



XL INSURANCE (CHINA) COMPANY LIMITED

DISCLOSURE OF MATERIAL AFFILIATED TRANSACTION

2020-1

Being approved by the Board of Directors of XL Insurance (China) Company Limited (hereinafter “XLICCL” or the “Company”) on 26th May 2020, the Company entered into the 2020 All Lines Quota Share Reinsurance Treaty Agreement with XL Bermuda Ltd. (hereinafter “XLB”) on 29th June, 2020. As the estimation of the transaction amount under this agreement meets the criteria of material affiliated transaction respectively, in adherence to the applicable laws and regulations and internal rules of the Company, the relevant information of the transaction is so disclosed as below:

2020 All Lines Quota Share Reinsurance Treaty Agreement

- Basic information of the counterparty: XLB is an insurance company, with a paid-in capital and surplus of USD 9.6 billion. It writes both insurance and reinsurance business and its main line of business includes casualty, catastrophe, property and so on. XLB and XLICCL are affiliated companies under AXA S.A.
- Transaction type: insurance business.
- Transaction subject: insurance liability
- Main terms of the agreement: Under this Quota Share Reinsurance Treaty Agreement, XLB assumes 95% share of liability of all reinsurance business



written on XLICCL paper. The transaction price is 95% of XLICCL's net premiums which is payable to XLB, being premiums written for policies booked on XLICCL paper and attaching during the treaty period less premiums ceded for all reinsurances inuring to the benefit of this treaty, and less all acquisition cost. The billing under this treaty will be settled on a quarterly basis. The agreement shall take effective after both parties sign off the contracts. Treaty period: from 1st July 2020 to 31st December 2020.

- Pricing: Market terms.
- Transaction deliberation and approval: The transaction agreement was submitted to the company management for review by Reinsurance Department, and reviewed by the ARI Committee under the Board of directors. It was approved by the Board of directors at the board meeting held on May 26, 2020.
- Impact: Limit the size of a loss, increase the leverage of XLICCL, and help stabilize the future underwriting experience of XLICCL.
- Accumulated transaction amount in 2020 YTD: None

XL Insurance (China) Company Limited

3rd July, 2020