

Managed Pension Funds Limited

**Agreement to Reinsure Contracts of
Linked Long-Term Insurance**

Contents

1. Definitions and Interpretation	1
2. Benefits Payable under the Reinsurance Agreement and Liability of MPF	3
3. Responsibilities of the Insurer	4
4. The Sub-Funds	5
5. Policy Charge	6
6. Valuation of a Sub-Fund and Determination of the Unit Price.....	6
7. Pricing Errors	8
8. Allocation of Contribution Units	8
9. Surrender of the Reinsurance Agreement by the Insurer	11
10. Termination by MPF	13
11. Variation of the Reinsurance Agreement.....	13
12. Confidentiality	14
13. Data Protection	14
14. Miscellaneous Conditions	14

1. Definitions and Interpretation

1.1 Definitions

In this Reinsurance Agreement:-

“Anti-Dilution Levy” shall only be applicable to Forward Priced Sub-Funds and means the separate charge of such amount or at such rate as determined by MPF to be applicable in respect of associated costs of acquisition or liquidation (as the case may be) of the underlying Sub-Fund investments (except to the extent that MPF is able to match an acquisition or redemption of Contribution Units against a corresponding redemption or acquisition of such Contribution Units). MPF does not benefit from any Anti-Dilution Levy because any such amount will be paid into the relevant Sub-Fund. The Anti-Dilution Levy is calculated by reference to the costs of dealing in the underlying Sub-Fund investments, including any dealing spreads, commission, market impact and transfer taxes on dealings. As dilution is directly related to the inflows and outflows of monies from a Sub-Fund, it is not possible to predict accurately the amount of the Anti-Dilution Levy which will occur at any future point in time. Generally, the Anti-Dilution Levy is not expected to exceed 2% of the Net Asset Value per Contribution Unit of the relevant Sub-Fund. In extraordinary market circumstances, the Anti-Dilution Levy could exceed this amount. MPF may apply the Anti-Dilution Levy daily.

“As-of Sub-Fund” means a Sub-Fund which is specified in the Key Features Document as being as of priced; such Sub-Funds permit the Insurer to purchase and redeem units using historical Unit Prices in accordance with the terms of this Reinsurance Agreement;

“Associate” means, in relation to a body corporate, any subsidiary, subsidiary undertaking or holding company of such body corporate, and any subsidiary of any such holding company for the time being and these purposes, “holding company” and “subsidiary” shall bear the same respective meaning as in section 1159 of the Companies Act 2006 and “subsidiary undertaking” shall bear the same meaning as in section 1162 of the Companies Act 2006;

“Base Currency” means Sterling, unless another base currency is specified in the Key Features Document;

“Business Day” means a day other than a Saturday or Sunday on which commercial banks and foreign exchange markets are open for general business, including dealings in foreign exchange and foreign currency deposits, in London;

“Contribution” means a premium received or due under the Reinsurance Agreement and allocated or to be allocated to a Sub-Fund in accordance with Clause 8;

“Contribution Instruction” has the meaning given in Clause 8.1;

“Contribution Unit” has the meaning given in Clause 4.2;

“Data Protection Legislation” means (i) the General Data Protection Regulation (Regulation (EU) 2016/679 of the European Parliament and the Council of 27 April 2016) on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of the European Union (Withdrawal) Act 2018; and (ii) the Data Protection Act 2018 and other applicable UK laws;

“Dealing Day” means in relation to a Sub-Fund: (i) any day other than a day on which the London Stock Exchange is closed or a day on which a market or markets, as the case may be, is or are closed which in the opinion of MPF is or are the principal market or markets in which the assets comprising that Sub-Fund are traded; or (ii) any other day which MPF in its absolute discretion may decide shall be Dealing Day in relation to a Sub-Fund;

“Dilution Adjustment” shall only be applicable to As-of Sub-Funds and means an adjustment to the Unit Price (which means that the price of a Contribution Unit will be above or below the Unit Price which would have resulted from the Sub-Fund’s Net Asset Value) on the acquisition or redemption of Contribution Units for the purposes of reducing dilution in the relevant Sub-fund (or to recover an amount which it has already paid or reasonably expects to pay in the future). This is also known as “swing pricing”. Where the Dilution Adjustment is applied to the Unit Price, it is applied for the benefit of the Sub-Fund and its Policyholders and MPF does not benefit from the Dilution Adjustment. The level of any such Dilution Adjustment for each As-of Sub-fund will be calculated by reference to the costs of dealing in the underlying Sub-Fund investments, including any dealing spreads, commissions, market impact and transfer taxes on dealings. The need to make a Dilution Adjustment will depend on the volume of Contributions or Redemptions on any given day. MPF may make a Dilution Adjustment if, in its opinion, the existing Policyholders (prior to Contributions) or remaining Policyholders (following Redemptions) are likely to be economically adversely affected. Generally, the Dilution Adjustment is not expected to exceed 2% of the Net Asset Value per Contribution Unit of the relevant Sub-fund. In

extraordinary market circumstances, the Dilution Adjustment could exceed this amount. MPF may apply the Dilution Adjustment daily.

“Embedded Fund Costs Document” has the meaning given in Clause 6.2;

“Effective Date” means the date on which the first Contribution Instruction is received;

“FCA” means the Financial Conduct Authority or any successor to all or part of its functions;

“FCA Rules” means the FCA Handbook of rules and guidance containing the rules made by the FCA;

“Fee & Instruction Agreement” means the agreement containing the current agreed Policy Charge and other information entered into between the Insurer and MPF;

“Forward Priced Sub-Fund” means a Sub-Fund which is specified in the Key Features Document as being forward priced; such Sub-Funds permits Policyholders to purchase and redeem Contribution Units using the next applicable Unit Price in accordance with the terms of this Reinsurance Agreement;

“FSMA” means the Financial Services and Markets Act 2000 and any orders, rules and regulations made thereunder;

“Instructions Procedures” means such procedures as MPF and the Insurer may agree are applicable to the giving and receiving of Contribution Instructions, Benefit Notices, or Redemption Instructions;

“Insurer” has the meaning given in the Fee & Instruction Agreement;

“Insurer Fund” means a notional fund established and maintained by the Insurer from time to time, by reference to which benefits payable under the Insurer Policies are calculated;

“Insurer Policy” means a unit linked policy which is part of the Insurer’s Pension Business;

“Insurer Policyholder” means a holder of an Insurer Policy;

“Key Features Document” means the separate document of that name containing information relating to MPF;

“Losses” means any losses, claims, proceedings, demands, actions, costs, or expenses;

“MPF” means Managed Pension Funds Limited, a limited liability company (no. 4486031) incorporated under the laws of England and having its registered and head office in the United Kingdom at 20 Churchill Place, Canary Wharf, London E14 5HJ. MPF is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority and is authorised to effect and carry out Unit Linked Policies;

“MPF Policy” means a Unit Linked Policy which is part of MPF’s Pension Business;

“MPF Policyholder” means a holder of an MPF Policy;

“Net Asset Value” means, in relation to a Sub-Fund, the net asset value of that Sub-Fund calculated as at a Dealing Day in accordance with Clause 6.1;

“Pension Business” has the meaning given under section 58 of the Finance Act 2012;

“Policy Charge” has the meaning given in Clause 5.1;

“PRA” means the Prudential Regulation Authority or any successor to all or part of its functions;

“PRA Rules” means the PRA Handbook of rules and guidance containing the rules made by the PRA;

“Privacy Statement” means the privacy statement adopted by MPF as amended from time to time. The statement is available on ssga.com;

“Redemption” has the meaning given in Clause 9.1;

“**Redemption Instruction**” has the meaning given in Clause 9.1;

“**Registered Scheme**” means a registered pension scheme for the purposes of Part 4 of the Finance Act 2004;

“**Rules**” means the PRA Rules and the FCA Rules;

“**Sub-Fund**” means an investment portfolio established and operated by MPF in accordance with the provisions of the MPF Policy to which the Sub-Funds correspond, which may comprise securities, derivatives, currencies and such other property as may be permitted under applicable law, the Rules and the provisions of the MPF Policy from time to time; and

“**Unit Linked Policy**” means a contract of linked long-term insurance (within the meaning of Part II of Schedule 1 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001) issued by MPF, where the benefits are to be determined by reference to the value of Contribution Units; and

“**Unit Price**” means the price for each Contribution Unit in a Sub-Fund that applies in respect of a Dealing Day, as calculated in accordance with Clause 6.3.

1.2 Interpretation

References to statutes, the Rules and any other regulations shall be taken to include any amendments or extensions made or re-enactments occurring from time to time.

2. Benefits Payable under the Reinsurance Agreement and Liability of MPF

2.1 Correspondence of Benefits

MPF undertakes subject to and in accordance with the provisions of the Reinsurance Agreement to provide certain reinsurance benefits to the Insurer. The reinsurance benefits shall (subject to Clause 2.3) correspond to the liabilities of the Insurer under the Insurer Policies against which the Reinsurance Agreement intends to secure the Insurer. The receipt of the Insurer for any benefits paid under the Reinsurance Agreement shall be a good and sufficient discharge to MPF and MPF shall have no obligations regarding the application of such benefits. The Reinsurance Agreement shall continue until surrendered or otherwise terminated in accordance with its terms.

2.2 No Interests in MPF's Assets

Without prejudice to Clause 2.3, the Insurer acknowledges and agrees that nothing in the Reinsurance Agreement creates or shall be deemed to create any trust, charge or any other (legal or equitable) interest, right or obligation in favour of the Insurer, or in favour of any Insurer Policyholder or any other person or beneficiary under the Insurer Policy, in or over the assets of MPF comprised in any Sub-Fund or any part thereof, or any other assets of MPF, or encumbers in any way the beneficial ownership of the assets of MPF comprised in any Sub-Fund or any part thereof, or any other assets of MPF.

2.3 Limits on Benefit Payments

MPF's obligation to provide benefits under the Reinsurance Agreement to the Insurer in respect of the Insurer Policies shall be limited to the redemption value of the Contribution Units from time to time allocated to the Insurer under the Reinsurance Agreement, as such value will be calculated as at a Dealing Day in accordance with Clauses 9.2, as the case may be, and less any deductions, where applicable.

2.4 Liability of MPF

Other than the benefits payable under the Reinsurance Agreement to the Insurer, MPF shall not be liable for any Losses incurred by the Insurer, except to the extent that such Losses arise as a direct result of MPF's negligence, fraud, or wilful default. MPF shall not be liable to the Insurer for any Losses incurred by the Insurer to the extent resulting directly or indirectly from circumstances beyond MPF's reasonable control. Nothing in the Reinsurance Agreement limits or excludes any duty MPF may have to the Insurer under FSMA or any applicable law or regulation.

3. Responsibilities of the Insurer

3.1 Authority of the Insurer and position of the Scheme

The Insurer represents and warrants on a continuous basis during the term of the Reinsurance Agreement:

- (i) that it has the power and the authority, and has taken all necessary action and has obtained and will maintain all necessary licences, consents, authorisations and approvals, to enter into each of the Insurer Policies and the Reinsurance Agreement and that nothing in its constitution or the Rules prevents its entry into the Reinsurance Agreement;
- (ii) that, on the Effective Date, each Insurer Policyholder is a Registered Scheme and the Insurer shall promptly notify MPF if, at any time, the relevant approval is withdrawn or it is anticipated that it will be withdrawn in respect of an Insurer Policyholder;
- (iii) that it has determined, after obtaining investment advice, if required, that the MPF Sub-Fund(s) in which the Insurer invests in are suitable investments for the Insurer Policyholders.
- (iv) that no Contributions to be made by, or benefits to be provided to, the Insurer in respect of the Insurer Policies under the Reinsurance Agreement would cause that part of MPF's business which is referable to the Reinsurance Agreement to cease to be Pension Business;
- (v) that it shall not exercise any rights or entitlements arising under the provisions in the Reinsurance Agreement if such exercise is prohibited by law or the Rules;
- (vi) that it has complied with all applicable law and regulation, including law and regulation relating to anti-money laundering, 'know your customer', anti-bribery and anti-corruption;
- (vii) to the extent permitted by law, that it will provide MPF with any document and information in its possession required by MPF in order for MPF to comply with law and regulation applicable to MPF, including relating to anti-money laundering, 'know your customer', anti-bribery and anti-corruption; and
- (viii) to the extent permitted by law, the Insurer agrees to supply MPF, upon reasonable request, with evidence of the due diligence work that the Insurer has undertaken in order to ensure compliance with applicable anti-money laundering, 'know your customer', anti-bribery and anti-corruption requirements.

The Insurer will immediately notify MPF in writing if the Insurer becomes aware that any of the above representations and warranties is incorrect.

3.2 Information

The Insurer shall provide MPF with such information as MPF may reasonably require for the purposes of establishing, maintaining and administering the Reinsurance Agreement and MPF may withhold any payment or transfer due under the Reinsurance Agreement pending receipt of that information. Without prejudice to the generality of the foregoing, MPF may require, before making any payment or transfer under the Reinsurance Agreement, that such proof of entitlement or other information as MPF may reasonably require, be provided.

3.3 Instructions and Receipts

MPF will be under no obligation to make any enquiries as to the authority of the Insurer, its agents or any person whom the Insurer notifies MPF as being authorised to instruct MPF (including, without limitation, to give any Contribution Instruction, Benefit Notice, or Redemption Instruction) or give any receipt in relation to the Reinsurance Agreement, nor to see that any Contributions paid or payable under the Reinsurance Agreement are applied in accordance with the Scheme Rules.

3.4 **Liability of the Insurer**

In the event that MPF becomes liable for:

- (i) any tax, charge, cost or expense in consequence of any Contributions received or benefit provided under the Reinsurance Agreement causing that part of MPF's business which is referable to the Reinsurance Agreement to cease to be Pension Business; or
- (ii) any levy or charge made against MPF under FSMA or the Rules in relation to its Pension Business;

the Insurer shall discharge that liability (or, in the case of a liability under sub-paragraph (ii) above, its pro rata share of that liability as determined by MPF), after receiving written notice to that effect from MPF. Failing or as an alternative to such discharge and without prejudice to the liability of the Insurer under this Clause 3.4, MPF shall be entitled, without any liability for any loss arising as a result thereof, to cancel Contribution Units allocated to the Insurer under the Reinsurance Agreement equivalent in value (at the Unit Price applicable to those Contribution Units at such time and the Dilution Adjustment or Anti-Dilution Levy (if any, as applicable) as MPF may in its discretion determine) to the amount of that liability.

4. **The Sub-Funds**

4.1 **Establishment and Maintenance of Sub-Funds**

MPF may in its absolute discretion establish and maintain one or more Sub-Funds. Notwithstanding any other provision in this Reinsurance Agreement, MPF may in its absolute discretion, on notice to its Policyholders (which such notice may take immediate effect), permanently or temporarily close one or more Sub-Funds to further Contributions. For the avoidance of doubt, MPF may, from time to time, establish Sub-Funds which are not available to the Insurer.

4.2 **Contribution Units**

Each of the Sub-Funds will be notionally divided into units of equal value (each a "**Contribution Unit**"). The Insurer acknowledges and agrees, without prejudice to the generality of Clause 2.2, that the unitisation of a Sub-Fund is notional only for the limited purpose of determining benefits due under the Reinsurance Agreement and any references in the Reinsurance Agreement to a "Contribution Unit" and/or the "allocation" and/or "cancellation" thereof, or the "investment" in Contribution Units shall be construed accordingly. The time for allocation or cancellation of a Contribution Unit is the time specified in the entry made in relation to the allocation or cancellation on the records of MPF. MPF must allocate or cancel Contribution Units in accordance with Clauses 8 or 9 and shall not allocate or cancel Contribution Units otherwise under the Reinsurance Agreement.

4.3 **Fractional Contribution Units**

Where any calculation of a number of Contribution Units under the Reinsurance Agreement does not result in an integral number of Contribution Units, that number shall be calculated to the 3rd decimal place, and any reference in the Reinsurance Agreement to the allocation, cancellation, or valuation of Contribution Units includes reference to fractions of Contribution Units calculated to the 3rd decimal place, where relevant.

4.4 **Suspension of Dealing Days**

MPF, in its absolute discretion, may suspend any Dealing Day of a Sub-Fund where in the opinion of MPF there are good and sufficient reasons having regard to the interests of Policyholders.

4.5 **Operation of the Sub-Funds**

Subject to the provisions of the Memorandum and Articles of Association for the time being of MPF, FSMA and the Rules, MPF shall arrange for the assets comprising each Sub-Fund to be held in custody, administered and managed by a custodian, an administrator and an investment manager, respectively, on such terms and conditions as MPF, having regard to the financial and professional standing of the relevant financial services provider, deems fit. The investment manager shall be appointed by MPF to manage the assets comprising each Sub-Fund in accordance with the investment objectives specified in respect of that Sub-Fund in the Key Features Document and subject to FSMA and the Rules, as they are applicable to MPF.

4.6 **Winding up of a Sub-Fund**

MPF may wind up, on giving no less than 4 months' written notice to the Insurer, any or all of the Sub-Funds. Any such notice shall specify the date on which the relevant Sub-Fund or Sub-Funds are to be wound up. In such a case MPF shall consult with the Insurer as to how the Contribution Units are to be cancelled and the corresponding values redistributed. In the event that the Insurer does not notify MPF of its redistribution intentions at the latest by the tenth Business Day prior to the Dealing Day at which the Sub-Fund in question is to be wound up, MPF may surrender the part of the Reinsurance Agreement that corresponds to the Contribution Units in the Sub-Fund in question allocated to the Insurer, as if the Insurer had given a Redemption Instruction requesting cancellation of all such Contribution Units with effect on such Dealing Day.

4.7 **Treatment of Unallocated Cash**

Any money which is either (i) received as a Contribution but not yet allocated to Contribution Units in another Sub-Fund, or (ii) awaiting payment or reinvestment following a redemption of Contribution Units in another Sub-Fund will, as far as reasonably practicable, be held in an internal linked fund (the "**Subscriptions and Redemptions Sub-Fund**"), which has been established to hold such moneys, until such time as the premiums are allocated to Contribution Units, the money is reinvested in Contribution Units or the money is paid as a redemption, as relevant. The linked reinsurance benefits apply to money transferred to the Subscription and Redemption Sub-Fund but not to any interest accruing on such money (which accrues for the benefit of MPF and which does not form part of the Subscriptions and Redemptions Sub-Fund). The Contribution Units in the Subscriptions and Redemptions Sub-Fund are valued by reference to the amount of such money, excluding any interest. No Policy Charge or other cost is payable by the Insurer in respect of the Subscriptions and Redemptions Sub-Fund.

5. **Policy Charge**

5.1 **Policy Charge Calculation Methodology**

A charge, as agreed to in the Fee & Instruction Agreement (the "**Policy Charge**"), is payable by the Insurer to MPF in connection with its investment in each Sub-Fund.

5.2 **Non-Payment of the Policy Charge**

In the event of non-payment by the Insurer of the Policy Charge, MPF is authorised in its discretion to either (i) deduct the Policy Charge from any Contribution or Contributions which are paid; or (ii) to discharge whole or part of the Policy Charge by cancelling a number of Contribution Units in such Sub-Fund or Sub-Funds and on such Dealing Day as may be selected by MPF in its sole discretion and deducting the due Policy Charge from the redemption proceeds. For the avoidance of doubt, to the extent that MPF deducts any such Policy Charge amount from the redemption proceeds the Insurer will cease to owe that Policy Charge amount to MPF. Also for the avoidance of doubt, this clause is not applicable in respect of net Sub-Funds (in respect of which the Policy Charge is deducted from the Sub-Fund in accordance with the Fee & Instruction Agreement).

6. **Valuation of a Sub-Fund and Determination of the Unit Price**

6.1 **Determination of the Net Asset Value of a Sub-Fund**

- (a) MPF will calculate the Net Asset Value of a Sub-Fund as at a Dealing Day or, if deemed appropriate by MPF in its sole discretion, as at a day that is not a Dealing Day, in accordance with the following principles:
 - (i) Each investment (securities, derivatives, receivables and other property, including foreign currencies) shall be valued on the basis of market prices prevailing at the close of business on the relevant Dealing Day. Such prices will be obtained from a generally recognised pricing service, or, in the absence of such pricing service, from an independent broker-dealer (based on its reasonable estimation). Units or shares in collective investment schemes (within the meaning of the Rules) which are not traded on an exchange will be valued on the basis of prices determined by the manager or administrator of the collective investment scheme in question in accordance with the constitutional documentation of that scheme. Investments which cannot be valued in accordance with the foregoing principles, will be valued on any reasonable and consistent basis as determined in the discretion of MPF.

- (ii) To the values resulting from (i) above shall be applied an adjustment as appropriate for outstanding dividends, and interest and tax payable or recoverable, expenses deductions chargeable against such Sub-Funds in accordance with Clause 6.2 and any other items which in the opinion of MPF should be taken into account to treat equitably existing and potential MPF Policyholders.
 - (iii) To the total value of the investments comprising such Sub-Fund so determined in accordance with (i) and (ii) above there shall be added the amount of any cash then forming part of such Sub-Fund including any interest accrued thereon and from the resulting total there shall be deducted an amount representing any outstanding loans attributable to such Sub-Fund and interest accrued on such loans.
- (b) MPF reserves the right to vary from time to time certain or all aspects of the above method of determining the Net Asset Value if this is appropriate in MPF's absolute discretion (including, without limitation, to value the assets in a Sub-Fund on a purchase or sale basis).

6.2 Costs and Expenses of the Sub-Funds

The below-listed costs and expenses are payable by each Sub-Fund, to the extent applicable to that Sub-Fund:

- (a) stamp duties;
- (b) taxes and government charges;
- (c) brokerage expenses, dealer commissions, margin costs, custodian overdraft charges, negative interest, registration and transfer charges or other related or similar expenses of acquiring and disposing of investments;
- (d) fees and expenses of the auditors, tax, legal and other professional advisers of MPF in connection with making tax reclaims in respect of a Sub-Fund or in connection with bringing any claim against any issuer of a security or against a broker-dealer or other entity in connection with an investment made by a Sub-Fund;
- (e) any costs reasonably incurred by MPF as a result of any change in law or regulation or the introduction of any new law or regulation which affect the operation or management of the Sub-Funds;
- (f) any costs specified in the MPF embedded fund costs document (the "**Embedded Fund Costs Document**"), which may include (without limitation) custody costs, administration costs, investment management costs and benchmark licence costs; and
- (g) any other fees and expenses reasonably incurred or payable by MPF in connection with the operation or management of the Sub-Funds or that are attributable to the investment or reinvestment of the assets of the Sub-Fund and which in MPF's opinion are appropriately chargeable to the Sub-Funds.

6.3 Determination of the Unit Price of a Sub-Fund

Forward Priced Sub-Funds

The Forward Priced Sub-Funds each have a single Unit Price for each Dealing Day. The Unit Price that applies in respect of Contributions to or Redemptions from a Forward Priced Sub-Fund as at a Dealing Day shall be calculated (to the 4th decimal place) by MPF by dividing the Net Asset Value of the relevant Sub-Fund (as calculated by MPF as at that Dealing Day in accordance with Clause 6.1) by the total number of Contribution Units in that Sub-Fund which prior to that Dealing Day had been allocated to MPF Policyholders under the terms of MPF Policies.

As-Of Sub-Funds

The Unit Price that applies in respect of Contributions to or Redemptions from an As-Of Sub-Fund as at a Dealing Day shall be calculated (to the 4th decimal place) by MPF by dividing the Net Asset Value of the relevant Sub-Fund (as calculated by MPF as at that Dealing Day in accordance with Clause 6.1) by the total number of Contribution Units in that Sub-Fund which prior to that Dealing Day had been allocated to Policyholders under the terms of MPF Policies and,

depending on the net direction of the Policyholders' Contribution and Redemption flows in the As-Of Sub-Fund on the relevant Dealing Day, the Unit Price will swing (as adjusted by the applicable Dilution Adjustment) to offer (if net Contributions) or bid (if net Redemptions) at the discretion of MPF.

7. Pricing Errors

7.1 Definitions

In this Clause 7:

"Affected Contribution Unit" means a Contribution Unit which is allocated or cancelled on the basis of an Affected Unit Price;

"Affected Unit Price" means a Unit Price which has been affected by a Pricing Error;

"MPF Repricing Exercise" means: (1) the substitution of an Affected Unit Price with the Recalculated Unit Price with effect from the Dealing Day to which the Affected Unit Price relates; and (2) to the extent possible, the amendment of MPF's records to ensure that the records reflect, in respect of each MPF Policyholder which has been allocated Affected Contribution Units or received a redemption value in respect of cancelled Affected Contribution Units, the number of Contribution Units that such MPF Policyholder would have been entitled to if such allocations and/or cancellations had been effected by MPF on the basis of the Recalculated Unit Price;

"Pricing Error" means an error in the calculation of a Unit Price;

"Recalculated Redemption Value" means in relation to cancelled Affected Contribution Units, the redemption value of such Affected Contribution Units as calculated on the basis of the Recalculated Unit Price;

"Recalculated Unit Price" means in relation to an Affected Contribution Unit, the Unit Price of that Contribution Unit as recalculated by MPF following the occurrence of the Pricing Error;

"Threshold Percentage" means 0.5% or any other percentage which is set or recommended by the PRA or the FCA in relation to compensation for pricing errors which occur in respect of regulated collective investment schemes (within the meaning of the Rules).

7.2 MPF Repricing Exercise

If a Pricing Error occurs and: (a) the Affected Unit Price differs by a percentage which is greater than the Threshold Percentage from the Recalculated Unit Price; or (b) the occurrence of that Pricing Error otherwise results in a decision by or a requirement on MPF to perform an MPF Repricing Exercise, MPF shall perform an MPF Repricing Exercise.

7.3 Excess Redemption Payments

To the extent that MPF cannot compensate a Sub-Fund in full for any amount paid to the Insurer in respect of cancelled Affected Contribution Units in excess of the Recalculated Redemption Value by adjusting its records in accordance with the MPF Repricing Exercise, the Insurer shall promptly repay such excess amount to MPF. Upon receipt of the payment, MPF shall promptly add the repaid amount to the relevant Sub-Fund.

7.4 Shortfalls

To the extent that MPF cannot compensate the Insurer in full for the amount by which the Recalculated Redemption Value exceeds the amount paid to the Insurer in respect of cancelled Affected Contribution Units by adjusting its records in accordance with the MPF Repricing Exercise, MPF shall promptly upon completion of the MPF Repricing Exercise withdraw an amount equal to such shortfall from the relevant Sub-Fund and pay this amount to the Insurer.

8. Allocation of Contribution Units

8.1 Contribution Instructions

The Insurer may effect the allocation of a Contribution to a Sub-Fund hereunder as at any Dealing Day by giving MPF an instruction (in the agreed format) which must: (i) specify the Contribution; (ii) specify the Sub-Fund or Sub-Funds to

which the Contribution is to be allocated; (iii) specify the Dealing Day as at which the Contribution is to be allocated; (iv) specify the proportions in which the Contribution is to be allocated to one or more Sub-Funds; (v) subject to the provisions set out below regarding As Of Sub-Funds, be received before 10 a.m. one Business Day before the relevant Dealing Day, or as may be otherwise agreed between the parties; and (vi) be given in accordance with the Instructions Procedures (each instruction so given and received by MPF in accordance with this Clause 8.1 a “**Contribution Instruction**”). Each Contribution Instruction shall be binding upon the Insurer and MPF upon receipt thereof by MPF. For the avoidance of doubt, the Insurer may only allocate Contributions to a Sub-Fund as at a Dealing Day. If a Contribution Instruction is received by MPF after 10 a.m. on a Business Day, or on a day which is not a Business Day, then MPF will treat such Contribution Instruction as having been received before 9 a.m. on the next following Business Day.

As Of Sub-Funds

In the case of an As Of Sub-Fund:

- (i) if the Contribution is for an amount less than or equal to the As Of Sub-Funds Threshold (as defined below), the Contribution Instruction must be received by MPF before 9.30 a.m. on a Business Day in which case the Unit Price applicable on the previous Dealing Day will be applied in respect of the Contribution (and such previous Dealing Day will be the “Dealing Day” for the purposes of such Contribution);
- (ii) if the Contribution is for an amount which exceeds the As Of Sub-Funds Threshold (as defined below), the Contribution Instruction must be received by MPF before 9.30 a.m. on a Business Day in which case the Unit Price applicable as at close of business on the Dealing Day following the date of receipt of the instruction will be applied in respect of the Contribution (and such following Dealing Day will be the “Dealing Day” for the purposes of such Contribution Instruction).

For the avoidance of doubt, if a Contribution Instruction is received by MPF in respect of an As Of Sub-Fund after the relevant cut-off time referred to in paragraph (i) or (ii) above on a Business Day, or on a day which is not a Business Day, then MPF will treat such Contribution Instruction as having been received before 9.30 a.m. on the next following Business Day.

“**As Of Sub-Funds Threshold**” means the applicable percentage threshold as determined by MPF from time to time. Please contact MPF for further details of the threshold as applicable from time to time.

8.2 Initial Allocation of Contribution Units

The assets of a Sub-Fund shall at its initial creation be constituted out of the Contributions paid in respect of an allocation of Contribution Units under the MPF Policy (or, where relevant, out of the seed investments made in connection with the Sub-Fund) at a price per Contribution Unit, expressed in the currency in which such Contribution Unit is denominated, which shall be offered on the initial Dealing Day as determined by MPF. The Contributions so received by MPF under the MPF Policy shall thereupon constitute the initial assets of the Sub-Fund.

8.3 Allocation of Contribution Units

After the closure of the initial allocation of Contribution Units in a Sub-Fund, after receipt of a Contribution Instruction, MPF shall allocate Contribution Units in the relevant Sub-Fund to the Insurer as at the Dealing Day specified in the Contribution Instruction in accordance with the following formula (as relevant, depending on whether the Sub-Fund is a Forward Priced Sub-Fund or an As-of Sub-Fund):

Forward Priced Sub-Funds

$$N = (P \text{ minus Anti-Dilution Levy}) \text{ divided by UP}$$

Wherein:

- (i) “N” means the number of Contribution Units to be allocated to the Trustee as at the relevant Dealing Day;
- (ii) “P” means the value of the (or portion of the) Contribution expressed in the Base Currency to be allocated to the Sub-Fund as at the relevant Dealing Day; and

- (iii) "UP" means the Unit Price applicable to that Sub-Fund as at the relevant Dealing Day.

As-of Sub-Funds

$N = P$ divided by UP (adjusted)

Wherein:

- (i) "N" means the number of Contribution Units to be allocated to the Trustee as at the relevant Dealing Day;
- (ii) "P" means the value of the (or portion of the) Contribution expressed in the Base Currency to be allocated to the Sub-Fund as at the relevant Dealing Day; and
- (iii) "UP (adjusted)" means the Unit Price applicable to that Sub-Fund as at the relevant Dealing Day, as adjusted by the applicable Dilution Adjustment (if any).

8.4 **Cash Contributions**

- (a) Except where MPF in accordance with the provisions of Clause 8.5 agrees to accept a Contribution in the form of assets other than the Base Currency all Contributions payable to MPF under this Clause 8 shall be paid: (i) in the Base Currency; and (ii) into such account as may be specified by MPF from time to time.
- (b) Where cash Contributions are paid by fund transfer, cleared funds must be available, except where MPF in its absolute discretion notifies the Insurer otherwise, by 4 p.m. on the second Business Day after the relevant Dealing Day (or by 4 p.m. on the fourth Business Day after the relevant Dealing Day in the case of an As Of Sub-Fund unless the Contribution exceeds the As of Sub-Funds Threshold and the Dealing Day is deferred in accordance with Clause 8.1) (the "**Settlement Date**"). Where cash Contributions are paid by cheque (which must be pre-agreed by MPF), the cheque must be made available to MPF five Business Days prior to the relevant Settlement Date. The Insurer will be liable for any Losses incurred by MPF as a result of the cheque not clearing prior to the relevant Settlement Date.

8.5 **In Specie Contributions**

- (a) MPF, subject to such terms and conditions as MPF in its absolute discretion shall determine with a view to ensuring that such agreement will not result in any material prejudice to the interests of the existing and potential Policyholders, may agree to accept a Contribution in the form of assets other than the Base Currency.
- (b) In the event that MPF accepts a Contribution other than in the Base Currency, except where MPF agrees otherwise, the transfer to MPF of all assets (including foreign currencies) comprising the Contribution must have been irrevocably completed to MPF's satisfaction on the first Business Day after the relevant Dealing Day. For purposes of calculating the number of Contribution Units that are to be allocated to the Insurer in respect of the Contribution in accordance with Clause 8.3, the assets (including any foreign currencies) comprising such Contribution will be valued in accordance with the provisions of Clause 6.1 as at the relevant Dealing Day.
- (c) Without prejudice to the application of the Dilution Adjustment or Anti-Dilution Levy (if any, as applicable) in accordance with Clause 8.3 and/or the generality of the provisions of Clause 8.6, the Insurer shall be responsible for all fiscal charges, settlement and other transfer costs and expenses MPF may incur as a result of the acceptance by MPF of a Contribution in any form or forms other than the Base Currency in accordance with this Clause 8.5.

8.6 **Costs etc relating to late Contributions**

The Insurer shall be liable for any losses, costs or expenses incurred by MPF in respect of the relevant Sub-Fund or Sub-Funds to which a Contribution relates (including, without limitation, interest charges paid as a result of any overdrafts, fiscal charges, settlement and other transfer costs, brokerage and other trading costs, including relating to

extended settlement of securities transactions, and any realised loss of market value of any investment purchased pursuant to the Contribution Instruction) if such Contribution is not received from the Insurer before the time of settlement of any security or other asset purchased in connection with such Contribution. The Insurer acknowledges and agrees that MPF may take such action as it reasonably thinks fit with a view to mitigating any such losses, costs or expenses.

9. Surrender of the Reinsurance Agreement by the Insurer

9.1 Redemption Instructions

The Insurer may surrender the Reinsurance Agreement, (a "**Redemption**") in whole or in part, by giving MPF an instruction (in the agreed format) to cancel Contribution Units in one or more Sub-Funds as at any Dealing Day, provided that such instruction must: (i) specify the Sub-Fund or Sub-Funds from which the Contribution Units are to be cancelled; (ii) specify the number of Contribution Units to be cancelled from each specified Sub-Fund or the value in the Base Currency to be redeemed from each specified Sub-Fund; (iii) specify the Dealing Day as at which the Contribution Units are to be cancelled; (iv) subject to the provisions set out below regarding As Of Sub-Funds, be received before 10 a.m. one Business Day before the relevant Dealing Day, or as may be otherwise agreed between the parties; and (v) be given in accordance with the Instructions Procedures (each instruction so given and received in accordance with this Clause 9.1 (a "**Redemption Instruction**"). Each Redemption Instruction shall be binding upon the Insurer and MPF upon receipt thereof by MPF. For the avoidance of doubt: the Insurer may only request the cancellation of Contribution Units from a Sub-Fund as at a Dealing Day. If a Redemption Instruction is received by MPF after 10 a.m. on a Business Day, or on a day which is not a Business Day, then MPF will treat such Redemption Instruction as having been received before 9 a.m. on the next following Business Day.

As Of Sub-Funds

In the case of an As Of Sub-Fund:

- (i) if the Redemption Instruction is for an amount less than or equal to the As Of Sub-Funds Threshold (as defined in Clause 8.1), the Redemption Instruction must be received by MPF before 9.30 a.m. on a Business Day in which case the Unit Price applicable on the previous Dealing Day will be applied in respect of the Redemption Instruction (and such previous Dealing Day will be the "Dealing Day" for the purposes of such Redemption Instruction);
- (ii) if the Redemption Instruction is for an amount which exceeds the As Of Sub-Funds Threshold, the Redemption Instruction must be received by MPF before 9.30 a.m. on a Business Day in which case the Unit Price applicable as at close of business on the Dealing Day following the date of receipt of the instruction will be applied in respect of the Redemption Instruction (and such following Dealing Day will be the "Dealing Day" for the purposes of such Redemption Instruction).

For the avoidance of doubt, if a Redemption Instruction is received by MPF in respect of an As Of Sub-Fund after the relevant cut-off time referred to in paragraph (i) or (ii) above on a Business Day, or on a day which is not a Business Day, then MPF will treat such Redemption Instruction as having been received before 9.30 a.m. on the next following Business Day.

9.2 Cancellation of Contribution Units

After receipt of a Redemption Instruction, MPF shall, subject to Clause 2.3, cancel the required number of Contribution Units as at the appropriate Dealing Day and calculate the redemption value of the cancelled Contribution Units in accordance with the following formula (as relevant, depending on whether the Sub-Fund is a Forward Priced Sub-Fund or an As-of Sub-Fund):

Forward Priced Sub-Funds

$$V = (N \text{ times } UP) \text{ minus Anti-Dilution Levy}$$

Wherein:

- (i) "V" means the redemption value of the cancelled Contribution Units in the relevant Sub-Fund as at the relevant Dealing Day;

- (ii) "N" means the number of Contribution Units to be cancelled as at the relevant Dealing Day; and
- (iii) "UP" means the Unit Price applicable to Contribution Units in that Sub-Fund as at the relevant Dealing Day.

As-of Sub-Funds

$$V = N \text{ times UP (adjusted)}$$

Wherein:

- (i) "V" means the redemption value of the cancelled Contribution Units in the relevant Sub-Fund as at the relevant Dealing Day;
- (ii) "N" means the number of Contribution Units to be cancelled as at the relevant Dealing Day; and
- (iii) "UP (adjusted)" means the Unit Price applicable to Contribution Units in that Sub-Fund as at the relevant Dealing Day, as adjusted by the applicable Dilution Adjustment (if any).

Where the Redemption Instruction, instead of a number of Contribution Units to be cancelled, specifies the value in the Base Currency to be redeemed from a Sub-Fund, MPF, using the relevant formula set out above, shall (i) calculate N by taking the redemption value specified in the relevant Redemption Instruction as V, and (ii) cancel the so calculated number of Contribution Units from the relevant Sub-Fund; provided, however, that if the number so calculated as N exceeds the total number of Contribution Units in the relevant Sub-Fund actually allocated to the Insurer under the Reinsurance Agreement, MPF shall carry out the Redemption Instruction as if the Insurer had specified a cancellation of all Contribution Units in the relevant Sub-Fund allocated to the Insurer hereunder and notify the Insurer accordingly.

9.3 Payment of the Redemption Value

- (a) Except where MPF in accordance with the provisions of Clause 9.3(b) has agreed to transfer a selection of assets equivalent in value to the redemption value, MPF shall pay the redemption value as calculated in accordance with Clause 9.2 in the Base Currency within two Business Days after the relevant Dealing Day (or within four Business Days after the relevant Dealing Day in the case of an As Of Sub-Fund unless the Redemption Instruction exceeds the As of Sub-Funds Threshold and the Dealing Day is deferred in accordance with Clause 9.1).
- (b) The Insurer may at its option request that MPF shall pay the redemption value (as calculated in accordance with Clause 9.2) not in the Base Currency but shall transfer to the Insurer a portfolio of assets selected from the relevant Sub-Fund which is equivalent in value to that redemption value. MPF may comply with such request if the Insurer agrees to such terms and conditions in respect of the transfer as MPF may in its absolute discretion determine at that time with a view to ensuring that the transfer shall not result in any material prejudice to the interests of the existing and potential MPF Policyholders.
- (c) The Base Currency value of the portfolio of assets which is to be transferred in accordance with Clause 9.3(b) is to be calculated in accordance with the provisions of Clause 6.1 as at the relevant Dealing Day.
- (d) Without prejudice to the application of the Dilution Adjustment or Anti-Dilution Levy (if any as applicable) in accordance with Clause 9.2, the Insurer shall be responsible for all fiscal charges, settlement and other transfer costs and expenses MPF may incur as a result of the payment of a redemption value in any form or forms other than the Base Currency in accordance with this Clause 9.3.
- (e) MPF is permitted (without any requirement to provide prior notice) to deduct from the redemption value (whether being paid in the Base Currency or in the form of other assets) any Policy Charge or other amount payable by the Insurer to MPF pursuant to the terms of the Reinsurance Agreement.

10. Termination by MPF

10.1 Termination Subject to a Notice Period

MPF may terminate the Reinsurance Agreement on giving not less than 6 months' notice to the Insurer (such notice specifying the date on which the Reinsurance Agreement shall terminate). In such a case and unless otherwise agreed with the Insurer, Clause 9.2 shall apply as if the Insurer had sent a Redemption Instruction to effect the surrender of the whole of the Reinsurance Agreement with effect on the date at which the Reinsurance Agreement is to be terminated.

10.2 Immediate Termination

MPF may terminate the Reinsurance Agreement with immediate effect: (i) in the event of a material breach by the Insurer of any of the terms of the Reinsurance Agreement (including, for the avoidance of doubt, where any information supplied by the Insurer is materially inaccurate or incomplete); (ii) in the event that any representation made by the Insurer is or becomes materially incorrect; (iii) if an order has been made or an effective resolution passed for the winding up of the Insurer (except in connection with a reconstruction or amalgamation of the Insurer upon terms previously approved in writing by MPF) or a receiver or administrator has been appointed in respect of the Insurer Policies or the Insurer is deemed by MPF to be unable to pay its debts; (iv) if there are no Contribution Units allocated to the Insurer hereunder; or (v) if the provisions of Clause 11.3 apply. If MPF exercises this right, Clause 9.2 shall apply as if the Insurer had sent a Redemption Instruction effecting the surrender of the whole of the Reinsurance Agreement with effect on the date of the termination (which for the avoidance of doubt shall apply in place of any return of Contributions).

11. Variation of the Reinsurance Agreement

11.1 Variation Subject to Agreement

Except where expressly provided otherwise in the Reinsurance Agreement, no amendment or variation of the Reinsurance Agreement shall be effective unless it is in writing, expressly stated to amend the Reinsurance Agreement and duly signed on behalf of each party.

11.2 Variation Subject to Notice

MPF may from time to time alter, amend or add to all or any of the terms and provisions of the Reinsurance Agreement upon giving the Insurer 4 months' notice (or, in the case of an amendment in respect of a Sub-Fund in which no Contribution Units have been allocated to the Insurer under the Reinsurance Agreement, 3 days' notice) prior to the effective date of the alteration, amendment or addition.

11.3 Change in Law or Circumstances

Without prejudice to the generality of Clause 11.2 and without the need to comply with any notice provisions contained in that clause, MPF may at any time alter, amend or add to the terms and provisions of the Reinsurance Agreement and take such other action as MPF may in its discretion think fit (including, without limitation, delaying any payment or suspending any dealings under the Reinsurance Agreement or terminating the Reinsurance Agreement in accordance with Clause 10.2), if there is any change in law or regulation affecting MPF, its assets, the Reinsurance Agreement or the Insurer, or there is any change in circumstances which in MPF's opinion and at its discretion, renders necessary or desirable any such alteration, amendment, addition, or other action, including (without limitation):

- (i) any restriction on the assets in which MPF is able to invest;
- (ii) any circumstances which make it impossible, impracticable or inequitable to carry out any of the terms or provisions of the Reinsurance Agreement;
- (iii) any change in the basis or nature of taxation applicable to MPF and/or the Reinsurance Agreement, or any circumstances whereby MPF may or should become liable to pay any tax or levy (including Value Added Tax or other similar payment) in relation to any benefits, or to pay any other levy or charge (including, without limitation, under FSMA or the Rules);
- (iv) any change in the law governing contracting-out under the Pension Schemes Act 1993 insofar as that change is relevant to the Insurer Policyholder; or

- (v) the Insurer Policyholder ceasing to be a Registered Scheme.

11.4 Delivery of the Reinsurance Agreement

The Insurer shall, at the request of MPF, deliver up the Reinsurance Agreement to MPF if reasonably required by MPF (including, without limitation, for the purposes of making any endorsement, or, if MPF so requires, the issue of a new reinsurance agreement, following any amendment, alteration or addition in accordance with this Clause 11).

12. Confidentiality

MPF and the Insurer agree that they shall not, and will procure that their professional advisors and agents shall not use or disclose to any person any information relating to the other parties and/or to the subject matter of the Reinsurance Agreement which a reasonable person in the position of the relevant person should understand to be confidential (including, but not limited to, the Policy Charge applicable in respect of the Reinsurance Agreement). Each party shall make every effort to prevent the use or disclosure of such confidential information, provided that each party may disclose any information:

- (i) to its Associates;
- (ii) if required to do so by any applicable law, statute or other regulation of or by any court order or similar process enforceable in any relevant jurisdiction;
- (iii) if required to do so by any regulatory body or self-regulatory organisation (whether of a governmental nature or otherwise) any court order or similar process enforceable in any relevant jurisdiction; or
- (iv) if it is disclosed in confidence to its advisers, auditors or insurers where reasonably necessary for the performance of their professional services.

The Insurer acknowledges that it will not make available or otherwise provide to any Insurer Policyholder the Reinsurance Agreement, the Fee & Instruction Agreement, the Embedded Fund Costs Document, the KFD, or any other document provided by MPF in connection with the foregoing, or any extract thereof, without first obtaining the prior written consent of MPF.

Telephone conversations between MPF and the Insurer may be recorded by MPF and MPF may, at its sole discretion, submit such recordings as evidence in any legal action or proceedings arising out of or in connection with this Reinsurance Agreement or the Fee & Instruction Agreement.

13. Data Protection

The Insurer acknowledges that MPF will act as data controller (and that its agents will act as data processor) within the meaning of the Data Protection Legislation in relation to any personal data supplied to it in connection with this Reinsurance Agreement. The Insurer consents to the processing and use by MPF and its agents and associates of personal data (as defined in the Data Protection Legislation) given by the Insurer under this Reinsurance Agreement for the provision of the services. Such personal data may be transferred outside of the United Kingdom or the European Economic Area. Such personal data may also be used by MPF and its agents and associates to update Insurer records. The Insurer confirms that any personal data supplied to MPF is accurate and correct and complies with the provisions of the Data Protection Legislation and will provide MPF with reasonable cooperation and assistance in ensuring that the processing and use of personal data described in this clause is conducted in accordance with the Data Protection Legislation. Any personal data provided by the Insurer to MPF will be held and processed by MPF in accordance with the Privacy Statement.

14. Miscellaneous Conditions

14.1 Assignment

The Insurer shall not assign all or any part of its rights or obligations under the Reinsurance Agreement without the prior written consent of MPF.

14.2 Notices

Unless otherwise agreed or provided in the Reinsurance Agreement, any notice or notification to be given, or request to be made, under the Reinsurance Agreement

- (i) if to be given by MPF, may be sent by ordinary prepaid post, courier, personal delivery, facsimile or electronic transmission ("**email**") to the last address, facsimile number or email address of the addressee notified to MPF and will be deemed to have been received on the third day after posting, or the day of delivery by courier or personal delivery or time of confirmation of successful facsimile transmission or time at which the email is sent, as appropriate.
- (ii) if to be given to MPF, may be sent by ordinary prepaid post, courier, personal delivery, facsimile or electronic transmission ("**email**") or in any other form acceptable to MPF, to such address, facsimile number or email address notified for this purpose by MPF and will be deemed to have been received on the third day after posting, or the day of delivery by courier or personal delivery or time of confirmation of successful facsimile transmission or time at which the email is sent, as appropriate.

14.3 Complaints

Set out below are contact details in case you are unhappy with any service associated with MPF or your Reinsurance Agreement:

Head of Compliance
Managed Pension Funds Limited
20 Churchill Place
Canary Wharf
London E14 5HJ
England

If you are not satisfied with the response from MPF you may, in certain circumstances, be able to refer the complaint to the Financial Ombudsman Service, Exchange Tower, London E14 9SR. Making a complaint will not affect your right to take legal action.

14.4 The Contracts (Rights of Third Parties) Act 1999

The provisions of the Reinsurance Agreement shall not be enforceable by any person who is not a party to it and the Contracts (Rights of Third Parties) Act 1999 does not apply to the Reinsurance Agreement.

14.5 No Agency

Nothing contained in the Reinsurance Agreement is intended or should be construed to create the relationship of agency. Accordingly, neither party shall have any right, power or authority to create or represent to any person that it has the power to create any obligation, express or implied, or make any representations or warranties on behalf of the other party.

14.6 Entire Agreement

The Reinsurance Agreement together with the Fee & Instruction Agreement, the Embedded Fund Costs Document and the Key Features Document relating to each Sub-Fund in which the Insurer invests together constitute the entire agreement between the parties relating to the investment by the Insurer in the Sub-Funds and shall supersede all prior agreements, undertakings and negotiations whether written or oral, expressed or implied and neither party shall have any claim in respect of any agreements, undertakings and negotiations so superseded.

14.7 Governing Law and Jurisdiction

The Reinsurance Agreement shall be governed by and construed in accordance with English law and the parties hereto hereby submit to the exclusive jurisdiction of the English courts.