

Information about your 2026 policy bonuses

Resolution Life Whole of Life and Endowment New Zealand policies

Annual and Terminal/End bonus rates

Participating Whole of Life or Endowment (Conventional) policies can participate in the profits earned on the underlying assets in the portfolio, in the form of a bonus each year. There are two types of bonuses available:

1. Annual bonus; and
2. Terminal/End bonus.

For this bonus year, we are maintaining Terminal/End bonus rates at the same levels as declared last year. We are also declaring "normal" Annual bonus rates at the same levels as last year. The Annual bonus rates will apply on the policy anniversary from 1 April 2026 or 1 May 2026 (based on policy type).

From time to time, we may declare supplementary "one-off" Annual bonuses in addition to normal Annual bonuses. For this bonus year, we are declaring a one-off special bonus of 6% of Sum Insured and existing Annual Bonuses. This one-off Annual bonus will be added to policy benefits on the policy anniversary alongside the normal Annual bonus.

Your annual policy statement will show the impact of this bonus declaration on your policy. For a further explanation of the bonus rate changes, see 'Setting bonus rates for 2026'.

Note: The bonus rates declared may impact any recent estimates you may have received on your maturity value.

Setting bonus rates for 2026

The investment performance of the assets supporting your policy is an important factor for the levels of bonuses that can be declared.

As market values fluctuate over time, we analyse investment performance since the last bonus declaration and update bonus rates to reflect the impacts of changes to investment markets and expected future earnings rates. Bonus rates are reviewed throughout the year, although changes normally occur on 1 April and 1 May each year.

When setting Annual bonus rates, Resolution Life considers both past returns and estimates of future investment returns, with the aim of declaring rates that are sustainable and fair to our policyholders over the lifetimes of their policies.

Traditionally, movements in Annual bonus rates have trended directionally with historical movements in long-term bond yields. Long term bond yields influence our expectations for future investment returns and impact the amounts we need to set aside to ensure we can meet our contractual obligations to our policyholders. These obligations include paying guaranteed

benefits (sum insureds and any existing Annual bonuses) on claim and on policy maturity.

While fluctuating during 2025, medium-to-long-term bond yields in New Zealand ended the year at very similar levels to those at the start.

Terminal/End bonuses are a way of passing on a greater level of capital appreciation, usually from growth-oriented assets such as equities (shares) and property. While there is some smoothing of returns, Terminal/End bonuses more closely reflect actual investment returns and, as such, can be more volatile than Annual bonuses. We aim to set Terminal/End bonus rates that distribute portfolio investment returns fairly to our policyholders over the lifetimes of their policies.

Underlying investment portfolios performed well over 2025, with aggregate returns ahead of expectations. Good returns were driven mainly by the performance of overseas equities (shares).

We aim to set Annual and Terminal/End bonus rates that are sustainable and fair to our policyholders over the lifetimes of their policies. Overall, market conditions support the decision to maintain bonus rates at the levels declared last year and apply a one-off special bonus of 6% for 2026. This special bonus increases the guaranteed proportion of maturity and claim benefits for eligible policyholders.

The impact of this bonus declaration on your policy's benefits and the bonuses for your policy are shown on your annual policy statement.

Annual bonuses

Like interest on a bank account, Annual bonuses accumulate and compound over time.

Annual bonuses are accrued on your policy on the anniversary of your policy commencement date. Once accrued, Annual bonuses are guaranteed and are payable in full when your base sum insured becomes fully payable (e.g. on claim or on policy maturity). From time to time, we may declare supplementary "one-off" Annual bonuses in addition to normal Annual bonuses.

Note: Annual bonuses that are yet to accrue are not guaranteed.

Terminal/End bonuses

A Terminal/End bonus is normally paid upon claim or on maturity of your policy. If you do not wish to continue your policy, a partial Terminal/End bonus may be included in the Surrender Value paid to you.

Important: Unlike Annual bonuses, Terminal/End bonuses are not guaranteed (the value of Terminal/End bonuses can rise or fall).

Terminal/End bonuses reflect past investment returns that have not yet been guaranteed within your policy. They are used to pass on investment returns to you, usually from more volatile assets such as equities (shares). As they have a greater recognition of current investment returns and market values, Terminal/End bonuses are normally more volatile than Annual bonuses.

Note: Your Terminal/End bonus can increase or decrease over time for various reasons (e.g. actual investment returns being different than expected).

Any change you make to your policy terms (e.g. ceasing premium payments) may also affect the amounts of both your Annual and Terminal/End bonuses.

Surrender Value

If you do not wish to continue with your policy, you can request to surrender the policy and you will normally be entitled to take a proportion of your full benefit. The amount payable upon surrender of your policy is called the Surrender Value.

As with your claim and maturity values, the Annual bonus declared each year will usually increase your Surrender Value. Your Surrender Value will also generally increase or decrease as Terminal/End bonus rates change.

An increase in Terminal/End bonus rates will typically increase your Surrender Value and vice versa — a decrease in Terminal/End bonus rates will typically reduce your Surrender Value.

If bonus rates remain unchanged and premiums are paid on time as scheduled, your Surrender Value will typically increase as your policy ages.

Important: The full value of your sum insured and bonuses are only payable in full when the sum insured becomes payable,

usually on claim or maturity. Therefore, the Surrender Value of a policy will generally be less than the amount you would receive upon claim or when the policy matures.

If you are considering surrendering your policy, we recommend that you talk to your financial adviser about whether this option is right for you.

Does your policy still match your needs?

Resolution Life Whole of Life and Endowment policies provide long-term, increasing life cover with a savings component. Since your policy began, your objectives or needs may have changed. Accordingly, we recommend that you review your policy regularly with your financial adviser to make sure it continues to meet your needs.

Options are available to help keep your policy in line with your changing needs. For example, you can typically:

- increase your level of cover to help protect your policy value against the effects of inflation
- cash part of your Annual bonuses from your policy, but maintain an additional insurance cover
- convert to an endowment policy (in certain cases), or
- alter your premiums or your policy term (within certain restrictions).

For more information

Please refer to your policy document and your most recent policy statement for the full terms and conditions that apply.

For further information or to discuss the options available to you or any questions about your policy:

- Contact your financial adviser or contact us by chatting online at resolutionlife.co.nz, submitting an online enquiry at resolutionlife.co.nz/enquiry, or call us on 0800 808 267.
- Visit resolutionlife.co.nz/whole-of-life-and-endowment for more information about these products.

What you need to know

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