

**CLICO INTERNATIONAL LIFE INSURANCE LIMITED (“CIL”)
(in judicial management)**

APPENDIX B TO LETTER TO GRENADA POLICYHOLDERS

This document is Appendix B to the letter to Grenada policyholders providing notice of the intended initial distribution. This information is important to enable you, as a policyholder, to understand the proposed distribution and the impact on you.

1. Background information on CIL’s judicial management process

- 1.1. On April 14, 2011 (the “Appointment Date”), the Supreme Court of Barbados (the “High Court”) appointed Deloitte Consulting Ltd (the “Judicial Manager”) as Judicial Manager of Clico International Life Insurance Company Limited (the “Company” or “CIL”) pursuant to Section 57 of the Insurance Act of Barbados.
- 1.2. CIL was a complex insurance and investment management business incorporated in Barbados with branch operations in eight other jurisdictions in the Eastern Caribbean (“EC”). CIL’s business included traditional life insurance underwriting, group health benefit plans and the sale of Executive Flexible Policy Annuities which offered higher interest rates, shorter maturity dates and redeemable features similar to deposit instruments issued by banks. The CIL group, together with its parent, Clico Holdings Barbados Limited, included over 80 related companies and other ownership interests in businesses and properties throughout the Caribbean. CIL’s operations suffered from poor corporate governance, management and investment practices. Many of its investment properties purchased to support its policyholder liabilities proved to be illiquid with net operating losses.
- 1.3. Since its appointment, the Judicial Manager’s actions, under supervision of the High Court, have been aimed at affecting the stabilization and restructuring of the operations of CIL. The going concern sale of CIL’s operations was not possible due to the material deficiency of assets to satisfy policyholder liabilities and its deteriorating financial condition. Any restructuring or improved recovery to CIL’s policyholders and creditors was wholly dependent on possible financial support from relevant governments. In its June 2013 Report and Addendum to the High Court, the Judicial Manager recommended a regional restructuring plan based on a Government of Barbados (“GOB”) initiative which included funding by the GOB to partially cover the deficiency of assets of CIL in Barbados and the EC but also required funding from EC governments. “Stage One” of the regional restructuring plan addressed the policies, assets and liabilities of policyholders in Barbados, while preserving the proportionate value of CIL’s assets, policies and liabilities to which EC policyholders are beneficially entitled. The supporting affidavit included in the Seventh Report of the Judicial Manager to the High Court dated April 15, 2016 confirmed that the portion of CIL’s real estate assets in Barbados allocable to policyholder liabilities in the EC would remain in CIL until a satisfactory arrangement for the resolution of the EC assets and liabilities is achieved (“Stage Two”).
- 1.4. The furtherance of a regional restructuring plan which could have significantly advanced recoveries to CIL policyholders and or preserved their policy rights and equity, and continued employment for CIL employees and contractors throughout the region, was vigorously pursued by the Judicial Manager in the early years of the judicial management and included maintaining the business of CIL as a going concern where feasible. Unfortunately, apart from GOB sponsorship of Stage One of the regional restructuring plan, no funding from any EC government for Stage Two of the plan was received. The pursuit of the regional restructuring plan has added significant delay to the judicial management process. Further, CIL branches in Saint Lucia and Saint Kitts under the judicial management of other entities, and the government of Anguilla, have overtly ignored any attempt to implement a regional restructuring plan for all CIL policyholders and have used realizations from their local assets to make preferential distributions to their local policyholders and creditors directly without regard to the claims of other EC policyholders and creditors. Accordingly, the Judicial Manager will be excluding CIL policyholders in the EC territories of Saint Lucia, Saint Kitts and Anguilla from this distribution to EC policyholders. Accordingly, available proceeds from the allocation of Barbados assets to EC policyholders (including the Distribution Sum discussed further below) and realizations from assets situate in these EC territories will fund distributions to policyholders in Antigua, Dominica, Grenada, St. Vincent and Montserrat (“Participating EC Territories”).
- 1.5. The business of the company is conducted in BDS\$ and EC\$ (“XCD”) depending on the jurisdiction of operation. All amounts in the letter to Grenada policyholders and this accompanying Appendix A are

recorded in XCD except where specifically noted. Where required, BDS\$ dollars have been converted to XCD at the exchange rate of 1.35.

- 1.6. On January 4, 2024, the Judicial Manager filed an Update Report to the Court of Grenada (the “Update Report”) to provide the Grenada Court with information and updates on the Grenada branch of CIL, the activities of the Judicial Manager since its prior report issued January 2020, and the status of the implementation of Stage One and Stage Two of the CIL regional restructuring plan.
- 1.7. The Update Report noted the order of the High Court in May 2023 authorizing the sale of the allocated Stage Two properties to the GOB and the retention of the funds derived therefrom in the sum of BDS 29.6 million (the “Proceeds of Sale”) by the Registrar of the Barbados Supreme Court (the “Barbados Registrar”) for the benefit of EC Policyholders.
- 1.8. The EC Policyholders were represented in these proceedings by counsel to the Eastern Caribbean Currency Union who consented to the said decisions of the Barbados Court.
- 1.9. The terms of the order provided for the Barbados Registrar to hold the Proceeds of Sale in escrow pending transfer of legal title of the Stage Two properties to the GOB. On March 7, 2025, the Judicial Manager filed a Supplemental Report to the Supreme Court of Grenada (the “Supplemental Report”) noting the progress made with the transfer of the legal titles and the subsequent decision of the High Court to direct the Barbados Registrar to release the sum of BDS 24.9 million (the “Distribution Sum”) to policyholders in Participating EC Territories pursuant to the Judicial Manager’s recommended distribution plan (the “Distribution Plan”).
- 1.10. The Distribution Plan approved by the High Court directed the Judicial Manager to distribute the Distribution Sum based on the portion of the EC Policyholder liabilities attributable to each Participating EC Territory.
- 1.11. In May 2025 the Judicial Manager filed a Second Supplemental Report with the Supreme Court of Grenada to finalize the recommended approach of the distribution to the policyholders in Grenada (“Grenada Policyholders”).
- 1.12. As set out in the Interim Report, the Supplemental Report and the Second Supplemental Report filed May 6, 2025, Grenada Policyholders’ claims are valued at XCD 144,937,480. The allocated amount of the Distribution Sum to Grenada Policyholders is XCD 9,552,128, resulting in an initial distribution percentage of 6.59¢ per \$1.00 of policyholder claim.
- 1.13. On 12 May 2025, the Supreme Court of Grenada issued a Consent Order approving the distribution to Grenada Policyholders in accordance with the recommendations of the Judicial Manager whereby:
 - policyholder claims of less than XCD 50 would not be paid due to immateriality
 - verified policyholder claims between XCD 50 and 1,000 will be paid in full
 - policyholders with verified claims greater than XCD 1,000 and less than XCD 15,576 may elect to ‘opt in’ to the small claims scheme and receive a payment of XCD 1,000 in full and final settlement of their claim; alternatively, where the ‘opt in’ offer is not accepted, such policyholders will be paid an initial distribution of 5.5% of admitted claim amounts and will be eligible to participate in any future distributions
 - policyholders who choose to opt in to the small claims scheme will not be eligible to participate in any future distributions
 - verified policyholder claims greater than XCD 15,576 will be paid 5.5% of admitted claim amounts and will be eligible to participate in future distributions
- 1.14. The Judicial Manager estimates future cash distributions to Grenada policyholders to be 1% to 3% in addition to this initial distribution. The expected timeline for any future distribution is likely two years, possibly longer, dependent on issues encountered.

2. Policy value date for distribution purposes

- 2.1. On February 7, 2020, the Judicial Manager advised that it had become necessary for the operations of CIL in Grenada to be terminated.

- 2.2. Policyholders were allowed to continue to make premium payments for coverage up to February 29, 2020, at which date all policies ceased to be effective.
- 2.3. Since December 1, 2014, due to the uncertainty surrounding the implementation of Stage One of the regional restructuring plan, the Judicial Manager determined that it would be appropriate to segregate life insurance premiums and annuity contributions ("segregated premiums") received in each of the branches (excluding St. Kitts, St. Lucia and Montserrat where other judicial managers were appointed) so that they could be refunded to policyholders in the event of the termination of policy benefits.
- 2.4. The Judicial Manager refunded segregated premiums received by policyholders during the period from December 1, 2014, to the earlier date of cessation of payment or February 29, 2020, less any loan amount owed by the policyholder to CIL. This process effectively reverted policy values to their status as of November 30, 2014.
- 2.5. Accordingly, for the purpose of this initial distribution and future distributions, the valuation dates applied to CIL's portfolio are as follows:

The following valuation dates were applied to CIL's portfolio:

Policy Type	Valuation Date
Executive Flexible Premium Annuity (EFPA)	June 30, 2011
Ordinary Life Flexible Premium Annuity (FPA) Universal Life Insurance (LTA)	November 30, 2014
Annuities (Group & Individual)	June 1, 2015
Group Deposit Administration Fund (DAF)	September 30, 2016

Documents and reports referred to in this letter have been posted on the following Judicial Manager's website at **www.clicolife.com**. The physical documents and reports can also be viewed at the Government Registry on Church Street, Grenada, during the period.