



DATED 4 NOVEMBER 2022

HSBC INSURANCE (SINGAPORE) PTE. LIMITED
(AS TRANSFEROR)

AND

AXA INSURANCE PTE. LTD.
(AS TRANSFEREE)

(EACH A “PARTY” AND COLLECTIVELY, THE “PARTIES”)

SCHEME FOR THE TRANSFER
OF THE LIFE INSURANCE BUSINESS OF
HSBC INSURANCE (SINGAPORE) PTE. LIMITED

TO

AXA INSURANCE PTE. LTD.

LODGED PURSUANT TO SECTION 117 OF THE
INSURANCE ACT 1966

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**SCHEME FOR THE TRANSFER OF THE LIFE INSURANCE BUSINESS OF
HSBC INSURANCE (SINGAPORE) PTE LIMITED TO AXA INSURANCE PTE. LTD.**

**LODGED PURSUANT TO SECTION 117 OF THE
INSURANCE ACT 1966**

1. PRELIMINARY

1.1 Definitions

In this Scheme, unless there is something in the subject or context inconsistent therewith:

1.1.1 the following expressions bear the following meanings, namely:

"ACRA"	Means the Accounting and Corporate Regulatory Authority established under the Accounting and Corporate Regulatory Authority Act 2004;
"Business"	Means the life insurance business that is carried on or underwritten by INSN in or from Singapore;
"Effective Date"	Means (subject to the Conditions as defined at clause 2.3.1 below being satisfied) 00:01 hours 1 February 2023 (Singapore time) or at such other time and on such other date as the Parties may agree upon and the General Division of the High Court may allow or such other date as the General Division of the High Court shall stipulate;
"Employment Act"	Means the Employment Act 1968;
"INSN"	Means HSBC Insurance (Singapore) Pte. Limited, a company incorporated in Singapore with UEN number 195400150N having its registered office at 10 Marina Boulevard, #48-01, Marina Bay Financial Centre, Singapore 018983 and licensed by the MAS to carry on life insurance business in Singapore;
"INSP"	Means AXA Insurance Pte. Ltd., a company incorporated in Singapore with UEN number 199903512M, having its registered office at 10 Marina Boulevard, #48-01, Marina Bay Financial Centre, Singapore 018983 and licensed by the MAS to carry on composite (life and general) insurance business in Singapore. The name of AXA Insurance Pte. Ltd. is anticipated to be changed, in the near future and no later than the Effective Date, to HSBC Life (Singapore) Pte. Ltd. or such other name to reflect its ownership by the HSBC Group. Details regarding the finalized name change will be provided when available via appropriate channels;
"Insurance Act"	Means the Insurance Act 1966;

"Insurance Policy" or "Insurance Policies"	Means every policy or policies of life insurance ever written, issued or assumed by or novated to INSN, directly or through an agent, independently or as a member of a pool, including inwards reinsurance treaties, binders, policies and slips, any other similar obligation covering or having the effect of covering life insurance liability and any endorsements or amendments thereto, save to the extent they have been effectively transferred to a third party so as to relieve INSN from any actual or contingent liability thereunder;
"Liabilities"	Means all liabilities, obligations and risks (whether accrued, contingent or otherwise) of INSN in connection with the Transferred Items as at the Effective Date;
"MAS"	Means the Monetary Authority of Singapore established under the Monetary Authority of Singapore Act 1970;
"Policyholders and Reinsurers Balances"	Means all past, present and future amount(s) due to or due from INSN in respect of the Business which remain outstanding and unpaid or uncollected by INSN as at the Effective Date;
"Records"	Means all data, files and records in every case of or belonging to and in the possession of INSN as on the Effective Date relating to the Business, and as may be required for compliance with the Goods and Services Tax Act 1993 for the Business, and which shall include physical hard-copy and electronic records of the Insurance Policies, risks, claims, case reserves and physical hard copy records of commutations, correspondence with brokers/cedants/policyholders;
"Reinsurance Agreements"	Means all contracts of reinsurance entered into by INSN for the protection of its book of insurance business under the Insurance Policies;
"Transfer"	Means the transfer of the Transferred Items pursuant to clause 2.1.1 and in accordance with the terms agreed in writing between the Parties;
"Transferred Items"	Means all of the assets, rights, benefits, obligations and liabilities (including but not limited to contingent liabilities and the head office account) of INSN excluding (i) INSN's share capital; (ii) taxes payable; and (iii) subordinated loans and (iv) such debt securities and cash and cash equivalents, backing (i) to (iii) above.

1.1.2 In this Scheme any reference, express or implied, to an enactment (which includes any legislation in any jurisdiction) includes references to:

- (a) that enactment as amended, extended or applied by or under any other enactment (before or after signature of this Scheme);
- (b) any enactment which that enactment re-enacts (with or without modification); and
- (c) any subordinate legislation made (before or after signature of this Scheme) under that enactment, as re-enacted, amended, extended or applied as described in paragraph (a) above, or under any enactment referred to in paragraph (b) above.

1.1.3 In this Scheme:

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

1.1.4 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.

1.1.5 The *contra proferentem* rule shall not apply to this Scheme. The Parties hereby agree and confirm that the rule of construction of contracts to the effect that any ambiguities, discrepancies or inconsistencies are to be resolved against the drafting party shall not be employed in the interpretation of this Scheme.

1.2 Reasons for the Scheme

1.2.1 INSN, the transferor, carries on the Business in Singapore as a Singapore-incorporated company. INSN is licensed by the MAS as a direct life insurer under the Insurance Act.

1.2.2 INSP, the transferee, is a Singapore-incorporated company licensed by the MAS as a direct composite (life and general) insurer under the Insurance Act.

1.2.3 Both INSN and INSP are part of the HSBC group of companies.

1.2.4 The object of this Scheme is to effect the transfer of the Transferred Items from INSN to INSP with effect from the Effective Date in accordance with the terms agreed between the Parties. The Parties acknowledge and agree that the

Transferred Items are intended to be transferred as a business on a going concern basis.

- 1.2.5 It is intended that an application shall be made pursuant to Section 117 of the Insurance Act for an order of the General Division of the High Court that the Transferred Items be transferred to and vested in INSP by virtue of this Scheme without further or other assurance and be dealt with in accordance with this Scheme from the Effective Date.

2. THE SCHEME

2.1 Transfer of the Business

- 2.1.1 INSN shall transfer the Business as a going concern to INSP and INSP shall acquire and assume from INSN with effect from the Effective Date the Transferred Items, which include but are not limited to:

- (a) the Insurance Policies (including any and all rights, benefits, obligations and liabilities arising including the rights of renewal thereto);
- (b) the Reinsurance Agreements (including any and all rights, benefits, obligations and liabilities arising, including the rights and renewal thereto);
- (c) the Policyholders and Reinsurers Balances;
- (d) computer hardware, peripherals, machinery, furniture, leases, leasehold improvement, motor or other vehicles, office equipment and, if any, licenses or exemptions presently used or held by INSN as part of or in connection with the Business;
- (e) all book and other debts due or becoming due to INSN in connection with the Business and the full benefit of all securities for such debts;
- (f) the rights, benefits, obligations and liabilities of any agreement (apart from the Insurance Policies and Reinsurance Agreements) including, if any, agency agreements, engagements or orders that INSN is a party to;
- (g) all investments in securities and unquoted shares of corporations, cash, and other assets of INSN, including but not limited to the assets and investments of the insurance funds established under the Insurance Act and all regulations made thereunder; and
- (h) the Records.

- 2.1.2 This Scheme and the Transfer are based on the audited financial statements of INSN as at 31 December 2021 attached hereto as the "Appendix", subject to adjustment for changes in value of the assets and liabilities occurring during the period from 1 January 2022 to the Effective Date.

2.2 Consideration

In consideration of the Transfer, INSP shall transfer to INSN a sum equivalent to the net asset value of the Transferred Items as at the Effective Date, subject to any adjustments as the Parties may agree.

2.3 Conditions

2.3.1 The Transfer is conditional on the following conditions being satisfied on or before the Effective Date (or such later date as the Parties may agree in writing):

- (a) The MAS having given its approval in writing (the “**MAS Approval**”) for this Scheme and any conditions attaching to the MAS Approval having been satisfied;
- (b) The General Division of the High Court having confirmed the Scheme (the “**Singapore Court Order**”) and any conditions forming part of the Singapore Court Order and any ancillary order made by the High Court having been satisfied.

(each a “**Condition**” and together, the “**Conditions**”).

2.3.2 In relation to the Conditions, INSN and INSP shall use all reasonable endeavours to procure the fulfilment of the relevant Conditions, and INSN and INSP each shall provide all reasonable co-operation to the other in connection therewith.

3. EFFECT OF SCHEME

3.1 Without prejudice to or limiting the generality of clause 2.1, the following events shall take place on the Effective Date:

3.1.1 General

- (a) INSP shall acquire the Transferred Items and all legal and beneficial ownership and risk in the Transferred Items shall be transferred to and vested in INSP with effect from the Effective Date for all estate and interest therein and all Liabilities shall be transferred to and become the

liabilities, obligations, debts and duties of INSP with effect from the Effective Date, without further or other acts or assurance and be dealt with in accordance with this Scheme.

- (b) On and with effect from the Effective Date, all references to INSN in any agreement or document evidencing or relating to the Business or the Transferred Items (including but not limited to any insurance offers, proposals, quotations or slips issued by INSN) will have effect and be construed as a reference to INSP.
- (c) Each of the Parties shall as and when appropriate do all such acts and things and execute all such deeds, instruments, transfers or other documents as shall be necessary to give effect to and perfect the transfer of the Transferred Items to INSP in accordance with the terms agreed in writing between the Parties.

3.1.2 Transfer of Insurance Policies

Pursuant to this Scheme, on and with effect from the Effective Date:

- (a) all the Insurance Policies shall vest on the same terms and conditions issued by INSN, without further or other act or assurance, in INSP so as to constitute INSP as insurer of the Insurance Policies in place of INSN;
- (b) all the Insurance Policies underwritten by INSN shall be accepted by INSP into its own books and registers and INSP shall make suitable provision for such amounts in INSP's insurance funds in accordance with the Insurance Act and all the regulations made thereunder;
- (c) all the duties, liabilities (contingent or otherwise) and obligations of INSN subsisting on the Effective Date pertaining to or in connection with the Insurance Policies, including all duties, liabilities and obligations of INSN under all Insurance Policies current on that date shall be assumed by INSP;
- (d) all references to INSN in an Insurance Policy, proposal or application for a Insurance Policy, trust deed, policy loan agreement or any other agreement or document evidencing or relating to a Insurance Policy (whichever the case may be) will have effect and be construed as a reference to INSP; and
- (e) every holder of an Insurance Policy shall become entitled, in substitution for any right or rights available to him under such policy against INSN, to the same right or rights against INSP and (as regards policies under which premiums continue to be payable) shall account to INSP for any further premiums as and when they become due, who shall be entitled to receive all premium including overdue premium payable in respect of the Insurance Policies that would otherwise have been payable to INSN and all rights and remedies available to INSN in the event of non-payment of such premium shall thereafter vest in and be available to INSP.

3.1.3 Proceedings Pending by or Against INSN

- (a) If, on the Effective Date, any proceedings shall be pending by or against INSN in any court or tribunal, arbitral or otherwise in connection with the Transferred Items, the same shall be continued by or against INSP, and any judgment or award entered after the Effective Date for or against INSN in any such proceedings shall have effect between INSN and INSP as if such judgment had been entered for or against INSP.
- (b) On the Effective Date, INSP shall, to the extent permitted or provided for under applicable laws, be fully subrogated to all defences, set-offs, claims and counterclaims to which INSN would otherwise have been entitled to against any party arising out of or in connection with the Transferred Items in the absence of the transfer of the Transferred Items pursuant to this Scheme.

3.1.4 Transfer of Reinsurance Agreements

Pursuant to this Scheme, on and with effect from the Effective Date:

- a) the Reinsurance Agreements shall vest on the same terms and conditions, without further or other act or assurance, in INSP so as to constitute INSP as cedant of the Reinsurance Agreements in place of INSN;
- b) all references to INSN in a Reinsurance Agreement or any other agreement or document evidencing or relating to a Reinsurance Agreement will have effect and be construed as a reference to INSP; and
- c) In the event that consent of the relevant reinsurer is required under applicable foreign law (not being Singapore law) for the transfer of the rights and obligations of INSN in respect of any of the Reinsurance Agreements, INSN shall, as soon as reasonably practicable and until the Effective Date, use its reasonable endeavours with the reasonable cooperation of INSP to procure and obtain all such consents or to arrange for novation of each of such Reinsurance Agreement to INSP with effect from the Effective Date and subject to the Transfer taking place, and where such consent has not been obtained prior to the Effective Date, INSP will use its best endeavours to arrange for alternative insurance arrangement at similar rates, terms and conditions as those contained in such Reinsurance Agreements, or such insurance that is adequate for the purposes of the Business.

3.1.5 Offshore Agreements

If any Transferred Items to be transferred under this Scheme are situated outside of Singapore and are not governed by the laws of Singapore, and this Scheme and the Singapore Court Order are not effective under the laws of the foreign jurisdiction to effect the transfer of the same, each of INSN and

INSP shall use their reasonable endeavours to procure the transfer of such agreements in accordance with the laws of such foreign jurisdiction.

3.1.6 Further or other Acts or Assurance

Without prejudice to the effect of this Scheme and the Transfer, to the extent that the Scheme and the Singapore Court Order are not effective in transferring and vesting any of the Transferred Items under this Scheme to INSP without further or other acts or assurance:

- (a) The Parties 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, to place the Business and Transferred Items in the hands of INSP and as INSP may request, in order to effectively convey, assign, transfer, vest and/or record title to each of the Transferred Items and the Business in INSP;
- (b) Pending doing of such acts, deeds, documents and things, INSN shall as from the Effective Date -
 - (i) hold the legal estate in each of the affected Transferred Items in trust for INSP to the extent that it shall not have transferred to INSP, and shall pay to INSP promptly upon its receipt of any sums by it under any such affected Transferred Items; and
 - (ii) hold or assume any liabilities in each of the affected Transferred Items for and on behalf of and for the account of INSP;
- (c) INSP shall from the Effective Date (at its own costs) assist INSN to perform the obligations of INSN or discharge such liability of INSN under such affected Transferred Items and failing that, indemnify INSN against all liability and any reasonable costs or expense incurred by INSN that is directly attributable to such affected Transferred Items; and
- (d) INSN shall in any event be subject to INSP's directions in respect of any affected Transferred Items referred to in paragraphs 3.1.5 (a) and (b) until the affected Transferred Items is transferred to INSP, and INSP shall have authority to act as attorney of INSN in respect of such affected Transferred Items for all such purposes.

3.1.7 Transfer of employment

The transfer of any INSN employees shall be governed by section 18A of the Employment Act and each of INSN and INSP shall comply with their respective obligations under section 18A of the Employment Act.

3.1.8 Personal data

As of the Effective Date, the personal data and the rights and obligations of INSN in respect of the personal data comprised in the Business will be transferred to INSP pursuant to this Scheme without any need to obtain express consent of the relevant persons whose personal data is being transferred. "Personal data" shall have the same meaning as that set out under the Personal Data Protection Act 2012 of Singapore.

4. UNDERTAKINGS

4.1 The Parties undertake to comply with Sections 117 to 119 of the Insurance Act and all other relevant provisions and regulations made thereunder.

4.2 Undertaking by INSN

INSN undertakes that it will take necessary steps to surrender its insurance licence as soon as practicable after the Effective Date (taking into account the time required by INSN to perform its obligations owed to INSP in accordance with the agreement in writing between the Parties).

4.3 Undertaking by INSP

INSP undertakes that with effect from the Effective Date, it shall carry on and conduct the Business in Singapore in accordance with sound insurance principles and the provisions of the Insurance Act. INSP shall indemnify and keep INSN indemnified against all claims, demands, actions and proceedings that may be made against INSN in respect of the liabilities and obligations to be assumed by INSP under this Scheme.

5. COSTS AND EXPENSES

5.1 Costs and Expenses in connection with the Scheme

Except where otherwise agreed in writing between the Parties, each Party shall pay its own costs (including legal costs) and expenses of and incidental to the preparation and carrying into effect of this Scheme.

5.2 Reimbursement to the MAS

INSN and INSP shall be jointly and severally liable to reimburse to the MAS under Section 118 of the Insurance Act any expenses incurred by them in connection with this Scheme and such liability shall be borne equally as between INSN and INSP.

6. MODIFICATION OF THE SCHEME

INSN and INSP may jointly consent in writing on behalf of all persons concerned to any modification of or amendment to this Scheme or to any condition affecting the same which the High Court or the MAS may think fit to approve or impose.

7. RIGHTS OF THIRD PARTIES

Save for the owners of the Insurance Policies, a person who is not a Party to this Scheme shall not have any right under the Contracts (Rights of Third Parties) Act 2001 to enforce any provision of this Scheme.

8. **GOVERNING LAW**

This Scheme shall be governed by, and construed in accordance with, the laws of Singapore.

9. **JURISDICTION**

Each Party irrevocably submits to the exclusive jurisdiction of the courts of Singapore over any claim, dispute or matter arising out of or in connection with this Scheme or its enforceability or the legal relationships established by this Scheme (including non-contractual disputes or claims) and waives any objection to proceedings being brought in such other courts on grounds of venue or on the grounds that proceedings have been brought in an inconvenient forum. Each Party further irrevocably agrees that a judgment in any proceedings brought in the courts of Singapore shall be conclusive and binding upon each of them and may be enforced in the courts of any other jurisdiction.

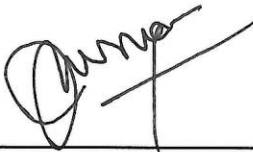
EXECUTED BY THE PARTIES

Dated the 4th day of November 2022



Signed by: Lee Yen Ho

**For and on behalf of
HSBC INSURANCE (SINGAPORE) PTE. LIMITED**



Witnessed by: Gan Jiahui Jamie



Signed by: Lee Yen Ho

**For and on behalf of
AXA INSURANCE PTE. LTD.**



Witnessed by: Gan Jiahui Jamie

APPENDIX