THE PROPOSED SCHEME UNDER PART VII OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 FOR A TRANSFER OF BUSINESS TO COUNTRYWIDE ASSURED PLC

The Supplementary Report of the Chief Actuary of Canada Life on the Impact of the Scheme

Stuart Carroll FIA
Chief Actuary
Canada Life Limited

8th July 2026

Content of this Report

1. Introduction and Purpose of the Supplementary Report

1.1 The purpose of this Supplementary Report (the "Supplementary Report") is to further consider the effects of the proposed insurance business transfer scheme (the "Scheme") under Part VII of the Financial Services and Markets Act 2000 ("FSMA"), in light of any new information as-at June 2026 that has emerged since the production of the main Chief Actuary's Report ("the Main Report"). The purpose of the Scheme is to transfer certain unit linked bonds and pension business from Canada Life Limited ("CLL") to Countrywide Assured plc ("CA").

1.2 The Supplementary Report should be read in conjunction with the Main Report. Defined terms used but not defined in this Supplementary Report bear the meaning given to such terms in the Main Report. The disclosures set out in Section 1 of the Main Report are also equally applicable to this Supplementary Report.

1.3 The business will be transferred pursuant to the terms of the Scheme. The business to be transferred under the Scheme is referred to as the "Transferring Business".

1.4 The Scheme has been preceded by the Reinsurance Agreement between CLL and CA which became effective from 1 January 2024.

1.5 It is intended that the Scheme shall take effect at 23:59 GMT on 27 July 2026, this may be delayed until a "long-stop" date, of 31 December 2026. This reflects a delay from the original effective date set out in the Main Report, caused by operational issues. The result is a longer period between the Main Report and Supplementary Report than was initially expected. Developments that have occurred in the interim are set out in section 6 – Other Developments.

1.6 This Supplementary Report is written to advise the Board of Directors of CLL on the Scheme in my capacity as Chief Actuary (the holder of the SMF20 accountabilities) of CLL. The Report will also be made available to the High Court of England and Wales ("the Court"), the Prudential Regulation Authority ("PRA"), the Financial Conduct Authority ("FCA"), the Independent Expert, and policyholders of CLL and CA via their respective websites.

1.7 Under the Actuarial Profession Standard "APS L1: Duties and Responsibilities of Life Assurance Actuaries", when a significant change - such as the Scheme - is planned, the Actuarial Function Holder must take all reasonable steps to ensure that the firm appreciates the implications for fairness and the reasonable expectations of its policyholders which need to be taken into account in assessing the liabilities. This report is intended to satisfy this requirement.

1.8 The Supplementary Report will address the financial implications of the Scheme and its potential impact on the policyholders of CLL, both those transferring and those remaining with CLL. The Report also considers the fair treatment of policyholders and any changes to policyholder services.

1.9 I, Stuart Carroll, have produced this Supplementary Report. I have been a Fellow of the Institute and Faculty of Actuaries (IFoA) since 2001 and the Chief Actuary of CLL since January 2026.

1.10 I am not a policyholder of either CA or CLL. I am an employee of Canada Life. I do not consider myself to have a conflict of interest in reaching the conclusions detailed in this Supplementary Report.

1.11 This Supplementary Report has been prepared in accordance with applicable standards, as determined per the actuarial professional standard "APS X1: Applying Standards to Actuarial Work" issued by the Institute and Faculty of Actuaries, and in particular taking into account the Technical Actuarial Standards ("TAS"s) for actuarial work issued by the Financial Reporting Council, namely TAS 100: Principles for Technical Actuarial Work and TAS 200: Insurance. In my opinion there are no material departures from the Technical Actuarial Standards noted above.

1.12 The Supplementary Report has been subject to appropriate peer review in accordance with the actuarial professional standard "APS X2: Review of Actuarial Work" issued by the Institute and Faculty of Actuaries.

1.13 Mr. Loic Bellettre of Ernst & Young has been appointed as the Independent Expert to provide an independent report on the Scheme as required under Section 109 of FSMA.

1.14 In preparing my report I have read and considered drafts of supplementary reports by CA's Chief Actuary and the Independent Expert's.

Overview of the Purpose of the Scheme

1.15 The majority of CLL's onshore bonds and pension products were closed to new business by 2015, while the remaining onshore bonds and pension products were closed in January 2024 following a strategic review.

1.16 The Scheme will allow CLL to refocus its resource and investment on other areas of its business, including annuities, group protection as well as the offshore bond range sold via businesses in the Isle of Man and Ireland.

Report Structure

1.17 Section **Error! Reference source not found.** provides background information on, and an overview of, the Scheme.

1.18 Section 3 deals with the financial position of CLL before and after the proposed transfer.

1.19 Section 4 deals with the financial position of CA before and after the proposed transfer.

1.20 Section 5 deals with the effects of the Scheme on Non- Transferring CLL policyholders.

1.21 Section 6 deals with the effects of the Scheme on Transferring policyholders.

1.22 Section 7 considers other matters in the context of the Scheme.

1.23 Section 7 gives my conclusion from the foregoing analysis that the Scheme will have no material adverse impact on the policyholders of CLL.

1.24 Section 9 lists the reliance that this report has made on other documents.

2. Summary of the Scheme

Summary of the Scheme

2.1 CLL is proposing to transfer a closed book of onshore unit linked business comprising of approximately 15,000 policies to CA plc.

2.2 The effect of the Scheme is to transfer to CA plc the policies which are in scope and remain in force as at the Scheme Effective Date, without affecting the contractual policy benefits.

2.3 The economic risk of the Transferring Business has already been effectively transferred to CA plc via a Reinsurance Agreement which became effective from 1 January 2024. Until the Scheme Effective Date CLL will continue to administer the policies of the Transferring Business.

2.4 On the Scheme Effective Date:

- CA plc will become responsible for all liabilities and risks arising under the policies in the Transferring Business.
- The Reinsurance Agreement in place between CLL and CA, which has already transferred the economic risk and reward of the business from CLL to CA, will cease.
- Policyholders' investments in CLL unit-linked funds will transfer to equivalent CA unit linked funds which will be created to mirror existing CLL funds. CA will enter into fund link agreements (FLA) and investment management agreements to manage and administer the various funds (see the section on Unit Funds below for more details).

Transferring Business

Statistics of the Transferring Business (Financials in £m)	31 December 2024			31 Dec 2025		
	Transferring	CLL Total	%	Transferring	CLL Total	%
Policies In-Force[1]	16,058	3,399,169	*0.5%*	14,780	3,263,005	*0.5%*
SII Unit BEL[2]	1,528	2,371	*64.4%*	1,508	1,985	*76.0%*
SII Non-Unit BEL	2.4	17,214	*0.01%*	(2.7)	18,511	*-0.01%*
Total SII BEL	1,530	19,585	*7.8%*	1,505	20,495	*7.3%*
SII Risk Margin Attributable[3]	1.3	202	*0.6%*	1.1	187	*0.6%*
Net SII SCR Attributable	5.5	2,124	*0.3%*	6.6	1,604	*0.4%*

2.1 The Transferring Business comprises of policies sold for four unit-linked onshore bond products and two unit-linked onshore pension products.

2.2 As-at 31 December 2025, there has been little change in the scale of the Transferring Business in relation to CLL as-a-whole since the previous year-end. The Transferring Business continues to represent the bulk of CLL's unit liabilities, but less than 10% of CLL's Solvency II Technical Provisions. Given the nature of the Transferring Business there is limited insurance risk for the company that holds the liabilities for this business, which mainly consists of unit funds.

2.3 The (currently negative) non-unit liabilities of the Transferring Business make up around 1% of CA's non-unit liabilities on 31 December 2025, slightly increased from as-at 31 December 2024. Including the unit liabilities, it

[1] The Policies In-Force figure for CLL includes Group Lives Assured. Only counting the number of Group Schemes would reduce the count to around 500,000 policies, against which the Transferring Business remains insignificant.

[2] Includes units held in reserve against anticipated Loyalty Bonus payments.

[3] The Risk Margin and SCR attributable to the Transferring Business is based on the marginal change in these figures after removing the Transferring Business entirely, compared to those assuming the Scheme was not sanctioned and the Reinsurance Agreement with CA ceased.

is expected to represent 25-30% of CA's Technical Provisions. Due to strong unit growth over 2025 the non-unit liability has improved, from slightly positive to slightly negative.

2.4 The unit liabilities of the Transferring Business have remained stable over 2025, with strong market growth offsetting runoff of policies from the closed book of business. The overall CLL unit liability figure has fallen due to the exit of a block of external funds, unrelated to the Scheme, that CLL was effectively administering for an external client. The movements detailed in this paragraph have had no material impact on the position of the Scheme.

3. Financial Position of CLL Before and After the Scheme

Balance Sheet Impact

3.1 Under the terms of the Scheme CA plc will adopt the liabilities of the Transferring Business.

3.2 The following table shows CLL's reported Solvency UK balance sheet as at 31 December 2025 (see second column). Furthermore, the table shows the balance sheet as at the same date assuming that the Scheme had taken place on that date (see third column).

- As can be seen, CLL's position compared to the post-Scheme position (second compared to third column) would be broadly unchanged since the interim Reinsurance Agreement between CLL and CA has already transferred the economic effect of the business from CLL to CA.

- A very small reduction in the SCR results from residual expense risk being removed on transfer. Similarly, a reduction in the corresponding Risk Margin held leads to a slight increase in Own Funds, overall resulting in an immaterial positive impact on the Solvency Ratio.

3.3 The table also shows the balance sheet as at the same date assuming that the Scheme is not sanctioned (see final column). This scenario reflects the following:

- Termination of the Reinsurance Agreement between CLL and CA. This results in CLL still holding Technical Provisions and tax liability in respect of the Transferring Business without the offsetting impact of the reinsurance, leading to a **reduction in Own Funds of £30.5m**.
- In addition to the net settlement amount mentioned below, a reinsurance termination amount, pursuant to the Reinsurance Agreement, payable by CA to CLL will be made which will lead to an **increase in Own Funds of £28.3m**. This is intended to broadly offset the cost to CLL of the termination of the Reinsurance Agreement, with some minor adjustments for commercial purposes.
- Further, owing to the Reinsurance Agreement, the net settlement amount is equal to £6.7m for the relevant period. However, since a provision for this has already been considered in the existing position, it is not expected to further impact Own Funds for this scenario.
- CLL is also holding provisions of £3m in respect of transfer expenses and warranties for any mis-selling claims or customer complaints as at 31 December 2025. These provisions will be released if the scheme is not sanctioned and if no claims are made. However, for this scenario it has been assumed that the expenses and claims against the warranties would be incurred, and no provisions will be released. This produces a prudent view, avoiding overstating of Own Funds. Since the costs and the provisions for this were already considered in the closing position, there will be no overall impact to Own Funds.
- The summation of the items above corresponds to the **£2.2m fall in CLL's Own Funds** between the current position and the position if the Scheme is not sanctioned (see second versus fourth columns).
- **The SCR is estimated to increase by c£4m** as the risks of the Transferring Business revert to CLL on the termination of the Reinsurance Agreement with CA.
- The increase in SCR and reduction in Own Funds (second column compared to last column) if the business was to be retained and recaptured if the Scheme is not sanctioned is immaterial on the overall CLL balance sheet, with the Solvency Ratio reducing by 0.6%.

CLL Solvency II Balance Sheet as at 31 December 2025 (£m)	Current	Post-Scheme	Scheme not Sanctioned
Own Funds	3,224	3,224	3,222
SCR	1,604	1,604	1,608
Excess Own Funds over SCR	*1,619*	*1,620*	*1,613*
Solvency Ratio	*200.9%*	*201.0%*	*200.3%*

3.4 The above is based on market conditions and the business that CLL had in force as at 31 December 2025. Market movements and changes to CLL's composition of business up to the Scheme Effective Date are not expected to materially change the impact outlined above.

3.5 The Main Report also indicated a similar negligible impact on CLL from the Scheme as-at 31 December 2024, with solvency remaining virtually unchanged under the above scenarios.

Risk Profile

3.6 As demonstrated earlier (Paragraph 0 above) the Transferring Business represents a small proportion of CLL's business in terms of contribution to Technical Provisions. Further, given the unit-linked nature of the Transferring Business there is limited insurance risk for the company that holds the liabilities for this business. Therefore, the Scheme will not have a material impact on the overall risk profile of CLL. This view is supported by the minimal change to CLL's SCR, as outlined above.

4. Financial Position of CA Before and After the Scheme

Balance Sheet Impact

4.1 The following table shows CA's reported Solvency UK balance sheet as-at 31 December 2025. It also shows the balance sheet at the same date assuming that the Scheme had taken place on the same date.

CA Solvency UK Balance Sheet as at 31 December 2025 (£m)	Current	Post-Scheme	Scheme Not Sanctioned
Own Funds	118	118	103.8
Solvency Capital Requirement (SCR)	90.8	90.4	78.9
Excess Own Funds over SCR	*27.2*	*27.6*	*24.9*
Solvency Ratio	*130%*	*130%*	*132%*

4.2 As can be seen, the Solvency Ratio in the table only marginally changes post-Scheme as the Reinsurance Agreement has already largely transferred the economic effect of the business from CLL to CA.

4.3 As set out in Section 7 of the Main Report, CA's solvency as at 31 December 2024 was 135%, with a post-scheme impact of +1%. Thus, there has been no material adverse change from the position at that date.

4.4 If the Scheme is not sanctioned CA's SCR will reduce as the Reinsurance Agreement is cancelled and the risks of the business revert to CLL.

4.5 The above is based on market conditions and the business that CA had in force as-at 31 December 2025. Market movements and changes to CA's composition of business to the Scheme Effective Date are not expected to materially change the impact of the Scheme outlined above.

Risk Profile

4.6 The Scheme will not materially impact on the overall risk profile of CA noting the lack of material changes as shown above.

5. Effect of the Scheme on Non-Transferring CLL Policyholders

5.1 In this section I consider the impact of the Scheme on Non-Transferring CLL Policyholders, in particular, the security of policy benefits, their benefit expectations and policy administration.

5.2 As set out in the Main Report, no material adverse impact is expected on non-transferring CLL policyholders. There have been no material developments since that would affect this conclusion.

5.3 The Transferring Business continues to represent a very small fraction of CLL's policyholder count (c0.5% - 3% depending on the definition of policyholder) and thus CLL's service standards are not expected to be affected as a result of the Scheme.

5.4 As shown in Section 3, the impact on CLL's financial position remains immaterial, and as such no material adverse effect on non-transferring policyholders' financial security is anticipated as a result of the Scheme.

6. Effect of the Scheme on Transferring CLL Policyholders

Introduction

6.1 In this section I reconsider the impact of the Scheme on Transferring CLL policyholders, in particular the security of policy benefits, their benefit expectations and policy administration.

Policyholder Benefit Security

6.2 As demonstrated in Sections 2, 3 and 4, there has been no material adverse change in CLL or CA plc's overall risk profile or the impact of the scheme, since that set out in the Main Report. As such, and in line with the analysis set out in the Main Report, there continues to be no anticipated material adverse change to Transferring CLL Policyholders' financial security from the Scheme.

Policyholder Benefit Expectations and Administration

6.3 CLL have an Investment Charter which sets out the non-contractual service level arrangements ("SLAs") and compensation due where these SLAs are not met. Post- Scheme service delivery will be governed by a combination of SLAs with SS&C and CA's framework for dealing with distress and inconvenience, including a framework for compensation due when specific levels are not met.

6.4 SLAs are expected to be similar or better in most cases. However, policy documents and Key Feature/ Personal Example requests (which would be requested as part of a policy top-up) will be slower. Overall, I do not believe that this constitutes a material disadvantage, especially given the improvement in many other SLAs.

6.5 For the Investment Charter, CA does not intend to align to the exact specifications that CLL offered. However, in the event of any breach, policyholders will still be entitled to reasonable and fair levels of compensation. as such I do not believe that there is any material disadvantage to customers from the Scheme. In addition, it should be noted that CLL also has the ability to vary its internal standards regardless of the scheme, provided it is reasonable and in line with business needs. As such, the effects of revising the charter may occur even if the Scheme does not take place.

6.6 In light of the above, CLL's Head of Customer Service (Wealth) has determined that there is no likely material adverse effect on policyholder service standards

Policyholder Communications and Objections

6.7 In accordance with the communication strategy outlined in the Main Report, CLL sent policyholders within the Transferring Business a letter containing a detailed guide to the Scheme, an explanation of the sources from which policyholders can obtain further information about the Scheme and communicating their right to make representations if they considered they might be adversely affected by the Scheme.

6.8 CLL and CA also arranged for notices to be published in certain national newspapers in the UK (namely The Times and the Daily Mail). Notices were also published in the London, Edinburgh and Belfast Gazettes. Relevant information has also been made available on the CLL and CA websites.

6.9 As at 26th June 2026 CLL has received 1021 responses (received via phone call, email or in writing) in connection to the communication outlined above, representing a response rate of approximately 6%. Of these, 15 correspond to objections (i.e. a policyholder contacting CL and raising an issue with the transfer), the breakdown of which is set out in the below table:

Issue	Quantity
Relative fund performance/security of benefits	2
Negative perception or experience of Transferee	13
Total	**15**

6.10 CLL has responded in writing to each policyholder objection to confirm that their objection has been logged and informing the policyholder that a copy of their objection will be provided to the High Court for their consideration at the final hearing. Communications to all objectors have included a response that directly addresses the particular concern raised.

6.11 One policyholder, which has lapsed since initial communication, had notified CLL that they wish to attend the Sanctions Hearing to object to the Scheme. The Part VII process gives the right for policyholders to make such representations at the Sanctions Hearing.

6.12 Regarding the negative perceptions and (in one case) experience of CA, I note the following:

- I have given consideration to the service level analysis of the Main Report in forming my view around CA maintaining the current standards of service.
- I have placed reliance on the assurance provided by CA and ongoing management information, that the migration programme is tracking to plan and the issues that have been identified during the programme have been actively managed between all parties.
- Transferring customers will continue to have access to the UK Financial Services Compensation Scheme ("FSCS") and the Financial Ombudsman Service ("FOS"). I also note that CA is, like CLL, regulated by the FCA and is therefore equally bound by the FCA's Consumer Duty regulation. CA has confirmed that Transferring Policyholders will move from CLL's Consumer Duty framework to CA's equivalent framework, with no exclusions.
- As such, while I understand that some policyholders may have concerns about the ongoing quality of service, I consider that CA will be in a position to maintain the current standards of service once the transfer has occurred.

6.13 Regarding concerns about relative fund performance, I note the following:

- The Scheme is not intended to immediately change the assets, investment strategy or any terms and conditions of any of the policyholder funds, including charges applied. In particular, CA has agreed to continue to offer the same Canada Life Asset Management funds for at least a five-year period.
- Over the long-term, CA would have the ability to vary the funds offered to customers, in the same way as CLL is able to do at present. Any varying of funds would be subject to similar governance and regulatory restrictions as exist for CLL, and as such I do not believe that the Scheme will have any material adverse impact on the fund range offered to customers.

6.14 Regarding concerns around the security of benefits, I note the following:

- As set out in the Main Report and reaffirmed by Section 4 and Paragraph 6.2, CA holds Own Funds that adequately exceed its capital requirements, and that is expected to continue to be the case following the transfer.
- CA adheres to a Risk Appetite Framework, which aims to maintain a capital buffer above regulatory capital requirements and follow management actions to improve levels of Own Funds should they deteriorate below defined proportions of the Solvency Capital Requirement.
- CA is regulated to the same standard as CLL by the PRA and FCA.
- As such, my view remains that the security of benefit expectations of the transferred policyholders will not be materially adversely affected.

6.15 Having reviewed all of the objections and the responses provided, I do not consider that any of the issues raised change my conclusions on the Scheme as detailed in the Main Report and restated in this Supplementary Report.

6.16 CLL has additionally received 84 returned mailings as at 26 June 2026. Of these, 61 policyholders have been located, all of which have had their mail reissued.

6.17 The remainder represents customers that CLL has not been able to contact. CLL has attempted to contact all customers with returned mail at least once, which has been led by CLL's Customer Tracing Team - further detail can be found in CLL's Second Witness Statement.

Other developments

6.18 Since the Main Report, it has been discovered that a portion of CLL units (including those of Transferring Policyholders) were mispriced, due to the incorrect application of taxation. The result was that policyholder units were overvalued as the appropriate tax that was paid by CLL was not then "claimed" back from the policyholder units. CLL has made the decision not to reprice the units, thus absorbing the loss itself. The issue has been resolved and CLL can confirm there was no adverse impact on policyholders.

6.19 Chesnara plc completed the acquisition of HSBC Life (UK) Limited on 30th January 2026 and renamed the acquired entity Chesnara Life (UK) Ltd. This acquisition brings approximately 454,000 policies and increases the assets under administration of Chesnara by approximately £5 billion. This acquisition does not impact the financial position of CA as the acquisition was by Chesnara plc, the parent company, and as a result also does not impact this proposed transfer.

6.20 CLL's unit-linked property funds, which are invested in the WS (Waystone) Canlife UK Property ACS fund, are in wind-up. Distributions are being received regularly from Waystone which is reducing the size of the fund. The date of the final distributions and full closure is not yet known. However, the Scheme is not expected to have any effect on the wind-up. Policyholders will remain invested in these funds and the wind-up will continue regardless of the Scheme.

6.21 Chesnara plc announced its agreement to acquire Scottish Widows Europe SA (SWE), which is to be completed by end 2026. The acquisition would bring c£1.5bn in assets under administration and c46,000 policies. At the time of writing the acquisition has not taken place. In addition, the acquisition will be undertaken by CA plc parent company rather than CA plc itself. Therefore, I do not expect it to impact the financial position of CA plc.

6.22 CLL transferred a very small Hong Kong book, c.170 policies, to MyPace Life on the 1st March 2026. Due to the very small size of the transaction this will have a negligible impact on CLL's solvency and therefore should not impact this proposed transfer to CA plc.

6.23 Due to delays in the SS&C migration the sanctions hearing was moved from November 2025 to July 2026. Arrangements for the migration of the policies are proceeding according to the revised plan, with no material issues foreseen.

6.24 There have been no other events occurring since that would alter the conclusions in the Main Report.

7. Other Matters

Market Volatility

7.1 To facilitate capital management on an on-going basis, CLL approximates a weekly solvency position allowing for the impact of movements in the main drivers (for example interest rates, spreads and exchange rates) on Own Funds and SCR.

7.2 During volatility seen at the end of Q1 2025 due to geopolitical tariff uncertainty, the solvency ratio impact from YE24 due to the fall in equity (Irish Life Participation) was estimated to be less than 2.5% at the beginning of April 2025. This fall was offset by other movements, which includes an uplift due to widening of credit spreads and movement in the swap rate, and the total impact from both of these was a c3.5% increase.

7.3 Overall, while there is a perceived increased in market volatility in recent years, I do not expect this to drastically impact the CLL solvency ratio, given the relatively low direct CLL exposure to equities. I will continue to track market movements and their impact on the ratio to ensure it remains within its target range.

8. Conclusions

8.1 In my opinion, the Scheme will not have a material impact on the solvency of CLL. I therefore consider that the security of benefits and expectation of benefits of the Non-Transferring CLL policyholders will not be materially adversely affected by the Scheme.

8.2 CA is an adequately capitalised company and supported by an adequately capitalised parent company, Chesnara plc. As such, I do not consider that there will be a material adverse impact on the security of benefits for the Transferring policyholders.

8.3 The Transferring policyholders are unit-linked, whose policy benefits are mainly determined by reference to the value of unit funds. In my opinion I do not expect any change to the benefit expectations of the Transferring policyholders as a result of the Scheme.

8.4 There will be no changes to the contractual terms of any Transferring Policies under the terms of the Scheme, other than the change of insurer.

8.5 The administration of the Transferring Business is expected to move to CA's outsourcer, SS&C Technologies, upon implementation of the Scheme. Based on the analysis conducted I believe that the expected service provided for customers should not be compromised when the book migrates.

8.6 No changes will occur to the administration of the Non-Transferring CLL policies as a result of the Scheme.

8.7 In my opinion, there is no reason to believe that service standards for the Non-Transferring CLL policyholders will be materially adversely affected.

8.8 In conclusion, it is my continued opinion that, under the implementation of the Scheme, all groups of CLL policyholders are treated equitably and fairly, and:

- the security and reasonable benefit expectations of remaining CLL policyholders will not be materially adversely affected;
- the security and reasonable benefit expectations of the Transferring CLL policyholders will not be materially adversely affected;
- there is no reason to believe that service standards for the Transferring CLL policyholders will be materially adversely affected; and
- there is no reason to believe that service standards for the Non-Transferring CLL policyholders will be materially adversely affected.

Stuart Carroll

Stuart Carroll FIA
Chief Actuary
Canada Life Limited

8th July 2026

9. Reliances

In addition to various sources prepared internally within CLL, I have considered the following key documents and data in the preparation of the Report.

Item	Description
The Proposed Scheme	CA plc. under Part VII of the Financial Services and Markets Act 2000.
The CA plc Chief Actuary Supplementary Report	The Report of the Chief Actuary on the impact of the Scheme on Policyholders of CA plc.
The CA plc With Profits Actuary Supplementary Report	The Report of CA's With Profits Actuary which considers the effect of the Scheme on CA's with-profits policyholders.
The CA plc First Witness Statement	The First Witness Statement to the court sets out the corporate history of CA plc and provides background to the business transfer.
The report of the Canada Life Limited Chief Actuary on the impact of the Scheme.	The main report of the CLL Chief Actuary related to the scheme, to which this report is supplementary.

Appendix 1: Glossary of Defined Terms and Abbreviations

Term	Definition
APS	Actuarial Professional Standards. Standards for the actuarial profession produced by the IFoA which all members must adhere to regardless of location or area of practice.
BEL	Best Estimate Liability.
CA	Countrywide Assured plc. A UK life insurance subsidiary of the Chesnara Group focused on growing its position with the UK consolidation market.
Catastrophe risk	Catastrophe risk, or life catastrophe risk, is the risk of adverse change in the value of insurance liabilities resulting from the significant uncertainty of pricing and reserving assumptions related to extreme or irregular events.
Chesnara	Chesnara plc. The UK-listed holding company of the Chesnara Group of which CA is a subsidiary.
CLG	The Canada Life Group (U.K.) Limited. CLG is an indirect subsidiary of GWL and is the parent company of the sub-group of companies of which CLL is a part.
CLL	Canada Life Limited. A UK life insurance subsidiary of CLG with a business strategy of being a leader in its chosen market of retirement, investments and protection.
Counterparty default risk	Counterparty default risk reflects possible losses due to unexpected default, or deterioration in the credit standing, of the counterparties and debtors of insurance and reinsurance undertakings over the following 12 months, taking appropriate account of collateral and the risks associated therewith.
Credit risk	Credit risk, or spread risk, is the sensitivity of the values of assets, liabilities and financial instruments to changes in the level or in the volatility of credit spreads over the risk-free interest rate term structure.
Court	Collectively, the High Court of Justice, Business and Property Courts of England and Wales, the Companies List, and the Court of Session (The supreme civil court in Scotland).
Expense risk	Expense risk, or life expense risk, is the risk of loss, or of adverse change in the value of insurance liabilities, resulting from changes in the level, trend, or volatility of the expenses incurred in servicing insurance or reinsurance contracts.
FCA	Financial Conduct Authority. Responsible for regulating the conduct of financial services firms in the UK. Its roles include protecting consumers, supporting a stable financial sector and promoting healthy competition between financial service providers.
FOS	Financial Ombudsman Service. A service in the UK which settles claims between consumers and businesses that provide financial services.
FSCS	Financial Services Compensation Scheme. A scheme which provides compensation to holders of long-term insurance policies in the event of the insolvency of a UK or an EEA or other overseas insurer in respect of its UK customers.

Term	Definition
FSMA	Financial Services and Markets Act 2000. An Act that makes provision about the regulation of financial services and markets, provides for the transfer of certain statutory functions relating to building societies, friendly societies, industrial and provident societies and certain other mutual societies.
GWL	Great-West Lifeco Inc., the ultimate parent company of The Canada Life Assurance Company and consequently of CLG, CLL and others.
Health underwriting risk	Health underwriting risk refers to the risk arising from health insurance obligations, comprising at least mortality risk, longevity risk, morbidity risk, expense risk, revision risk, lapse risk and catastrophe risk.
IFoA	Institute and Faculty of Actuaries, the UK chartered professional body which is responsible for regulating actuaries.
ILG	Irish Life Group Limited, an Irish insurance group which is a subsidiary of CLL.
Interest Rate Risk	Interest rate risks is the sensitivity of the values of assets, liabilities and financial instruments to changes in the term structure of interest rates, or in the volatility of interest rates.
Lapse risk	Lapse risk is the risk of loss, or of adverse change in the value of insurance liabilities, resulting from changes in the level or volatility of the rates of policy lapses, terminations, renewals and surrenders.
Life underwriting risk	Life underwriting risk refers to the risk arising from life insurance obligations, comprising at least mortality risk, longevity risk, morbidity risk, expense risk, revision risk, lapse risk and catastrophe.
Longevity risk	Longevity risk is the risk of loss, or of adverse change in the value of insurance liabilities, resulting from changes in the level, trend, or volatility of mortality rates, where a decrease in the mortality rate leads to an increase in the value of insurance liabilities.
Market risk	Market risk reflects the risk arising from the level or volatility of market prices of financial instruments which have an impact upon the value of the assets and liabilities, comprising at least interest rate risk, equity risk, property risk, credit risk, currency risk and market concentration risk.
Matching Adjustment	The Matching Adjustment or MA is an upwards adjustment to the risk-free rate sometimes used under Solvency II or Solvency UK to discount long-term liabilities, where those liabilities are well-matched by long-term assets and the intention is to hold those assets to maturity. Its effect is to reduce the market value of the assets that must be held by an insurer to cover the relevant BEL. MA is a more extensive form of the Volatility Adjustment with consequently more onerous requirements.
Ernst and Young	Ernst and Young LLP (registered in England and Wales).
Main Report	The main report of the Canada Life Limited Chief Actuary on the impact of the Scheme, to which this report is supplementary.
Morbidity risk	Morbidity risk is the risk of loss, or of adverse change in the value of insurance liabilities, resulting from changes in the level, trend or volatility of disability, sickness and morbidity rates.
Mortality risk	Mortality risk is the risk of loss, or of adverse change in the value of insurance liabilities, resulting from changes in the level, trend, or

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	volatility of mortality rates, where an increase in the mortality rate leads to an increase in the value of insurance liabilities.
Operational risk	Operational risk refers to those operational risks to the extent they are not already reflected in the life underwriting risk, health underwriting risk, market risk and counterparty default risk.
Other Liabilities	These are liabilities under Solvency II other than Technical Provisions which need to be added to the Technical Provisions in arriving at the total liabilities. For example, accounting liabilities such as tax due.
Own Funds	The excess of an insurer's assets over its liabilities on a Solvency II basis.
PIM	Partial Internal Model. An approach to calculating the SCR under Solvency II where the Standard Formula is not used. Use of and the nature of a Partial Internal Model must be approved by the appropriate regulator.
PRA	Prudential Regulation Authority. Responsible for the prudential regulation and supervision of banks, building societies, credit unions, insurers and major investment firms in the UK.
Reinsurance Agreement	The reinsurance agreement entered into by CLL and CA on 20 December 2024 that in effect transfers the economic interests of the Transferring Business to CA.
Reinsurance Effective Date	Date on which the Reinsurance Agreement took effect.
Risk Margin	The amount held under Solvency II or Solvency UK as part of Technical Provisions which is based on the cost of holding capital in relation to the non-hedgeable components of the SCR.
Scheme	The proposed insurance business transfer scheme under Part VII of the Financial Services and Markets Act 2000 in respect of the Transferring Business.
Scheme Effective Date	Date at which the Scheme is expected to take effect (if sanctioned).
SCR	Solvency Capital Requirement. One of the regulatory capital requirements under Solvency II. Intended to represent the amount required to ensure that an insurer's assets continue to exceed its liabilities over a one-year time period with a probability of 99.5%.
SLA	Service Level Agreement. A target set of metrics for the performance of specific customer services provided.
Solvency II / SII / Solvency UK	The prudential regulatory regime applying to UK-based insurers, overseen by the PRA. Since the UK's departure from the European Union reforms have been made to the UK regime, which is now on occasion referred to as Solvency UK.
Solvency Ratio	The Solvency Ratio, or Solvency Coverage Ratio, is the ratio of the eligible Solvency II Own Funds divided by the Solvency II SCR. It represents the extent to which an insurer covers their SCR and is required to be at least 100%.
SS&C	SS&C Technologies. A third-party outsourcing company, specialising in insurance policy administration, used by CA to administer certain blocks of business, including ultimately the Transferring Business.
Standard Formula	The prescribed method for calculating the SCR where an approved Internal Model (or Partial Internal Model) is not used. Insurers are

Term	Definition
	required to calculate their SCR using either the Standard Formula or an approved Internal Model.
Supplementary Report	A further report produced prior to the Sanction Hearing to provide an update for the Court on the Chief Actuary's conclusions in the light of any significant events subsequent to the date of the finalisation of the Main Report.
TAS	Technical Actuarial Standards. The TASs are standards issued by the Financial Reporting Council which apply to work in the UK involving the use of actuarial principles and/or techniques and the exercise of judgement. Compliance with the TASs for work in their scope is required for members of the IFoA.
Technical Provisions	The value of the technical insurance liabilities of an insurer, as determined for regulatory purposes. Under Solvency UK, the Technical Provisions comprise the BEL and the Risk Margin. There are also Other Liabilities which need to be added to the Technical Provisions in arriving at the total liabilities.
Transferring Business	The business being transferred under the Scheme.
Transferring Policies	The policies being transferred to CA under the Scheme.
Unit-Linked Funds	These are funds of assets maintained separately within a life company, with the value of these funds being used to determine the benefits under unit-linked policies.
Volatility Adjustment	An increase to the discount rate sometimes used under Solvency II or Solvency UK in the calculation of the BEL (other than for liabilities that are subject to the Matching Adjustment) based on the rationale of avoiding forced sales of assets in the event of extreme bond spread movements. Its effect is to reduce the market value of the assets that must be held by an insurer to cover the relevant BEL.