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Attention: Dr Alison O'Connell
Chair, NZ Policyholder Advisory Committee
Resolution Life Australasia Limited
Floor 15
125 Queen Street
Auckland New Zealand

Attention: Yvonne Le Bas, CFO
Resolution Life Australasia Limited
Level 39
2 Park Street
Sydney Australia

7 July 2026

Dear Alison and Yvonne

**Proposed Transfer of the Resolution Life Australasia Limited New Zealand Branch within
Statutory Fund No. 1 to a new Statutory Fund No.5**

Please find attached to this letter my 7 May 2026 report (the "Report") that provides my advice on the proposed transfer ("Proposed Transfer") of Resolution Life Australasia Limited ("RLAL") New Zealand Branch and its New Zealand policyholders in Statutory Fund No. 1 to a new Statutory Fund No. 5.

This letter notes two updates that have occurred since 7 May 2026. It also notes confirmation from the RLAL Appointed Actuary that he is not aware of any other material changes that would cause him to change the analysis, assessments or conclusions set out in his report on the Proposed Transfer.

1. Two updates since 7 May 2026

There have been two updates since 7 May 2026 to matters referred to in the Report:

Report reference	Update
Section 1.2.1	On 19 June 2026, RLAL and Asteron Life Limited submitted an application to the Reserve Bank of New Zealand (“RBNZ”) to transfer the New Zealand business of RLAL to Asteron Life Limited. This action was an anticipated future action in the Report.
Section 2.2.1	On 8 May 2026, the Australian Prudential Regulation Authority (“APRA”) provided its approval for the reallocation of the unallocated assets between the New Zealand and Australia business in RLAL as anticipated in the Report. This is no longer an outstanding matter, or assumption, for the Report.

Both of these updates reflect the expectations on which the Report was written. Neither update changes any of the analysis, assessments or conclusions set out in the Report.

2. Two updates since 7 May 2026

The RLAL Appointed Actuary, in a report dated 6 May 2026, provided his advice on the Proposed Transfer.

I have been advised by the RLAL Appointed Actuary that he is not aware of any material changes that have occurred that would cause him to change the analysis, assessments or conclusions set out in his Appointed Actuary report.

On the basis of the above, I conclude that there are no material changes to the analysis, assessments or conclusions set out in my Report.

Yours sincerely



Michael Dermody
Authorised Representative



Review of Restructure of SF1

New Zealand Policyholder Advisory Committee

7 May 2026



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Attention: Dr Alison O'Connell
Chair, NZ Policyholder Advisory Committee
Resolution Life Australasia Limited
Floor 15
125 Queen Street
Auckland New Zealand

Attention: Yvonne Le Bas, CFO
Resolution Life Australasia Limited
Level 39
2 Park Street
Sydney Australia

7 May 2026

Dear Alison and Yvonne

Advising Actuary Advice on the Proposed Transfer of the Resolution Life Australasia Limited New Zealand Branch within Statutory Fund No.1 to a new Statutory Fund No.5.

Please find enclosed my report on the proposed transfer of the Resolution Life Australasia Limited New Zealand Branch within Resolution Life Statutory Fund No. 1 to a new Statutory Fund No.5.

Yours sincerely

Michael Dermody

Authorised Representative



Disclaimer

Inherent Limitations

This report has been prepared as outlined in the Background & Scope Section. The services provided in connection with this engagement comprise an advisory engagement, which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standards Board and, consequently no opinions or conclusions intended to convey assurance have been expressed.

No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, Resolution Life Australasia Limited management and personnel / stakeholders consulted as part of the process.

KPMG Financial Services Consulting Pty Ltd ("KPMG") have indicated within this report the sources of the information provided. I have not sought to independently verify those sources unless otherwise noted within this report.

KPMG is under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form.

The findings in this report have been formed on the above basis. I have relied on the data and information provided by Resolution Life Australasia Limited, and the Resolution Life Australasia Limited Appointed Actuary and have assumed that it is prima facie accurate and complete. While generally I have satisfied myself that the data and information provided is reasonable and consistent with other data and information provided, and/or with data and information otherwise known to me, I have not sought to verify independently nor establish the reliability, accuracy or completeness of the data and information provided or used for this review.

Third Party Reliance

This report is solely for the purpose set out in the Background & Scope Section and for New Zealand Policyholder Advisory Committee's information and is not to be used for any other purpose or distributed to any other party without KPMG's prior written consent. In that regard, we consent to the report being made available to the Australian Prudential Regulation Authority ("APRA"), the Reserve Bank of New Zealand ("RBNZ") and RLAL.

This report has been prepared at the request of New Zealand Policyholder Advisory Committee in accordance with the terms of KPMG's engagement letter dated 1 February 2024 and an engagement contract covering a scope relating to the LPS 600 requirements is set out in a letter dated 15 September 2025. Other than our responsibility to New Zealand Policyholder Advisory Committee, neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party on this report. Any reliance placed is that party's sole responsibility.



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1. Background & Scope

1.1 Scope

The New Zealand Policyholder Advisory Committee (“NZPAC”) has engaged KPMG Financial Services Consulting Pty Ltd (“KPMG”) to provide Advisory Actuary services to consider and make recommendations in relation to the Appointed Actuary’s recommendations and other management proposals.

The role of Independent Actuary set out in the NZPAC Charter and per the engagement letter involves addressing matters of fairness and interests in relation to New Zealand policyholders i.e. does not require me to consider fairness for Australian policyholders.

In particular, the NZPAC Charter requires that the NZPAC consider and make recommendations in relation to the Appointed Actuary’s recommendations and other management proposals, in so far as they directly relate to the interests of New Zealand policyholders. Specifically, from the Charter, this includes:

- *Section 2.2 (j) – any proposed restructure of the No. 1. Statutory Fund as it affects New Zealand policyholders*

In considering and providing recommendations in relation to these items the NZPAC will seek the advice of the Independent Actuary.

The requirement for the NZPAC (based on advice from the independent actuary) to consider a proposed restructure of the Resolution Life Statutory Fund No. 1 (“No.1 Fund”) is also set out in the NZ License. It specifies that any restructure of the No.1 Fund is to be subject to review and advice from the NZPAC, based on advice from the Independent Actuary to NZPAC, Mr Michael Dermody of KPMG.

This letter sets out my advice in relation to Resolution Life Australasia Limited’s (“RLAL”) proposed restructure of the No.1 Fund and is conducted in accordance with the terms of our engagement letter dated 1 February 2024.

In the case of the Proposed Restructure, RLAL has requested that I also provide the advice requested by Australian Prudential Regulation Authority (“APRA”) under Prudential Standard LPS600 Statutory Funds (“LPS600”), for an independent actuary to provide certain statements. It is noted that the advice from the “independent actuary” under paragraph 7 (a) of LPS 600 is required to address any matters of unfairness in relation to all policyholders of the No.1 Fund (i.e. both Australian and New Zealand policyholders).

It is noted that this letter addresses both NZPAC considerations and requirements as well as addressing the “independent actuary” requirements under LPS 600. The engagement contract covering this additional scope relating to the LPS 600 requirements is set out in a letter dated 16 September 2025.

This report will be provided to the Reserve Bank of New Zealand (“RBNZ”) and RLAL.

The amounts in this report are identified as being in either Australian dollars or New Zealand dollars.

1.2 Background

1.2.1 Introduction

RLAL conducts life insurance business in Australia and New Zealand and is a registered life insurance company in Australia and in New Zealand. It is subject to both Australian and New Zealand regulations.

The New Zealand business of the No.1 Fund comprises the New Zealand Branch of RLAL (“NZ Branch”).

The Proposed Transfer, which is described further below and is the subject of this advice, involves transferring the NZ Branch out of the No.1 Fund to form a new Statutory Fund No. 5 (“No.5 Fund”).

The other three statutory funds of RLAL (Resolution Life Statutory Fund No.2 (“No.2 Fund”), Resolution Life Statutory Fund No.3 (“No.3 Fund”) and Resolution Life Statutory Fund No.4 (“No.4 Fund”)) comprise of Australian business only and no changes are proposed to these funds.

The Proposed Transfer is an important step to help best position RLAL, the Nippon Life Australia and New Zealand Non-Operating Holding Company Pty Ltd (“the NOHC”) business group and its subsidiaries, to pursue their preferred strategies in the future as an “open to new business” trans-Tasman business. The legal entity structure under which RLAL is held is discussed further in Section 2.1.

A subsequent proposal will be prepared to transfer the NZ Branch within the No.5 Fund into Asteron Life which is open to new business. It is noted, however, that detailed consideration of this potential step is not within scope of this advice.

1.2.2 Proposed Transfer

This Proposed Transfer is being made in accordance with section 52 of the Life Insurance Act 1995 (*Restructure of statutory funds*), and the requirements set out in section 52(3) of the LPS600 issued by APRA.

The Appointed Actuary of RLAL has prepared a report (“AA Report”) on the Proposed Transfer specified under LPS600, addressing the matters set out in LPS600, including Schedule 1 to Form 1 of LPS600.

Effectively, all assets, liabilities and retained profit amounts held in the NZ Branch within the No.1 Fund will transfer out of the No.1 Fund to form the (new) No.5 Fund. The NZ Branch will then comprise the No.5 Fund, and the No.5 Fund will be synonymous with the NZ Branch thereafter.

1.3 Approach

My approach to the review of the Proposed Restructure was as follows:

- Generally, to accept decisions and frameworks that existed and that regulators were aware of at the time of the sale of AMP Life to Resolution Life Group Holdings (Australia) Pty Ltd ("Resolution Life Group"). This includes frameworks and decisions that were created at that time but also decisions and frameworks that were documented, reviewed and approved previously. This also includes decisions and frameworks at the time of demutualisation and transfer of NMLA business to AMP Life (Part 9 undertakings).
- Read the Appointed Actuary Report to form an understanding of key results, issues and recommendations. To verify the statements in the Appointed Actuary Report, where practical, I have also considered documents listed in Appendix A and made enquiries of the Appointed Actuary.
- Discuss with RLAL and the Appointed Actuary the key issues, results and recommendations.
- Summarise and comment on the key results, issues and recommendations as set out in Section 3 including consideration of the requirements of the NZ Fairness Framework (attached in Appendix B) which requires compliance with New Zealand law and regulations and considers the relevance of UK guidance to management proposals related to closed investment and participating book business.

I have assumed that the data and analysis performed by RLAL and presented in the Appointed Actuary report are prima facie accurate and complete.

2. The RLAL Business

2.1 Overview

Section 2 of the AA Report provides a detailed description of the RLAL business and the No.1 Fund and its current and potential future financial state to which the reader is referred.

In this section I provide a high-level summary focussing on issues that are key to my opinion.

RLAL is a life insurer operating in Australia and New Zealand, with a small amount of business issued in Papua New Guinea. RLAL was formerly known as AMP Life Limited and was sold to Resolution Life Group Holdings (Australia) Pty Ltd (“Resolution Life Group”) in two main phases; the initial sale in July 2020 and the final acquisition of AMP Limited’s remaining minority equity interest in June 2022. RLAL operates four statutory funds and a Shareholders’ Fund (“SHF”).

At the time that RLAL was acquired, the RBNZ imposed certain requirements and restriction under RLAL’s New Zealand license that prevents it from writing new “contracts of insurance” from the No.1 Fund.

Up until 30 October 2025, RLAL was held by Resolution Life Group’s NOHC which is an Australian company registered as a Non-Operating Holding Company under the Life Act, that holds life insurance businesses and supports the operating entities that conduct life insurance business in Australia and New Zealand for Resolution Life Group. On 30 October 2025, Nippon Life Insurance Company (“Nippon Life”) acquired Resolution Life Group and transferred its existing Australian life insurance business, MLC Limited (“MLC”) into the new Nippon Life owned NOHC (“the NOHC”).

The NOHC and its various businesses have adopted the collective brand of the “Acenda Group”. The Acenda Group includes three life insurance companies:

- RLAL;
- Acenda Life, formerly MLC Limited; and
- Asteron Life Limited (“Asteron Life”).

A key change to the Resolution Life Group strategy under the new Nippon Life ownership is to invest and grow in the Australian and New Zealand life insurance markets. The consolidation of life insurers in these markets will allow for investment in digital infrastructure, improved customer experiences and reduction in operational risks and costs enabled through scale and business investment.

2.2 No.1 Fund

2.2.1 Participating and Non-Participating Sub-Funds

The No.1 Fund is managed via two sub-funds:

- The Participating Sub-Fund (“Par Sub-Fund”) in respect of its participating business under the Life Act; and
- The Non-Participating Sub-Fund (“Non-Par Sub-Fund”) in respect of its other (non-participating) business.

The participating business in the Par Sub-Fund is managed in accordance with the Participating Business Management Framework (“PBMF”).

The Par Sub-Fund is divided into underlying Policyholder Reasonable Expectations Pools (“PRE Pools”) and an “Unallocated Asset Pool” (“UA Pool”). It is noted that the PRE Pools do not overlap by geography (all PRE Pools are either wholly Australian or wholly New Zealand portfolios).

The key product lines involve different product types and different ways the policies participate in the experience and profits of the Par Sub-Fund via their corresponding PRE Pool:

- Conventional (whole of life and endowment assurance) products are credited their share of their PRE Pool's experience and profits via additions to the policy sum insured in the form of a bonus sums insured (“reversionary” and “terminal” bonuses);
- Investment account products are account-based products that receive their share of PRE Pool experience and profits via interest credited to their accounts;
- Par Group life products receive a share of profits via premium rebates on policy renewal; and
- Par Annuity products are credited bonus increases to their regular annuity amounts.

The amount of each PRE Pool (i.e. the assets held within each PRE Pool) is intended to support and reflect the expected future bonuses and crediting rates consistent with the policyholders’ reasonable expectations for the policyholders of that PRE Pool.

The UA Pool supports the financial position of the overall Par Sub-Fund and supports the working capital needs of the Par Sub-Fund as a whole.

Notwithstanding that the UA Pool is a “whole of Par Sub-Fund” asset pool, it is the current policy of the Board (as reflected in the PBMF) for RLAL to progressively distribute the UA Pool amongst the policyholders of the Par Sub-Fund as the business of the Par Sub-Fund gradually runs off.

In practice, under the adopted progressive distribution approach in the PBMF:

- The notional appointment of the UA Pool (the “NA Pools”) is tracked in the annual Financial Condition Report.
- Under the Part 9 Transfer terms for the ex-AIAA participating business, the ex-AIAA PRE Pools are not entitled to share in the progressive distribution of the UA Pool.

- While in principle, the UA Pool does not “belong” to any group of participating policyholders, under the Life Act, it is legally required to be allocated between “Australian” and “Overseas” participating business, including a prohibition on reallocating or distributing any Australian component of the UA Pool to Overseas policyholders. In November 2024, the NZPAC supported and the RLAL Board approved, an alignment of the Life Act allocation of the UA Pool to the adopted NA Pools basis, involving a modest transfer of the New Zealand allocation of the UA Pool to the Australian allocation. RBNZ provided their non-objection to the one-off reallocation on 8 April 2026, however, APRA approval is pending. In practice, the allocation of the UA Pool between Australia and New Zealand is now effectively “permanent” under the Life Act.

All the non-participating business of the No.1 Fund is managed within the remainder of the No.1 Fund i.e. the Non-Par Sub-Fund.

The Non-Par Sub-Fund contains predominantly risk insurance policies (death and disability covers) and annuities (term certain and lifetime annuities), sold across Australia and New Zealand.

It also contains the New Zealand investment-linked business and small portfolios of Australian non-participating conventional and investment account business.

It is noted that that separate Non-Par Sub-Fund asset pools are maintained for Australia and New Zealand portfolios.

For the non-participating policies, the benefits provided and their calculation bases are defined in the policy terms.

2.2.2 Financial Position

RLAL has determined key financial measures for the No.1 Fund before the Proposed Transfer which are summarised in the following table. The results are effective 31 December 2025 with the following adjustments noted:

- The below position has been adjusted (reduced) for the AU\$128m dividend and capital return approved by the Resolution Life Board in the first half of 2026 in respect of the 2025 Financial Year (“FY25”). The underlying NZ Branch position reflects the corresponding NZ Branch transfer of AU\$45m and the one-off UA reallocation of AU\$41m as discussed in Section 2.2.1; and
- An allowance for the funding of the anticipated cost to be incurred in respect of the Proposed Transfer, which includes the estimated implementation costs and any policyholder make good costs to be funded by the RLAL shareholders. In practice such provisions will be funded from dividends otherwise payable by RLAL to the NOHC.

\$M's	Par Sub-Fund	Non-Par Sub-Fund	Total No. 1 Fund
Policy Liabilities	13,417	2,941	16,358
Policyholder Retained Profits	2,691	-	2,691
Other Liabilities	432	(20)	411
Total Assets	17,212	3,472	20,684
Net Assets	673	551	1,224
Regulatory Adjustments	681	(51)	630
Capital Base	1,354	500	1,854
Prescribed Capital Amount ("PCA")	594	267	860
Assets in Excess of PCA	760	233	993
Capital Base / PCA %	228%	188%	216%

The table shows that the Par Sub-Fund and Non-Par Sub-Fund considered separately, and the No.1 Fund overall has capital in excess of the PCA.

A key focus for financial strength is the capital adequacy multiple, which is 228% for the Par Sub-Fund, 188% for the Non-Par Sub-Fund and 216% for the No.1 Fund overall. This means that, for the Par Sub-Fund, the Non-Par Sub-Fund and the No. 1 Fund overall, assets above PCA are approximately 118%, 88% and 116% respectively of the PCA, indicating sound financial strength.

2.2.3 Investments

RLAL's investment strategy for the Non-Par Sub-Fund, including the assets backing capital reserves, generally includes investing in fixed interest assets with durations broadly matched to the policy liability cash-flows, albeit with the use of some derivatives to implement the intended investment management strategy and hedge risk. Assets held to back the capital reserves of RLAL, including the assets held in the SHF, are in general terms currently invested in cash, short-term fixed interest, and debt financing and loan arrangements.

The investment strategy for the assets backing the PRE Pools in the No.1 Fund are invested in a mix of cash, fixed interest securities, debt financing and loan arrangements, equities, properties and infrastructure, and a derivatives-based protection strategy. The adopted investment strategy seeks to link the bonus and crediting rate strategy, policyholder expectations, risk profile and capital support and coverage available, with long-term sound, supportable and equitable policyholder outcomes.

In terms of underlying asset holdings, it is noted that the RLAL No.1 Fund Australian business and NZ Branch investment assets are predominantly separately held and managed:

- The Australian investment assets are held via Australian Directed Trust Model (“DTM”) trusts.
- The New Zealand investment assets are held predominantly via New Zealand Portfolio Investment Entity (“PIE”) trusts.
- The separate structuring, especially the use of PIEs in New Zealand, has been adopted to optimise policyholder and shareholder net investment return outcomes. The main exception to this approach is that the New Zealand business invests into the Australian Private Credit and Real Asset DTMs where it is not economic or practical to establish separate New Zealand PIEs for this asset class.

2.2.4 Operations and Administration

RLAL's operations and management staff, systems and infrastructure are provided by the two service companies, which are ultimately owned by the NOHC; Resolution Life Services Australia Pty Ltd (“Res Services Aus”) and Resolution Life Services NZ Limited (“Res Services NZ”) (collectively referred to as the Service Companies), which provide these services to RLAL’s operations in Australia and New Zealand, respectively.

RLAL has service agreements in place with Res Services Aus and Res Services NZ to provide the operational and management services to RLAL on a basis that is a combination of contractual fees and cost recovery.

2.2.5 Expenses

Fees to the Par Sub-Fund for day-to-day administration are charged by the Service Companies on a fixed basis. The Par Sub-Fund is also charged other regulatory fees and directly incurred costs and fees for investment management which includes both internal and external services.

One-off costs may be charged to the Par Sub-Fund (PRE or UA Pools) for improving participating policyholder outcomes and/or equity, such as investments in processes or technology that will result in future cost savings to the policyholders, or due to externally imposed changes such as regulatory change.

2.2.6 Reinsurance

For non-participating insurance products reinsurance arrangements are implemented via separate treaties for the Australian and New Zealand business.



2.3 No.2 and No.3 Funds

The RLAL No.2 and No.3 Funds issue RLAL's Australian investment-linked (unitised) business. The investment options within the investment-linked portfolios (the No.2 and No.3 Funds' portfolios and the New Zealand investment-linked portfolio in the No.1 Fund) are invested, via separate investment option pools, in accordance with each investment option's stated investment profile and objectives, and to achieve the investment objectives and risk profiles for the different investment options consistent with the investment horizon (timeframe) for each option.

2.4 No.4 Fund

The RLAL No.4 Fund, recently established in 2025, is a specialised fund to facilitate the issuance of lifetime annuity business.

2.5 Shareholders' Fund

Assets held to back the capital reserves held in the SHF, are in general terms currently invested in cash, short-term fixed interest, and debt financing and loan arrangements.

3. Implications of Restructure for New Zealand Policyholders

3.1 Introduction

In this section I have set out my conclusions on the implications of the Proposed Transfer for New Zealand policyholders, applying the requirements of the NZ Fairness Framework.

In forming my opinion, the requirements of the NZ Fairness Framework have been considered based on the implications for policyholders of:

- The basis on which the nature and value of the assets to be transferred is to be determined;
- The appropriateness of the assets to be transferred to the liabilities to be transferred;
- Policyholder contractual benefits and rights;
- Policyholder reasonable benefit expectations;
- Financial impact and benefit security; and
- Any other matter arising during my review that may negatively impact the fair treatment of New Zealand policyholders.

3.2 Statement on the basis on which the nature and value of the assets to be transferred is to be determined

RLAL has provided me with an analysis of the assets to be transferred. Based on this information and consistent with the AA Report, the assets to be transferred include:

- Cash deposits, including accrued interest
- Directly held financial securities including
 - Fixed interest securities, loans and debt instruments, including accrued coupons and interest;
 - Equity securities and property assets, including accrued/recorded dividends and rents;
- Units in managed investment schemes, exchange traded funds, and other similar investment vehicles and schemes, and accrued distributions;

- Derivative financial instruments; and
- Unit holdings in trusts and investment vehicles, including RLA NZ PIE trusts, RLA AU DTM trusts, and the NZ Trust, with underlying assets of the above types.

The majority of the assets being transferred include liquid assets that are at call or are traded on public markets. The assets will be valued under the transfer at their relevant at call or market value (last bid price), in accordance with RLAL's existing accounting policies which reflect applicable Australian Accounting Standards, including AASB17, AASB9 and AASB139, and APRA financial reporting standards.

Some of the assets being transferred are non-traded assets such as Private Credit loans, over-the-counter derivatives, and some direct property investments. These are valued via RLAL's established valuation processes and methods that provide fair value estimates linked to market observable information as appropriate, supported by professional and expert valuers, in accordance with the applicable accounting and regulatory standards, as detailed in the NOHC's asset Valuation Policy.

For both the traded and non-traded assets noted above, the valuation basis is considered to be materially and in aggregate at fair value i.e., the amount that would be received on the sale of the asset in an orderly transaction between willing market participants at the measurement date.

Various assets relating to the transferring policies are also being transferred such as; policy loans (including accrued interest), outstanding premiums receivables, reinsurance claim receivables and any tax assets. These items will also be valued in accordance with RLAL's accounting practices, which reflect their nominal values less any provision for non-recovery or default.

Based on my review of the valuation policies for the non-policy related assets and the accounting practices for the policy related assets, I consider RLAL have adopted an appropriate basis on which the nature and value of the assets to be transferred is to be determined.

3.3 [Statement as to whether the assets to be transferred are appropriate to the liabilities to be transferred](#)

RLAL's existing investment strategy and asset holdings in respect of its New Zealand investment-linked business and all the participating business, reflect its disclosures, intentions, and communications to its policyholders e.g. the investment strategy for the investment linked products reflect the unit funds "labels" and participating business strategies reflect policyholder expectations reflective to ongoing policyholder communications.

The assets supporting the UA for the Par Sub-Fund, other capital reserves being transferred and the assets supporting the non-participating policyholder liabilities other than the investment linked business, include primarily fixed interest securities and cash.

I consider that the assets being transferred reflect appropriate assets to properly support the policy and other liabilities being transferred.

3.4 Policyholder Contractual Benefits and Rights

There is no impact to the contractual benefits and rights of New Zealand Policyholders as a result of the Proposed Transfer.

3.5 Implications of the Proposed Transfer for Participating Policies – Policyholder Reasonable Expectations

3.5.1 Introduction

In this section I have set out my conclusion on the implications of the Proposed Transfer for the New Zealand participating policy owners reasonable benefit expectations considering:

- The PRE Pools and approach to Investment Management;
- Expenses;
- Non-Investment Experience pooling and Investment Fluctuation Reserves (“IFR”);
- Practice and Principles for Setting Bonuses, Crediting Rates and Surrender Values;
- Prior Part 9 Undertakings; and
- UA Pools and Progressive Distribution

3.5.2 PRE Pools and Investment Management

Under the Proposed Transfer the New Zealand PRE Pools will move to the No.5 Fund. The approach to investment management will not change.

3.5.3 Expenses

The RLAL Service Company agreements will require updating for the restructure, however, the substance of the charging basis for the Par Sub-Fund is unchanged including the charging basis from the service companies for the day-to-day expenses.

Given that the total assets under management and number of investment pools, sub-funds and PRE Pools across all of RLAL will not change as a result of the Proposed Transfer, no increase in internal investment management, monitoring and reporting costs are anticipated to arise.

The existing approach under the PBMF of allocating one-off expenses to the Par Sub-Fund which arise from external events or charges, or where activities are deemed to have beneficial outcomes for the participating policies, will continue. The basis for allocating such expenses across the Notional Allocation of the Australian and New Zealand UA is not changed by the Proposed Restructure.

There is potential when implementing a protection strategy at short notice in an economic stress event for some immaterial additional expense to be incurred. For example, this could occur in the circumstances where the strategy would, in the absence of the restructure, to have a single instrument implemented within SF1 to provide protection across the Australian and New Zealand business while if the proposed restructure proceeds, two instruments will need to be purchased.

Any such additional expense, if it were to occur, is considered so small relative to the overall size of the No.1 Fund or the No. 5 Fund that it does not give rise to concerns relating to the reasonable expectations of policyholders.

It is also noted that any such costs would need to be balanced against potential benefits to the financial resilience of RLAL and the NOHC to the extent that RLAL successfully pursues its future strategy.

3.5.4 Experience pooling – Non-Investment Experience and IFRs

Non-investment experience is not pooled across New Zealand and Australian PRE Pools and the New Zealand and Australian investment account PRE Pools operate separately.

Therefore, the Proposed Transfer is not expected to result in any adverse impacts relating to the approach to the treatment of non-investment experience or the IFR management approach.

3.5.5 Practice and Principles for Setting Bonuses, Crediting Rates and Surrender Values

The PRE pools, which are unchanged as a result of the Proposed Transfer, are a key driver of the bonus rates, crediting rates and supporting (appropriate) surrender rates.

RLAL intends to continue the existing practices and principles for setting bonus and crediting rates.

There will be no changes to the surrender value bases for either the Transferring NZ Policies or the Remaining Policies at the Transfer Date.

3.5.6 Prior Part 9 Undertakings

The AA Report notes that undertakings given in previous Part 9 transfers and that the undertakings are reflected in the existing RLAL PBMF that will continue to apply to the No.1 and No. 5 Fund Par Sub-Funds after the Proposed Transfer.

3.5.7 UA Pools and Progressive Distribution

An initial UA allocation to the NA pools was established effective 31 December 2021 based on an allocation in proportion to the dollar size of each PRE pool.

This NA balance is rolled forward annually with investment earnings less expenses charged to the UA (normally on a pro-rata basis subject to any over-riding considerations where appropriate) and less transfers to the PRE pools and one-off expenses.

The allocation and the roll forward analysis, including the progressive distribution of the UA, has been the subject of advice from me to NZPAC including in the following letters:

- “Advising Actuary Advice on Allocation of Unallocated Assets and Conventional Bonus Rates for New Zealand Policyholders” dated 28 January 2022.
- “Advising Actuary Advice on Allocation of Unallocated Assets Impact Illustrations” dated 25 January 2023.
- “Advising Actuary Advice on Allocation of Unallocated Assets Impact Illustrations – additional examples” dated 21 April 2023.
- I have considered the roll forward of the UA when providing my advice annually, reviewing the FCR.
- I have considered the UA in my letters reviewing the PBMF (for example in my review of the PBMF following updates made in 2025, in my letter dated 6 August 2025).

For clarity and background, it is noted that there are no concerns or unresolved matters with the current NA allocation or the progressive distribution approach expressed in the advices noted above.

In providing my overarching advice per the scope in this letter, I have taken into account the past analysis and background, and have also considered potential implications and changes resulting from the Proposed Transfer.

In this context it is noted that the main potential implication and change is that, following the proposed statutory fund restructure, it will not be possible to change the allocation of the UA as between Australia and New Zealand i.e. the notional allocation between Australia and New Zealand will be permanent/irrevocable.

My overall view is that making the allocation of the UA irrevocable is not adverse to New Zealand policyholders because:

- I consider the approach described above to allocating the UA to PRE pools, accumulating it over time, and the current resulting allocation of UA, to be reasonable.
- There are no plans or intention to revise or change the allocation of UA in future. Therefore, there is not expected to be any implications in practice of making the current UA allocation between the Australian and New Zealand business permanent through the Proposed Transfer.
- Under the current situation with the Australian and New Zealand business in the same statutory fund
 - Under the Life Act it is not permitted to allocate Australian policyholder retained profits to overseas policyholders.
 - Any proposal to change the UA allocation from Overseas (New Zealand) to Australian policyholders would be subject to regulatory approvals.

That is, there would likely be significant obstacles to changing the allocation even if the business remained in the same statutory fund.

- The practical operation and maintenance of the UA amount by PRE pool over the past 2 years (including distributions) has operated soundly and in line with the planned approach. In particular no matters have arisen which have indicated a need or desire to change the allocation of the UA as between Australian and New Zealand PRE pools.

In summary, overall I have no concerns in relation to the allocation of the UA overall and including specifically in relation to permanence of the UA allocation as between Australian and New Zealand policyholders resulting from the fund restructure.

In relation to the existing approach under the Participating Business Management Framework for the progressive distribution of the UA, this will continue and the outlook for distributions will not be adversely affected by the Proposed Transfer.

As the outlook for distributions from the UA is unchanged, the Proposed Transfer does not have any adverse implications for fairness of the UA distribution as between different generations of New Zealand policyholders, across New Zealand product groups and across geographies (noting that NZPAC is required to consider these issues, and seek advice on them from the Independent Actuary, under item 2.2 (f) of the Charter).

Another observation which I include mainly for noting is that Asteron has a small volume of participating business. No current proposal or approach is set out in relation to the allocation and distribution of UA if/when the Resolution New Zealand business is combined with it. I will consider and provide advice on this to NZPAC if/when any such future proposal is made.

3.6 Implications of the Proposed Transfer for Investment Linked Policies – Policyholder Reasonable Expectations

For the New Zealand investment linked policies, the supporting assets, investment management approach, unit pricing approach and administration are unchanged following the Proposed Transfer.

The policies will continue to be managed in accordance with the policy terms and historic policyholder undertakings, including remaining in-line with the disclosed and communicated investment objectives and investment strategies for the various underlying products, and in-line with RLAL's "true to label" investment approach.

The reasonable expectations of policyholders will not be adversely impacted by the Proposed Transfer.

3.7 Other Relevant Policyholder Expectations Considerations

3.7.1 Product Pricing

No changes to premium rates, fees and/or charges are occurring on the Transfer Date.

The approach to determining future premium rates, fees and/or charges will be subject to similar considerations as is currently the case.

3.7.2 Underwriting and Alterations

No changes to underwriting or claims management are being made as a result of the Proposed Transfer.

3.7.3 Claims Management

No changes to claims management are being made as a result of the Proposed Transfer.

3.7.4 Policy Administration & Operational Parameters

Other than changes required to reflect that the business is issued from the No. 5 Fund, no changes are being made to the approach to policy administration or the investment and accounting systems as a result of the transfer.

3.7.5 Ongoing Expenses

The ongoing management expenses for the Par Sub-Fund was discussed at 3.5.3 above. It is noted that the approach to the ongoing management expenses charged for the Non-Par Sub-Fund product portfolios under the service company agreements will not change other than to be changed to charge the No.1 Fund and No. 5 Fund respectively in future. In order to facilitate this the service company agreements will be updated to reference the new No. 5 Fund.

3.7.6 Tax Expenses & Consequences

The Proposed Transfer is not expected to have any impact on tax payable by RLAL or policyholder tax.

3.8 Conclusion on Policyholders' Reasonable Benefit Expectations

Based on the above sections 3.5 to 3.7 my conclusion is that the reasonable benefit expectations of policyholders are not adversely affected by the Proposed Transfer.

3.9 Financial Impact and Benefit Security

3.9.1 Financial Position Immediately After the Proposed Transfer

The AA Report considers the impact of the Proposed Transfer on capital requirements and benefit security.

Pro-forma analysis (which includes certain adjustments – including those noted at Section 2.2.2 above) of the No.1 Fund and No.5 Fund position at 31 December 2025 is set out below:

Key Financial Measures No. 1 Fund and No. 5 Fund After Proposed Transfer						
\$M's	No. 1 Fund			No. 5 Fund		
	Par Sub-Fund	Non-Par Sub-Fund	Total No. 1 Fund	Par Sub-Fund	Non-Par Sub-Fund	Total No. 5 Fund
Policy Liabilities	10,582	2,705	13,287	2,835	235	3,071
Policyholder Retained Profits	1,780	-	1,780	910	-	910
Other Liabilities	436	(93)	343	(4)	73	68
Total Assets	13,243	3,024	16,267	3,969	448	4,417
Net Assets	445	411	856	228	140	368
Regulatory Adjustments	469	43	512	211	(93)	117
Capital Base	914	454	1,368	439	47	485
PCA	414	267	681	172	11	183
Assets in Excess of PCA	500	187	687	267	35	302
Capital Base / PCA %	221%	170%	201%	255%	413%	265%

The assets transferred in excess of the liabilities transferred are sufficient, by sub-fund (Par Sub-Fund and Non-Par Sub-Fund), to cover the regulatory capital requirements after the Proposed Transfer.

My overall conclusion is that immediately after the Proposed Transfer both the No. 1 Fund and the No. 5 Fund will satisfy the requirements of LPS 110 and LPS 112.

The table shows that the Par Sub-Fund and Non-Par Sub-Fund considered separately, and the No.1 Fund overall has capital in excess of the PCA.

As noted in Section 2.2 a key focus for financial strength is the capital adequacy multiple for each of the Par Sub-Funds and Non-Par Sub-Funds in Fund No.1 and Fund No.5 are more than 160%.

In particular, this means that, for the No. 1 Fund, the Par Sub-Fund, the Non-Par Sub-Fund and the Fund overall, assets above PCA are approximately 121%, 70% and 101% respectively of the PCA.

For the No. 5 Fund, the Par Sub-Fund, the Non-Par Sub-Fund and the Fund overall, assets above PCA are approximately 155%, 313% and 165% respectively of the PCA.

This analysis indicates sound financial strength.

3.9.2 Financial Impact of Proposed Transfer

The risks most likely to be the source of extreme large losses are asset and investment related risks. The diversification benefits lost from transferring the New Zealand business into a separate statutory fund for such extreme systemic loss events are relatively small.

For example, analysis in the AA Report considers the impact on the PCA calculation, which is intended to be risk-based and in principle is set at the level of a 1 in 200 year adverse outcome.

It notes that, assuming the transfer had occurred at 31 December 2025, the PCA at that time (calculated stand alone for No. 1 Fund and No. 5 Fund and then summed) would be similar (approximately 0.5% higher) compared with the PCA calculation performed under the current situation where the New Zealand policies are in the No. 1 Fund.

The AA Report also notes that the business in each fund has similar “metrics” so that the risk profile and capital bases are relatively similar and as a result the level of risk cross-subsidy within the current Par Sub-Fund between the Australian and New Zealand portfolios is not material.

In addition to considering metrics and capital relative to the PCA and Target Capital, I have also considered risk cross-subsidy taking into account the potential for extreme event/scenarios that may lead to either or both the New Zealand and Australian Par Sub-Funds being significantly weakened e.g. breaching regulatory capital requirements (or even more extreme, failing to have sufficient assets to meet guaranteed obligations).

For example, where the New Zealand and Australian Par Sub-Funds are in separate statutory funds there is likely to be less support and risk cross-subsidy from one to the other than if they were both in the same statutory fund. For example, while in the same statutory fund there would be a potential cross-subsidy to the New Zealand Par Sub-Fund if it became significantly weakened (while the Aust Participating Sub-Fund was not as significantly weakened) and vice versa i.e. the Aust Participating Sub-Fund became significantly weakened while the New Zealand Participating Sub-Fund was not as significantly weakened.

Based on analysis that I have considered and that has been performed by RLAL my conclusion is that there is no material net risk cross-subsidy loss (or gain) to New Zealand policyholders from the Proposed Transfer.

i.e. any potential risk cross-subsidy to the New Zealand Par Sub-Fund from scenarios where it is significantly weakened (while the Australian Par Sub-Fund is not as significantly weakened) is not materially different to the potential risk cross-subsidy from New Zealand from scenarios where the Australian Par Sub-Fund is significantly weakened (and the New Zealand Participating Sub-Fund was not as significantly weakened).

On this basis and given the points noted above of strong capitalisation and similar capital strength there is not considered to be any overall net potential loss of financial security from the separation.

3.9.3 NZPAC, NZ Trust & RLNZ Reinsurance

The following is noted in relation to NZPAC, NZ Trust and the RLNZ Reinsurance:

- Following the Proposed Transfer, the NZPAC will continue its current role of considering the interests and fair treatment of New Zealand policyholders and advise the RLAL Board of any concerns. The references in its charter to the No. 1 Fund will be updated to reference the No. 5 Fund.
- The NZ Trust overall legal structure remains in substance in place, with the NZ Trust Deed being amended to reflect that it is an asset of the No. 5 Fund and in order to operate effectively within an overall smaller No. 5 Fund.

I do not consider there are any financial security implications from any of these changes.

- The maximum sum insured and minimum asset holding of RLNZ will be reduced from NZ\$50m to NZ\$25m. I consider any potential implications from reducing the sum insured under the RLNZ Reinsurance are minor. In particular I consider them insignificant and not overall adverse when considered together given the broader context and change of the restructure including removing the impact of co-mingling.

3.9.3.1 Class Actions and Disputes

The AA Report notes a potentially material legal action commenced by Munich Re. While no allowance for a material impact from this action has been included in the analysis in the AA Report, or in the analysis in this report, based on my discussions with RLAL, I consider RLAL is well positioned to fund the reasonably foreseeable outcomes.

There is not expected to be any adverse change to the implications of this matter for the financial security of New Zealand policyholders, assuming reasonably foreseeable adverse outcomes.

RLAL is a respondent in a class action against AMP Limited (AMP) and other AMP entities relating to conduct while RLAL was owned by AMP. AMP has assumed responsibility for the conduct of these proceedings and is providing a full indemnity to RLAL for any outcome under the terms of the share purchase agreement between it and Resolution Life group.

The AA Report also refers to a third class action commenced in 2025 relating to insurance premiums received by RLAL from AMP super fund members. The timeframe and likelihood of success remain unclear, including what share of any loss may ultimately be incurred by RLAL. RLAL and the NOHC hold no provision in their financial statements for this matter, and no allowance is included in the analysis in the AA Report.

3.9.4 Risk and Capital Management

3.9.4.1 Risk Management

In accordance with APRA standards RLAL has an existing risk management framework. This will apply to the New No.5 Fund and RLAL will update certain documentation, calculation processes and reporting to accommodate this.

3.9.4.2 Reinsurance

It is noted that the reinsurance treaties do not overlap between Australia and New Zealand i.e. the reinsurance treaties cover either only Australian policies or only New Zealand policies.

There is no proposed or planned change to reinsurance arrangements as a result of the Proposed Transfer.

The existing reinsurance arrangements on the New Zealand Policies will transfer to the No. 5 Fund. The existing risk mitigation that these arrangements provide to RLAL will therefore continue after the transfer and the capital reserves transferred to the No. 5 Fund will be consistent with the retained and residual risk profile of the New Zealand business.

3.9.4.3 Investment Strategy and Asset Risk

As noted in 3.5.2 above, for the Participating Sub-Funds, at 3.6 for the investment linked business the overall approach to investment strategy will not be changed as a result of the Proposed Transfer.

The overall approach to the investment strategy for the Non-Participating Sub-Funds and Shareholders' Fund is also not be changed as a result of the Proposed Transfer.

There are no changes to existing approaches to managing asset risks including asset-liability mismatch risk. There are no changes to how these risks are incorporated within regulatory and target capital calculations.

3.9.4.4 Capital Management Framework

In accordance with APRA standards RLAL has an existing capital management framework and processes, including its Internal Capital Adequacy Assessment Process ("ICAAP"), which address the existing portfolio of business.

Each statutory fund holds target surplus in addition to the Prescribed Capital Requirement ("PCR") in accordance with the RLAL Target Surplus Policy. Distributions from the statutory funds are subject to appointed actuary advice.

These capital management aspects will apply to the new No.5 Fund after the Proposed Transfer.

3.9.4.5 Prospective Capital Position

The analysis in section 2.15.1 and 2.15.2 of the AA Report indicates that the New Zealand business, and the Australian business in the No.1 Fund, each have overall generated significant profit and capital generation over the past 3 years.

The RLAL business plans expect ongoing positive profit and capital generation from each of these the No. 1 Fund and No. 5 Fund and the ability to support future transfers (to the SHF or other funds) and RLAL dividends.

This ongoing profitability and cash-flow generation of both the No.1 Fund and No. 5 Fund are expected to continue to provide financial resources to support the capital position of each fund.

3.10 Conclusion on Fairness and Interests of New Zealand Policyholders

3.10.1 Conclusion

My findings in sections 3.1 to 3.9 include that:

- The basis on which the nature and value of the assets to be transferred is to be determined is appropriate.
- The assets to be transferred are appropriate to the liabilities to be transferred.
- Policy contractual terms and conditions are unchanged.

- The Proposed Transfer does not have a material adverse impact on the risk exposure of the New Zealand participating policyholders and there is not considered to be any overall net potential loss of financial security.
- The reasonable expectations of policyholders will not be adversely impacted by the Proposed Transfer.

During my review I did not identify any other matters that may negatively impact the fair treatment of New Zealand policyholders.

My overall conclusion is that I consider that the Proposed Transfer treats New Zealand policyholders fairly.

3.10.2 New Zealand Fairness Framework

In addition to the conclusion at 3.10.1 I also note that I have considered the Proposed Transfer in the context of the NZ Fairness Framework, including how the proposal satisfies each of the 5 considerations with respect to New Zealand policyholders.

It is noted that consideration number 2 relates to assisting customers to make informed decisions. The approach to informing customers in relation to the Proposed Transfer is being considered separately to the AA Report and therefore I have not addressed it in this report.

My overall conclusion is that in relation to considerations number 1 (Customer Interests), 3 (Product Suitability), 4 (Fair, Transparent and Ethical Treatment) and 5 (Alignment of Interests) I have not identified any issues with the proposal in the context of the NZ Fairness Framework.

4. Implications of Restructure for Australian Policyholders

4.1 Introduction

In this section I have set out my conclusions on the implications of the Proposed Transfer for Australian policyholders.

In forming my opinion, I have considered fairness based on the implications for the Australian policyholders of the No. 1 Fund for:

- Policyholder contractual benefits and rights;
- Policyholder reasonable benefit expectations;
- Financial impact and benefit security; and
- Any other matter arising during my review that may negatively impact the fair treatment of Australian policyholders.

4.2 Policyholder Contractual Benefits and Rights

There is no impact to the contractual benefits and rights of Australian Policyholders as a result of the Proposed Transfer.

4.3 Implications of the Proposed Transfer for Participating Policies – Policyholder Reasonable Expectations

Certain observations noted in section 3 in relation to New Zealand policyholders also apply to Australian participating policyholders including:

- The Australian PRE Pools and approach to investment management is not changing as a result of the Proposed Transfer;
- The basis for expense charging for the Par Sub-Funds for both New Zealand and Australian Par Sub-Funds was described in 3.5.3. In summary there is not expected to be any material additional expense incurred for the Australian Par Sub-Funds as a result of the Proposed Transfer.
- The pooling of non-investment experience items within some PRE Pools and across other PRE Pools will not change or be affected by the Proposed Transfer
- RLAL intends to continue the existing practices and principles for setting bonus and crediting rates. There will be no changes to surrender values at the Transfer Date.

- The Proposed Transfer will not adversely impact on the prior Part 9 undertakings applicable to the remaining participating policyholders.
- Section 3.5.7 notes various advices that I provided on the allocation of UA to the New Zealand pools. I noted that there are no concerns or unresolved matters with the current NA allocation or the progressive distribution approach in relation to New Zealand policyholders. I have also considered the allocation and progressive distribution approach for Australian policyholders and similarly have no concerns. In making this conclusion I note:
 - The approach to the initial UA allocation established effective 31 December 2021 (based on an allocation in proportion to the dollar size of each PRE pool with an adjustment to certain PRE pools for level of capital support that they had received over time) is fair to Australian policyholders.
 - In Section 3.5.7 it was noted that, following the proposed statutory fund restructure, it will not be possible to change the allocation of the UA as between Australia and New Zealand i.e. the notional allocation between Australia and New Zealand will be permanent/irrevocable. The reasons I considered this to not be adverse to New Zealand policyholders are also why I consider this change to not be adverse to Australian policyholders.
- In relation to the existing approach under the Participating Business Management Framework for the progressive distribution of the UA, this will continue for Australian policyholders and the outlook for distributions will not be adversely affected by the Proposed Transfer.

4.4 Other Relevant Policyholder Expectations Considerations

4.4.1 Product Pricing

No changes to premium rates, fees and/or charges are occurring on the Transfer Date.

The approach to determining future premium rates, fees and/or charges will be subject to similar considerations as is currently the case.

4.4.2 Underwriting and Alterations

No changes to underwriting or claims management are being made as a result of the Proposed Transfer.

4.4.3 Claims Management

No changes to claims management are being made as a result of the Proposed Transfer.

4.4.4 Policy Administration & Operational Parameters

Other than changes required to reflect that the business is issued from the No. 5 Fund, no changes are being made to the approach to policy administration or the investment and accounting systems as a result of the transfer.

4.4.5 Tax Expenses & Consequences

The Proposed Transfer is not expected to have any impact on tax payable by RLAL or policyholder tax.

4.5 Financial Impact and Benefit Security

My overall observations on financial impact and benefit security are as follows:

- As noted in Section 3.9.1 immediately after the Proposed Transfer the assets remaining in excess of the liabilities transferred are sufficient, by sub-fund (Par Sub-Fund and Non-Par Sub-Fund), to cover the regulatory capital requirements and to satisfy RLAL's internal capital reserving benchmarks.

The effect of the Proposed Transfer is that it is expected that the future profit and net capital generation of RLAL overall, and the No.1 Fund specifically, will remain sound and will continue to provide a valuable source of financial resources to support RLAL and the No.1 Fund to deal with future risk events and outworkings after the Proposed Transfer.

- Australian Par Sub-Fund – in Section 3.9.2 it was noted that, for the Par Sub-Fund, both the Australian and New Zealand business in each fund has similar “metrics” so that the risk profile and capital bases are relatively similar and as a result the level of risk cross-subsidy within the current Par Sub-Fund between the Australian and New Zealand portfolios is not material.

This section also discussed implications and analysis considering potential extreme scenarios. I have considered this analysis from the perspective of the Australian Par Sub-Fund. The overall conclusion is that there is not expected to be any material net risk cross-subsidy loss (or gain) to Australian policyholders from the Proposed Transfer.

There is not considered to be any overall net potential loss of financial security to Australian Policyholders from the Proposed Transfer.

4.6 Conclusion on No Unfairness to Any Policyholders

My overall conclusion is that I consider that the Proposed Transfer will not result in unfairness Australian policyholders.

Analysis in relation to fairness and treatment of New Zealand policyholders was set out in Section 3.

A Information Received

Report / Spreadsheet

Appointed Actuary Report on Proposed Transfer (Received 6 May 2026)

Participating Business Management Framework (effective 1 September 2025)

Resolution Life NOHC Valuation Policy (last approved May 2025)

256_Asset_Liability_Risk_Final.xlsx (Received 13 September 2025)

256_NZ_Branch_impact_summary_v2.xlsx (Received 13 September 2025)

256_Capital_Summary_Final.xlsx (Received 13 September 2025)

256_Insurance_Risk_v5_Fix_DF.xlsx (Received 13 September 2025)

SF1_SF5_BP_split_v1.xlsx (Received 16 September 2025)

Dec-25_NZ_Branch_Tables_v7.xlsx (Received 6 May 2026)

B New Zealand Fairness Framework 31 August 2023

B.1 Background

The NZPAC Charter (section 1.3) requires that NZPAC provides:

“independent oversight of Resolution Life Australasia to ensure that fairness and the interests of New Zealand policyholders are appropriately considered in Resolution Life Australasia’s governance structures and decision making”.

The Charter also (section 2.5d) requires the NZPAC to make recommendations to the Resolution Life Australasia Limited Board annually on:

“whether the Committee believes that Resolution Life Australasia has treated New Zealand policyholders generally and New Zealand policyholders within each product group fairly, including in the way it has proposed to exercise discretion”.

B.2 Application of the Fairness Framework

To ensure that the Committee is able to discharge its duties under the Charter concerning fairness to, and the interests of, New Zealand Policyholders in a consistent manner and with due regard to Resolution Life Australasia’s fair conduct obligations under relevant law, regulations and guidelines, any proposal to the Committee must evidence the following considerations with respect to NZ policyholders:

1. Customer Interests

Pays due regard to customers interests and provides, or is likely to provide, good customer outcomes¹, over the lifetime of the contract².

2. Informed Customers

Assists customers to make informed decisions and ensures customers can understand the product, its costs, benefits and risks¹, including by keeping customers informed about the product over the lifecycle of the policy, and at key policy events².

¹ Based on NZ Conduct of Financial Institutions (CoFI) requirements or FMA’s Good Customer Outcomes (GCO) expectations under NZ laws, regulations and guidelines

² Based on guidance from UK Financial Conduct Authority (FCA) Finalised Guidance FG16.8 and Thematic Review TR19.3



3. Product Suitability

Ensures that the relevant products and services provided are likely to meet the requirements and objectives of customers and delivers the right product, with professional standards of care¹.

4. Fair, Transparent and Ethical Treatment

- a. Acts ethically, transparently and in good faith, ensures that customers are not subjected to unfair pressure or tactics or undue influence and that RLA maintains checks and balances to support good conduct¹.
- b. Upon exiting or making their policy paid up, customers should not face unreasonable barriers to exit or unfair charges if they stop paying premiums into the policy².

5. Alignment of Interests

Aligns the company's business interests with those of the customers¹.