

DATED 22 September 2020

THE BRITANNIA STEAM SHIP INSURANCE ASSOCIATION LIMITED,  
SINGAPORE BRANCH  
(AS TRANSFEROR)

TO

THE BRITANNIA STEAM SHIP INSURANCE ASSOCIATION EUROPE M.A.,  
SINGAPORE BRANCH  
(AS TRANSFEREE)

(EACH A **"PARTY"** AND COLLECTIVELY, THE **"PARTIES"**)

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SCHEME FOR THE TRANSFER  
OF THE MARINE MUTUAL INSURANCE BUSINESS OF  
THE BRITANNIA STEAM SHIP INSURANCE  
ASSOCIATION LIMITED,  
SINGAPORE BRANCH

TO

THE BRITANNIA STEAM SHIP INSURANCE  
ASSOCIATION EUROPE M.A., SINGAPORE BRANCH

LODGED PURSUANT TO SECTION 49FB OF THE  
INSURANCE ACT (CAP. 142)

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**SCHEME FOR THE TRANSFER OF THE MARINE MUTUAL INSURANCE BUSINESS OF  
THE BRITANNIA STEAM SHIP INSURANCE ASSOCIATION LIMITED, SINGAPORE  
BRANCH TO THE BRITANNIA STEAM SHIP INSURANCE ASSOCIATION EUROPE  
M.A., SINGAPORE BRANCH**

**LODGED PURSUANT TO SECTION 49FB OF THE  
INSURANCE ACT (CAP. 142)**

**1. PRELIMINARY**

**1.1 Definitions**

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

1.1.1 the following expressions bear the following meanings, namely:

<b>“ACRA”</b>	Means the Accounting and Corporate Regulatory Authority established under the Accounting and Corporate Regulatory Authority Act (Cap. 2A);
<b>“Britannia”</b>	Means The Britannia Steam Ship Insurance Association Limited, a company incorporated in England and Wales with company number 00010340, having its registered office at Regis House, 45 King William Street, London, EC4R 9AN which is authorised by the Prudential Regulatory Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority (FRN: 202047).
<b>“Britannia Europe”</b>	Means The Britannia Steam Ship Insurance Association Europe m.a. , a company incorporated in Luxembourg with company number B230379 having its registered office at 42 – 44 Avenue de la Gare, L - 1610 Luxembourg, which is authorised by the Commissariat aux Assurances in Luxembourg to carry on a mutual insurance business;
<b>“Britannia Europe SG”</b>	Means The Britannia Steam Ship Insurance Association Europe m.a. Singapore Branch, which is to be registered as a Singapore Branch with the ACRA and to be licensed by the MAS to conduct marine mutual insurance business in Singapore;
<b>“Britannia Group”</b>	Means Britannia Holdings, Britannia and Britannia Europe;
<b>“Britannia SG”</b>	Means The Britannia Steam Ship Insurance Association Limited Singapore Branch (UEN: T18FC0144E), whose registered office is at 3 Church Street #22-04 Samsung Hub, Singapore 049483;
<b>“Business”</b>	Means the marine mutual insurance business that is carried on or underwritten by Britannia SG in or from Singapore;

<b>“Effective Date”</b>	Means (subject to the Conditions as defined at clause 2.3.1 below being satisfied) 20 February 2021 at 1200 hours (Greenwich Mean Time) or at such other time and on such other date as the Parties may agree upon and the High Court may allow or such other date as the High Court shall stipulate;
<b>“High Court”</b>	Means the High Court of Singapore;
<b>“Insurance Act”</b>	Means the Insurance Act (Cap. 142);
<b>“Insurance Policy”</b> <b>“Insurance Policies”</b>	or Means every policy or policies of marine mutual insurance ever written, issued or assumed by or novated to Britannia SG, directly or through an agent, independently or as a member of a pool, any indemnity or other similar obligation covering or having the effect of covering insurance liability and any endorsements or amendments thereto, save to the extent they have been effectively transferred to a third party so as to relieve Britannia SG from any actual or contingent liability thereunder;
<b>“Liabilities”</b>	Means all liabilities, obligations and risks (whether accrued, contingent or otherwise) of Britannia SG in connection with the Transferred Items as at the Effective Date;
<b>“MAS”</b>	Means the Monetary Authority of Singapore established under the Monetary Authority of Singapore Act (Cap. 186);
<b>“Policyholders Balances”</b>	Means all past, present and future amount(s) due to or due from Britannia SG in respect of the Business which remain outstanding and unpaid or uncollected by Britannia SG as at the Effective Date;
<b>“Records”</b>	Means all data, files and records in every case of or belonging to and in the possession of Britannia SG as on the Effective Date relating to the Business, and as may be required for compliance with the Goods and Services Tax Act (Cap. 117A) for the Business, and which shall include physical hard-copy and electronic records of the Insurance Policies, risks, claims, case reserves and reinsurance and physical hard copy records of commutations, correspondence with brokers/policyholders;
<b>“Reinsurance Agreements”</b>	Means all contracts of reinsurance entered into by Britannia SG for the protection of its book of marine mutual insurance business under the Insurance Policies;

**“Transfer”** Means the transfer of the Transferred Items pursuant to clause 2.1.1 and in accordance with the terms agreed in writing between the Parties;

**“Transferred Items”** Means all of the assets, rights, benefits, obligations and liabilities (including but not limited to contingent liabilities and the head office account) of Britannia SG.

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

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

1.1.3 In this Scheme:

- (a) words in the singular include the plural and vice versa. Words importing the masculine gender include the feminine and neuter and vice versa. References to persons include bodies corporate, unincorporated associations, partnerships or an authority;
- (b) headings and the use of underlining in this Scheme are for convenience only and shall not affect the interpretation of this Scheme; and
- (c) references to “including” or “include” shall mean references to “including without limitation” and “includes but not being limited to”.

1.1.4 The *eiusdem generis* principle of construction shall not apply to this Scheme. Accordingly, general words shall not be given a restrictive meaning by reason of their being preceded or followed by words indicating a particular class of acts, matters or things or by examples falling within the general words. Any phrase introduced by the terms “other”, “including”, “include” and “in particular” or any similar expression shall be construed as illustrative and shall not limit the senses of the words preceding those terms.

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

## 1.2 **Reasons for the Scheme**

1.2.1 Britannia SG, the transferor, carries on the Business in Singapore as a registered branch of Britannia. Britannia SG is licensed by the MAS as a direct

insurer to write marine mutual insurance business under the Insurance Act. Britannia also carries on business through branches in Hong Kong and Japan.

- 1.2.2 Britannia Europe SG, the transferee, is to be registered with the ACRA as the Singapore branch of Britannia Europe. Britannia Europe SG is to be licensed by the MAS to conduct marine mutual insurance business in Singapore under the Insurance Act.
- 1.2.3 Both Britannia and Britannia Europe are part of The Britannia Steam Ship Insurance Association Holdings Limited ("**Britannia Holdings**"), which is the controlling member of Britannia and Britannia Europe.
- 1.2.4 The United Kingdom left the European Union ("**EU**") on 31<sup>st</sup> January 2020 and the transition period for the United Kingdom to remain in the EU's single market expires at midnight GMT 31<sup>st</sup> December 2020.
- 1.2.5 From 1<sup>st</sup> January 2021, Britannia will lose the right of passporting into the EU and from 1<sup>st</sup> January 2021, all new (or renewal) European Economic Area ("**EEA**") marine mutual business will be entered with Britannia Europe.
- 1.2.6 The Britannia Group has decided that maintaining two insurance carriers in the group is likely to lead to material inefficiencies and duplication of costs and to address the same, there should only be one insurance carrier in the group. Therefore, a transfer of insurance business under Part VII of the Financial Services & Markets Act 2000 ("**FSMA**") in the United Kingdom (a "**Part VII Transfer**") will be undertaken to transfer the marine mutual insurance business of Britannia to Britannia Europe with corresponding transfers being undertaken at or around the same time by the branches of Britannia to the branches of Britannia Europe.
- 1.2.7 The object of this Scheme is to effect the transfer of the Transferred Items from Britannia SG to Britannia Europe SG with effect from the Effective Date in accordance with the terms agreed between the Parties. The Parties acknowledge and agree that the Transferred Items are intended to be transferred as a business on a going concern basis.
- 1.2.8 It is intended that an application shall be made pursuant to Section 49FB of the Insurance Act for an order of the High Court that the Transferred Items be transferred to and vested in Britannia Europe SG by virtue of this Scheme without further or other assurance and be dealt with in accordance with this Scheme from the Effective Date.

## 2. THE SCHEME

### 2.1 Transfer of the Business

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

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

2.1.2 This Scheme and the Transfer are based on the audited financial statements of Britannia SG as at 20 February 2020 attached hereto as the "Appendix", subject to adjustment for changes in value of the assets and liabilities occurring during the period from 20 February 2020 to the Effective Date.

### 2.2 Consideration

In consideration of the Transfer, Britannia Europe SG shall transfer to Britannia SG cash in the sum of one Singapore Dollar (S\$1.00), subject to adjustments on the Effective Date in accordance with the agreement between the Parties.

## 2.3 Conditions

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

- (a) The MAS having given its approval in writing for this Scheme;
- (b) Britannia Europe SG being registered with the ACRA as the Singapore branch of Britannia Europe;
- (c) The MAS having licensed Britannia Europe SG as a direct insurer to write marine mutual insurance business in Singapore;
- (d) The Part VII Transfer having received the necessary court sanction and/or approval pursuant to the FSMA; and
- (e) The High Court having confirmed the Scheme (the “**Singapore Court Order**”) and any conditions forming part of the Singapore Court Order and any ancillary order made by the High Court having been satisfied.

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

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

## 3. EFFECT OF SCHEME

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

### 3.1.1 General

- (a) Britannia Europe SG shall acquire the Transferred Items and all legal and beneficial ownership in the Transferred Items shall be transferred to and vested in Britannia Europe SG with effect from the Effective Date for all estate and interest therein and all Liabilities shall be transferred to and become the liabilities, obligations, debts and duties of Britannia Europe SG with effect from the Effective Date, without further or other acts or assurance and be dealt with in accordance with this Scheme.
- (b) On and with effect from the Effective Date, all references to Britannia SG in any agreement or document evidencing or relating to the Business or the Transferred Items will have effect and be construed as a reference to Britannia Europe SG.



### 3.1.2 **Transfer of Insurance Policies**

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

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

### 3.1.3 **Proceedings Pending by or Against Britannia SG**

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

or in connection with the Transferred Items in the absence of the transfer of the Transferred Items pursuant to this Scheme.

#### **3.1.4 Transfer of Reinsurance Agreements**

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

#### **3.1.5 Further or other Acts or Assurance**

To the extent that the Scheme and the Singapore Court Order are not effective in transferring and vesting any of the Transferred Items under this Scheme to Britannia Europe SG without further or other acts or assurance:

- (a) The Parties shall do and execute and deliver or procure to be done and executed and delivered all such further acts, deeds, documents, instruments of conveyance, assignment, novation and transfer and all things as may be necessary to give effect to the Scheme, to place the Business and Transferred Items in the hands of Britannia Europe SG and as Britannia Europe SG may request, in order to effectively convey, assign, transfer, vest and/or record title to each of the Transferred Items and the Business in Britannia Europe SG;
- (b) Pending doing of such acts, deeds, documents and things, Britannia SG shall as from the Effective Date -
  - (i) hold the legal estate in each of the affected Transferred Items in trust for Britannia Europe SG to the extent that it shall not have transferred to Britannia Europe SG, and shall pay to Britannia

Europe SG promptly upon its receipt of any sums by it under any such affected Transferred Items; and

- (ii) hold or assume any liabilities in each of the affected Transferred Items for and on behalf of and for the account of Britannia Europe SG;
- (c) Britannia Europe SG shall from the Effective Date (at its own costs) assist Britannia SG to perform the obligations of Britannia SG or discharge such liability of Britannia SG under such affected Transferred Items and failing that, indemnify Britannia SG against all liability and any reasonable costs or expense incurred by Britannia SG that is directly attributable to such affected Transferred Items; and
- (d) Britannia SG shall in any event be subject to Britannia Europe SG's directions in respect of any affected Transferred Items referred to in paragraphs 3.1.5 (a) and (b) until the affected Transferred Items is transferred to Britannia Europe SG, and Britannia Europe SG shall have authority to act as attorney of Britannia SG in respect of such affected Transferred Items for all such purposes.

#### **4. UNDERTAKINGS**

4.1 The Parties undertake to comply with Sections 49FB to 49FD of the Insurance Act and all other relevant provisions and regulations made thereunder.

#### **4.2 Undertaking by Britannia SG**

4.2.1 Britannia SG undertakes that it will not after the Effective Date issue or renew any marine mutual insurance policies in Singapore and shall take all necessary steps to surrender its licence to write marine mutual insurance business as soon as practicable after the Effective Date (taking into account the time required by Britannia SG to perform its obligations owed to Britannia Europe SG in accordance with the agreement between the Parties).

4.2.2 Britannia SG undertakes to continue to receive and process claims arising under Insurance Policies issued by them and make suitable reserves therefor up to the Effective Date after which the entire claims portfolio of the Business shall be transferred to Britannia Europe SG which shall thenceforth continue to deal with the same and receive process and meet fresh claims.

#### **4.3 Undertaking by Britannia Europe SG**

4.3.1 Britannia Europe SG undertakes that with effect from the Effective Date, it shall carry on and conduct the Business in Singapore in accordance with sound insurance principles and the provisions of the Insurance Act and safeguard the interests of all policyholders transferred to Britannia Europe SG (and persons claiming through and under them) by virtue of this Scheme.

4.3.2 Britannia Europe SG shall indemnify and keep Britannia SG indemnified against all claims, demands, actions and proceedings that may be made against Britannia SG in respect of the liabilities and obligations to be assumed by Britannia Europe SG under this Scheme.

## **5. COSTS AND EXPENSES**

### **5.1 Costs and Expenses in connection with the Scheme**

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

### **5.2 Reimbursement to the MAS**

Britannia SG and Britannia Europe SG shall be jointly and severally liable to reimburse to the MAS under Section 49FC of the Insurance Act any expenses incurred by them in connection with this Scheme and such liability shall be borne equally as between Britannia SG and Britannia Europe SG.

## **6. MODIFICATION OF THE SCHEME**

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

## **7. RIGHTS OF THIRD PARTIES**

A person who is not a Party shall not have any right under the Contracts (Rights of Third Parties) Act (Cap. 53B) to enforce any provision of this Scheme.

## **8. GOVERNING LAW**

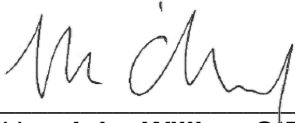
This Scheme shall be governed by, and construed in accordance with, the laws of Singapore.

## **9. JURISDICTION**

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

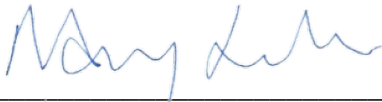
**EXECUTED BY THE PARTIES**

Dated this 22 September 2020

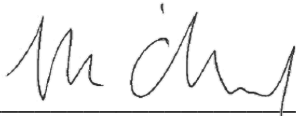


Signed by: **John William O'Flaherty**

For and on behalf of  
**THE BRITANNIA STEAM SHIP INSURANCE ASSOCIATION LIMITED  
SINGAPORE BRANCH**



Witnessed by: **Mary Lobb**



Signed by: **John William O'Flaherty**

For and on behalf of  
**THE BRITANNIA STEAM SHIP INSURANCE ASSOCIATION EUROPE M.A.  
SINGAPORE BRANCH**



WITNESSED BY: **MARY LOBB**

# **APPENDIX**