

PART II
THE FINAL SCHEME

**PROPOSAL IN RELATION TO
A SCHEME OF ARRANGEMENT**

(pursuant to Part 26 of the Companies Act 2006)

between

OIC RUN-OFF LIMITED

(formerly Ralli Brothers Insurance Company Limited and The Orion Insurance Company plc)

THE LONDON AND OVERSEAS INSURANCE COMPANY LIMITED

(formerly Hull Underwriters' Association Limited and The London and Overseas Insurance
Company plc)

(both subject to a scheme of arrangement)

and their respective

FINAL SCHEME CREDITORS

(as defined in the Final Scheme)

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Section 1: Definitions and interpretation

1. Definitions

- 1.1 In this Final Scheme, words and expressions shall have the meanings given to them in Appendix 1 (*Definitions*).
- 1.2 Words and expressions defined in the Original Scheme and the Amending Scheme shall have the same meanings in the Final Scheme, unless otherwise expressly defined or modified in the Final Scheme. In the event of inconsistency between words and expressions defined in the Original Scheme and words and definitions defined in the Amending Scheme, the words and expressions defined in the Amending Scheme shall prevail.

2. Interpretation

- 2.1 The Final Scheme includes the Appendices which accordingly form part of the Final Scheme for all purposes.
- 2.2 Subject to paragraph 2.3, the principles of interpretation set out at clause 2 of the Original Scheme shall have effect as if set out in full in the Final Scheme.
- 2.3 In the Final Scheme:
 - 2.3.1 any reference to a "paragraph" and/or "Appendix" is, unless the context otherwise requires, a reference to a paragraph and/or Appendix in the Final Scheme;
 - 2.3.2 any reference to a "section" is, unless the context otherwise requires, a reference to a section in the relevant Appendix in the Final Scheme;
 - 2.3.3 any reference to an "individual" shall mean a natural person only; and
 - 2.3.4 any reference to "clear days" in relation to a time period means that in calculating the number of days in that time period:
 - 2.3.4.1 the day on which the time period begins; and
 - 2.3.4.2 the day on which the time period ends,are not included for the purposes of such calculation.

Section 2: Preliminary

3. Participation in the Scheme

- 3.1 Each of NNOFIC, the ILU and the Companies have agreed to be bound by the Final Scheme and to execute or do, or procure to be executed or done, all documents, acts or things as may be necessary or as the Court may direct to be executed or done by it or on its behalf for the purpose of giving effect to the Final Scheme.
- 3.2 NNOFIC has agreed that it will procure that any successor to NNOFIC ("**Successor**") will also agree to be bound by the terms of the Final Scheme by executing a deed of adherence in the form of Appendix 3 (*Deed of Adherence*) or a form substantially similar thereto. NNOFIC has agreed to procure that any Successor shall be acceptable to the Companies and the ILU (both acting reasonably).

- 3.3 Dan Yoram Schwarzmann and Douglas Nigel Rackham, the current Scheme Administrators, have each given and have not withdrawn their consent to continue to act as Scheme Administrators from the Final Scheme Effective Date.

4. Incorporation of the Final Scheme

The provisions of the Original Scheme as amended by the Amending Scheme shall continue in full force and with effect from the Final Scheme Effective Date save as amended by the Final Scheme.

5. Modification of the Final Scheme

- 5.1 Subject to paragraph 5.2, each of the Companies may, at any hearing of the Court, consent on behalf of the Final Scheme Creditors, NNOFIC and the ILU to any modification of, or addition to, the Final Scheme or any terms or conditions which the Court may think fit to approve or impose and which would not directly or indirectly have a materially adverse effect on the interests of any Final Scheme Creditor under the Final Scheme.
- 5.2 Any modification of, or addition to, the Final Scheme or any of its terms and conditions which, in the reasonable opinion of either or both of NNOFIC and the ILU (as the case may be), would or might directly or indirectly adversely affect the interests of either or both of NNOFIC and the ILU (respectively, as the case may be), shall not take effect unless approved by either or both of NNOFIC and the ILU (as the case may be).

Section 3: General provisions

6. Purpose of the Final Scheme

- 6.1 The purpose of the Final Scheme is to achieve full and final settlement of the Final Scheme Prospective Liabilities, being any prospective claims of Final Scheme Creditors that, absent the Final Scheme, would be notified after the Final Scheme Bar Date.
- 6.2 The Final Scheme provides a mechanism by which the Final Scheme Payment is made to each Final Scheme Creditor who submits valid Final Scheme Claim Documentation within the Final Scheme Bar Date Period establishing a Final Scheme Prospective Liability, such Final Scheme Creditors being the Eligible Final Scheme Creditors.
- 6.3 The Final Scheme does not, for the avoidance of doubt, affect any right of any Final Scheme Creditor in relation to any claims it may have notified or come to notify prior to the Final Scheme Bar Date.

7. Conditions precedent and the Final Scheme Effective Date

- 7.1 The Final Scheme shall not be effective unless:
- 7.1.1 it is approved at the Final Scheme Meeting in relation to each Company by the majorities of Final Scheme Creditors prescribed by section 899(1) of the Companies Act; and
 - 7.1.2 it is sanctioned by the Court in relation to each Company under section 899 of the Companies Act.
- 7.2 Subject to satisfaction of the conditions in paragraph 7.1, the Final Scheme shall become effective as soon as a copy of the Final Scheme Court Orders sanctioning the Final Scheme in respect of each of the Companies has been delivered to the Registrar of Companies for registration in respect of each of the Companies, as required by section 899(4) of the Companies Act.

8. Time periods and deadlines

- 8.1 The Scheme Administrators may, in their absolute discretion, and subject to such conditions as the Scheme Administrators in their absolute discretion may determine, extend any time periods referred to in the Scheme other than the Final Scheme Bar Date and the Final Scheme Bar Date Period.
- 8.2 Subject to paragraphs 8.3 and 8.4, time periods laid down by the Final Scheme shall be calculated by reference to clear days and not Business Days.
- 8.3 In the event that a time period expires on a Business Day, such period shall be deemed to expire at 11:59 pm (London time) on that Business Day.
- 8.4 In the event that a time period expires on a day which is not a Business Day, such period shall be deemed to expire at 11:59 pm (London time) on the next following Business Day.

9. Claims agreement outside the Scheme

- 9.1 Either Company may enter into contractual arrangements in accordance with clause 29.3(n) of the Original Scheme, as amended by paragraph 9 of the Amending Scheme, but so that a reference to an Established Liability shall be read as a reference to a Final Scheme Prospective Liability.
- 9.2 When entering into such contractual arrangements with Final Scheme Creditors, the Scheme Administrators shall have regard to the best interests of the Final Scheme Creditors taken as a whole in accordance with their respective rights under the Scheme. Without prejudice to the generality of the foregoing, the Scheme Administrators shall have no regard to the existence of the Facility.
- 9.3 The Scheme Administrators shall endeavour to adopt and maintain a consistent approach when entering into any such contractual arrangements with Final Scheme Creditors.
- 9.4 In the event that the Companies enter into a contractual arrangement with a Final Scheme Creditor as set out in paragraph 9.1, that Final Scheme Creditor shall not be eligible to participate in, or otherwise receive, the Final Scheme Payment, and will not otherwise be able to submit its Final Scheme Claim Documentation to the extent that such contractual arrangement relates to the liability concerned.

Section 4: Determination of claims

10. Notice of Final Scheme Effective Date, Final Scheme Bar Date and distribution of Final Scheme Claim Forms

- 10.1 The Scheme Administrators shall, as soon as reasonably practicable after the Final Scheme Effective Date, send by email or post those documents listed in paragraph 10.3 to the last known email or postal address of each person they believe to be, or they know claims to be, a Final Scheme Creditor.
- 10.2 The Scheme Administrators shall, as soon as reasonably practicable after becoming aware between the Final Scheme Effective Date and the Final Scheme Bar Date of any other person who is or may be a Final Scheme Creditor, send by email those documents listed in paragraph 10.3 to each such person.
- 10.3 The documents referred to in paragraphs 10.1 and 10.2 are:
- 10.3.1 notices informing Final Scheme Creditors:
- 10.3.1.1 that the Final Scheme has become effective;

- 10.3.1.2 of the Final Scheme Effective Date;
 - 10.3.1.3 of the Final Scheme Bar Date;
 - 10.3.1.4 of the details of the Website and where and to whom Final Scheme Creditors may address queries relating to the Final Scheme;
 - 10.3.1.5 that the full text of the Final Scheme and the Final Scheme Explanatory Statement may be downloaded from the Website or obtained from the Scheme Administrators by sending a request to Hampden Plc, by email to OICClosureHelpdesk@hampden.co.uk or by post to 40 Gracechurch Street, London EC3V 0BT United Kingdom, or the OIC and L&O Scheme Administrators, c/o PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT (or such other email or postal address as may be notified by the Scheme Administrators to the Final Scheme Creditors from time to time), in each case free of charge; and
 - 10.3.1.6 a pre-addressed form (as made available on the Website) for making a Postal Service Request that may be returned in accordance with paragraph 49.3 of the Amending Scheme.
- 10.4 In July of each year from July 2030 to July 2035 (inclusive), the Scheme Administrators shall write to each Final Scheme Creditor or each Final Scheme Creditor's authorised agent (where applicable), to remind Final Scheme Creditors that they must notify the Companies of claims under their Qualifying ILU Policies on or before the Final Scheme Bar Date in order to be potentially eligible to receive top up payments made available by NNOFIC pursuant to clause 17(b) of the Original Scheme and the terms of the CPLA. This reminder will also be added to the Website.
- 10.5 In respect of any such Final Scheme Creditor or person referred to in paragraph 10.2, neither the Companies nor the Scheme Administrators shall incur any Liability in the event that any of the documentation referred to in paragraphs 10.3 does not reach that Final Scheme Creditor or person.
11. **Notification of claims under the Final Scheme**
- 11.1 Subject to paragraph 8.1, in the event that a Final Scheme Creditor does not submit its Final Scheme Claim Documentation within the Final Scheme Bar Date Period, the provisions of paragraph 14 shall apply in respect of that Final Scheme Creditor's Final Scheme Prospective Liability.
- 11.2 Subject to paragraphs 9, 12 and 13, any notification of a Final Scheme Prospective Liability received by the Companies must be made using a Final Scheme Claim Form. Subject to paragraph 9, any such notification of a Final Scheme Prospective Liability made otherwise than by using a Final Scheme Claim Form submitted by email and received by the Companies within the Final Scheme Bar Date Period will not be valid, accepted or processed by the Companies.
12. **Provision of Final Scheme Claim Forms**
- 12.1 The Scheme Administrators shall make available on the Website prior to and during the Final Scheme Bar Date Period a Final Scheme Claim Form. The Scheme Administrators shall, in accordance with paragraph 10.4, send to each person they believe to be a Final Scheme Creditor an electronic copy of its Final Scheme Claim Form. The Website will include instructions for each Final Scheme Creditor to access, complete and amend its Final Scheme Claim Form and to submit its Final Scheme Claim Documentation by email at any time within the Final Scheme Bar Date Period.

12.2 The Scheme Administrators shall send a Final Scheme Claim Form by Post prior to and during the Final Scheme Bar Date Period to each Final Scheme Creditor who makes a Postal Service Request.

12.3 Final Scheme Claim Forms made available to Final Scheme Creditors on the Website, by Post or by email under this paragraph 12 shall be substantially in the form set out in the drafts in Appendix 4 of the Final Scheme Explanatory Statement, or such other form as the Scheme Administrators may determine.

13. **Submitting the Final Scheme Claim Documentation before the Final Scheme Bar Date**

13.1 In order to qualify as an Eligible Final Scheme Creditor, a Final Scheme Creditor must submit its Final Scheme Claim Documentation in accordance with the provisions of this paragraph 13.

13.2 A Final Scheme Creditor who wishes to submit its Final Scheme Claim Documentation must do so to the Companies by email so as to be received by the Companies within the Final Scheme Bar Date Period.

13.3 Each such Final Scheme Creditor will need to submit its Final Scheme Claim Documentation, being the Final Scheme Claim Form as well as:

13.3.1 subject to paragraph 13.4, evidence satisfactory to the Scheme Administrators that that Final Scheme Creditor had a Qualifying ILU Policy;

13.3.2 a statement in the form set out at Appendix 2 (*Pro Forma Actuarial Confirmation*), from a qualified actuary, that that Final Scheme Creditor can justifiably assert that they reasonably expect to have a Final Scheme Prospective Liability, including the basis of their claim (the “**Actuarial Confirmation**”). The actuary should have relevant experience for the purposes of completing the Actuarial Confirmation. The actuary may make additional comments within the Actuarial Confirmation at their discretion, but the Actuarial Confirmation will not be regarded as duly completed if it contains any qualification of the opinion required therein; and

13.3.3 copies of any data or information provided by the Final Scheme Creditor to the actuary providing the Actuarial Confirmation.

The material detailed at paragraphs 13.3.1, 13.3.2 and 13.3.3 shall together form the “**Final Scheme Supporting Evidence**”. Final Scheme Creditors will not be required to estimate the quantum of any Final Scheme Prospective Liability due to that Final Scheme Creditor.

13.4 A Final Scheme Creditor will not be required to provide the evidence required by paragraph 13.3.1 if the Scheme Administrators have previously confirmed in writing that the Scheme Administrators have received or otherwise obtained satisfactory evidence to confirm that the relevant Final Scheme Creditor had a Qualifying ILU Policy for the purposes of the Final Scheme. As part of the annual reminders mentioned in paragraph 10.4, the Scheme Administrators will confirm in each communication whether satisfactory evidence to confirm that the relevant Final Scheme Creditor had a Qualifying ILU Policy for the purposes of the Final Scheme has been received from the respective Final Scheme Creditor, or whether it still needs to be provided.

13.5 Save in the event of fraud or manifest error, the Scheme Administrators shall accept at face value any duly completed Actuarial Confirmation received prior to the end of the Final Scheme Bar Date Period.

- 13.6 Any Final Scheme Creditor which does not comply in all respects with paragraphs 13.2 and 13.3 shall nevertheless be subject to and shall be bound by the provisions contained in the Final Scheme.
- 13.7 Without prejudice to paragraph 18, where a Final Scheme Creditor has entered into an Assignment, irrespective of whether or not the Companies have received notice of that Assignment, the relevant Final Scheme Claim Form will be that of the Assignor.
14. **Consequences of failure to submit Final Scheme Claim Documentation**
- 14.1 In the event that a Final Scheme Creditor:
- 14.1.1 does not validly submit its duly completed Final Scheme Claim Documentation within the Final Scheme Bar Date Period, including relevant particulars of the identity and contact details of the Final Scheme Creditor concerned, to the reasonable satisfaction of the Scheme Administrators; or
 - 14.1.2 is determined by the Scheme Administrators, having considered the relevant Final Scheme Claim Documentation, to have failed to evidence a Final Scheme Prospective Liability,
- then:
- 14.1.3 such Final Scheme Creditor, subject to paragraph 14.2, shall not be entitled to receive the Final Scheme Payment in respect of any Final Scheme Prospective Liabilities;
 - 14.1.4 any Final Scheme Prospective Liability of that Final Scheme Creditor will be deemed fully and finally settled, deemed discharged and otherwise be released on and from the Final Scheme Bar Date; and
 - 14.1.5 from the Final Scheme Bar Date, that Final Scheme Creditor (A) will be otherwise precluded from notifying any new claims under its Qualifying ILU Policy (without prejudice, for the avoidance of doubt, to any claims it had validly notified before that time), and (B) will have no further claim of any nature against the Companies, the Scheme Administrators, PwC, Milliman Inc., NNOFIC, Nat-Ned, the ILU or the Delegate in respect of a Final Scheme Prospective Liability.
- 14.2 Nothing in the Final Scheme shall affect the Companies' rights to pursue and recover (whether by Proceedings or otherwise) any Liability owed to them by a Final Scheme Creditor.

Section 5: Payments under the Final Scheme

15. Payments to Final Scheme Creditors

- 15.1 As soon as practicable after the Final Scheme Bar Date, each Eligible Final Scheme Creditor shall be paid by the Companies its Final Scheme Payment. The Final Scheme Payment to be made to each Eligible Final Scheme Creditor shall be an amount equal to the Final Scheme Assets divided by the total number of Eligible Final Scheme Creditors, with the intent and effect that the entire Final Scheme Assets are distributed to Eligible Final Scheme Creditors, and that each Eligible Final Scheme Creditor receives an equal share of the Final Scheme Assets (subject to paragraph 17).
- 15.2 The Company will fund the Final Scheme Assets from the Opt Out Scheme Assets that would otherwise have been expended by the Companies in processing claims of Final Scheme Creditors in respect of their Qualifying ILU Policies notified after the Final Scheme

Bar Date absent the Final Scheme. In the event that there is a shortfall in Opt Out Scheme Assets in the future, NNOFIC has an obligation to make that shortfall good by increasing the Opt Out Scheme Assets pursuant to paragraph 41.4 of the Amending Scheme.

- 15.3 From the Final Scheme Effective Date, the Companies shall have no further obligation to make any additional payments to the Opt Out Scheme Assets pursuant to clause 40.8 of the Amending Scheme.
- 15.4 The Final Scheme Payment shall be made by way of telegraphic transfer to each Eligible Final Scheme Creditor (where full bank account details have been provided by the Final Scheme Creditor on their Final Scheme Claim Form and the payment is compliant with the relevant laws and regulations set out in paragraph 17). Such payments shall be deemed made on the date telegraphic transfer instructions are given.
- 15.5 Where full bank details have not been provided by the Eligible Final Scheme Creditor in order to permit payment of the Final Scheme Payment in accordance with paragraph 15.4, then payment is to be made by cheque or equivalent payment method (where such payment is compliant with the relevant laws and regulations set out in paragraph 17), sent in the name of the Eligible Final Scheme Creditor to the Companies' last known address for the Eligible Final Scheme Creditor. Such payment shall be deemed made on the date that the cheque is sent or the equivalent payment method has been made.
- 15.6 The payment of the Final Scheme Payment to an Eligible Final Scheme Creditor in accordance with paragraph 15.4 or paragraph 15.5 (as the case may be) shall be full and final settlement, discharge and release of any obligation of either Company to that Eligible Final Scheme Creditor in respect of that Eligible Final Scheme Creditor's Final Scheme Prospective Liabilities.
- 15.7 For the avoidance of doubt, , from the Final Scheme Bar Date each Eligible Final Scheme Creditor will have no further claim of any nature against the Companies, the Scheme Administrators, PwC, Milliman Inc., NNOFIC, Nat-Ned, the ILU or the Delegate in respect of a Final Scheme Prospective Liability other than that Final Scheme Creditor's right to receive the Final Scheme Payment.
- 15.8 By receiving the Final Scheme Payment, the Eligible Final Scheme Creditor represents and warrants as at the date of the relevant Final Scheme Payment that it has not received any other payment in respect of the same Final Scheme Prospective Liability as a result of which a third party may have a claim against the Companies. Each Eligible Final Scheme Creditor shall indemnify and keep indemnified the Scheme Administrators and the Companies against all losses, damages, costs, claims, liabilities, proceedings, demands and expenses (including legal fees) incurred by the Companies and/or the Scheme Administrators (as the case may be) as a result of any breach of such representation and warranty provided in this paragraph 15.7.
- 15.9 With effect from the Termination Date, insofar as the law allows and subject to the terms of the Scheme, the Relevant Parties shall be released absolutely and unconditionally from any claims by any Final Scheme Creditor howsoever relating to the Relevant Parties in respect of any loss or Liability (whether present, future, prospective or contingent) relating to, or arising out of, any act done or omitted to be done in the course of, or in connection with, the proper preparation, implementation, administration and operation of the Original Scheme, the Amending Scheme and the Final Scheme, and the liquidation of the Companies, or the exercise by any such person of any power, discretion, right, duty or obligation conferred upon it or him thereunder howsoever or wheresoever caused and whether or not any such claims are attributable to their default, other than for fraud or dishonesty. Relevant Parties shall include any third party (including its fellow members, partners and employees) retained to assist or advise in relation to the matters referred to in this paragraph 15.9 to the extent of such advice or assistance.

15.10 Paragraph 15.7 and 15.9 shall survive any termination of the Scheme.

Section 6: Miscellaneous provisions

16. The Delegate

- 16.1 In accordance with clause 33.4 of the Original Scheme, the Scheme Administrators have appointed the Original Delegate to perform certain services to the Companies free from any real or perceived conflicts of interest and having regard to the interests of Scheme Creditors as a whole.
- 16.2 In the event that the appointment of the Original Delegate is terminated, or the Original Delegate otherwise retires or is removed, the Scheme Administrators undertake to appoint a Replacement Delegate as soon as reasonably practicable, and in consultation with the Creditors' Committee. Any Replacement Delegate shall where feasible be a member or employee of Mercer & Hole LLP (or its successor firm) and have the qualifications required by clause 33.4 of the Original Scheme.
- 16.3 The services to be provided by any Replacement Delegate shall be substantially the same as those provided by the Original Delegate at the time that the Original Delegate's appointment ceases, save where otherwise agreed between the Replacement Delegate, the Scheme Administrators and the Creditors' Committee.
- 16.4 Prior to appointing a Replacement Delegate, a prospective Replacement Delegate shall confirm in writing to the Scheme Administrators that they:
- 16.4.1 have no conflicts of interest in performing all of the services, work and advice to be provided pursuant to the terms of their appointment; and
 - 16.4.2 are able to undertake their work pursuant to their appointment and to provide advice, in each case free of (a) any conflict of interest, or (b) any other interest or obligation that may reasonably be expected to prevent them from acting in the best interests of the Scheme Creditors as a whole.

17. Blocked Monies

- 17.1 Where the Companies are prevented by any law or regulation, including sanctions law and regulation, or prohibitions promulgated by the United Kingdom, or any other jurisdiction to which the Companies or Scheme Administrators are subject, from making a Final Scheme Payment to a Final Scheme Creditor under the Final Scheme or otherwise complying with any term of the Final Scheme, the requirements of such law or regulation shall override the terms of the Final Scheme and compliance with such law or regulation will constitute full discharge of such Final Scheme Creditor's Final Scheme Prospective Liabilities under the Scheme.
- 17.2 Any Blocked Monies shall be applied by the Companies in accordance with the requirements of such law or regulation or the instructions of the relevant authority. The Companies shall be under no obligation to make any application to the relevant authority for a waiver of such law or regulation in any particular case.
- 17.3 In the event that the applicable law or regulation does not contain provisions as to how to deal with Blocked Monies, the Companies shall, subject to sanctions and applicable law and regulation, hold them in an account with a United Kingdom clearing bank until the earlier of:
- 17.3.1 such time as the Companies are instructed by the relevant governmental or regulatory authority as to how to deal with the Blocked Monies or it becomes lawful or not contrary to applicable law or regulation (on the basis set out in

paragraph 17.2) to pay the Blocked Monies to the relevant Final Scheme Creditor;

- 17.3.2 such time as the Scheme Administrators are satisfied that it is, or otherwise becomes, legal to pay the monies to the relevant Final Scheme Creditor; or
 - 17.3.3 a period of six months from the date that the payment would have been made in accordance with paragraph 15.4 or 15.5.
- 17.4 Any interest earned on such account established for the purposes of paragraph 17.3 shall follow the principal.
- 17.5 In the event that no such instruction is received and the period of six months has expired since the date that the payment would have been made in accordance with paragraph 15.4 or paragraph 15.5, and the Scheme Administrators are not otherwise satisfied that it is legal to pay the monies to the relevant Final Scheme Creditor, the Blocked Monies shall be paid by the Companies to one or more registered UK charities (selected at the discretion of the Scheme Administrators) as soon as reasonably practicable and the relevant Final Scheme Creditor shall cease to have any entitlement to them or to make any other claim.
- 17.6 In the circumstances described in paragraph 17.5, the Final Scheme Prospective Liabilities in respect of which such Blocked Monies would otherwise have been payable shall be deemed to be fully and finally settled, discharged and otherwise cancelled and the relevant Final Scheme Creditor shall have no rights in respect of it or them.

18. **Payment in respect of Assignments**

Where an Assignment has taken place:

- 18.1.1 any Liability of the Companies to the relevant Assignee in respect of a policy that was assigned pursuant to such Assignment shall be extinguished to the extent that either of the Companies has, in accordance with the terms of the Final Scheme, already made any payment in respect of the same policy to the relevant Assignor; and
- 18.1.2 any Liability of the Companies to the relevant Assignor in respect of a policy that was assigned pursuant to such Assignment shall be extinguished to the extent that either of the Companies has, in accordance with the terms of the Final Scheme, already made any payment in respect of the same policy to the relevant Assignee.

19. **Costs of the Final Scheme**

All costs, charges, expenses and disbursements incurred by the Companies and the Scheme Administrators in connection with the negotiation, preparation and implementation of the Final Scheme, including the costs of holding the Final Scheme Meetings and the costs of obtaining the sanction of the Court, shall be discharged by the Companies as costs of the Scheme and shall accordingly constitute Priority Liabilities.

20. **Rights of third parties**

The Contracts (Rights of Third Parties) Act 1999 shall not apply in respect of the Final Scheme.

21. **Indemnity**

- 21.1 No Final Scheme Creditor shall be entitled to challenge the validity of any act done or any failure to share in good faith and with reasonable care by the Scheme Administrators, the

Directors, the Delegate, or by any of their respective employees or agents or any Committee Member (or any Nominated Representative or Alternate) in accordance with and to implement the provisions of the Final Scheme or the exercise, carrying out or performance or the purported exercise, carrying out or performance by any such person in good faith and with reasonable care of any function, power, right, duty, authority or discretion (as the case may be) conferred on him for the purpose of the Final Scheme, if exercised, carried out or performed or purported to be exercised, carried out or performed in accordance with and to implement the Final Scheme.

21.2 Subject to the Companies Act and save as provided for in paragraph 21.1, no person mentioned in paragraph 21.1 shall be liable for any loss unless such loss is attributable to his own negligence, wilful default, breach of duty, breach of trust, fraud or dishonesty.

21.3 Subject to the Companies Act, the Companies shall indemnify the persons mentioned in paragraph 21.1 against any Liability incurred by them in defending any proceedings, whether civil or criminal, in which judgment is given in their favour or which are discontinued before judgement is given or in which they are acquitted. The Companies shall also indemnify such persons in connection with any application in which relief is granted to them by the Court from any Liability for negligence, wilful default, breach of duty or breach of trust including, without prejudice to the generality of the foregoing, the matters referred to in paragraph 21.2.

22. **Severability**

If at any time any provision of the Final Scheme is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of that provision under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision of the Scheme under the law of that jurisdiction will in any way be affected or impaired thereby.

23. **Governing law and jurisdiction**

23.1 The Scheme shall be governed by and construed in accordance with English law and all the parties to it agree that the Court shall have exclusive jurisdiction to hear and determine any suit, action or proceeding and to settle any dispute which may arise out of the Final Scheme Explanatory Statement (dated 17 December 2024 and its appendices explaining the effect of the Final Scheme pursuant to section 897 of the Companies Act) or any provision of the Final Scheme (including without limitation this paragraph), or out of any action taken or omitted to be taken under the Scheme or in connection with the administration of the Final Scheme, and for such purposes all the parties to the Final Scheme irrevocably submit to the exclusive jurisdiction of the Court. In relation to an Insurance Contract, nothing in this paragraph 23.1 shall affect or alter or be taken to have affected or altered the proper law of the Insurance Contract or the jurisdiction of any court of competent jurisdiction selected by the parties to settle any dispute or hear and determine any suit, action or proceeding arising out of such Insurance Contract.

23.2 Any dispute in relation to the construction or interpretation of this paragraph 22 shall be referred to the Court which shall also have exclusive jurisdiction in relation to these matters.

Dated []

Appendices

Appendix 1 – Definitions

Appendix 2 – Pro Forma Actuarial Confirmation

Appendix 3 – Deed of Adherence

Appendix 1 – Definitions

Capitalised terms that are not otherwise defined in this Final Scheme have the meaning given to those terms in the Original Scheme or the Amending Scheme.

In the Final Scheme, unless the context otherwise requires, the following expressions shall have the following meanings:

“Actuarial Confirmation”	has the meaning given to that term in paragraph 13.3.2;
“Amending Scheme”	the scheme of arrangement (pursuant to Part 26 of the Companies Act 2006) between OIC and L&O and their respective Scheme Creditors (as defined in the Amending Scheme), which became effective on 14 January 2016 and amended the Original Scheme, in the form unamended by the Final Scheme;
“Blocked Monies”	any monies payable to a Final Scheme Creditor under the Final Scheme, the payment of which is prohibited by an applicable law or regulation referred to in paragraph 17.1;
“Delegate”	the Original Delegate or any Replacement Delegate, as the case may be;
“Eligible Final Scheme Creditors”	each Final Scheme Creditor that is considered by the Scheme Administrators to have duly submitted valid Final Scheme Claim Documentation establishing a Final Scheme Prospective Liability;
“Final Scheme”	this scheme of arrangement proposed in accordance with Part 26 of the Companies Act to amend certain aspects of the Scheme in respect of Final Scheme Creditors;

<p>“Final Scheme Assets”</p>	<p>the amount of US\$2,000,000, to be funded:</p> <p>(a) first, from the Opt Out Scheme Assets</p> <p><i>less</i> the amount actually paid and otherwise reserved by the Companies to meet the Payment Percentage of Opt Out Scheme Liabilities in respect of claims notified to the Companies on or before 31 December 2035,</p> <p><i>less</i> the whole of Opt Out Expenses actually paid and otherwise reserved in respect of claims notified to the Companies on or before 31 December 2035,</p> <p><i>plus</i> the investment income on these funds,</p> <p>(in each case evidenced by the Companies to NNOFIC’s satisfaction (acting reasonably)) (the net amount in (a) being the “Relevant Reserved Amount”); and</p> <p>(b) if the Relevant Reserved Amount is less than US\$2,000,000, by NNOFIC in an amount equal to the difference between US\$2,000,000 and the Relevant Reserved Amount, noting that the amount contributed by NNOFIC shall not exceed at any time US\$2,000,000;</p>
<p>“Final Scheme Bar Date”</p>	<p>the deadline for Final Scheme Creditors to submit their Final Scheme Claim Documentation, being 11:59pm (London time) on 31 December 2035;</p>
<p>“Final Scheme Bar Date Period”</p>	<p>the period from the 1 July 2035 to the Final Scheme Bar Date during which the Final Scheme Creditors must submit their Final Scheme Claim Documentation;</p>
<p>“Final Scheme Claim Documentation”</p>	<p>the Final Scheme Claim Form and the Final Scheme Supporting Evidence of Final Scheme Creditors;</p>
<p>“Final Scheme Claim Form”</p>	<p>the claim form made available on the Website by the Scheme Administrators, or otherwise made available in accordance with the terms of the Final Scheme, which shall be in the form set out in draft in Appendix 4 of the Final Scheme;</p>

<p>“Final Scheme Creditors”</p>	<p>Opt Out Qualifying ILU Policyholders in respect of all Opt Out Forms submitted, and corresponding Qualifying ILU Policies held, by that Opt Out Qualifying ILU Policyholder, and “Final Scheme Creditors” shall have the corresponding meaning;</p>
<p>“Final Scheme Court Orders”</p>	<p>the orders of the Court under section 899 of the Companies Act sanctioning the Final Scheme in respect of each of the Companies;</p>
<p>“Final Scheme Effective Date”</p>	<p>the date on which the Final Scheme becomes effective in accordance with its terms and all conditions precedent have been satisfied or waived (as the case may be), including by virtue of being approved by a vote of the Final Scheme Creditors and sanctioned by order of the Court;</p>
<p>“Final Scheme Explanatory Statement”</p>	<p>the explanatory statement relating to and circulated with this Final Scheme;</p>
<p>“Final Scheme Payment”</p>	<p>an equal share of the Final Scheme Assets, allocated to each Eligible Final Scheme Creditor pursuant to paragraph 15 of the Final Scheme;</p>
<p>“Final Scheme Prospective Liability”</p>	<p>a claim arising for a Final Scheme Creditor under a Qualifying ILU Policy that is expected to be notified to the Companies after 31 December 2035. The same term is also used, as the context dictates, for the collective claims of all Final Scheme Creditors that Final Scheme Creditors would, but for the Final Scheme, expect to notify to the Companies after that date;</p>
<p>“Final Scheme Supporting Evidence”</p>	<p>Has the meaning given to that term in paragraph 13.3;</p>
<p>“Original Delegate”</p>	<p>Mr Christopher Laughton, of Mercer & Hole Corporate Finance Limited, a qualified insolvency practitioner with the Institute of Chartered Accountants England and Wales (licence no.749), in his capacity as delegate pursuant to his appointment in accordance with clause 33.4 of the Original Scheme;</p>
<p>“Original Scheme”</p>	<p>the scheme of arrangement (pursuant to section 425 of the Companies Act 1985) between OIC (then named The Orion Insurance Company Limited) and L&O (then named The London and Overseas Insurance Company PLC) and their respective Scheme Creditors (as defined in the Original Scheme), which became effective on 7 March 1997;</p>

<p>“Priority Liabilities”</p>	<p>any Liability of either or both of the Companies if and to the extent that it is a Liability of either or both of the Companies referred to in:</p> <ul style="list-style-type: none"> (a) clause 58 of the Original Scheme; or (b) paragraph 51 of the Amending Scheme; or (c) paragraph 20 of the Final Scheme.
<p>“Relevant Parties”</p>	<p>the Companies, the Creditors’ Committee, the Scheme Administrators, any existing or former liquidators or provisional liquidators of the Companies, the Delegate, any members of the Creditors’ Committee, NNOFIC, Nat-Ned, 1845 and the ILU and (as applicable) any of their firms, fellow members, agents, representatives, delegates, partners, officers or employees and any person who may be held liable in law for the actions or omissions of any such persons, in each case in their capacity as such;</p>
<p>“Replacement Delegate”</p>	<p>any delegate appointed by the Scheme Administrators in accordance with clause 33.4 of the Original Scheme following the retirement, removal, or otherwise the termination of the appointment of the Original Delegate;</p>
<p>“Scheme”</p>	<p>the Original Scheme, as amended by the Amending Scheme and as amended by the Final Scheme; and</p>
<p>“Scheme Administrators”</p>	<p>those persons whose names are set out in paragraph 3.3 or such other person or persons as may be appointed as Scheme Administrators in accordance with the provisions of the Scheme.</p>

Appendix 2 – Pro Forma Actuarial Confirmation

Appendix 2 - ACTUARIAL CONFIRMATION

OIC Run-Off Limited (formerly The Orion Insurance Company PLC) and The London and Overseas Insurance Company Limited (formerly The London and Overseas Insurance Company PLC) (both subject to a scheme of arrangement (the “Scheme”)) (collectively “OIC”)

PLEASE ENSURE ALL FIELDS HIGHLIGHTED IN YELLOW ARE COMPLETED

Actuarial confirmation that valid claims are reasonably expected to be submitted by [Full name of policyholder] (the “Policyholder”) to OIC in relation to the Policyholder’s qualifying ILU policies subsequent to 31 December 2035

Identification and Qualification

Please insert your name, any firm with whom you are associated, and confirm that you have been retained by the Policyholder. Please provide details of your actuarial qualification and confirm that you have relevant experience for the purposes of completing this confirmation **[insert details as appropriate]**.

Background

In 2016, OIC implemented its Amending Scheme. Creditors who purchased qualifying ILU policies from OIC were permitted to opt out of the crystallisation and payment provisions of the Amending Scheme, so that claims on each Opt Out Scheme Creditor’s qualifying ILU policies that are notified to OIC prior to 31 December 2035 are agreed and paid in full in the normal course. Those payments derive from a part payment from OIC and a top up to 100% of the agreed amount from Nationale-Nederlanden Overseas Finance and Investment Company (“**NNOFIC**”).

The NNOFIC top up does not, however, apply to claims from Opt Out Scheme Creditors notified to OIC after 31 December 2035. Such claims will only be part paid by OIC at a level to be determined by the Scheme Administrators of OIC at the time payment is made.

A Final Scheme was sanctioned by the UK Court in 2024 with the effect that claims on each Opt Out Scheme Creditor’s qualifying ILU policies that would be notified after 31 December 2035 will be crystallised. A fixed sum of US\$2m has been set aside for this purpose. Any Opt Out Scheme Creditor that can justifiably assert that, but for the Final Scheme, it would reasonably expect to submit valid claims to OIC in relation to its qualifying ILU policies subsequent to 31 December 2035, with this assertion being confirmed by a qualified actuary, will (along with all other Opt Out Scheme Creditors satisfying these conditions) receive an equal share of the US\$2m funds available.

Position of Policyholder

The Policyholder purchased qualifying ILU policies from OIC in the period **[Start Year]** to **[End Year]**. The Policyholder opted out of the crystallisation and payment provisions of the Amending Scheme in the manner set out above. The Policyholder has now asserted in 2035 that, but for the Final Scheme, it would reasonably expect to submit valid claims to OIC in relation to its qualifying ILU policies subsequent to 31 December 2035.

Opinion

I have reviewed the rationale and basis of the Policyholder’s assertion. In conducting my review, I have relied upon data prepared by the responsible employees of the Policyholder. These data have not been checked by me, although the Policyholder has confirmed that the data supplied are accurate and I have reviewed all key data for reasonableness. In other respects, my examination has included the use of such actuarial assumptions and methods and such tests of the calculations as I have considered necessary. In particular:

- I have taken account of the timing and type of cover provided by the qualifying ILU policies purchased from OIC and the characteristics of the claim types that have already proved to be recoverable via those policies.
- I have considered the historical numbers and amounts of valid claims notified by the Policyholder and paid by OIC (and topped up by NNOFIC) in relation to the Policyholder’s qualifying ILU policies in the period since the Bar Date of the Amending Scheme (2016) through to the current time (2035). The total claims payments by OIC (and topped up by NNOFIC) to the Policyholder over this period amount to US\$[].

On the above basis, I can confirm that, in my professional opinion, the Policyholder’s assertion that, but for the Final Scheme, it would reasonably expect to submit valid claims to OIC in relation to its qualifying ILU policies subsequent to 31 December 2035 is both reasonable and justifiable.

I would expect such claims to include claims of the following type(s) [insert list as appropriate].

Further Relevant Comments

[Insert any other comments at the discretion of the Actuary. If any other comments are inserted then it must be stated clearly that these other comments do not constitute a qualification of the professional opinion given above].

This statement of my opinion is provided for the use of the Policyholder. It is also for the use of OIC in terms of OIC’s implementation of the provisions of the Final Scheme and not for any other purpose. It is not to be relied upon by any other party for any purpose without my express consent.

Signed: Date:
 (name of actuary) (to be between 1 July 2035 and 31 December 2035)

Name: Address:

Appendix 3 – Deed of Adherence

DEED OF ADHERENCE

From: *[Insert name of Successor]* (incorporated in [•] with registered number [•] and with its registered office at [•])

To: OIC Run-Off Limited (a limited company acting by its Scheme Administrators and incorporated in England and Wales with registered number 256100 and with its registered office at 8th Floor, Central Square, 29 Wellington Street, Leeds, West Yorkshire, United Kingdom, LS1 4DL)

The London and Overseas Insurance Company Limited (acting by its Scheme Administrators with registered number 38706 and with its registered office at 8th Floor, Central Square, 29 Wellington Street, Leeds, West Yorkshire, United Kingdom, LS1 4DL)

Serjeants' Inn Nominees Limited (incorporated in England and Wales with registered number 00724683 and with its registered office at 21 Holborn Viaduct, London, EC1A 2DY)

CC: *[Insert name of Predecessor]* (incorporated in [•] with registered number [•] and with its registered office at [•])

[Insert date]

Scheme and Orion Trust Deed: Deed of Adherence

We refer to (i) the scheme of arrangement dated 20 November 1996 between *inter alia* Orion, L&O and their Scheme Creditors (as amended by an amending scheme of arrangement between the same parties dated 14 January 2016 (the "**Amending Scheme**") and the final scheme of arrangement (the "**Final Scheme**") between Orion, L&O and their respective Final Scheme Creditors (as defined in the Final Scheme) dated *[insert date]*) (the "**Scheme**"), and (ii) the trust deed dated 20 November 1996 between NNUK, Orion and the Trustee (which was acceded to by NNOFIC in place of NNUK pursuant to a deed of adherence dated 25 July 2011) (the "**Orion Trust Deed**"). Terms defined in the Scheme shall have the same meanings when used in this letter, unless given a different meaning in this letter.

[Set out background to proposed succession]. Under Clause 3.2 of the Final Scheme, NNOFIC is required to procure that any successor to NNOFIC agrees to be bound by the terms of the Scheme and the Orion Trust Deed.

We confirm that, as from the date of execution of this letter, we shall adhere to, and be bound by, the terms of the Scheme and the Orion Trust Deed and shall observe, perform and comply with all obligations which such documents may impose on NNOFIC, in each case as if we had become party to the Scheme and the Orion Trust Deed from the Effective Date in place of NNOFIC.

This letter shall be governed by and construed in accordance with English law.

This letter has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Executed as a deed by)
[Insert name of Successor]) Director
)
)
) Director