or (b) no longer required; or (c) dispensed with by the Hong Kong Court; or (ii) in respect of any Residual Asset falling within sub-paragraph (i)(c) or (d) of the definition above, the date on which (or within a reasonable timeframe after) any impediment to its transfer shall have been removed or overcome; or (iii) in respect of any Residual Asset falling within sub-paragraph (i)(e) of the definition above, the date on which CLA and CLL (as the case may be) and MPL agree that the transfer should take place; or (iv) in respect of any Residual Asset falling within sub-paragraph (ii) of the definition above, the date on which such Residual Asset is received or earned by CLA and CLL (as the case may be).

- 4.13. **“Encumbrances”** means any mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third party right or interest, any other encumbrances or security interest of any kind, and any other type of preferential arrangement having a similar effect.
- 4.14. **“Contractual Service Margin”, “Fulfilment Cash Flows” and “Risk Adjustment for Non-Financial Risk”** have the meanings set out in Appendix A of IFRS 17.
- 4.15. **“Cost of Guarantees”** means the additional cost an entity has to provide for any benefits remaining after the dividend scale has absorbed all of the negative experience it can pass through to policyholders.
- 4.16. **“IFRS 17”** means the European Union’s International Financial Reporting Standards: IFRS 17 Insurance Contracts.
- 4.17. On and with effect from the Transfer Date, subject to “Note 3” below, each Transferring Liability of CLA and CLL shall, by virtue of the Hong Kong Order and without any further act or instrument and without investigation or requisition but subject to the section on “Further or Other Acts or Assurance” below, be transferred by CLA and CLL respectively to, and become a liability of, MPL, with the effect that each of CLA and CLL shall be entirely released from and MPL shall assume each such Transferring Liability.
- 4.18. Subject to “Note 3” below, (i) no Residual Liability of CLA and CLL shall be transferred to or vested in MPL in accordance with the Scheme on the Transfer Date; and (ii) on and with effect from each Subsequent Transfer Date, each Residual Liability of CLA and CLL to which such Subsequent Transfer Date applies shall, by virtue of the Hong Kong Order and without any further act or instrument and without investigation or requisition, be transferred by CLA and CLL respectively to, and become a liability of, MPL, with the effect that each of CLA and CLL shall be entirely released from and MPL shall assume any liability in respect of such Residual Liability. Each such Residual Liability shall thereupon be treated as if it was a Transferring Liability and the provisions of the Scheme applicable to Transferring Liabilities shall apply mutatis mutandis to such liabilities.
- 4.19. MPL shall, from and after the Transfer Date, discharge on behalf of CLA and CLL or, failing that, indemnify CLA and CLL, as the case may be, against:
- (i) all Residual Liabilities which are not or are not capable of being transferred on the Transfer Date by the Scheme or by the Hong Kong Order, until the relevant liability is transferred to or becomes a liability of MPL; and
 - (ii) save as otherwise provided in the Scheme, any other liability of the Hong Kong branches of CLA and CLL (other than Excluded Liabilities) arising on or after (i) the Transfer Date with respect to the Transferring Liabilities; or (ii) the relevant Subsequent Transfer Date with respect to a Residual Liability.
- 4.20. CLA, CLL and MPL shall as and when appropriate execute all such documents, including assignments, and do all such other acts and things as may be required to effect or perfect the transfer to, and assumption by, MPL of any Transferring Liability

or Residual Liability, including the transfer to, and vesting in, CLA BB of any Relevant Transferring Liabilities (excluding those which are Excluded CLL Coinsurance Liabilities, the “**Relevant Transferring Liabilities (ECCL)**”) or Relevant Residual Liabilities (excluding those which are Excluded CLL Coinsurance Liabilities, the “**Relevant Residual Liabilities (ECCL)**”).

- 4.21. **Note 3:** In view of the transfer of Relevant Transferring Liabilities (ECCL) and Relevant Residual Liabilities (ECCL) (i.e., Coinsurance Liabilities, excluding the Excluded CLL Coinsurance Liabilities) by MPL to CLA BB (after assumption of them by MPL pursuant to the Scheme) as contemplated under the Coinsurance Agreements and as described in paragraph 2.4 above, for the purpose of simplifying the process of liability transfers, the respective obligations of CLL, CLA and MPL in relation to the transfers of the Relevant Transferring Liabilities (ECCL) and Relevant Residual Liabilities (ECCL) under paragraphs 4.17 and 4.18 above shall be deemed to be satisfied by the completion of all of the following actions:
- (i) CLL transferring directly to CLA BB (a) all Relevant Transferring Liabilities (ECCL) that are attributable to CLL on the Transfer Date and (b) each Relevant Residual Liability (ECCL) that is attributable to CLL on the applicable Subsequent Transfer Date; and
 - (ii) CLA reallocating those Relevant Transferring Liabilities (ECCL) and Relevant Residual Liabilities (ECCL) that are attributable to CLA HK from CLA HK to CLA BB on the Transfer Date and re-characterizing such liabilities in the books of CLA BB as Coinsurance Liabilities.
- 4.22. As CLA HK and CLA BB are of the same legal entity, no third party consent is required for the reallocation of the liabilities as set out in sub-paragraph (ii) of “Note 3” above (despite the different nature of such liabilities under CLA HK and CLA BB before and after the reallocation), and therefore such reallocation shall be completed on the Transfer Date.
- 4.23. For the avoidance of doubt, the part of the Relevant Transferring Liabilities and Relevant Residual Liabilities which are the Excluded CLL Coinsurance Liabilities shall be transferred by CLL to MPL and remain with MPL in accordance with paragraph 2.7 above.
- 4.24. MPL shall indemnify and keep CLA and CLL indemnified against all and any losses, liabilities and costs arising from MPL's failure to pay or perform any Transferring Liability or Residual Liability after the Transfer Date or relevant Subsequent Transfer Date (as applicable), including any losses, liabilities or costs incurred or suffered by CLA and CLL, as the case may be, as a result of defending or settling a third party claim alleging such a liability.
- 4.25. In this regard, “**Transferring Liabilities**” means, for each of CLA and CLL, all its liabilities as at the Transfer Date attributable to its Transferring Assets. Such Transferring Liabilities include, without limitation, the liabilities and obligations (whether present, future or contingent), and any current or pending complaints, legal proceedings or other dispute resolution proceedings under or in relation to its

Transferring Policies and associated liabilities, including for the avoidance of doubt, liabilities (including fines, penalties, damages and compensation due to policy holders) for any mis-selling or non-compliance committed prior to the Transfer Date; and liabilities under any intermediary agreements (including broker agreements and agent and agency agreements) to the extent they are attributable to its Transferring Policies; but excluding any Excluded Liabilities and Residual Liabilities.

4.26. **"Residual Liability"** means for each of CLA and CLL, all of its liabilities and obligations (whether present, future or contingent) whatsoever:

- (i) which are attributable to or connected with a Residual Asset and arise at any time before the Subsequent Transfer Date applicable to such Residual Asset; or
- (ii) the transfer of which to MPL pursuant to the Scheme requires, as at the Transfer Date, the consent of any person or persons (other than CLA and CLL (as the case may be), MPL, the Hong Kong Court, the OSFI, the PRA or the FCA) or waiver of any person or persons and which is attributable to its Transferring Policies but has not been obtained.

4.27. **"Excluded Liability"** means for each of CLA and CLL, (i) any of its liabilities in respect of tax (other than any tax imposed on MPL after the Transfer Date); and (ii) any liabilities in respect of pecuniary penalties or fines imposed by the Insurance Authority on CLA or CLL (as the case may be). For the avoidance of doubt, CLA HK and CLL shall not be liable for any premium levy in respect of the Transferring Policies after the Transfer Date.

5. Transfer of Transferring Policies

5.1. On and with effect from the Transfer Date, MPL shall become entitled to all of the rights, benefits, advantages and powers conferred on or vested in each of CLA and CLL under, or by virtue of, and be bound by all terms and conditions of, their respective Transferring Policies. The Transferring Policies shall become MPL's long term business carried on in or from Hong Kong on and with effect from the Transfer Date.

5.2. On and with effect from the Transfer Date, all rights, benefits, advantages and powers against each of CLA and CLL conferred on or vested in the policy holders of their respective Transferring Policies (collectively the **"Transferring Policyholders"**) or other third parties under or in relation to every Transferring Policy shall cease and shall be substituted by the same rights, benefits, advantages and powers against MPL.

5.3. Prior to the Transfer Date, each of CLA and CLL agrees that it may transfer, or procure the transfer, to PACE (one of the shareholders of MPL), acting as the service provider to MPL in respect of development of the policy administration system for MPL, such data of the Transferring Policies as is necessary for PACE to prepare for data migration for the Proposed Transfer.

6. Transfer of Records

- 6.1. On or after the Transfer Date, each of CLA and CLL shall transfer (i) all Statutory Records (as defined below) and other information relating to the Transferring Policyholders, insureds, beneficiaries and assignees of, or any other persons relating to, the Transferring Policies, including, without limitation, the personal data (as defined under section 2 of the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong)) of such Transferring Policyholders, insureds, beneficiaries, assignees and other persons, which is held by CLA and CLL, as the case may be; and (ii) all Statutory Records relating to the Transferring Assets, Transferring Liabilities, Residual Assets and Residual Liabilities to MPL, and MPL shall have the same rights, benefits, advantages and powers in holding and using (and transferring) such information as those of CLA and CLL, as the case may be, prior to the Transfer Date. In this regard, "**Statutory Records**" means, for each of CLA and CLL, all books, files, registers, documents, correspondence, papers and other records that are required, by the applicable legal or regulatory requirement or corporate governance requirement (whether or not having the force of law), to be kept by it and retained in its possession in respect of its Business.
- 6.2. On and with effect from the Transfer Date, in respect of the Transferring Policies under which premiums continue to be payable, the Transferring Policyholders shall account to MPL for any further premiums as and when they become due. MPL shall be entitled to any and all defences, claims, counterclaims and the right of set-off against or under the Transferring Policies which would have been available to CLA and CLL, as the case may be, prior to the Transfer Date.
- 6.3. MPL shall be bound by, observe and perform all terms, conditions and covenants of the Transferring Policies, assume all liabilities and satisfy all claims and demands arising out of or in respect of the Transferring Policies in every way as if MPL and not CLA or CLL, as the case may be, had issued the Transferring Policies.
- 6.4. All terms and conditions of the Transferring Policies (including proposals, quotations, slips, or application forms, illustrative documents, principal brochures, offering documents, riders, schedules and declarations) shall remain unchanged save that, on and with effect from the Transfer Date, all references in the Transferring Policies to "CLA" and "CLL", as the case may be, their respective Board of Directors, Appointed Actuary, offices, auditors and any other officers, employees and agents shall be read as references to "MPL", its Board of Directors, Appointed Actuary, offices, auditors and any other officers, employees and agents (as the case may be); and any reference to "CLA" and "CLL", as the case may be, in the names of the Transferring Policies will be read as a reference to "MPL". In particular, but without limitation, all rights and duties exercisable or expressed to be exercisable or responsibilities to be performed by "CLA" and "CLL", as the case may be, their respective Board of Directors, Appointed Actuary, offices, auditors and any other officers, employees and agents in relation to the Transferring Policies shall, on and with effect from the Transfer Date, be exercisable or required to be performed by "MPL", its Board of Directors, Appointed Actuary, offices, auditors and any other officers, employees and agents (as the case may be).

7. Further or Other Acts or Assurance

- 7.1. Without prejudice to the effect of the Scheme and subject to “Note 1” and “Note 3” above, to the extent that the Scheme and the Hong Kong Order are not effective in transferring and vesting any of the Business, Transferring Assets, Transferring Liabilities, Transferring Policies, Residual Assets or Residual Liabilities under the Scheme to and in MPL, without further or other acts or assurance (including without limitation the need of obtaining further consent or approval):
- (i) CLA, CLL and MPL shall do and execute and deliver or procure to be done and executed and delivered all such further acts, deeds, documents, instruments of conveyance, assignment, novation and transfer and all things as may be necessary to give effect to the Scheme or to transfer the Business, all Transferring Assets, Transferring Liabilities, Transferring Policies, Residual Assets and Residual Liabilities to MPL and as MPL may request, in order to effectively convey, assign, transfer, vest and/or record title to each of the Transferring Assets, Transferring Liabilities, Transferring Policies, Residual Assets, Residual Liabilities and the Business in MPL as from the Transfer Date and the applicable Subsequent Transfer Date (as the case may be);
 - (ii) pending completion of such acts, deeds, documents and things, each of CLA and CLL shall as from the Transfer Date and the applicable Subsequent Transfer Date (as the case may be):
 - (a) hold the beneficial interest in each of the affected Transferring Assets and Residual Assets on trust for MPL, to the extent that it shall not have been transferred to MPL, and shall pay to MPL promptly upon its receipt of any sums by it with respect to any such affected Transferring Assets and Residual Assets; and
 - (b) hold or assume any liabilities in each of the affected Transferring Liabilities and Residual Liabilities for and on behalf of and for the account of MPL;
 - (iii) MPL shall from the Transfer Date (at its own costs) assist CLA and CLL to perform their respective obligations or discharge such liabilities of CLA and CLL in relation to such affected Transferring Assets, Transferring Liabilities and Transferring Policies. If MPL fails to discharge such obligations, MPL agrees to indemnify CLA and CLL, as the case may be, against all liabilities and any reasonable costs or expenses incurred by CLA and CLL, as the case may be, that are attributable to such affected Transferring Assets, Transferring Liabilities and Transferring Policies; and
 - (iv) each of CLA and CLL shall in any event as from the Transfer Date be subject to MPL’s directions in respect of any affected Transferring Assets, Transferring Liabilities and Transferring Policies referred to in paragraphs (i) and (ii) above until such affected Transferring Assets, Transferring Liabilities and Transferring Policies are transferred to MPL, and MPL shall have authority to act as attorney of CLA and CLL, as the case may be, in respect of such affected Transferring Assets, Transferring Liabilities and Transferring Policies for all such purposes.

8. Continuation or Commencement of Legal Proceedings

- 8.1. By virtue of the Hong Kong Order, on and with effect from the Transfer Date, any judicial, quasi-judicial, disciplinary, administrative, arbitration or legal proceedings, claims or complaints (whether current, pending, threatened or future, including those not yet in contemplation) by or against CLA and CLL in relation to their respective Transferring Policies, Transferring Assets or Transferring Liabilities shall be continued or commenced by or against MPL in substitution for CLA and CLL, as the case may be, and MPL shall be entitled to the same defences, claims, counterclaims and rights of set-off as CLA and CLL, as the case may be, in respect thereof. If MPL fails to discharge such obligations, MPL shall indemnify CLA and CLL, as the case may be, against all liabilities and reasonable costs and expenses, in each case incurred after the Transfer Date, attributable to such proceedings or complaints.
- 8.2. By virtue of the Hong Kong Order, on and with effect from the applicable Subsequent Transfer Date, any judicial, quasi-judicial, disciplinary, administrative, arbitration or legal proceedings, claims or complaints (whether current, pending, threatened or future including those not yet in contemplation) by or against CLA and CLL in relation to their respective Residual Assets or Residual Liabilities shall be continued or commenced by or against MPL in substitution for CLA and CLL, as the case may be, and MPL shall be entitled to the same defences, claims, counterclaims and rights of set-off as CLA and CLL, as the case may be, in respect thereof. If MPL fails to discharge such obligations, MPL shall indemnify CLA and CLL, as the case may be, against all liabilities and reasonable costs and expenses, in each case incurred after the applicable Subsequent Transfer Date, attributable to such proceedings or complaints.

9. The MPL Insurance Funds

- 9.1. On and with effect from the Transfer Date, MPL shall establish three new funds, namely, (i) the MPL Class A Participating Fund; (ii) the MPL Class A Non-Participating Fund; and (iii) the MPL Class C Fund. The three new funds shall form the MPL Long Term Funds. On and with effect from the Transfer Date, all non-participating Transferring Policies (and all Transferring Assets and Transferring Liabilities attributable to the non-participating Transferring Policies) which belong to the CLA Class A Non-Participating Fund shall be allocated to the MPL Class A Non-Participating Fund; all participating Transferring Policies (and all Transferring Assets and Transferring Liabilities attributable to the participating Transferring Policies) which belong to the CLA Class A Participating Fund shall be allocated to the MPL Class A Participating Fund; and all Transferring Policies (and all Transferring Assets and Transferring Liabilities) which belong to the CLL Class C Fund shall be allocated to the MPL Class C Fund.
- 9.2. On and with effect from the applicable Subsequent Transfer Date, (i) each Residual Asset attributable to the non-participating Transferring Policies which is maintained by CLA in the CLA Class A Non-Participating Fund shall be allocated to the MPL Class A Non-Participating Fund; (ii) each Residual Asset attributable to the

participating Transferring Policies which is maintained by CLA in the CLA Class A Participating Fund shall be allocated to the MPL Class A Participating Fund; and (iii) each Residual Asset which is maintained by CLL in the CLL Class C Fund shall be allocated to the MPL Class C Fund.

- 9.3. On and with effect from the applicable Subsequent Transfer Date, (i) each Residual Liability attributable to the non-participating Transferring Policies of CLA which is allocated to the CLA Class A Non-Participating Fund shall be allocated to the MPL Class A Non-Participating Fund; (ii) each Residual Liability attributable to the participating Transferring Policies of CLA which is allocated to the CLA Class A Participating Fund shall be allocated to the MPL Class A Participating Fund; and (iii) each Residual Liability of CLL which is allocated to the CLL Class C Fund shall be allocated to the MPL Class C Fund.
- 9.4. All beneficial interest in any property, assets or investments held on trust by CLA and CLL for MPL pursuant to the section on "Further or Other Acts or Assurance" above shall be allocated to the MPL Class A Non-Participating Fund, the MPL Class A Participating Fund, or the MPL Class C Fund (as applicable) to which such property, assets or investments would have been allocated. All liabilities which are required to be satisfied by MPL pursuant to the section on "Further or Other Acts or Assurance" above shall be allocated to the MPL Class A Non-Participating Fund, the MPL Class A Participating Fund, or the MPL Class C Fund (as applicable) to which such liabilities would have been allocated.
- 9.5. Notwithstanding the preceding paragraphs of this section, given that the Coinsurance Assets and Coinsurance Liabilities (other than the Excluded CLL Coinsurance Assets and Excluded CLL Coinsurance Liabilities) will be immediately transferred by MPL to CLA BB under "Note 1" and "Note 3" above, MPL will only allocate to the relevant MPL Long Term Funds any interest that it has in such Coinsurance Assets and Coinsurance Liabilities to the extent appropriate to do so under the actuarial and accounting principles.
- 9.6. **"MPL Class A Participating Fund"** means the account which is established by MPL with effect from the Transfer Date, such account shall be maintained for the participating Transferring Policies written under Class A of long term business. **"MPL Class A Non-Participating Fund"** means the account which is established by MPL with effect from the Transfer Date, such account shall be maintained for the non-participating Transferring Policies written under Class A of long term business. **"MPL Class C Fund"** means the account which is established by MPL with effect from the Transfer Date, such account shall be maintained for policies written under Class C of long term business. **"MPL Long Term Funds"** means the MPL Class A Participating Fund, the MPL Class A Non-Participating Fund and the MPL Class C Fund. **"CLA Class A Non-Participating Fund"** means the account for non-participating Transferring Policies written under Class A of long term business, established and maintained by CLA pursuant to section 21B(2)(d) of the Ordinance. **"CLA Class A Participating Fund"** means the account for participating Transferring Policies written under Class A of long term business, established and

maintained by CLA pursuant to section 21B(2)(d) and (3) of the Ordinance. **"CLA Long Term Funds"** means the CLA Class A Participating Fund and the CLA Class A Non-Participating Fund.

- 9.7. **"CLL Class C Fund"** or **"CLL Long Term Fund"** means the account for Transferring Policies written under Class C of long term business, established and maintained by CLL pursuant to section 21B(2)(a) of the Ordinance.

10. Premium, Mandates and Other Rights and Obligations

- 10.1. All premiums, loan repayments (if any, and interest thereon) and other amounts received or receivable by CLA and CLL (or their respective agents) in respect of any of their respective Transferring Policies on or after the Transfer Date shall be payable to MPL (or its agents) after the Transfer Date.
- 10.2. MPL (or its agents) shall be irrevocably authorised to endorse for payment any cheques, drafts, orders, postal orders or other instruments payable to, or to the order of, CLA and CLL (or their respective agents) and received by MPL (or its agents) in respect of premiums paid or loan repayments (if any) under their respective Transferring Policies on or after the Transfer Date.
- 10.3. MPL (either itself or via its agents) shall have the sole responsibility for billing and collecting premiums and paying all applicable levies and taxes in respect of premiums accrued under the Transferring Policies on or after the Transfer Date.
- 10.4. Any mandate, autopay authority, standing order or other instruction in force on the Transfer Date and providing for the payment by a bank or other intermediary of premiums payable to or to be received by CLA and CLL (or their respective agents) in respect of any of their respective Transferring Policies shall, from and after the Transfer Date, take effect as if the same had been provided for and authorised in favour of MPL (or its agents).

11. Modification

- 11.1. Subject to the last paragraph of this section, CLA, CLL and MPL may apply to the Hong Kong Court for consent to modify, vary or amend the operative terms of the Scheme, subject to any conditions which the Insurance Authority or the Hong Kong Court may impose.
- 11.2. Subject to the last paragraph of this section, the operative terms of the Scheme shall be modified, varied or amended in accordance with such consent (with conditions, if any) as may be given by the Hong Kong Court under the paragraph above.
- 11.3. The consent of the Hong Kong Court shall not be required in relation to modification(s), variation(s) or amendment(s) to correct manifest error(s) of the Scheme or are reasonably considered by CLA, CLL or MPL to be reasonably necessary to ensure that the operative provisions of the Scheme operate in the intended manner where there is a change in any relevant laws or regulations,

provided that, in each case, the Insurance Authority has been notified of the same and has indicated that it does not object thereto.

12. Costs of the Scheme

- 12.1. All costs in relation to the preparation of the Scheme and its presentation to the Hong Kong Court for sanction and all other professional fees related thereto shall be paid by MPL, CLA and CLL (from their respective shareholders' fund) in such manner as may be agreed between them, and shall not be borne by the funds maintained by CLA or CLL pursuant to the Ordinance in respect of their respective long term business or the long term policy holders thereof.

13. Governing Law

- 13.1. The Scheme shall be governed by the laws of Hong Kong.

Part 2

FURTHER INFORMATION ON THE HEARING

Substantive Hearing of the Petition

The Petition for sanction of the Scheme will be heard at the Hong Kong Court. We anticipate that the substantive hearing of the Petition, at which the Hong Kong Court will consider whether or not to sanction the Scheme, will take place at 11 a.m. on 9 December 2025.

The Ordinance stipulates that any person who alleges that he or she would be adversely affected by the carrying out of the Scheme is entitled to be heard in the substantive hearing of the Petition before the Hong Kong Court.

If you do intend to appear at the substantive hearing of the Petition in the Hong Kong Court (in person or by representation), we request you give preferably not less than seven (7) calendar days' prior written notice (i.e. before 2 December 2025) of such intention, and the reasons therefor, to CLL or MPL at the following addresses:

CLL

22/F., Manulife Financial Centre,
223-231 Wai Yip Street,
Kwun Tong, Kowloon, Hong Kong

MPL

7/F., 118 Connaught Road West, Sheung Wan, Hong Kong

All letters should be marked in English "Canada Life Long Term Insurance Transfer" or in Chinese "加拿大人壽長期保險轉讓".

If you intend to object to the Scheme but do not wish to appear (in person or by representation) at the substantive hearing of the Petition in the Hong Kong Court, we request you give preferably not less than seven (7) calendar days' prior written notice (i.e. before 2 December 2025) of such intention, and the reasons therefor, to CLL or MPL at the addresses above.

Schedule 2

Part 1: Key Assessment of the Independent Actuary

As set out in the Independent Actuary's Report, the Independent Actuary is of the view that:

- the Scheme and the Coinsurance Agreements will not have a materially adverse effect on the reasonable expectations of the long term policy holders of CLA and CLL, and in particular, the respective Transferring Policyholders, with regard to benefits and levels of service;
- the Scheme and the Coinsurance Agreements will not have a materially adverse effect on the financial security of the long term policy holders of CLA and CLL, and in particular, the respective Transferring Policyholders; and
- he is satisfied that the Scheme and the Coinsurance Agreements provide sufficient safeguards to ensure that they operate as presented.

Part 2: Summary of the Independent Actuary's Report

1. Introduction and summary of my opinion

- 1.1. I, Clement Bonnet, am a Principal and Consulting Actuary of Milliman Limited ("Milliman"), residing at 3901-2, AIA Tower, 183 Electric Road, North Point, Hong Kong. I am a Fellow member of the Actuarial Society of Hong Kong and a Fellow member of the French Institute of Actuaries. I have been appointed as the Independent Actuary pursuant to Section 24 of the Insurance Ordinance, Chapter 41 of the Laws of Hong Kong (the "Ordinance"), to provide an independent opinion on the terms and likely effects of the proposed scheme (the "Scheme") for the transfer of all long term insurance business from the Hong Kong branch ("CLA-HK") of The Canada Life Assurance Company ("CLA" or "Canada Life") and the Hong Kong branch ("CLL-HK") of Canada Life Limited ("CLL") (together, the "Transferring Business" or the "Transferring Policies"), to MyPace Life Limited ("MyPace Life"). Immediately after the proposed transfer, which is expected to take effect on 1 January 2026 ("Transfer Date"), the Transferring Business will be reinsured to the Barbados branch of CLA ("CLA-BB") through two coinsurance agreements between MyPace Life and CLA-BB. These are the Participating Coinsurance Agreement and the Non-Participating Coinsurance Agreement and are collectively referred to as the "Coinsurance Agreements".
- 1.2. MyPace Life is a new company jointly owned by Asia Insurance Company Limited ("Asia Insurance") and PACE Solutions Limited ("PACE"). MyPace Life is applying to the Insurance Authority ("IA") for authorization to carry on several classes of long term insurance business in or from Hong Kong under Section 8 of the Ordinance. Under the terms of the application, MyPace Life will not issue any new insurance contracts (including contracts of reinsurance accepted but excluding contracts of reinsurance ceded) in or from Hong Kong, except transfers of long term business from other authorized insurers. MyPace Life received an approval-in-principle in respect of its new authorization application from the IA on 25 August 2025. MyPace Life is expected to be an authorized insurer upon receiving the formal approval letter from the IA immediately after the making of the order sanctioning the Scheme in December 2025.
- 1.3. Throughout this report, CLA-HK and CLL-HK are collectively referred to as "Canada Life Hong Kong". CLA and CLL are collectively referred to as "Canada Life Group" which includes Canada Life Hong Kong. Canada Life Group and MyPace Life are collectively referred to as the "Parties".
- 1.4. This report is a summary of my Independent Actuary report dated 2 September 2025. Details of the scope of my work, considerations and conclusions, reliances, limitations and the terms of reference are provided in the full version of my report. Copies of the full report are available to the Transferring Business policyholders ("Transferring Policyholders") and other interested parties at the offices of Baker & McKenzie, solicitors for the Parties. An electronic version of the same report is also available on the Parties' corporate websites until the end of the substantive hearing of the petition in the High Court of the Hong Kong Special Administrative Region, Court of First Instance.
- 1.5. In preparing my Independent Actuary report on the Scheme, I consulted the IA on the required content and incorporated suggestions from the IA as appropriate.

- 1.6. The scope of my review and opinions is confined to the effects of the Scheme and the Coinsurance Agreements on the long term policyholders of Canada Life Group (including Canada Life Hong Kong), including the Transferring Policyholders and other policyholders of Canada Life Group whose policies are not being transferred (“Non-Transferring Policyholders”). It does not assess the impact of the Scheme and the Coinsurance Agreements on the shareholders of the Parties, or the policyholders of Asia Insurance who will remain under Asia Insurance after the Scheme. I have considered the Scheme and the Coinsurance Agreements as presented to me and have not considered any other alternative schemes of transfer or reinsurance agreements.
- 1.7. I have been provided with free access to the information that I requested as necessary to conduct my work. In addition, I have also been given unrestricted access to and held discussions with various representatives of the Parties.
- 1.8. This summary report includes:
- Description of the Transferring Business, the Scheme and the Coinsurance Agreements;
 - My opinion on the impact of the Scheme and the Coinsurance Agreements on the reasonable expectations and financial security of the long term policyholders of Canada Life Group (including Canada Life Hong Kong), and in particular, the Transferring Policyholders.
 - My opinion on the adequacy of safeguards in the Scheme and the Coinsurance Agreements.

2. Background to the Scheme and the Coinsurance Agreements

- 2.1. The Scheme was initiated to simplify the structure of the Canada Life Group, with the immediate objectives of: (i) retreating as a direct insurer from the Asia region, which is not its primary market; and (ii) releasing Canada Life Group from the responsibilities of servicing and overseeing the Transferring Business, which is immaterial relative to its overall size.
- 2.2. On and with effect from the Transfer Date, the Transferring Business will be transferred to and assumed by MyPace Life pursuant to the Scheme. After the implementation of the Scheme, the Transferring Business will be reinsured to CLA-BB through the Coinsurance Agreements.
- 2.3. After the proposed Scheme and the Coinsurance Agreements are effected, CLA-BB will assume most of the financial and insurance risks (except the direct expenses of MyPace Life) associated with the Transferring Business and manage most of the assets that back the Transferring Policies via the Coinsurance Agreements, whereas MyPace Life will take ownership of the Transferring Policies and will be responsible for meeting policyholder liabilities as they fall due, administering the Transferring Policies, meeting and managing policyholders’ reasonable expectations, and fulfilling the financial reporting and regulatory filing requirements with the IA on a Hong Kong statutory basis.
- 2.4. After the completion of the Scheme transfer, both CLA-HK and CLL-HK will withdraw their respective authorizations to carry on any long term business in or from Hong Kong and close their Hong Kong branches. No policyholders will therefore remain with CLA-HK and CLL-HK after the Scheme.

3. The Transferring Business

- 3.1. The long term insurance business of CLA-HK consists of Class A (Life and Annuity) business only. CLA-HK's current business was originally underwritten by Crown Life Canada in the 1990s before it was transferred to CLA in 1999. It primarily comprises participating whole life products, along with some non-participating traditional and universal life products. CLA-HK has ceased to effect any new contracts of insurance, including contracts of reinsurance accepted but excluding (1) contracts of reinsurance ceded, (2) renewal of in-force insurance contracts and (3) conversion of in-force insurance contracts to other insurance contracts, in or from Hong Kong since 1994, when the long term business was placed in run-off. As at 31 December 2024, there were 9,932 policies in-force with CLA-HK, accounting for total transferring liabilities of USD 442.5 million under the Canadian reporting basis.
- 3.2. The long term insurance business of CLL-HK consists of Class C (Linked Long Term) business only. All Class C policies of CLL-HK are unit linked whole-of-life policies. CLL-HK has ceased to effect any new contracts of insurance, including contracts of reinsurance accepted but excluding contracts of reinsurance ceded, in or from Hong Kong since 14 June 1995, when the long term business was placed in run-off. As at 31 December 2024, there were 204 policies in-force with CLL-HK, accounting for total transferring liabilities of GBP 4.9 million under the UK Solvency II basis.

4. Effect of the Scheme and the Coinsurance Agreements on the benefit expectations of the Transferring Policyholders

- 4.1. According to the Scheme, MyPace Life will commit to continue paying the contractual benefits of the Transferring Policyholders of CLA-HK and CLL-HK. The contractual rights of the Transferring Policyholders, as defined under their existing policy documents, will be the same before and after the implementation of the Scheme and the Coinsurance Agreements. Other than the replacement of references from Canada Life Hong Kong to MyPace Life, there will be no change to the policy terms and conditions of in-force insurance policies as a result of the Scheme and the Coinsurance Agreements.
- 4.2. Most of the Transferring Policies have discretionary benefits and some others have discretionary charges or adjustable premium rates. In particular:
 - **Participating policies:** These include non-guaranteed dividends, interest rates on policy loans, and accumulation rates on dividends on deposit and death benefits on deposit.
 - **Non-participating policies:** These include universal life crediting rates and the rights to adjust premium rates for certain non-participating products.
 - **Unit linked policies:** These include various unit linked charges and expenses, and the right to offer alternative unit fund options and close fund options to the unit linked Transferring Policyholders as necessary.
- 4.3. The primary objective of the Scheme and the Coinsurance Agreements is to ensure that MyPace Life and CLA-BB will continue to follow the same practices for determining discretionary benefits and charges as are currently in place.

Specifically, CLA-BB will determine discretionary benefits in accordance with current practices, having due regard for any relevant regulatory requirements that govern CLA-BB and comments from MyPace Life with reasonable endeavour. The discretionary benefits proposed by CLA-BB will require approval from the CLA Board of Directors. MyPace Life, with advice from its Appointed Actuary, will be responsible for reviewing the discretionary benefits and charges approved by the CLA Board of Directors to ensure compliance with internal policies and obligations to meet and manage policyholders' reasonable expectations.

- 4.4. There are three key areas that influence the level of discretionary benefits:
- Methodologies and judgements used in determining discretionary benefits and charges;
 - Asset management; and
 - Expenses.

Methodologies and judgements used in determining discretionary benefits and charges

- 4.5. For the participating Transferring Business:
- Before the Scheme and the Coinsurance Agreements, the dividend review has been performed annually in line with the Canada Life Closed Block Operating Rules, which seeks to achieve a reasonable and fair allocation of surplus amongst classes and generations of all participating policies within the dividend class, taking into account factors such as the past and anticipated claims and investment experience and policyholders' reasonable expectations.
 - After the Scheme and the Coinsurance Agreements, MyPace Life must comply with the MyPace Life Closed Block Participating Business Policy and CLA-BB must comply with the Hong Kong Closed Block Operating Rules set out in the Participating Coinsurance Agreement. These policies are materially the same as the Canada Life Closed Block Operating Rules that currently apply to the CLA-HK participating Transferring Business. Both policies comply with the Guideline on Underwriting Long Term Insurance Business (other than Class C Business) and the Guideline on Establishment and Maintenance of Fund(s) in respect of Participating Business issued by the IA. Shareholders will continue to be unable to benefit from any profits arising from the closed block. Any changes to provisions of the Hong Kong Closed Block Operating Rules will require the written consent of MyPace Life and CLA-BB and, if required, prior approval from the Office of the Superintendent of Financial Institutions ("OSFI") and the IA. Any other amendments to the Participating Coinsurance Agreement must be agreed to by MyPace Life and CLA-BB in writing and the parties will look to obtain the IA's consent before making any material changes which will affect policyholders' interests (except for those which are required for legal, regulatory or compliance purposes).
- 4.6. For universal life policies and certain non-participating products where CLA-HK has the right to adjust premium rates, I have been informed that the crediting rates and cost of insurance charges for universal life policies, as well as the premium rates for the relevant non-participating products, have remained unchanged since the acquisition of these policies in 1999. There is no intention for CLA-BB and

MyPace Life to alter the current approach adopted by CLA-HK after the Scheme and the Coinsurance Agreements.

4.7. For the unit linked Transferring Business:

- Prior to the transfer, CLL has the discretionary right to vary the unit linked charges, except for mortality charges which have been reviewed every three years by Scottish Friendly Insurance Services Limited (“Scottish Friendly”) as part of the outsourcing arrangement initiated in 2019. CLL-HK also has the right to offer alternative fund options and close fund options to the Transferring Policyholders as necessary.
- The mortality charge review will not be performed after the implementation of the Scheme and the Non-Participating Coinsurance Agreement because the Transferring Business, in isolation, is too small to provide credible experience information that informs a suitable mortality charge review. Instead, future adjustments to mortality charge factors have been pre-determined and included in the Non-Participating Coinsurance Agreement. These adjustments are primarily based on current best estimate projections of mortality improvements, with a small adjustment in favour of the Transferring Policyholders.
- After the Scheme and the Coinsurance Agreements, MyPace Life will neither set nor retain other charges, as any charges will be passed through to CLA-BB as part of the settlement. CLA-BB will continue to set unit linked charges based on the current approach adopted by CLL, except for mortality charges. Any proposed changes will first be reviewed and approved by CLA-BB, then assessed by the Appointed Actuary of MyPace Life, before obtaining final approval from the Board of Directors of MyPace Life. Any changes to such process will require approval from MyPace Life.
- MyPace Life plans to offer the same fund options managed by Canada Life Asset Management Limited (“CLAM”) to the Transferring Policyholders. MyPace Life has the discretion to offer alternative fund options (which shall be of similar nature and charge levels as the existing CLAM fund options to align with best practice), and close fund options to the Transferring Policyholders as necessary. All decisions regarding unit fund options will follow the Unit-Linked Policyholders’ Funds Investment Guideline set out in the MyPace Life Enterprise Risk Management (“ERM”) Policy, which mirrors the current CLL-HK policy so as to ensure policyholders’ experience is not adversely affected. The MyPace Life Board of Directors will retain the ultimate authority over these matters, including decisions on fund closures or any material changes.

Asset management

CLA-BB

- 4.8. Following the Scheme and the Coinsurance Agreements CLA-BB will be responsible for implementation and oversight of the investment strategy agreed between CLA-BB and MyPace Life, except for unit linked assets attributable to CLL-HK which will be retained by MyPace Life.
- 4.9. CLA-BB will manage the reinsured assets in two separate funds, as described below:
- (i) CLA-BB participating fund
- The assets backing the reinsured participating Transferring Business will be ring-fenced within a closed block sub-account within the CLA-BB participating fund that is established solely for the benefit of the Transferring Policyholders. This is consistent with the current approach adopted by CLA-HK.
 - CLA-BB will manage the reinsured assets in accordance with the Hong Kong Closed Block Operating Rules and the investment guidelines set out in the Participating Coinsurance Agreement. These are effectively the same as the Canada Life Closed Block Operating Rules and the current investment policies that govern the management of assets backing participating business.
 - The assets will continue to be managed jointly by the Asset Liability Management Team of the Canadian Division of CLA and the Empower Investments Team.
 - There is no expected material change to the target asset allocation with respect to these assets, comparing before and after the implementation of the Scheme and the Coinsurance Agreements.
- (ii) CLA-BB non-participating fund
- CLA-BB non-participating fund will maintain assets backing the reinsured non-participating Transferring Business, including additional assets to cover the risk of adverse experience arising from the CLA-BB participating fund, as well as non-unit linked assets supporting the unit linked Transferring Business.
 - There is no plan to ring-fence and physically segregate the assets within the CLA-BB non-participating fund, except for the additional assets held to cover the risk of adverse experience arising from the CLA-BB participating fund, which will be ring-fenced. This is broadly consistent with the current approach adopted by Canada Life Hong Kong.
 - CLA-BB will manage the reinsured assets in accordance with the investment guidelines set out in the Non-Participating Coinsurance Agreement. The target asset allocation for these assets will follow the CLA-BB Non-Participating Fund, which differs from the target asset allocation currently adopted by CLA-HK prior to the transfer. However, the difference is not expected to have a material adverse impact on the benefit expectations of the Transferring Policyholders because the benefits for non-participating policies are guaranteed, with any interest rate risk borne by CLA-BB. These assets represent only a small proportion of the total assets being transferred from Canada Life Hong Kong to MyPace Life.
- 4.10. The investment guidelines set out in the Coinsurance Agreements may be amended from time to time by CLA-BB and MyPace Life. The Appointed Actuary

of MyPace Life has confirmed that MyPace Life does not intend to substantially change the investment policy and target asset allocation currently adopted by CLA-HK. CLA-BB retains the right to amend the investment guidelines set out in the Coinsurance Agreements to improve the asset and liability cashflow matching (amongst other reasons). However, any changes to the investment guidelines set out in the Coinsurance Agreements will require the consent of MyPace Life, not to be unreasonably withheld.

MyPace Life

- 4.11. Following the Scheme and the Coinsurance Agreements, the unit linked assets and their related liabilities attributable to CLL-HK will be transferred from CLL-HK to MyPace Life and retained by MyPace Life on a “funds withheld basis”. The unit linked assets will be held in a ring-fenced, clearly identifiable custody account registered directly in MyPace Life’s name. This mirrors the current approach adopted by CLL-HK, where the unit linked assets will continue to be maintained by the same custodian, with the only change being the transfer of ownership of the custody account from CLL-HK to MyPace Life. The asset allocation for unit linked assets varies by fund as per the fund factsheets, and will remain unchanged as a result of the Scheme and the Coinsurance Agreements. Unit linked assets will continue to be managed by CLAM pursuant to the investment management agreement entered into between MyPace Life and CLAM, ensuring that MyPace Life has direct contractual enforceability with CLAM to maintain the same level of protection for the Transferring Policyholders.
- 4.12. MyPace Life will maintain three long term business funds to manage reinsured assets (excluding unit linked assets), as described below:
- (i) MyPace Life Class A participating fund
 - The reinsurance recoverables from CLA-BB will be ring-fenced within a closed policyholder sub-account established solely for the benefit of the Transferring Policyholders, consistent with the current approach adopted by CLA-HK.
 - (ii) MyPace Life Class A non-participating fund
 - There is no plan to ring-fence and physically segregate the assets within the MyPace Life Class A non-participating fund.
 - (iii) MyPace Life Class C unit linked fund
 - The non-unit linked assets attributable to CLL-HK will be ring-fenced and segregated from the other two Class A funds maintained by MyPace Life.
- 4.13. The assets within the three long term business funds of MyPace Life, as well as the shareholders’ asset (primarily the capital injections), will be managed in accordance with the MyPace Life Investment Guideline set out in the MyPace Life ERM Policy. These assets will be highly liquid, with objectives to support MyPace Life’s net liabilities after reinsurance to CLA-BB, meet capital requirements under the Hong Kong Risk-Based Capital (“HKRBC”) basis and address short-term liquidity needs.
- 4.14. The MyPace Life Investment Guideline is subject to regular oversight by the Risk Management Commission of MyPace Life and must be approved by the Board of Directors of MyPace Life.
- 4.15. In addition, MyPace Life has committed to obtaining prior written consent from the IA before (i) effecting any activity which materially deviates from MyPace Life’s

prevailing investment policy, or (ii) making any material changes to MyPace Life's investment policy after approval by its Board of Directors.

Expenses

Future operating costs

- 4.16. After the Scheme and the Coinsurance Agreements, future operating costs in respect of the Transferring Business will be jointly borne by CLA-BB and MyPace Life. These costs are not expected to lead to an increase in the expense-related charges applied to the Transferring Policyholders or a decrease in the policyholder dividend levels paid, for the following reasons:
- The future operating costs resulting from the Coinsurance Agreements for CLA-BB are immaterial relative to the balance sheet of CLA.
 - The future operating costs for MyPace Life are expected to be covered by the surplus in MyPace Life's Shareholders' Fund and the per policy administration fee reimbursed by CLA-BB. In addition, approximately USD 1 million of staff-related costs will be initially borne by the shareholders of MyPace Life rather than by MyPace Life itself. These costs will be recharged from MyPace Life to its shareholders once it achieves economies of scale through future portfolio transfers.
 - The expenses that can be charged to the participating Transferring Policyholders have been fixed by the Canada Life Closed Block Operating Rules.

Costs and expenses in relation to the Scheme and the Coinsurance Agreements

- 4.17. The total costs and expenses arising from the Scheme are expected to be paid by CLA, CLL and MyPace Life from their respective shareholders' funds.
- 4.18. MyPace Life has confirmed its Scheme-related costs and expenses of USD 0.4 million are not expected to lead to an increase in expense-related charges applied to policyholders or a decrease in policyholder dividends.
- 4.19. For CLA and CLL, I have been informed that the costs and expenses arising from the Scheme (CLA: USD 4-5 million, CLL: GBP 0.4 million) are immaterial compared to the size of their respective balance sheets.
- 4.20. Pursuant to the Coinsurance Agreements, CLA / CLA-BB will pay PACE an onboarding fee totalling USD 5 million over a period of five years. CLA-BB will also pay an upfront ceding commission as at the Transfer Date, as well as inflation-adjusted per-policy administration fees to MyPace Life on an annual basis. The aggregate costs and expenses related to the Coinsurance Agreement incurred during the first year after the Transfer Date are expected to be no more than CAD 20 million (around USD 14 million). Given the immateriality of these expected costs and expenses relative to the overall expense bases of CLA and CLL, this is not expected to result in an increase in the unit costs charged to the non-participating Transferring Policyholders or a decrease in the dividend levels paid to the participating Transferring Policyholders. Note that expenses charged to the participating Transferring Policyholders are fixed under the Canada Life Closed Block Operating Rules and unchanged following the Scheme and the Coinsurance Agreements.

Tax implications

- 4.21. MyPace Life will elect the same taxation basis as Canada Life Hong Kong, i.e., taxed at 5% of the net premiums with a 16.5% profits tax rate. Since the Transferring Business will be fully ceded to CLA-BB through the Coinsurance Agreements after the implementation of the Scheme, the net earned premium of MyPace Life will effectively be zero, and therefore, MyPace Life is not expected to pay any profits tax or incur any tax liabilities after the Scheme and the Coinsurance Agreements. According to the Scheme, all tax balances of Canada Life Hong Kong will be left with Canada Life Group.
- 4.22. The transfer of CLL-HK's Transferring Business to MyPace Life will exempt UK tax-resident policyholders from the UK taxes on future net investment returns, although they may lose certain tax credits and tax shelters. CLL-HK plans to issue a separate letter ("UK Tax Insert") to communicate these impacts and offer the ex-gratia payment for any adverse tax effects to all CLL-HK Transferring Policyholders who, based on the current address records held by Scottish Friendly or CLL-HK is informed, are known to reside or have resided in the UK during the term of their unit linked Transferring Policies. For CLL-HK Transferring Policyholders who have not been UK tax residents but will become UK tax residents, the CLL-HK Appointed Actuary has advised me that there is no net change to the taxation position of these policyholders. Accordingly, CLL-HK does not plan to send the UK Tax Insert to these policyholders to avoid unnecessary confusion, as the information is not relevant to them. However, the Statutory Statement, which will be issued to all Transferring Policyholders, will advise any Transferring Policyholders of CLL-HK who are or have been UK tax residents but do not receive the UK Tax Insert to contact CLL for further information as CLL is committed to offer the ex-gratia payment for any adverse tax effects to all eligible policyholders for adverse tax effects, regardless of whether they have received the UK Tax Insert prior to the sanction of the Scheme. Eligibility requires UK tax residence at any time during the policy term, as of the sanction date of the Scheme. Given the plan to communicate with the CLL-HK Transferring Policyholders and the immateriality of the ex-gratia payment relative to the balance sheet of CLL (estimated at GBP 0.05-0.06 million across the entire CLL-HK portfolio), I am satisfied that there is no material adverse impact on the Transferring Policyholders.

Benefit expectations conclusion

- 4.23. In summary, I consider that the Scheme and the Coinsurance Agreements will not have a materially adverse effect on the reasonable benefit expectations of the Transferring Policyholders of CLA-HK and CLL-HK.

5. Effect of the Scheme and the Coinsurance Agreements on the financial security of the Transferring Policyholders

- 5.1. The Scheme and the Coinsurance Agreements will transfer the policies from the Canada Life Group to MyPace Life, after which most of the financial and insurance risks will be reinsured back to, and retained by, the Canada Life Group (via CLA-BB). Therefore, the key considerations relating to the financial security of the Transferring Policyholders include:
- Are the policy reserves, solvency, and risk exposures of the Canada Life Group materially different as a result of the Scheme and the Coinsurance Agreements?

- Does MyPace Life have suitable policy reserves, capital, and risk management processes in place to ensure the ongoing financial security of the Transferring Policyholders?
- Given that most financial and insurance risks are reinsured to CLA-BB, are there sufficient safeguards in place to mitigate risks arising from the Coinsurance Agreements?

Policy reserves, solvency, risk exposures and risk management of the Canada Life Group

Policy reserving basis

- 5.2. Since the commencement of the HKRBC regime on 1 July 2024, CLA-HK has received approval from the IA to determine its statutory reserves using the Canadian International Financial Reporting Standards: IFRS 17 Insurance Contracts ("IFRS 17"). Prior to 1 July 2024, CLA-HK's reserves were set up in accordance with the former Ordinance. CLL-HK has historically determined its statutory reserves using the UK Solvency II basis, as agreed with the IA.
- 5.3. After the implementation of the Scheme and the Coinsurance Agreements, the policy liabilities will be fully ceded from MyPace Life to CLA-BB. CLA-BB will also need to set reserves in respect of the reinsured Transferring Business. I have been informed by the Appointed Actuary of CLA-HK that CLA-BB will set statutory reserves using the Canadian IFRS 17 basis.
- For the CLA-HK Transferring Business, this is the same as the current reserving approach adopted by CLA-HK.
 - For the CLL-HK Transferring Business, CLA-BB will hold unit reserves that are consistent with the current approach. For the non-unit reserves, the reserving approach is slightly different to the current approach. However, any differences are not material to the financial security of the Transferring Policies, given the very small size of the CLL-HK unit linked portfolio relative to the balance sheet of CLA.

Solvency positions

- 5.4. The risks associated with the Transferring Business will be reallocated or transferred from CLA-HK and CLL-HK to CLA-BB. It is therefore important to assess whether the solvency positions of the entities involved in holding the Transferring Business will deteriorate following the Scheme and the Coinsurance Agreements.
- 5.5. CLA and its subsidiaries and branches, including CLA-HK, CLL-HK and CLA-BB, must adhere to the LICAT Guideline and the Parental Stand-Alone Capital Framework established by the OSFI, which impose a supervisory target total ratio of 100% for life insurers. CLL assesses its solvency under the UK Solvency II basis, which requires insurers to maintain at least 100% of the solvency capital requirement ("SCR"). Historically, the solvency positions of both CLA and CLL have been materially above the regulatory minimum solvency ratios of 100%. At 31 December 2024, CLA's solvency ratio was 130% and CLL's solvency ratio was 162%. As at 31 December 2024, the net assets of CLA-HK under the IFRS 17 basis were USD 30.4 million, which was about 0.1% of the total capital resources of the CLA legal entity. The CLL-HK Transferring Business represented around 1% or less of the total policy counts, gross written premium, and total best estimate liabilities for in-force unit linked business at the CLL entity level as at 31 December

2024, and hence the SCR associated with the CLL-HK Transferring Business is negligible to the total CLL SCR.

Risk exposures and risk management policy

- 5.6. The net result of the Scheme and the Coinsurance Agreements is that the financial and insurance risks to CLA remain largely unchanged following the transfer. This is because most assets and liabilities, and thus the key policy risk exposures, are essentially reallocated or transferred from CLA-HK and CLL-HK to CLA-BB via MyPace Life. Although CLA-BB is expected to incur marginally higher expenses following the implementation of the Scheme and the Coinsurance Agreements than CLA-HK did prior to the transfer, these expenses will be borne by shareholders and will not materially impact financial security due to the small size of the Transferring Business relative to CLA. Besides, the risk management framework and risk appetite will remain materially unchanged after the Scheme and the Coinsurance Agreements.

Policy reserves, solvency, risk exposures and management of MyPace Life

Policy reserving basis

- 5.7. MyPace Life must hold reserves in respect of the Transferring Policies in line with the requirements of HKRBC.

Solvency positions

- 5.8. MyPace Life assesses its solvency under the HKRBC basis, which requires maintaining a minimum capital requirement of 100% of the prescribed capital amount. MyPace Life is a new entity and therefore has no historic solvency data. MyPace Life will be capitalised with an initial capital injection of USD 3.6 million prior to the Transfer Date and an upfront one-off ceding commission from CLA-BB of USD 3.5 million as at the Transfer Date for administering the Transferring Policies and for supporting any liabilities (e.g. margin over the current estimate) that are not fully covered by the reinsurance assets arising from the Coinsurance Agreements, or capital requirements.
- 5.9. The projected HKRBC solvency ratio of MyPace Life, based on the assumption that the Transferring Business is the only onboard portfolio, is expected to increase from 156% as at 31 December 2026 to 162% as at 31 December 2027, then to 168% as at 31 December 2028. These are well above the minimum HKRBC solvency requirement of 100%.
- 5.10. MyPace Life has committed to the IA to maintain a capital base of at least HKD 200 million (USD 25.642 million) at all times. As at the Transfer Date, this includes capital injections of HKD 28 million (USD 3.6 million) and an upfront ceding commission of HKD 27 million (USD 3.5 million). It also includes a portion of the initial amount for the letter of credit of HKD 145 million (USD 18.542 million) maintained by CLA-BB, naming the IA as its sole beneficiary. The amount represents the total minimum capital required to be held by MyPace Life on an HKD basis, net of upfront ceding commission and paid-up share capital. For comparison purposes, MyPace Life's prescribed capital amount as at 31 December 2026 is projected to be USD 5.1 million. MyPace Life targets a HKRBC solvency ratio of at least 150%, which exceeds the 100% regulatory requirement.
- 5.11. Should the HKRBC solvency ratio fall below 100%, MyPace Life will take immediate actions to address the solvency ratio, potentially including injecting capital and imposing additional cost management actions, requesting potential

support from the reinsurer (subject to the reinsurer's full and complete discretion), and recapturing in-force business if doing so would improve the post-recapture solvency ratio, subject to the prior written consent of the IA.

Risk exposures and risk management policy

- 5.12. The risk exposures for MyPace Life are primarily driven by lapse and long-term expense risks. Stress tests conducted under the HKRBC basis indicate that potential shareholder capital injections are required to restore the HKRBC solvency ratio to above 100% of the regulatory requirement in the event of a mass lapse or significant expense overrun scenario. According to the MyPace ERM Policy, MyPace Life will manage lapse and expense risks through diligent monitoring and alignment of central costs with its shareholders to ensure financial stability.
- 5.13. MyPace Life will also have lesser exposures to counterparty default risk, market risk and operational risk after the implementation of the Scheme and the Coinsurance Agreements:
- Counterparty default risk exposure arises due to the Coinsurance Agreements with CLA-BB. Further details are described in the section below.
 - Market risk exposures are limited due to investments in cash-like assets, which minimise potential volatility.
 - Operational risks are managed through robust internal controls and business continuity plans, with a strict policy of zero tolerance for major risk events that could affect policyholders.
- 5.14. I have been provided with the MyPace Life ERM Policy, which governs how risks are managed within MyPace Life. This policy is broadly comparable to Canada Life Group's risk management framework especially relating to (i) regulatory compliance; (ii) holding a sufficient level of capital above the regulatory minimum solvency requirement to withstand adverse market conditions; and (iii) setting out risk limits in respect of all key risks.

Safeguards to mitigate counterparty default risk under the Coinsurance Agreements

- 5.15. The counterparty default risk arising from the Coinsurance Agreements is largely mitigated by the risk mitigation strategies captured in the Coinsurance Agreements. These include:
- CLA-BB will establish and maintain, at its sole cost and expense, a segregated trust account for the participating Transferring Business. The trust assets will serve as collateral with MyPace Life named as the beneficiary to ensure that MyPace Life has direct access to the trust assets in the event that CLA-BB fails to pay the settlement amount to MyPace Life, becomes insolvent or the Participating Coinsurance Agreement terminates.
 - If there are insufficient funds in the CLA-BB long term funds (and trust account in relation to the Participating Coinsurance Agreement) to cover the settlement amount, CLA-BB will use its own shareholders' fund to cover any outstanding settlement amount.
 - Termination and recapture provisions are in place to ensure that CLA-BB meets its reinsurance obligations and cannot unilaterally withdraw from the Coinsurance Agreements unless MyPace Life fails to make appropriate payments or it becomes illegal for either CLA-BB or MyPace Life to perform

its obligations under the Coinsurance Agreements. Any such termination shall be subject to the prior written consent of the IA, except where obtaining such consent would require CLA-BB to do anything or omit to do anything which would render it to be in breach of any applicable law. MyPace Life will develop a crisis management plan to manage the operational impact should termination of the Coinsurance Agreements occur.

- 5.16. For the avoidance of doubt, the unit linked assets reinsured from MyPace Life to CLA-BB will be held in the title of MyPace Life and accounted for on a funds-withheld basis; therefore, there is no counterparty default risk associated with these unit linked assets.
- 5.17. The arrangements described in the Coinsurance Agreements, including the governance arrangements described in this document, help to ensure that CLA-BB manages the reinsured policies in line with the interests of the Transferring Policyholders.

Financial security conclusion

- 5.18. In view of the assessment above, I believe the Scheme and the Coinsurance Agreements will have no material adverse effect on the financial security of the Transferring Policyholders.

6. Other considerations for the Transferring Policyholders

Policyholder services and operational changes

- 6.1. MyPace Life has committed to providing broadly similar levels of policyholder services after the transfer as those previously provided by Canada Life Hong Kong to the Transferring Policyholders before the Scheme. This includes the CLL-HK unit linked policies, for which the policy administrative services are currently outsourced to Scottish Friendly. In particular, MyPace Life will use their best efforts to employ all or substantially all relevant staff of Canada Life Hong Kong who work on the Transferring Policies, provided that such staff are open to the new employment. Certain internal functions of MyPace Life will be performed by the staff from Asia Insurance and PACE, as well as reputable external vendors, to ensure robust operational support and regulatory compliance. Therefore, I do not expect to see any materially adverse impact on the services provided as well as the service standards after the Scheme and the Coinsurance Agreements are implemented.

Distribution arrangements

- 6.2. Given that CLA-HK and CLL-HK have ceased to effect any new contracts of insurance, there is no impact to the Transferring Policyholders from the perspective of distribution arrangements.
- 6.3. Post-Scheme, MyPace Life will take on the responsibility to pay out the renewal commissions to the brokers. CLA-BB will reimburse the corresponding commission payments to MyPace Life through the Coinsurance Agreements. The renewal commissions are not material.

Other considerations conclusion

- 6.4. I consider that the above various operational areas, including the levels of service provided, will not have a material adverse impact on the Transferring

Policyholders and the Scheme and the Coinsurance Agreements should provide sufficient safeguards to ensure that they operate as presented.

7. Effect of the Scheme and the Coinsurance Agreements on the Non-Transferring Policyholders

- 7.1. The Transferring Business of CLA-HK is not material to CLA as a whole, and the Transferring Business of CLL-HK is not material to CLL or to CLA. The Transferring Policies of CLA-HK represents less than 1% of CLA's policy count and the Transferring Business of CLL-HK represents less than 1% of CLL's policy count.
- 7.2. In assessing the effects of the Scheme and the Coinsurance Agreements on the Non-Transferring Policyholders, I have relied upon the professional opinions of the Appointed Actuaries of CLA-HK and CLL-HK.

Benefit expectations

- 7.3. Given the very small size of the Transferring Business compared to the size of Canada Life Group's business, and the negligible impact on the non-Transferring Business, the Scheme and the Coinsurance Agreements are not expected to have any material impact upon the benefit expectations of the Non-Transferring Policyholders.

Financial security

- 7.4. As described earlier, the aggregate costs and expenses in relation to the Scheme and the Coinsurance Agreements are not material in the context of the overall expense bases of CLA and CLL. These are not expected to lead to an increase in the unit costs charged or a decrease in the policyholder dividend levels paid to the Non-Transferring Policyholders.
- 7.5. The LICAT solvency ratio of CLA is expected to be materially unchanged as a result of the Scheme and the Coinsurance Agreements. As at 31 December 2024, CLA's net assets were USD 21,198 million under the Canadian reporting basis. The pro-forma LICAT ratio of 130% as at 31 December 2024 is well above both the internal target and supervisory target total ratio.
- 7.6. Similarly, CLL's UK Solvency II ratio is expected to be materially unchanged as a result of the Scheme and the Coinsurance Arrangements. As at 31 December 2024, CLL's net assets were GBP 2,354 million under the UK reporting basis. CLL's pro-forma UK Solvency II ratio as at 31 December 2024 is around 162% and is well above both the internal target and supervisory solvency capital requirement ratio.
- 7.7. After the Scheme and the Coinsurance Agreements, the risks associated with CLA-HK's Transferring Business will continue to be predominantly borne by CLA (via CLA-BB). The risks associated with CLL-HK's Transferring Business will be borne by CLA-BB instead of CLL but the risks of CLL-HK are not material.
- 7.8. Whilst the expenses borne by CLA after the Scheme and the Coinsurance Agreements will be slightly different to current, the impact is not material given the scale of CLA.

Other considerations

- 7.9. The Scheme will result in the withdrawal of CLA and CLL's respective authorizations to carry on long term business in or from Hong Kong, as well as the closure of their Hong Kong branches, leading to a change in the structure of Canada Life Group. However, given that the ultimate ownership of the insurance risk still lies with Canada Life Group after the implementation of the Scheme and the Coinsurance Agreements and all the internal group policies will continue to apply, I do not expect there to be any materially adverse impact to the Non-Transferring Policyholders of Canada Life Group as a result of the change in group structure.

Policyholder services, operational changes and level of services

- 7.10. Except as noted below, the Scheme and the Coinsurance Agreements will not cause any changes to the personnel responsible for providing main policyholder services, producing local statutory reports, or performing other internal functions within Canada Life Group.
- 7.11. The Appointed Actuary of CLA-HK has confirmed that the policyholder services for the Non-Transferring Policyholders will not be compromised. In particular, it is planned that the Non-Transferring Policies written in or from Macau and various Pacific Rim jurisdictions belonging to CLA will continue to be administered locally from Hong Kong through an outsourcing arrangement.

Reinsurance and retrocession arrangements and distribution arrangements

- 7.12. The Scheme and the Coinsurance Agreements will not affect existing reinsurance arrangements, retrocession arrangements, or distribution agreements related to the Non-Transferring Policies, except for the reinsurance of the Transferring Business to CLA-BB through the Coinsurance Agreements after the implementation of the Scheme.

8. Conclusion

- 8.1. Taking account of the above considerations, in my opinion,
- The Scheme and the Coinsurance Agreements will not have a materially adverse effect on the reasonable expectations of the long term policyholders of Canada Life Group (including Canada Life Hong Kong), and in particular, the Transferring Policyholders, with regard to benefits and levels of service.
 - The Scheme and the Coinsurance Agreements will not have a materially adverse effect on the financial security of the long term policyholders of Canada Life Group (including Canada Life Hong Kong), and in particular, the Transferring Policyholders.
 - I am satisfied that the Scheme and the Coinsurance Agreements provide sufficient safeguards to ensure that they operate as presented.

9. Reliances and limitations

- 9.1. This summary is subject to the same reliances and limitations clauses as set out in the full version of my Independent Actuary report dated 2 September 2025.

- 9.2. This summary has been translated into Chinese. If there is any inconsistency or ambiguity between the English version and the Chinese version, the English version shall prevail.

Clement Bonnet

Fellow of the French Institute of Actuaries

Fellow of the Actuarial Society of Hong Kong

Independent Actuary

2 September 2025

Frequently Asked Questions

1. Why are The Canada Life Assurance Company ("CLA") and Canada Life Limited ("CLL") proceeding with this transfer of the long term business carried on in or from Hong Kong by them via their respective Hong Kong branches to MyPace Life Limited ("MPL")?

CLA, CLL and MPL, among other parties, have entered into a framework agreement dated 28 August 2025, pursuant to which CLA and CLL agreed to transfer, and MPL agreed to accept, the long term business carried on in or from Hong Kong by each of CLA and CLL via their respective Hong Kong branches (collectively, the **"Business"**), subject to the sanction of the Court of First Instance of the High Court of Hong Kong (**"Hong Kong Court"**) (the **"Proposed Transfer"**). The scope of the Business being transferred to MPL is defined in the Summary of the Scheme dated 27 August 2025 under Scheule 1 to this letter.

The reason why CLA and CLL are proceeding with the Proposed Transfer is that CLA and CLL wish to cease to carry on any class of long term business in or from Hong Kong and close their respective Hong Kong branches.

After completion of the Proposed Transfer, CLA and CLL will apply to the Insurance Authority to withdraw their respective authorization to carry on any long term business in or from Hong Kong. Further, after withdrawal of authorization, both CLA and CLL will also close their respective Hong Kong branches and notify the Companies Registry of Hong Kong that they will cease to have their places of business in Hong Kong. After cessation of their places of business in Hong Kong, CLA and CLL will no longer be registered non-Hong Kong companies under Part 16 of the Companies Ordinance (Cap. 622) (the **"CO"**).

2. What is the background of MPL? Who owns MPL?

MPL was incorporated in Hong Kong on 31 May 2024, with an issued share capital of HK\$100 as at 1 August 2025. MPL is 51% owned by Asia Insurance Company, Limited (**"Asia Insurance"**) and 49% owned by PACE Solutions Limited (**"PACE"**). In order to take over the Business carried on by CLA and CLL, an application was made by MPL to the Insurance Authority on 1 August 2025 for authorization to carry on Classes A (life and annuity), C (linked long term), D (permanent health), G (Retirement scheme management category I), H (Retirement scheme management category II) and I (Retirement scheme management category III) of long term business in or from Hong Kong. On 25 August 2025, an approval-in-principle was granted by the Insurance Authority to MPL to carry on those classes of long term business in or from Hong Kong. Subject to the grant of authorization by the Insurance Authority, MPL will have the requisite license to carry on the relevant classes (i.e. Classes A (life and annuity) and C (linked long term)) of long term business and is therefore capable of taking up the Business carried on by CLA and CLL.

3. How will the Proposed Transfer take place?

Under the scheme of transfer (**"Scheme"**), your long term insurance policy(ies) effected with CLA or CLL, as the case may be, prior to the Transfer Date (as defined below) will be transferred to MPL, according to section 24 of the Insurance Ordinance, Cap. 41 of the Laws of Hong Kong (**"Ordinance"**), and is subject to the approval of the Hong Kong Court. After the transfer of the Business and implementation of the Scheme, 100% of the insurance risks under your long term insurance policy(ies) shall be ceded by MPL to the Barbados Branch of CLA (**"CLA BB"**) through the coinsurance agreements entered into by MPL and CLA BB dated 28 August 2025 (**"Coinsurance Agreements"**).

The Proposed Transfer is expected to take effect on 1 January 2026 or such other date as the Hong Kong Court shall approve (**"Transfer Date"**).

After the Transfer Date, CLA and CLL will cease to carry on any class of long term business in or from Hong Kong, and they will apply to the Insurance Authority to withdraw their respective authorization to carry on any long term business in or from Hong Kong. Further, after withdrawal of authorization, both CLA and CLL will also close their respective Hong Kong branches and notify the Companies Registry of Hong Kong that they will cease to have their places of business in Hong Kong. After cessation of their

places of business in Hong Kong, CLA and CLL will no longer be registered non-Hong Kong companies under Part 16 of the CO.

From the Transfer Date, MPL will be responsible for providing the insurance coverage and services under your insurance policy(ies) including processing of claims.

We have placed a notice of the Proposed Transfer in the Government of the Hong Kong Special Administrative Region Gazette as well as the South China Morning Post and the Hong Kong Economic Times in Hong Kong on 17 October 2025.

Information relating to the Proposed Transfer is also posted on the website of CLA at www.canadalife.com/hongkong-portfolio-transfer, the website of CLL at www.canadalife.co.uk/transferring-policies-to-my-pace-life, and the website of MPL at www.mypace.life. We will notify you in writing after the Scheme has been sanctioned by the Hong Kong Court and has taken effect.

For information on the substantive hearing of the petition in the Hong Kong Court of the Scheme, please refer to the section entitled "Further Information on the Hearing" in Schedule 1 - Part 2 attached to this letter.

4. What are the details of the Scheme?

We have prepared the Scheme pursuant to section 24 of the Ordinance. A summary of the Scheme dated 27 August 2025 is attached to this letter. You can also review the Scheme document (in both English and Chinese) on or before 13 November 2025 by visiting the office of Baker & McKenzie, our solicitors, at 14th Floor, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong between 9:00 a.m. and 5:30 p.m. (Hong Kong time), Monday to Friday (except public holidays).

5. Will there be any change to the terms of our insurance policies or each party's rights and obligations under the insurance policies?

No. The Proposed Transfer will not affect your rights and obligations under your insurance policy(ies). On and from the Transfer Date, you will have the same rights available to you under your insurance policy(ies) with MPL as you had with CLA or CLL, as the case may be. An independent actuary was engaged to give his professional opinion on the impact (if any) of the Scheme and the Coinsurance Agreements on the long term policy holders of CLA and CLL respectively and in his opinion, there will not be any material adverse effect on the reasonable expectations with regard to benefits and levels of service and the financial security of the long term policy holders of CLA and CLL respectively.

6. Will new insurance policies be issued for our existing insurance policies?

Your existing in force insurance policies remain valid and will be automatically transferred to MPL from the Transfer Date. As such, MPL will not be issuing new insurance policy(ies).

7. How does the Proposed Transfer affect the payment of premiums?

All premiums payable under your insurance policy(ies) with CLA or CLL, as the case may be, after the Transfer Date are to be made payable to MPL and submitted to MPL or through its agents. We will furnish payment instructions and bank account details directly to you in due course.

8. What if I make a claim before the Transfer Date and the claim has not yet been settled by the Transfer Date?

If you have made a claim before the Transfer Date, your existing policy terms and conditions will continue to govern the assessment of the claim and MPL will take over the processing of the claim from CLA or CLL, as the case may be, and be responsible for any subsequent payment to you. You do not need to submit a new claim form as the information will be transferred from CLA or CLL, as the case may be, to MPL.

9. Will there be any tax implications on me as a result of the Proposed Transfer?

Whether you live in Hong Kong or have tax residence other than Hong Kong, it is advisable that you consult your tax advisers to ascertain if there will be any effects on your tax position.

10. How can I keep up to date with the progress of the Proposed Transfer?

We will notify you in writing after the Scheme has been sanctioned by the Hong Kong Court and has taken effect. If the Scheme is not sanctioned by the Hong Kong Court and does not take effect, we will also notify you in writing.

Information relating to the Proposed Transfer is also posted on the website of CLA at www.canadalife.com/hongkong-portfolio-transfer, the website of CLL at www.canadalife.co.uk/transferring-policies-to-my-pace-life, and the website of MPL at www.mypace.life.

**Baker
Mckenzie.**



HCMP 1449 / 2025

**IN THE HIGH COURT OF THE
HONG KONG SPECIAL ADMINISTRATIVE REGION
COURT OF FIRST INSTANCE
MISCELLANEOUS PROCEEDINGS NO. 1449 OF 2025**

**IN THE MATTER OF THE CANADA LIFE
ASSURANCE COMPANY**

1st Petitioner

and

**IN THE MATTER OF CANADA LIFE
LIMITED**

2nd Petitioner

and

**IN THE MATTER OF MYPACE LIFE
LIMITED**

3rd Petitioner

and

**IN THE MATTER OF AN APPLICATION
UNDER SECTIONS 24 AND 25 OF THE
INSURANCE ORDINANCE (CAP. 41)**

BEFORE THE HONOURABLE MADAM JUSTICE LINDA CHAN IN CHAMBERS

ORDER

UPON THE PETITION OF (i) THE CANADA LIFE ASSURANCE COMPANY ("CLA"), with its principal place of business in Hong Kong at Units 2109-11, 21/F., Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong; (ii) CANADA LIFE LIMITED ("CLL"), with its principal place of business in Hong Kong at 22/F., Manulife Financial Centre, 223-231 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong; and (iii) MYPACE LIFE LIMITED ("MPL"),

with its registered office at 7/F., 118 Connaught Road West, Sheung Wan, Hong Kong (collectively, the **"Joint Petitioners"**) for, amongst other things, orders under sections 24 and 25 of the Insurance Ordinance (Chapter 41 of the Laws of Hong Kong) (the **"Insurance Ordinance"**) sanctioning a scheme, being the scheme annexed to the Petition filed herein on 27 August 2025 (the **"Scheme"**), for the transfer to MPL of the Business (as defined in the Scheme)

AND UPON THE APPLICATION OF the Joint Petitioners by way of Summons for directions filed herein on 27 August 2025

AND UPON READING the 1st Affirmation of Rui Huang filed herein on 11 September 2025 together with the exhibits referred thereto, the 1st Affirmation of Terry Ho filed herein on 11 September 2025 together with the exhibit referred thereto, the 1st Affirmation of Lindsey Rix-Broom filed herein on 11 September 2025 together with the exhibits referred thereto, the 1st Affirmation of David Brosnan filed herein on 11 September 2025 together with the exhibits referred thereto, the 1st Affirmation of Gabriel Joon-Jae Chang filed herein on 11 September 2025 together with the exhibits referred thereto and the 1st Affirmation of Oscar Kock Ohn Chow filed herein on 11 September 2025 together with the exhibit referred thereto

AND UPON HEARING leading counsel for the Joint Petitioners and counsel for the Insurance Authority

IT IS ORDERED that:

1. MPL, CLA and CLL shall, pursuant to section 24(3)(a) of the Insurance Ordinance, publish a notice (the **"Statutory Notice"**) in the form annexed to the 1st Affirmation of Gabriel Joon-Jae Chang, the 1st Affirmation of Lindsey Rix-Broom and the 1st Affirmation of Rui Huang (the **"CEO Affirmations"**):
 - (1) in the Government of the Hong Kong Special Administrative Region Gazette in both English and Chinese;
 - (2) in the South China Morning Post in English; and
 - (3) in the Hong Kong Economic Times (香港經濟日報) in Chinese.

2. MPL, CLA and CLL shall, pursuant to section 24(3)(b) of the Insurance Ordinance and for the reasons set out in the Petition, send by ordinary mail (if located in Hong Kong) or by ordinary air mail (if located outside Hong Kong) and email the relevant statement (the “**Statutory Statement**”) in both English and Chinese in the form annexed to the CEO Affirmations and a copy of this Order, to:

(1) Great-West Lifeco Inc. (being the sole shareholder of CLA), The Canada Life Group (U.K.) Limited (being the sole shareholder of CLL), and Asia Insurance Company, Limited and PACE Solutions Limited (being the shareholders of MPL) at each of their respective registered addresses; and

(2) the following long term policy holders of each of CLA and CLL:

(i) each Transferring Policyholder (as defined in the Petition) whose Transferring Policy(ies) (as defined in the Petition) is/are in force as at 31 July 2025, other than those Transferring Policyholders of CLA who are uncontactable according to the records of CLA;

(ii) each Transferring Policyholder whose Transferring Policy(ies) has/have expired, terminated, matured or surrendered as at 31 July 2025 but there are claims or payments outstanding under such policy(ies) or in respect of which a notice of claim has been received by CLA or CLL (as the case may be); and

(iii) each Transferring Policyholder whose Transferring Policy(ies) has/have lapsed for not more than 4 years as at 31 July 2025, other than those Transferring Policyholders of CLA who are uncontactable according to the records of CLA,

at each of such Transferring Policyholder’s last known address and email address (if available).

3. For each Transferring Policyholder of CLL who, based on CLL’s records or insofar as CLL is informed, is or has been a tax resident of the United Kingdom (“**UK tax**

resident”), a letter (“UK Tax Insert”, the purpose of which is explained in the 1st Affirmation of David Brosnan) in both English and Chinese to be sent (i) to each Transferring Policyholder of CLL who is a UK tax resident in the form to be annexed to the CEO Affirmations; and (ii) to each Transferring Policyholder of CLL who has been a UK tax resident in the form annexed to the CEO Affirmations, together with the relevant Statutory Statement to such Transferring Policyholder of CLL in accordance with paragraph 2(2) above.

4. The sending of the relevant Statutory Statements to all other long term policy holders of CLA and CLL be dispensed with.
5. Once the forms of the Statutory Statements are finalised, copies thereof be filed with the Court under cover of further affirmation(s) by 22 September 2025, with any amendments marked up to show the revisions (if any) made.
6. The setting out of the full terms of the Scheme in the Statutory Statements be dispensed with, and that a summary of the terms of the Scheme be set out in the Statutory Statements in place of such full terms.
7. MPL, CLA and CLL shall, pursuant to section 24(3)(c) of the Ordinance, serve copies of the Statutory Statements, the Petition (having annexed thereto a copy of the Scheme), and the report on, among others, the terms of the Scheme by an independent actuary (“Independent Actuary’s Report”) on the Insurance Authority, at least 21 days prior to the substantive hearing of the Petition.
8. MPL, CLA and CLL shall, pursuant to section 24(3)(d) of the Ordinance, make copies of the Statutory Statements (in both English and Chinese), the Petition (in English only) (having annexed thereto a copy of the Scheme (in both English and Chinese)), the Independent Actuary’s Report (in both English and Chinese) and a copy of this Order open for inspection at the office of Baker & McKenzie, solicitors for the Joint Petitioners, (“Baker & McKenzie”) at 14th Floor, One Taikoo Place, 979 King’s Road, Quarry Bay, Hong Kong, from 9 a.m. to 5:30 p.m. on normal business days (Monday

to Friday (except public holidays)) for not less than 21 days from the date of first publication of the Statutory Notice; and MPL, CLA and CLL shall cause to maintain a register of the names of persons who inspect the documents.

9. MPL, CLA and CLL (as the case may be) shall, pursuant to section 24(4) of the Ordinance, furnish copies of the Petition (in English only) (having annexed thereto a copy of the Scheme (in both English and Chinese)) and the Independent Actuary's Report (in both English and Chinese) free of charge to any person who asks for one at any time before an order sanctioning the Scheme is made on the Petition.
10. MPL, CLA and CLL shall post the Statutory Statements (in both English and Chinese), the Petition (in English only) (having annexed thereto a copy of the Scheme (in both English and Chinese)), the Independent Actuary's Report (in both English and Chinese) and a copy of this Order on the website of MPL at <https://mypace.life/>, the website of CLA at www.canadalife.com/hongkong-portfolio-transfer, and the website of CLL at www.canadalife.co.uk/transferring-policies-to-my-pace-life on the date of first publication of the Statutory Notice and maintain such posting until the end of the substantive hearing of the Petition.
11. Upon finalisation of the Supplementary Report (as defined in the Petition) around November 2025:
 - (1) MPL, CLA and CLL shall serve a copy of the Supplementary Report on the Insurance Authority within 7 days after finalisation of the Supplementary Report; and
 - (2) MPL, CLA and CLL shall post the Supplementary Report on the website of MPL at <https://mypace.life/>, the website of CLA at www.canadalife.com/hongkong-portfolio-transfer, and the website of CLL at www.canadalife.co.uk/transferring-policies-to-my-pace-life and maintain such posting until the end of the substantive hearing of the Petition.

12. Any such person who intends to object to the Scheme do give not less than 7 calendar days' prior written notice to the Joint Petitioners before the date of the Petition to be fixed pursuant to paragraph 13 below, stating the brief grounds for such objection.
13. The Petition be heard on 9 December 2025 at 11 a.m. with 1 day reserved.
14. All costs in relation to the preparation of the Scheme and its presentation to the Court for sanction and all other professional fees related thereto shall, whether or not the Scheme is sanctioned by the Court and takes effect, be paid by MPL, CLA and CLL (from their respective shareholders' fund) in such manner as may be agreed between them, and shall not be borne by the funds maintained by CLA or CLL pursuant to the Ordinance in respect of their respective long term business or the long term policy holders thereof.
15. The Joint Petitioners shall bear the costs of the Insurance Authority in relation to this application.
16. The Joint Petitioners shall have liberty to apply to the Court for further directions and/or orders.

Dated the 18th day of September 2025

Registrar

HCMP 1449 /2025

IN THE HIGH COURT OF THE
HONG KONG SPECIAL ADMINISTRATIVE REGION
COURT OF FIRST INSTANCE
MISCELLANEOUS PROCEEDINGS NO. 1449 OF 2025

IN THE MATTER OF THE CANADA LIFE
ASSURANCE COMPANY

1st Petitioner

and

IN THE MATTER of CANADA LIFE
LIMITED

2nd Petitioner

and

IN THE MATTER of MYPACE LIFE
LIMITED

3rd Petitioner

and

IN THE MATTER OF AN APPLICATION
UNDER SECTIONS 24 AND 25 OF THE
INSURANCE ORDINANCE (CAP. 41)

ORDER

Dated this 18th day of September 2025.

Filed this 19th day of September 2025.

BAKER & McKenzie
Solicitors for the Joint Petitioners
14th Floor
One Taikoo Place
Quarry Bay
Hong Kong
Fax: 2845 0476
Tel: 2846 1888

17 October 2025

As a UK resident you are receiving this letter to explain how this transfer affects your tax liabilities. Please read it carefully and keep it in a safe place for future reference.

Dear Clients,

Our data indicates that you are a UK resident. Therefore, under the UK tax regime currently applicable to your policy, if you were to realise a taxable gain under the UK's Chargeable Events regime applicable to your policy before the transfer to MPL, you would be entitled to a notional tax credit attaching to that gain, set at the basic rate of tax (currently 20%). Any such tax credit is not refundable, but it satisfies your basic rate tax liability on the policy gain.

The notional UK tax credit is a feature of the UK tax regime. When the UK tax regime ceases to apply to your insurer, so does the notional tax credit on any taxable gain you might realise in future. If you remain a UK resident after the Grant of Court Order sanctioning the Petition, and subsequently realise a taxable gain, you could be worse off. MPL is not expected to be subject to UK tax in respect of your policy after the transfer, and therefore no notional tax credit will attach to any taxable gain crystallised after that date. As a result, CLL has agreed to make a one-off payment to all policyholders who are UK tax resident at the date of this letter as compensation for the loss of the tax credit you would otherwise have been entitled to at the Scheme effective date.

You don't need to take any action

There is no need for you to take any action to claim this payment. We will arrange to transfer this to you shortly after the Scheme effective date. We will calculate the notional tax credit attaching to the gains, if any, standing on your policy at the date of Scheme Effective Date. Any gain will be calculated using our normal daily pricing and Chargeable Event reporting processes, and the compensation will be based on 20% of that gain, grossed up using a 24% tax rate in recognition that you may potentially suffer UK capital gains tax on the receipt of this compensation.

In the event that the Scheme is not sanctioned by the Hong Kong Court, the Proposed Transfer will not take place, and your policy will remain with us. As a result, you will still be entitled to the notional UK tax credit on any gains realised on your policy, and no compensation will be payable.

If you have any queries regarding this tax compensation specifically, please read the frequently asked questions on the next page. Our website **www.canadalife.co.uk/transferring-policies-to-my-pace-life** contains all the related documents and supporting information. You can contact us:

- By phone: 01707 423660 calls charged at local rate (or from overseas +44 [0]1707 423660)
- By email: CSTaxEnquiry@canadalife.co.uk
- By letter: Canada Life Limited, Canada Life Place, Potters Bar, EN6 5BA

For all other queries regarding the transfer, please use the contact details in the main letter.

The information regarding tax is based on our current understanding of UK legislation, which may change in the future. We recommend that you seek advice from your financial adviser or a tax expert.

Yours sincerely

A handwritten signature in black ink, appearing to read 'P. Fleming', with a stylized flourish at the end.

Peter Fleming
Customer Services Director

We're happy to help if you need more support. Please let us know if you'd like a document provided in an alternative format, such as Braille, large print, or an audio file.

If you have difficulties communicating over the phone, you can contact us via Relay UK by using your Relay app or dialling 18001 before our phone number.

Frequently asked questions:

- | | |
|---|---|
| Why have I not known about these tax credits before? | The availability of a notional tax credit attaching to any gain recognised on UK life assurance policies (such as yours) for UK policyholders is a technical feature of the applicable UK tax regime. |
| Why am I losing the tax credits? | Once the Scheme has taken effect, your policy will be underwritten by a Hong Kong-based insurance company, MPL. Because the UK tax rules which your policy is currently subject to will be replaced by those of Hong Kong, the tax treatment of the return on your policy will change too.

More simply, the notional UK tax credit is a feature of the UK tax regime. When the UK tax regime ceases to apply to your policy so does the notional tax credit. |
| Can I opt out from the transaction and not lose my tax credits? | No. The Scheme applies to all policies of the same type as yours and no exceptions can be made. |
| What happens to my situation if I terminate my policy prior to the Scheme Effective Date? | If you decide to terminate your policy before the Scheme Effective Date, this would crystallise the tax treatment of your policy under the UK rules. If you would like to consider this further, you should seek independent professional financial and tax advice. |

How much compensation will I receive? We will calculate the notional tax credit attaching to the gains, if any, standing on your policy at the date of the Grant of Court Order sanctioning the Petition. Any gain will be taken from our normal daily pricing and Chargeable Events regime processes, and the compensation payment will be equal to 20% of that gain.

We are unable to confirm the tax treatment of the compensation payment, as it depends on HMRC's assessment of the payment and your circumstances. As a result, the compensation calculation includes a gross up at the highest rate of UK capital gains tax currently in force, of 24%. This approach represents our understanding of the likely tax treatment of your compensation receipt as a capital sum, applying HMRC guidance. However, you should not rely on this assessment, and it should not be considered tax advice. Instead, it is a supplementary payment to account for UK tax that may be due. You will need to make that determination based on your own individual facts and applicable tax rules.

Can I invest the compensation payment into the policy? No, not directly. Your compensation payment will be made direct to your bank account. You can, however, choose to use it to pay future premiums into the policy if you would like to.

When will I get the compensation? Compensation will be paid to you within 10 days of the Grant of Court Order sanctioning the Petition.

How will the compensation be paid? Your compensation payment will be made directly into the bank account shown on our records, from which we collect premiums. If you are no longer making payments into your policy, or if for any other reason you want to provide new or alternative bank account details, please contact us to arrange this.

What if I move back to Hong Kong before or after the transfer. Do I still get the compensation? Compensation for loss of the notional UK tax credit is only available if our records indicate that you were a UK tax resident at the date of the Grant of Court Order sanctioning the Petition.

If you have ceased to be, or never were, subject to UK tax on any proceeds received from your policy, then you will not be eligible for the compensation.

However, if your UK tax status changes after the reference date for testing eligibility for the compensation (i.e. date of the Grant of Court Order sanctioning the Petition), this will not affect your entitlement to the compensation.

What happens if I move to another country? Do I still get the compensation?

Compensation for loss of the notional UK tax credit is only available if our records indicate you were a UK tax resident at the date of the Grant of Court Order sanctioning the Petition.

If you have ceased to be, or never were, subject to UK tax on any proceeds received from your policy, then you will not be eligible for the compensation.

It doesn't matter where you move to; the criterion for eligibility is whether you would have been subject to UK tax had you received a payout under your policy.

If you have any queries regarding this tax compensation specifically, you can contact us:

- By phone: 01707 423660 calls charged at local rate (or from overseas +44 [0]1707 423660)
- By email: CSTaxEnquiry@canadalife.co.uk
- By letter: Canada Life Limited, Canada Life Place, Potters Bar, EN6 5BA

For all other queries regarding the transfer, please use the contact details in the main letter.