

SCHEME FOR THE TRANSFER OF

THE LABUAN GENERAL REINSURANCE BUSINESS

BETWEEN

SWISS RE CORPORATE SOLUTIONS LTD (LABUAN BRANCH)

AND

SWISS RE INTERNATIONAL SE, LABUAN BRANCH

UNDER THE LABUAN FINANCIAL SERVICES AND SECURITIES ACT

2010

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This scheme of transfer is for the transfer of the Labuan general reinsurance business from Swiss Re Corporate Solutions Ltd (Labuan Branch) (Company No. LF11991), a registered Labuan foreign company under the Labuan Companies Act 1990 having its business address at No. 10, Persiaran KLCC, Level 13A-2, Capital Tower, Platinum Park, 50088 Kuala Lumpur, Malaysia ("**SRCS Labuan**" or "**Transferor**") to Swiss Re International SE, Labuan Branch (Company No. LF17287), a registered foreign Labuan company under the Labuan Companies Act 1990 having its registered address at Kensington Gardens, No. U1317, Lot 7616, Jalan Jumidar Buyong, 87000 Federal Territory of Labuan, Malaysia ("**SRI Labuan**" or "**Transferee**"), such transfer to be confirmed by the High Court of Sabah and Sarawak at the Federal Territory of Labuan under Section 172 of the Labuan Financial Services and Securities Act 2010 ("**Scheme**").

1. Definitions and interpretation

1.1 Definitions

In this Scheme:

Business means the Reinsurance Business of the Transferor;

Business Transfer Agreement means the agreement dated 2 March 2021 entered into between the Transferor, as seller, and the Transferee, as buyer, of the Business;

Effective Date means:

- (a) 1 July 2021 at 0001 hours (Malaysia time);
- (b) such other date as approved by the Labuan Financial Services Authority, ("**LFSA**") at 0001 hours (Malaysia time);
- (c) such other time and such other date as the Parties may agree upon and the High Court of Sabah and Sarawak at the Federal Territory of Labuan ("**High Court**") may allow; or
- (d) such other date as the High Court shall stipulate;

Financial Statements means the audited financial statements of the Transferor for financial year ending 31 December 2019 attached as Appendix 1 in the Business Transfer Agreement, subject to adjustment for changes in value of the assets and liabilities of the Labuan Reinsurance Business occurring during the period from 31 December 2019 to the date of the financial statements of the Transferor as at the date falling one day before the Effective Date;

LFSSA means the Labuan Financial Services and Securities Act 2010;

Parties means collectively, the Transferor and the Transferee;

Reinsurance Balances means all past, present and future amount(s) due to or from the Transferor in respect of the Reinsurance Business which remain outstanding and unpaid or uncollected by the Transferor as may be reflected in the financial statements of the Transferor as at the date one day prior to the Effective Date;

Reinsurance Business means the entire and the whole of the business, assets, liabilities (including contingent liabilities), duties and obligations of the Labuan general reinsurance business that is carried on or underwritten by the Transferor in or from Malaysia as part of its general reinsurance fund and all activities carried on in connection with or for the purpose of such Labuan general reinsurance business as may be reflected in the financial statements of the Transferor as at the date one day prior to the Effective Date;

Reinsurance Policy or Reinsurance Policies means every policy or policies of general reinsurance ever written, issued or assumed by or novated to the Transferor, directly or through an agent, independently or as a member of a pool, including inward general reinsurance treaties, binders, policies, offers, proposals, quotations and slips, any indemnity or other similar obligation covering or having the effect of covering insurance liability and any endorsements or amendments thereto as may be reflected in the financial statements of the Transferor as at the date one day prior to the Effective Date, save to the extent they have been effectively transferred to a third party so as to relieve the Transferor from any actual or contingent liability thereunder;

Reinsurance Retrocession Agreements means all contracts of retrocession entered into by the Transferor for the protection of its book of Reinsurance Business under the Reinsurance Policies as may be reflected in the financial statements of the Transferor as at the date one day prior to the Effective Date; and

Vesting Order means the order granted by the High Court under Section 172 of the LFSSA confirming the Scheme.

1.2 Interpretation

In this Scheme, headings and boldings are only for convenience and do not affect interpretation and, unless the context requires otherwise:

- (a) any reference, express or implied, to an enactment (which includes any legislation in any jurisdiction) includes references to:
 - (i) that enactment as amended, extended or applied by or under any other enactment (before or after signature of the Business Transfer Agreement);
 - (ii) any enactment which that enactment re-enacts (with or without modification); and
 - (iii) any subordinate legislation made (before or after signature of the Business Transfer Agreement) under that enactment, as re-enacted, amended, extended or applied as described in paragraph (i) above, or under any enactment referred to in paragraph (ii) above.

- (b) words in the singular include the plural and vice versa. Words importing the masculine gender include the feminine and neuter and vice versa.

References to persons include bodies corporate, unincorporated associations, partnerships or an authority;

- (c) headings and the use of underlining in this Agreement are for convenience only and shall not affect the interpretation of this Agreement; and
- (d) references to "including" or "include" shall mean references to "including without limitation" and "includes but not being limited to".

The *ejusdem generis* principle of construction shall not apply to this Scheme. Accordingly, general words shall not be given a restrictive meaning by reason of their being preceded or followed by words indicating a particular class of acts, matters or things or by examples falling within the general words. Any phrase introduced by the terms "other", "including", "include" and "in particular" or any similar expression shall be construed as illustrative and shall not limit the senses of the words preceding those terms.

2. Scheme

2.1 Parties

- (a) The Transferor carries on the Business as a registered foreign Labuan company of Swiss Re Corporate Solutions Ltd. The Transferor is currently licensed by the LFSA as a general reinsurer under the LFSSA.
- (b) The Transferee is registered as a foreign Labuan company of Swiss Re International SE and is licensed by the LFSA as a general reinsurer under the LFSSA.

2.2 Consideration

Under the Business Transfer Agreement, Parties have agreed that in consideration of the transfer by the Transferor of the Reinsurance Business, the Transferee shall transfer to the Transferor on the Effective Date, a sum equivalent to the net asset value of the Reinsurance Business as at the date falling one day before the Effective Date, subject to any adjustments as the Parties may agree.

2.3 Effective Date

This Scheme will take effect from the Effective Date as confirmed by the Vesting Order.

2.4 Effect of Scheme

- (a) With effect from the Effective Date (as confirmed by the Vesting Order), the Transferor shall transfer, and the Transferee shall acquire and assume from the Transferor, the Reinsurance Business, as a going concern as at and with effect from the Effective Date, which includes:

- (i) the rights, obligations and liabilities arising out of the Reinsurance Policies;
- (ii) the rights, obligations and liabilities arising out of the Reinsurance Retrocession Agreements;
- (iii) the Reinsurance Balances;
- (iv) computer hardware, peripherals, machinery, furniture and office equipment of the Reinsurance Business;
- (v) the intellectual property rights of the Reinsurance Business;
- (vi) the rights, obligations and liabilities arising out of any agreements (apart from the Reinsurance Policies and Reinsurance Retrocession Agreements) that the Transferor is a party to;
- (vii) all investments in securities and unquoted shares of corporations, cash, and other assets of the Reinsurance Business; and
- (viii) any and all records, information, data and files of the Transferor howsoever stored, relating to the Reinsurance Business,

in accordance with the terms of the Vesting Order and the provisions of Section 172 of the LFSSA.

- (b) For the avoidance of doubt, with effect from the Effective Date (as confirmed by the Vesting Order), the transfer of the Business includes the transfer of the tax assets, tax liabilities, potential tax liabilities and any tax obligations attributable to the Transferor whenever so incurred.
- (c) The Business being transferred in accordance with the Scheme via the Vesting Order on the Effective Date shall:
 - (i) consist of the assets and liabilities of the Business as may be reflected in the financial statements of the Transferor as at the date falling one day before the Effective Date; and
 - (ii) be based on the Financial Statements, subject to adjustment for changes in value of the assets and liabilities of the Business occurring during the period from 31 December 2019 to the date of the financial statements of the Transferor as at the date falling one day before the Effective Date.
- (d) With effect from the Effective Date (as confirmed by the Vesting Order), the Scheme will be binding on all persons affected by it and the implementation of the vesting of the Business in and assumption of the Business by the Transferee will take effect on the Effective Date in the following manner:
 - (i) all legal and beneficial title, ownership and risk in the Business (including the assets comprising the insurance fund) with effect from the Effective Date for all estate and interest therein and all

the liabilities relating to the Business shall be assumed by the Transferee with effect from the Effective Date, without further or other acts or assurance by any party and be dealt with in accordance with the Scheme, save and except for the filing or registration of a copy of the Vesting Order with any registering authority as required under any law;

- (ii) all references to the Transferor in any agreement or document evidencing or relating to the Business (including any insurance offers, proposals, quotations or slips, policies and general conditions issued by the Transferor) will have effect and be construed as a reference to the Transferee;
- (iii) any proceedings which are pending by or against the Transferor in any court or tribunal, arbitral or otherwise in connection with the Business, the same shall be continued by or against the Transferee, and any judgment or award entered after the Effective Date for or against the Transferor in any such proceedings shall have effect between the Transferor and the Transferee as if such judgment had been entered for or against the Transferee; the Transferee will have the same rights, powers and remedies (and in particular the same rights and powers as to taking legal proceedings or making or resisting applications to any authority) in respect of any right, assets or liabilities of the Transferor transferred to the Transferee with effect from the Effective Date, for ascertaining, protecting or enforcing that right, assets or resisting that liabilities as if it had at all times been the right, assets or liabilities of the Transferee (including those rights or liabilities in respect of any legal proceedings or applications to any authority pending as at the close of business on the day immediately preceding the Effective Date by or against the Transferor); the Transferee shall to the extent permitted or provided for under applicable laws, be fully subrogated to all defences, set-offs, claims and counterclaims to which the Transferor would otherwise have been entitled to against any party arising out of or in connection with the Business in the absence of the transfer of the Business pursuant to the Scheme;
- (iv) any existing instruction, order, direction, mandate, power of attorney, authority, warranties, undertaking or consent given to or by the Transferor in relation to the Business, either alone or jointly with any other person, will have effect from the Effective Date in respect of anything due to be done as if given to or by the Transferee, either alone, or as the case may be, jointly with such other person;
- (v) any cheques, bills of exchange, promissory notes, cashiers or banker's orders or drafts or other negotiable instruments or orders for the payment of money drawn on, given to, accepted or

endorsed by the Transferor whether so drawn, given, accepted or endorsed before, on or after the Effective Date in connection with the Business will have the same effect on and from the Effective Date as if it had been drawn on or given to or accepted or endorsed by the Transferee;

- (vi) any security whether legal or equitable, actual or constructive, present or future, vested or contingent or whether by way of mortgage or charge, debenture, bill of exchange, letter of credit, standby letter of credit, promissory note, guarantee, lien or pledge, hypothecation, indemnity, undertaking or other means of securing payment or discharge of a debt or liability encumbrance or other form of security, which the Transferor or a nominee, trustee or representative for the Transferor holds or has the benefit of as security for the payment or discharge of any liability of any person (including where such security is held by the Transferor in such a capacity in respect of any such debts, loans or other liabilities or obligations owed to more than one person which may include the Transferor) will be held by the Transferee or as the case may be will be held by that nominee or trustee as the nominee of or trustee for the Transferee and to the extent of those liabilities will be available to the Transferor as security for the payment or discharge of those liabilities and any such security which extends to future advances or future liabilities will be held by or will be available to the Transferee as security for future advances by and future liabilities to the Transferee in the same manner in all respects as future advances by or future liabilities to the Transferor were secured thereby immediately as at the close of business on the day immediately preceding the Effective Date;
 - (vii) any investment in bonds, commercial papers, debentures, loan stocks, warrants, transferable subscription rights, shares or stocks and unit trust, held in a trading account or securities trading account or otherwise, held by the Transferor in connection with the Business either alone or jointly with any other person, or held for the benefit of the Transferor in connection with the Business by any nominee or any other party, shall, on and from the Effective Date, be vested in the Transferee, either alone or, as the case may be, jointly with such other person, in the same capacity, upon the trusts, and subject to the powers, provisions and liabilities applicable thereto respectively; and
 - (viii) the dissolution without winding-up of the Transferor on the Effective Date.
- (e) Each of the Parties shall within one month after the Effective Date file a copy of the Scheme with the regulatory authorities in each Party's

respective countries of establishment or origin in accordance with Section 172(15) of the LFSSA.

- (f) The Transferee shall within one month after the Effective Date, lodge the following documents with the LFSA in accordance with Section 172(16) of the LFSSA:
 - (i) statements of the assets and liabilities of the Parties, as at the time immediately before the transfer, signed on behalf of each party;
 - (ii) a copy of the Scheme as confirmed by the High Court and a sealed copy of the Vesting Order; and
 - (iii) a declaration made by the chairman of the board of directors of the Transferee, or by its principal officer in Labuan, fully setting out every payment made or to be made to any person on account of the transfer, and stating that, to the best of his belief, no other payment beyond those so set out has been, or is to be, made on account thereof by or with the knowledge of the Parties.
- (g) The Transferor shall within 30 days of the issuance of the Vesting Order by the High Court, lodge an authenticated copy of the Scheme approved by the LFSA with the appropriate authority concerned with the registration or recording of dealings in any movable property or an interest in movable property transferred pursuant to the Vesting Order in accordance with Section 172(17) of the LFSSA.
- (h) The Parties may jointly consent in writing to any modification of or amendment to the Scheme or to any condition affecting the same, which the High Court or the LFSA may think fit to approve or impose.
- (i) Each of the Parties undertakes to comply with the LFSSA and all other relevant provisions and regulations made thereunder, including but not limited to Section 172(8) of the LFSSA.
- (j) The Parties agree to be jointly and severally liable to reimburse LFSA for any costs or expenses incurred by LFSA in connection with this Scheme, and the Parties agree to be liable for such costs and expenses on an equal basis.
- (k) The Transferor undertakes that it will take necessary steps to surrender its Labuan general reinsurance licence on the later of the Effective Date or such other date as may be agreed by the LFSA in writing. The Transferor undertakes that it will not on or after the Effective Date, issue any new policies for general reinsurance in Labuan.
- (l) The Transferee undertakes that, with effect from the Effective Date:
 - (i) it shall carry on and conduct the Business in Labuan in accordance with sound reinsurance principles and the provisions of the LFSSA; and
 - (ii) the transfer of the Business shall not adversely affect persons being the holder of a Reinsurance Policy recorded in the

Reinsurance Policy registers of the Transferor, claimants and other creditors of the Transferor, as at the Effective Date.