

**IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMPANIES LIST (ChD)**

IN THE MATTER OF

**THE BRITANNIA STEAM SHIP INSURANCE ASSOCIATION LIMITED
AND THE BRITANNIA STEAM SHIP INSURANCE ASSOCIATION EUROPE
AND IN THE MATTER OF THE FINANCIAL SERVICES AND MARKETS ACT 2000**

SCHEME

for the transfer of insurance and reinsurance business
from The Britannia Steam Ship Insurance Association Limited
to The Britannia Steam Ship Insurance Association Europe
pursuant to Part VII of the Financial Services and Markets Act 2000

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1. DEFINITIONS AND INTERPRETATION

1.1 In this Scheme, unless the context otherwise requires, the following expressions have the following meanings:

"**Act**" means the Financial Services and Markets Act 2000;

"**Boudicca**" means Boudicca Insurance Company Limited, a company incorporated in Bermuda, registered under number 22827, having its registered office at Butterfield Bank Building, 6th Floor, 65 Front Street, Hamilton HM 12, Bermuda;

"**Boudicca Reinsurance**" means all contracts for reinsurance, other than the reinsurance agreement between Britannia, Britannia Europe and Boudicca which takes effect from 20 February 2021, under which Boudicca provides cover to Britannia in connection with the Transferring Policies and/or the Pooling Agreements;

"**Britannia**" means The Britannia Steam Ship Insurance Association Limited, a company limited by guarantee incorporated in England and Wales, registered under number 10340, having its registered office at Regis House, 45 King William Street, London EC4R, United Kingdom;

"**Britannia's Articles of Association**" means Britannia's articles of association, governing the relationship between Britannia and its members;

"Britannia P&I Rules" means the rules in respect of each class of insurance provided by Britannia, including the rules applicable to class 3 – protection and indemnity and to class 6 – freight, demurrage and defence;

"Britannia Europe" means The Britannia Steam Ship Insurance Association Europe, a mutual insurance association incorporated in Luxembourg, having its registered office at 42-44 Avenue de la Gare, L-1610 Luxembourg;

"Britannia Europe's Articles of Association" means the articles of association of Britannia Europe, governing the relationship between Britannia Europe and its members;

"Court" means the High Court of Justice of England and Wales;

"EEA" means the European Economic Area as constituted by the Agreement on the European Economic Area (94/1/ECSC, EC) as amended from time to time, and Switzerland;

"Encumbrance" includes any mortgage, charge, pledge, security, lien, option, restriction, right of first refusal, right of pre-emption, third party right or interest, any other encumbrance or security interest of any kind and any other type of preferential arrangement (including title, transfer and retention arrangements) having a similar effect;

"Excluded Assets" means all rights of Britannia under, in respect of, arising from or in connection with:

- (a) any Excluded Contracts;
- (b) the Hydra Shares (including, for the avoidance of doubt, the Hydra Britannia Cell); or
- (c) the USMIA shares;

"Excluded Contracts" means:

- (a) the management agreement between Britannia and Tindall Riley dated 29 March 2019 (save as regards any rights relating to documents, files, correspondence, data and other records, whether in hard-copy or electronic form, relating to the Transferring Business, which are under the control of Britannia, Tindall Riley or any third-party service providers);
- (b) the security interest agreement dated 26 March 2010 between Boudicca and Britannia over certain cash and securities beneficially owned by Boudicca;
- (c) the security interest agreement between Boudicca, Britannia and Britannia Europe over certain cash and securities beneficially owned by Boudicca, which takes effect from 20 February 2021;
- (d) the reinsurance agreement between Britannia, Britannia Europe and Hydra which takes effect from 20 February 2021;
- (e) the reinsurance agreement between Britannia, Britannia Europe and USMIA which takes effect from 20 February 2021;
- (f) the reinsurance agreement between Britannia, Britannia Europe and Boudicca which takes effect from 20 February 2021;
- (g) the Hydra Governing Instrument;

- (h) the reinsurance agreement between Britannia and Britannia Europe in respect of the Transferring Policies other than those that transfer on the Initial Effective Date which takes effect from 20 February 2021; and
- (i) the Excluded Policies;

"Excluded Liabilities" means all liabilities of Britannia under, in respect of, arising from or in connection with:

- (a) any Excluded Contract;
- (b) the Hydra Shares (including, for the avoidance of doubt, the Hydra Britannia Cell);
- (c) the USMIA shares;

"Excluded Policies" means any insurance or reinsurance contracts or any part thereof in respect of which Britannia is the insurer or reinsurer, under which any liability remains unsatisfied or outstanding as at the Initial Effective Date, the Hong Kong Branch Transfer Date, the Japan Branch Transfer Date or the Singapore Branch Transfer Date, as applicable:

- (a) which the Court for any reason determines shall not be transferred by virtue of the Scheme or the Order; or
- (b) which prior to the Court making the Order Britannia and Britannia Europe agree should be excluded from the Scheme;

"FCA" means the United Kingdom's Financial Conduct Authority and its successors from time to time;

"FCA Handbook" means that handbook of rules and guidance issued by the FCA from time to time;

"GDPR" means the General Data Protection Regulation (EU 2016/679) and any legislation which amends, re-enacts or replaces it in England and Wales or Luxembourg;

"Hong Kong Branch Transfer Date" means:

- (a) the Initial Effective Date, if prior to the Initial Effective Date all necessary authorisations and approvals have been granted by the Hong Kong regulator (the Insurance Authority) enabling Britannia Europe's branch in Hong Kong to lawfully carry on the Transferring Hong Kong Branch Business; or alternatively,
- (b) the date on which the Hong Kong regulator (the Insurance Authority) grants all necessary authorisations and approvals enabling Britannia Europe's branch in Hong Kong lawfully to carry on the Transferring Hong Kong Branch Business, provided such date precedes the Long Stop Date;

"Hydra" means Hydra Insurance Company Limited, a company incorporated in Bermuda, registered under number 34843, having its registered office located at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda, which acts as the International Group's captive reinsurance vehicle, and in which each of the member clubs of the International Group has its own segregated account or cell;

"Hydra Britannia Cell" means the segregated account in Hydra registered in the name of Britannia represented by the preferred shares in the capital of Hydra registered in the name of Britannia;

"Hydra Governing Instrument" means the governing instrument dated 18 January 2018 relating to the governance of owned cells in the capital of Hydra;

"Hydra Reinsurance" means all contracts of reinsurance under which Hydra provides cover to Britannia in connection with (i) Britannia's liabilities under the Pooling Agreements for pooled risks and losses and (ii) the Transferring Policies, other than the reinsurance agreement between Britannia, Britannia Europe and Hydra which takes effect from 20 February 2021;

"Hydra Shares" means the ordinary and preferred shares in the capital of Hydra registered in name of Britannia;

"Independent Expert" means Simon Sheaf of Grant Thornton UK LLP of 30 Finsbury Square, London EC2A 1AG, the expert appointed to report on the terms of this Scheme and approved by the Regulator pursuant to section 109 of the Act, or any successor appointed to report and approved by the Regulator;

"Initial Effective Date" means, subject to paragraph 16 below, 12.00 GMT on 20 February 2021;

"International Group" means the unincorporated association known as the "International Group of P&I Clubs", comprised of various mutual insurance associations providing marine liability cover, including Britannia and Britannia Europe, as constituted from time to time;

"Japan Branch Transfer Date" means:

- (a) the Initial Effective Date, if prior to the Initial Effective Date all necessary authorisations and approvals have been granted by the Japanese regulator (the Japanese Financial Services Agency) enabling Britannia Europe's branch in Japan to lawfully carry on the Transferring Japan Branch Business; or
- (b) if the order referred to in paragraph 7.2 is made, and provided such approvals as are referred to in (a) above have been received by that date, 12:00 GMT on 20 February 2022;

"Longstop Date" means 12:00 GMT on 20 February 2022;

"Luxembourg" means the Grand Duchy of Luxembourg;

"Order" means an order made by the Court pursuant to section 111 of the Act sanctioning this Scheme and any order (including, without limitation, any subsequent order) in relation to this Scheme made by the Court pursuant to section 112 of the Act;

"Parties" means the parties to this Scheme, each being a **Party**;

"Policy Year" means a year from noon Greenwich Mean Time on any 20 February to the same time on the next following 20 February and **"Policy Years"** shall be construed accordingly;

"Pooling Agreements" means the pooling agreement dated 20 February 2020 between the member clubs of the International Group for the pooling of certain risks and the sharing of certain losses, and any addendum to, variation or replacement of the said agreement together with all prior pooling agreements (including any agreements supplemental thereto) between the member clubs of the International Group (or certain of them) from time to time;

"PRA" means the United Kingdom's Prudential Regulation Authority and its successors from time to time;

"Proceedings" includes any action or other legal or administrative proceedings or step (whether direct or indirect, by way of a claim, demand, legal proceedings, execution of

judgment, arbitration, complaint or otherwise howsoever) including arbitration, mediation, adjudication, any other dispute resolution procedure (whether or not it involves submission to any court), any judicial, quasi-judicial, administrative or regulatory review or process or any complaint or claim to any ombudsman, including the UK Financial Ombudsman Service, or other proceedings for the resolution of a dispute or claim, in each case whether current, future, pending, threatened or otherwise or any other claims or complaints which may be brought in the future including those not yet in contemplation;

"RAO" the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;

"Regulator" the PRA and/or the FCA or such other authority as shall from time to time carry out such functions in relation to non-life insurance business as are on the date of this Scheme allocated to the PRA and the FCA under the Act;

"Scheme" this Scheme in its original form or with or subject to any modification, addition, provision or condition which may be approved or imposed pursuant to paragraph 17 below;

"Singapore Branch Transfer Date" means:

- (a) the Initial Effective Date, if prior to the Initial Effective Date all necessary authorisations and approvals have been granted by the Singaporean regulator (the Monetary Authority of Singapore) enabling Britannia Europe's branch in Singapore to lawfully carry on the Transferring Singapore Branch Business; or alternatively,
- (b) the date on which the Singaporean regulator (the Monetary Authority of Singapore) grants all necessary authorisations and approvals enabling Britannia Europe's branch in Singapore to lawfully carry on the Transferring Singapore Branch Business, provided such date precedes the Long Stop Date;

"Tindall Riley" means any of TR 2007 Limited, a company incorporated in the Bailiwick of Jersey, a crown dependency of the UK, and its subsidiaries (Tindall Riley (Britannia) Limited, Tindall Riley (Britannia) Hong Kong Limited, Tindall Riley (Britannia) Singapore PTE Ltd, Tindall Riley (Britannia) Japan Limited, Tindall Riley & Co Limited and Tindall Riley Europe Sarl), which pursuant to various contracts for management services collectively manage the Transferring Business on Britannia's behalf and will continue to manage the Transferring Business on Britannia Europe's behalf following implementation of this Scheme;

"Transferring Assets" means:

- (a) the Transferring Non-Branch Assets;
- (b) the Transferring Hong Kong Branch Assets;
- (c) the Transferring Japan Branch Assets; and
- (d) the Transferring Singapore Branch Assets;

"Transferring Business" means all the insurance and reinsurance business of Britannia, comprising:

- (a) the Transferring Assets; and
- (b) the Transferring Liabilities;

"Transferring Hong Kong Branch Assets" means all of the following but excluding the Excluded Assets:

- (a) all rights of Britannia under, in respect of, arising from or in connection with the Transferring Hong Kong Branch Policies;
- (b) all rights of Britannia under, in respect of, arising from or in connection with the Transferring Outwards Reinsurances in so far as relevant to, and to the extent that they provide cover in respect of the Transferring Hong Kong Branch Policies; and
- (c) the assets (including regulatory capital) of Britannia to the extent they relate exclusively to the carrying on of business by Britannia's branch in Hong Kong, including the United States Treasury Securities with around one, three, six and twelve month maturities, free cash held in a bank as working capital and any reinsurance recoveries for outstanding claims,

including all documents, files, correspondence, data and other records, whether in hard-copy or electronic form, relating exclusively to the Transferring Hong Kong Branch Assets (listed above), the Transferring Hong Kong Branch Liabilities or the Transferring Hong Kong Branch Policies, which are in the possession of, or under the control of, Britannia or its third-party service providers;

"Transferring Hong Kong Branch Business" means the insurance and reinsurance business of Britannia's branch in Hong Kong including

- (a) the Transferring Hong Kong Branch Assets; and
- (b) the Transferring Hong Kong Branch Liabilities;

"Transferring Hong Kong Branch Liabilities" means all of the following but excluding the Excluded Liabilities:

- (a) all liabilities of Britannia under, in respect of, arising from or in connection with the Transferring Hong Kong Branch Policies;
- (b) all liabilities of Britannia under, in respect of, arising from or in connection with the Transferring Outwards Reinsurances in so far as relevant to, and to the extent that they provide cover in respect of the Transferring Hong Kong Branch Policies;

"Transferring Hong Kong Branch Policies" means all insurance and reinsurance contracts (or any part thereof) in respect of which Britannia is the insurer or reinsurer as at the Initial Effective Date or the Hong Kong Branch Transfer Date (or both), which are administered in Hong Kong by or on behalf of Britannia, acting through its Hong Kong branch, (including insurance and reinsurance contracts originally written by or on behalf of Britannia through another branch), and including any expired, surrendered, lapsed, matured or reinstated contracts, excluding the Transferring Non-Branch Policies, the Transferring Japan Branch Policies, the Transferring Singapore Branch Policies and the Excluded Policies;

"Transferring Japan Branch Assets" means all of the following but excluding the Excluded Assets:

- (a) the rights, benefits and property of Britannia under, in respect of, arising from or in connection with the Transferring Japan Branch Policies;
- (b) all rights of Britannia under, in respect of, arising from or in connection with the Transferring Outwards Reinsurances in so far as relevant to, and to the extent that they provide cover in respect of the Transferring Japan Branch Policies; and
- (c) the assets (including regulatory capital) of Britannia to the extent they relate exclusively to the carrying on of business by Britannia's branch in Japan, including the United

States Treasury Securities with around one to three-year maturities, free cash held in a bank as working capital and any reinsurance recoveries for outstanding claims,

including all documents, files, correspondence, data and other records, whether in hard-copy or electronic form, relating exclusively to the Transferring Japan Branch Assets, which are in the possession of, or under the control of, Britannia or its third-party service providers;

"Transferring Japan Branch Business" means the insurance and reinsurance business of Britannia's branch in Japan including

- (a) the Transferring Japan Branch Assets; and
- (b) the Transferring Japan Branch Liabilities.

"Transferring Japan Branch Liabilities" means all of the following but excluding the Excluded Liabilities:

- (a) all liabilities of Britannia under, in respect of, arising from or in connection with the Transferring Japan Branch Policies;
- (b) all liabilities of Britannia under, in respect of, arising from or in connection with the Transferring Outwards Reinsurances in so far as relevant to, and to the extent that they provide cover in respect of the Transferring Japan Branch Policies;

"Transferring Japan Branch Policies" means all insurance and reinsurance contracts (or any part thereof) in respect of which Britannia is the insurer or reinsurer as at the Initial Effective Date or the Japan Branch Transfer Date (or both), which are administered in Japan by or on behalf of Britannia, acting through its Japan branch, (including insurance and reinsurance contracts originally written by or on behalf of Britannia through another branch), and including any expired, surrendered, lapsed, matured or reinstated contracts, excluding the Transferring Non-Branch Policies, the Transferring Hong Kong Branch Policies, the Transferring Singapore Branch Policies and the Excluded Policies;

"Transferring Liabilities" means:

- (a) the Transferring Non-Branch Liabilities;
- (b) the Transferring Hong Kong Branch Liabilities;
- (c) the Transferring Japan Branch Liabilities; and
- (d) the Transferring Singapore Branch Liabilities,

but not the Excluded Liabilities;

"Transferring Non-Branch Assets" means all assets and rights of Britannia whether or not situated in the EEA or UK as at the Initial Effective Date, excluding the Transferring Hong Kong Branch Assets, the Transferring Japan Branch Assets and the Transferring Singapore Branch Assets and the Excluded Assets, but including all of the following:

- (a) all rights of Britannia under, in respect of, arising from or in connection with the Transferring Non-Branch Policies;
- (b) all rights of Britannia under, in respect of, arising from or in connection with the Transferring Outwards Reinsurances in so far as relevant to, and to the extent that they provide cover in respect of, the Transferring Non-Branch Policies;

- (c) all rights of Britannia to any asset, including any shares, securities, deposits, debts, cash, derivatives, unsettled investment transactions, security interests;
- (d) all rights of Britannia against any third party, whether under, in respect of, arising from or in connection with any agreements, contracts, engagements, licences, guarantees, intermediary agreements or other arrangement, event or circumstances; and
- (e) any other asset or right which the Parties agree, whether before or after the Initial Effective Date, are to be transferred under this Scheme,

including all documents, files, correspondence, data and other records, whether in hard-copy or electronic form, relating exclusively to the Transferring Non-Branch Assets (listed under (i) to (viii) above), the Transferring Non-Branch Policies or the Transferring Non-Branch Liabilities, which are in the possession of, or under the control of, Britannia or its third-party service providers;

"Transferring Non-Branch Business" means the insurance and reinsurance business of Britannia, comprising all the business of Britannia wherever conducted, other than the Transferring Hong Kong Branch Business, the Transferring Japan Branch Business and the Transferring Singapore Branch Business, including:

- (a) the Transferring Non-Branch Assets; and
- (b) the Transferring Non-Branch Liabilities.

"Transferring Non-Branch Liabilities" all liabilities of Britannia wherever due as at the Initial Effective Date, excluding the Transferring Hong Kong Branch Liabilities, the Transferring Japan Branch Liabilities and the Transferring Singapore Branch Liabilities and the Excluded Liabilities, but including all of the following:

- (a) all liabilities of Britannia under, in respect of, arising from or in connection with the Transferring Non-Branch Policies;
- (b) all liabilities of Britannia under, in respect of, arising from or in connection with the Transferring Outwards Reinsurances in so far as relevant to, and to the extent that they provide cover in respect of the Transferring Non-Branch Policies;
- (c) all liabilities of Britannia in respect of, arising from or in connection with any assets, including securities, deposits, debts, cash, derivatives, unsettled investment transactions, security interests;
- (d) all liabilities of Britannia including under, in respect of, arising from or in connection with any agreements, contracts, engagements, licences, guarantees, intermediary agreements or other arrangement, event or circumstances (including any liabilities in relation to mis-selling and any quotations not proceeded with);

"Transferring Non-Branch Policies" means all insurance and reinsurance contracts (or any part thereof) wherever in the world concluded in respect of which Britannia is the insurer or reinsurer as at the Initial Effective Date, which are administered in the EEA or the UK by or on behalf of Britannia, acting through one of its EEA or UK branches, (including insurance and reinsurance contracts originally written by or on behalf of Britannia through another branch), and including any expired, surrendered, lapsed, matured or reinstated contracts but excluding the Transferring Hong Kong Policies, the Transferring Japan Branch Policies, the Transferring Singapore Branch Policies and the Excluded Policies;

"Transferring Outwards Reinsurances" means any outwards contracts of reinsurance, retrocession and/or indemnity, other than an Excluded Contract, which provide cover to Britannia in connection with the Transferring Policies or its liabilities under the Pooling

Agreement for pooled risks, losses and liabilities, including any rights to cover, indemnification or other recoveries under:

- (a) the Pooling Agreements;
- (b) the Hydra Reinsurance;
- (c) any reinsurance obtained by the International Group for the benefit of its members;
- (d) the USMIA Reinsurance;
- (e) the Boudicca Reinsurance;
- (f) all reinsurance in respect of any of Britannia's non-poolable risks excluded from the Pooling Agreements;
- (g) all reinsurance in respect of Britannia's charterers' business comprising P&I cover, damage to hull cover, and cover for bunkers-related losses;
- (h) the reinsurance agreement between Britannia and Canopus Group Limited providing stop loss cover entered into on 20 February 2017;
- (i) additional overspill protection cover;
- (j) guarantees cover; and
- (k) freight, demurrage and defence cover;

"Transferring Policies" means every contract of insurance and reinsurance written, issued, or assumed by or novated to Britannia and includes:

- (a) the Transferring Non-Branch Policies;
- (b) the Transferring Japan Branch Policies;
- (c) the Transferring Hong Kong Branch Policies; and
- (d) the Transferring Singapore Branch Policies;

"Transferring Singapore Branch Assets" means all of the following but excluding the Excluded Assets:

- (a) the rights, benefits and property of Britannia under, in respect of, arising from or in connection with the Transferring Singapore Branch Policies;
- (b) all rights of Britannia under, in respect of, arising from or in connection with the Transferring Outwards Reinsurances in so far as relevant to, and to the extent that they provide cover in respect of the Transferring Singapore Branch Policies; and
- (c) the assets (including regulatory capital) of Britannia to the extent they relate exclusively to the carrying on of business by Britannia's branch in Singapore, including the United States Treasury Securities with around one, three, six and twelve month maturities, free cash held in a bank as working capital and any reinsurance recoveries for outstanding claims,

including all documents, files, correspondence, data and other records, whether in hard-copy or electronic form, relating exclusively to the Transferring Singapore Branch Assets (listed above), the Transferring Singapore Branch Liabilities or the Transferring Singapore Branch

Policies, which are in the possession of, or under the control of, Britannia or its third-party service providers;

"Transferring Singapore Branch Business" means the insurance and reinsurance business of the Singapore Branch including

- (a) the Transferring Singapore Branch Assets; and
- (b) the Transferring Singapore Branch Liabilities.

"Transferring Singapore Branch Liabilities" means all of the following but excluding the Excluded Liabilities:

- (a) all liabilities of Britannia under, in respect of, arising from or in connection with the Transferring Singapore Branch Policies;
- (b) all liabilities of Britannia under, in respect of, arising from or in connection with the Transferring Outwards Reinsurances in so far as relevant to, and to the extent that they provide cover in respect of the Transferring Singapore Branch Policies;

"Transferring Singapore Branch Policies" means all insurance and reinsurance contracts (or any part thereof) in respect of which Britannia is the insurer or reinsurer as at the Initial Effective Date or the Singapore Branch Transfer Date (or both), which are administered in Singapore by or on behalf of Britannia, acting through its Singapore branch, (including insurance and reinsurance contracts originally written by or on behalf of Britannia through another branch), and including any expired, surrendered, lapsed, matured or reinstated contracts, excluding the Transferring Non-Branch Policies, the Transferring Japan Branch Policies, the Transferring Hong Kong Branch Policies and the Excluded Policies;

"UK" or **"United Kingdom"** means the United Kingdom of Great Britain and Northern Ireland;

"USMIA" means Universal Shipowners Marine Insurance Association Limited, a company incorporated in Bermuda, registered under number 2379, having its registered office at 7 Par-la-Ville Road, Hamilton HM11, Bermuda;

"USMIA Reinsurance" means all contracts for reinsurance under which USMIA provides cover to Britannia in connection with the Transferring Policies other than the reinsurance agreement between Britannia, Britannia Europe and USMIA which takes effect from 20 February 2021; and

"USMIA Shares" any shares in the capital of USMIA registered in the name of Britannia.

1.2 In this Scheme, unless the context otherwise requires:

- 1.2.1 **"assets"** includes rights and property of every description wherever located and whether tangible or intangible;
- 1.2.2 **"liabilities"** includes all liabilities, duties, burdens, commitments and obligations of every description, howsoever arising, whether accrued, present or future, actual or contingent, ascertained or unascertained or disputed and whether owed or incurred severally or jointly or as principal or surety;
- 1.2.3 **"rights"** includes any rights, benefits, title, interests, powers and claims of every description, howsoever arising or held, and whether vested or unvested, present or future, actual or contingent, direct or indirect, ascertained or unascertained or disputed and whether legal, beneficial or under any trust, nominee or other arrangement;

- 1.2.4 "transfer" includes assign, novate, dispose, convey and any variation of such terms and any other terms denoting transfer;
- 1.2.5 the singular includes the plural and vice versa;
- 1.2.6 the expressions "holding company" and "subsidiary" have the respective meanings given to them by the Companies Act 2006;
- 1.2.7 any references to a **policy** or a **policyholder** shall have the meanings ascribed to them by the Financial Services and Markets Act 2000 (Meaning of Policy and Policyholder) Order 2001;
- 1.2.8 any reference to an enactment, a statutory provision or any subordinate legislation shall be deemed to include a reference to that enactment, statutory provision or subordinate legislation as amended, replaced or re-enacted from time to time and to any instrument or order made from time to time under such enactment, statutory provision or subordinate legislation;
- 1.2.9 any reference to a contract, agreement, articles of association, rules or other arrangement is to that contract, agreement, articles of association, rules or arrangement as in force and amended or varied at the relevant time;
- 1.2.10 any references to "including" or to "in particular" shall be deemed to be followed by the words "without limitation"; and
- 1.2.11 references to paragraphs are to paragraphs of this Scheme and paragraph headings are for convenience only and shall not affect its interpretation.

2. INTRODUCTION

- 2.1 Britannia is a mutual insurance company incorporated in England and Wales. Britannia provides insurance and reinsurance to its members for marine risks, and currently in respect of two classes of insurance: class 3 – protection and indemnity, and class 6 - freight, demurrage and defence. The Transferring Policies are governed by, amongst others, Britannia's Articles of Association, the Britannia P&I Rules and the terms of the certificates of entry.
- 2.2 Britannia is authorised under Part IV of the Act to effect and carry on the Transferring Non-Branch Policies in the UK (and currently, as a result of the "passporting" rights, in the EEA). Britannia has three overseas branches:
 - 2.2.1 a branch in Hong Kong which is authorised under the laws of Hong Kong to carry on and effect the Transferring Hong Kong Branch Policies;
 - 2.2.2 a branch in Japan which is authorised under the laws of Japan to carry on and effect the Transferring Japan Branch Policies; and
 - 2.2.3 a branch in Singapore which is authorised under the laws of Singapore to effect and carry on the Transferring Singapore Branch Policies.
- 2.3 Britannia Europe is a mutual insurance association incorporated in Luxembourg. Britannia Europe is authorised by the Commissariat aux Assurances to carry on and effect the Transferring Non-Branch Policies under the laws of Luxembourg and is in the process of obtaining the necessary authorisations and approvals in Hong Kong, Japan and Singapore to allow its branches in those jurisdictions lawfully to carry on and effect the Transferring Hong Kong Branch Policies, the Transferring Japan Branch Policies and the Transferring Singapore Branch Policies, respectively. Britannia Europe has passported into the UK on an establishment basis. During the UK's three-year temporary permissions regime, Britannia Europe will apply for authorisation of its UK establishment as a third country branch.

- 2.4 It is proposed ultimately to transfer the entire Transferring Business, including all Transferring Policies and the Transferring Outwards Reinsurances, from Britannia to Britannia Europe in accordance with Part VII of the Act. Whilst it is proposed to transfer the Transferring Non-Branch Business, including the Transferring Non-Branch Policies, at the Initial Effective Date, the transfer of the remaining Transferring Business, including the transfer of the Transferring Hong Kong Branch Policies, the Transferring Japan Branch Policies and the Transferring Singapore Branch Policies, can only occur once Britannia Europe has obtained the necessary authorisations and approvals for its branches in Hong Kong, Japan and Singapore.
- 2.5 As part of the transfer, all renewing members of Britannia will become members of Britannia Europe. Any member of Britannia that does not renew its policy will, pursuant to the Britannia P&I Rules, cease to be a member. Following the transfer, the Transferring Policies will be governed by (amongst others) Britannia Europe's Articles of Association and the Britannia P&I Rules. However, Britannia Europe's Articles of Association mirror, so far as permitted by the laws of Luxembourg, Britannia's Articles of Association.
- 2.6 Tindall Riley, who have been responsible for managing the Transferring Business on behalf of Britannia, will continue to do so on behalf of Britannia Europe following the transfer.
- 2.7 Certain matters necessary for the transfer will or have been dealt with outside of the Scheme. These include:
- 2.7.1 the new reinsurance agreements entered into by Britannia and Britannia Europe on the one hand, and by Hydra, USMIA or Boudicca on the other hand, which will take effect from 20 February 2021;
- 2.7.2 Britannia's shares in Hydra, including the Hydra Britannia Cell, will be cancelled and reissued to Britannia Europe on 20 February 2021;
- 2.7.3 on 20 February 2021, Britannia's shares in USMIA will be transferred across to Britannia Europe; and
- 2.7.4 a new security interest agreement has been entered into ensuring that Boudicca's assets may not be dissipated to the detriment of Boudicca's new reinsurance agreement with Britannia Europe and Britannia.
- 2.8 Outside of this Scheme, Britannia Europe and Britannia Europe will enter into a reinsurance/guarantee agreement pursuant to which Britannia Europe has agreed to provide reinsurance in respect of, or a guarantee in relation to amounts payable under, any Transferring Policies between the Initial Effective Date and their transfer, pursuant to this Scheme, to Britannia Europe.
- 2.9 Each of Hydra, USMIA and Boudicca have agreed to appear by Counsel to undertake to the Court to be bound by this Scheme.

3. **TRANSFER OF THE TRANSFERRING ASSETS**

- 3.1 On and with effect from:
- 3.1.1 the Initial Effective Date, the Transferring Non-Branch Assets;
- 3.1.2 the Hong Kong Branch Transfer Date, the Transferring Hong Kong Branch Assets;
- 3.1.3 the Japan Branch Transfer Date, the Transferring Japan Branch Assets; and
- 3.1.4 the Singapore Branch Transfer Date, the Transferring Singapore Branch Assets,

and, in each case, all the estate, interest and title of Britannia in them (but subject to any Encumbrances (if any) affecting any asset comprised therein), shall be transferred to and vest in full in Britannia Europe, in accordance with the terms of the Order, without any further act or instrument.

4. TRANSFER OF THE TRANSFERRING LIABILITIES

4.1 On and with effect from:

4.1.1 the Initial Effective Date, the Transferring Non-Branch Liabilities;

4.1.2 the Hong Kong Branch Transfer Date, the Transferring Hong Kong Branch Liabilities;

4.1.3 the Japan Branch Transfer Date, the Transferring Japan Branch Liabilities; and

4.1.4 the Singapore Branch Transfer Date, the Transferring Singapore Branch Liabilities,

shall be transferred to and become liabilities of Britannia Europe, and shall cease to be liabilities of Britannia, in accordance with the terms of the Order, without any further act or instrument.

5. RIGHTS AND OBLIGATIONS UNDER THE TRANSFERRING POLICIES AND MEMBERSHIP OF BRITANNIA EUROPE

5.1 Without prejudice to the generality of paragraphs 3 and 4 above, with effect from the Initial Effective Date, the Hong Kong Branch Transfer Date, the Japan Branch Transfer Date and the Singapore Branch Transfer Date, as applicable:

5.1.1 Britannia Europe shall, by and in accordance with the Order, and without any further act or instrument, be entitled to all rights of Britannia under the Transferring Policies (or relevant part thereof), but subject to paragraph 5.2 below, including the right to levy any calls (whether supplementary, release, advance, deferred, exceptional or overspill); and

5.1.2 a policyholder in respect of any Transferring Policy (and any associate of a policyholder who might be, or might become, entitled to any claim under any Transferring Policy) shall become entitled, in succession to, and to the exclusion of, any rights which he may have had against Britannia under such Transferring Policy (or relevant part thereof), to substantially the same rights against Britannia Europe as were available to him against Britannia under such Transferring Policy (or relevant part thereof), but subject to paragraph 5.2 below, and shall account to Britannia Europe for any calls (whether supplementary, release, advance, deferred, exceptional or overspill) as and when the same become due and payable

5.2 Upon and with effect from the transfer of any Transferring Policy (or relevant part thereof) from Britannia to Britannia Europe in accordance with this Scheme and the Order:

5.2.1 each policyholder in respect of such a Transferring Policy (or relevant part thereof) which was renewed on or commenced on 20 February 2021 shall (if not already a member of Britannia Europe) become and be registered as a member of Britannia Europe; and

5.2.2 such Transferring Policy (or relevant part thereof) shall cease to be governed by the Britannia Articles and shall instead be governed by the Britannia Europe Articles, and to this extent the terms of the Transferring Policy shall be varied, but shall continue to be governed by the Britannia P&I Rules.

6. RIGHTS AND OBLIGATIONS UNDER THE TRANSFERRING OUTWARDS REINSURANCES

6.1 Without prejudice to the generality of paragraphs 3 and 4 above, with effect from the Initial Effective Date, the Hong Kong Branch Transfer Date, the Japan Branch Transfer Date and the Singapore Branch Transfer Date, as applicable:

6.1.1 Britannia Europe shall, by and in accordance with the Order, and without any further act or instrument, become entitled to all rights of Britannia under the Transferring Outwards Reinsurances (or relevant part thereof) (including any right to be indemnified under the Pooling Agreements); and

6.1.2 a reinsurer in respect of any Transferring Outwards Reinsurances shall become entitled, in succession to, and to the exclusion of, any rights which he might have had against Britannia under such Transferring Outwards Reinsurances (or relevant part thereof), to the same rights against Britannia Europe as were available to him against Britannia under such Transferring Outwards Reinsurances (or relevant part thereof) (including any right to be indemnified under the Pooling Agreements).

7. TRANSFER OF THE TRANSFERRING BUSINESS

7.1 With effect from the Initial Effective Date, and subject to paragraph 5.2.2 above, the Hong Kong Branch Transfer Date, the Japan Branch Transfer Date and the Singapore Branch Transfer Date, as applicable, all references to Britannia in any contract between Britannia and any other party, or in any other document or instrument, to the extent evidencing the rights or liabilities of the Transferring Policies, the Transferring Outwards Reinsurances, the Transferring Assets or the Transferring Liabilities shall, to the extent necessary to give full effect to this Scheme, be read and construed as if the same were references to Britannia Europe so that such contract, document or instrument (or part of such contract, document or instrument) shall operate as if such references had always been to Britannia Europe rather than to Britannia. In particular, and subject to the other provisions of this Scheme, all rights and/or liabilities exercisable or expressed to be exercisable or to be performed by Britannia or its members, directors, auditors, or by any other officers, employees, representatives or agents of Britannia in relation to any of the Transferring Policies, the Transferring Outwards Reinsurances, the Transferring Assets or the Transferring Liabilities (or any part thereof) shall, with effect from the Initial Effective Date, the Hong Kong Branch Transfer Date, the Japan Branch Transfer Date and the Singapore Branch Transfer Date, as applicable, be exercisable or required to be performed by Britannia Europe or its members, directors, auditors or by any other officers, employees, representatives or agents of Britannia Europe respectively, and accordingly all obligations of Britannia or of any of its members, officers, employees, representatives or agents of Britannia in relation to any of the Transferring Policies, the Transferring Outwards Reinsurances, the Transferring Assets or the Transferring Liabilities (or any part thereof) shall, with effect from the Initial Effective Date, the Hong Kong Branch Transfer Date, the Japan Branch Transfer Date and the Singapore Branch Transfer Date, as applicable, cease and determine.

7.2 If the Transferring Japan Branch Business does not transfer to Britannia Europe on the Initial Effective Date:

7.2.1 Britannia and Britannia Europe shall apply to the Court for an order confirming the transfer, at 12:00 GMT on 20 February 2022, of the Transferring Japan Branch Business to Britannia Europe;

7.2.2 the PRA and the FCA shall be notified in advance of, and shall have the right to be heard at, any hearing of the Court at which the application for such order is considered;

7.2.3 such application shall be accompanied by a certificate, in the form of a short report, from the Independent Expert to the effect that in his opinion the transfer of the

Transferring Japan Branch Business to Britannia Europe at 12:00 on 20 February 2022 will not materially adversely affect the holders of the Transferring Japan Branch Policies or the policyholders of Britannia Europe, when taking account of all possible impacts of the proposed transfer;

7.2.4 the Independent Expert shall be provided with the most up-to-date financial information (audited and/or unaudited, as may be appropriate) available to Britannia and Britannia Europe, which shall be as at a date which is no more than three months prior to 20 February 2022; and

7.2.5 Britannia and Britannia Europe shall publish a notice on their respective websites of:

(a) the intention to seek such order a minimum of 14 days in advance of any hearing to consider the application for such order, providing details of the hearing and how any affected persons may attend and participate and raise objections;

(b) the making of such order, within 5 days of the making of such order,

and if such order is not made, the Transferring Japan Branch Business shall not transfer to Britannia Europe.

7.3 Each of the Pooling Agreements, in respect of which Britannia Europe is already a party and a "linked association" of Britannia (as defined in the Pooling Agreements) as at the date of this Scheme, shall be read and construed so as to give effect to this Scheme.

7.4 Neither the transfer of the Transferring Policies or the Transferring Outwards Reinsurances nor any other matter provided for by this Scheme or the Order, nor anything done or omitted to be done in connection with the transfer of the Transferring Policies or the Transferring Outwards Reinsurances or this Scheme shall, in relation to the Transferring Policies, the Transferring Outwards Reinsurances, the Transferring Assets or the Transferring Liabilities or any other assets, liability or business of Britannia whether before or after the Initial Effective Date, the Hong Kong Branch Transfer Date, the Japan Branch Transfer Date and the Singapore Branch Transfer Date, as applicable:

7.4.1 invalidate, discharge or result in the termination of any agreement, instrument, trust deed, indenture, Encumbrance, rights or liabilities;

7.4.2 constitute a breach of or default, event of default, potential event of default, breach of warranty or representation, termination event, mandatory prepayment event, enforcement event, perfection event or other similar event or condition (howsoever described) under, or allow any person to terminate, any agreement, instrument, trust deed, indenture, Encumbrance, rights or liabilities;

7.4.3 require any obligation to be performed sooner or later than would otherwise have been the case under any agreement, instrument, trust deed, indenture or Encumbrance;

7.4.4 require any person to perform any new or additional obligation or take any new or additional step or action, including the giving of any notice, the obtaining of any consent, approval or determination, the accession to any agreement, the payment of any fee, cost, expense, interest or other amount, the granting of any new or additional Encumbrance or the transfer of any asset;

7.4.5 entitle or require any person to exercise any right or remedy, to reduce, suspend, delay, alter or discharge its rights or liabilities, to accelerate, terminate, suspend, delay, alter or discharge the performance of any rights or liabilities or otherwise to vary, amend,

disclaim, repudiate or terminate any agreement, instrument, trust deed, indenture or Encumbrance; or

7.4.6 affect the enforceability, priority or ranking of any Encumbrance.

7.5 Unless and to the extent otherwise provided in the Order, the transfer of the Transferring Business made pursuant to this Scheme shall take effect and shall be valid and binding on all parties having any interest in the same notwithstanding any restriction on transferring, assigning or otherwise dealing with the same and such transfer shall be deemed to take effect on the basis that it does not contravene any such restriction and does not give rise to any right to terminate, modify, acquire or claim an interest or right, or to treat an interest or right as terminated or modified. Any entitlement which, but for section 112A of the Act, would or might arise to terminate, modify, acquire or claim an interest or right or to treat an interest or right as terminated or modified as a result of anything done pursuant to this Scheme shall not be enforceable.

7.6 Britannia and Britannia Europe shall, as and when necessary or appropriate, execute and deliver all such documents and perform all such other acts and things as may be required to effect or perfect the transfer to and vesting in Britannia Europe of any Transferring Business in accordance with the terms of this Scheme, including obtaining any required consent or waiver.

7.7 Britannia Europe shall accept without investigation or requisition such title as Britannia shall have at the Initial Effective Date, the Hong Kong Branch Transfer Date, the Japan Branch Transfer Date and the Singapore Branch Transfer Date, as applicable, to the Transferring Policies and the Transferring Assets. Britannia shall not be liable to Britannia Europe for any claim or remedy arising in connection with Britannia's title to the Transferring Policies or the Transferring Assets.

7.8 Any existing indemnity, power of attorney, authority, declaration or consent given to or by Britannia in relation to any part of the Transferring Business (including the Transferring Policies) shall have effect from the Initial Effective Date, the Hong Kong Branch Transfer Date, the Japan Branch Transfer Date and the Singapore Branch Transfer Date, as applicable, as given to, or as the case may be, by, Britannia Europe.

8. CONTINUITY OF PROCEEDINGS

8.1 On and with effect from the Initial Effective Date, the Hong Kong Branch Transfer Date, the Japan Branch Transfer Date and the Singapore Branch Transfer Date, as applicable:

8.1.1 any Proceedings (or relevant part thereof) issued, served, commenced or continued by or against Britannia, in connection with the Transferring Business, shall be continued by or against Britannia Europe and Britannia Europe shall be entitled to all claims, counterclaims, defences and rights of set-off that were or would have been available to Britannia in relation to those Proceedings (or relevant part thereof). Britannia shall not have any liability under those Proceedings (or relevant part thereof) and Britannia Europe, in its absolute discretion, may determine to discontinue any such Proceedings (or relevant part thereof) brought by Britannia;

8.1.2 any judgment, settlement, order or award (or relevant part thereof), obtained by or against Britannia in respect of the Transferring Business and which is not fully satisfied prior to the relevant transfer date, shall on that date and to the extent to which it was enforceable by or against Britannia immediately prior to such date, become enforceable by or against Britannia Europe (to the exclusion of Britannia);

8.1.3 without any restriction whatsoever, any Proceedings (or relevant part thereof) concerning the Transferring Business shall be commenced against Britannia Europe. Any such Proceedings (or relevant part thereof) commenced in error against Britannia

after the relevant transfer date shall be deemed to have commenced and shall be continued against Britannia Europe without the need for further order, whether for substitution of parties or otherwise. In any event, Britannia Europe shall be entitled to all defences, claims, counterclaims and rights of set-off that would have been available to Britannia in relation to such Proceedings (or relevant part thereof).

8.2 In respect of the Non-Branch Transferring Business, Britannia Europe undertakes to comply with:

8.2.1 the relevant provisions of the Dispute Resolution ("DISP") rules of the FCA Handbook that would apply to the handling of any complaints brought to the UK Financial Ombudsman Service that fall under its jurisdiction; and

8.2.2 any valid judgment, settlement, order or award (or relevant part thereof) of the UK Financial Ombudsman Service, made under its jurisdiction as set out in DISP 2 of the FCA Handbook; and

8.2.3 any other relevant provisions of the FCA Handbook where the application of local law does not result in a similar outcome being achieved for the holder of a Transferring Policy.

8.3 Notwithstanding paragraph 20 below, any holder of a Transferring Non-Branch Policy may enforce the provisions of paragraph 8.2 against Britannia Europe.

8.4 In respect of any Proceedings in relation to the Transferring Policies which are:

8.4.1 commenced but not settled before the Initial Effective Date; or

8.4.2 commenced after the Initial Effective Date in respect of acts or omissions of Britannia prior to the Initial Effective Date,

Britannia Europe undertakes to comply with:

8.4.3 the relevant provisions of DISP that would apply to the handling of any complaints brought to the Financial Ombudsman Service that fall under the jurisdiction of the Financial Ombudsman Service; and

8.4.4 any valid judgment, settlement, order or award (or relevant part thereof) of the Financial Ombudsman Service, made under its jurisdiction as set out in DISP 2, to the extent that such compliance is compatible with any applicable regulatory requirements.

9. **PREMIUMS, CALLS AND MANDATES**

9.1 All premiums and calls (including any supplementary, release, advance, deferred, exceptional or overspill calls) of any kind attributable or referable to the Transferring Policies shall, on and after the Initial Effective Date, the Hong Kong Branch Transfer Date, the Japan Branch Transfer Date and the Singapore Branch Transfer Date, as applicable, be payable to Britannia Europe.

9.2 Any direct debit mandate, standing order or other instruction or authority in force at the relevant transfer date (including, without limitation, any instructions given to a bank by its customer in the form of a direct debit or standing order) and providing for the payment by a bank or other intermediary of premiums or calls or other amounts payable to Britannia under any Transferring Policies or Transferring Assets shall thereafter take effect as if it had provided for and authorised such payment to Britannia Europe.

9.3 Any mandate or other instruction or authority in force on the Initial Effective Date, the Hong Kong Branch Transfer Date, the Japan Branch Transfer Date and the Singapore Branch Transfer Date, as applicable, as to the manner of payment by Britannia of any sum payable

under any Transferring Policies or Transferring Liabilities shall continue in force as an effective mandate, instruction or authority of Britannia Europe.

10. ALLOCATION OF TRANSFERRING POLICIES AND TRANSFERRING OUTWARDS REINSURANCES

10.1 Where, pending completion of the transfer of the Transferring Business, the effect of the Scheme is to split a Transferring Policy or a Transferring Outwards Reinsurance between Britannia and Britannia Europe, the parties agree that:

10.1.1 from the Initial Effective Date, the interest, title, rights and obligations of Britannia in or under any part of such Transferring Policy or Transferring Outwards Reinsurance relating to the Transferring Non-Branch Business shall vest in Britannia Europe;

10.1.2 from the Hong Kong Branch Transfer Date, the interest, title, rights and obligations of Britannia in or under any part of such Transferring Policy or Transferring Outwards Reinsurance relating to the Transferring Hong Kong Branch Business, shall vest in Britannia Europe;

10.1.3 from the Japan Branch Transfer Date, the interest, title, rights and obligations of Britannia in or under any part of such Transferring Policy or Transferring Outwards Reinsurance relating to the Transferring Japan Branch Business shall vest in Britannia Europe;

10.1.4 from the Singapore Branch Transfer Date, the interest, title, rights and obligations of Britannia in or under any part of such Transferring Policy or Transferring Outwards Reinsurance relating to the Transferring Singapore Branch Business shall vest in Britannia Europe;

10.1.5 the terms and conditions of such Transferring Policy or Transferring Outwards Reinsurance (including, where applicable, the deductibles, limits and any other applicable policy limitations) shall apply in aggregate across Britannia and Britannia Europe so that the contractual counterparty has a contract with each but is no better or worse off in respect of such contractual terms and conditions as a result of this Scheme and, so far as possible, Britannia and Britannia Europe are each able to enjoy the benefit of such Transferring Policy and Transferring Outwards Reinsurance;

10.1.6 each of Britannia and Britannia Europe shall owe separate and individual (but not joint) obligations and duties under, and be liable for performance of, only the respective contract created under this Scheme to which it is a party, in accordance with its terms, and not under any contract created under this Scheme to which the other is a party; and

10.1.7 where applicable, the method of allocating premiums, calls, losses, liabilities and related expenses in respect of a Transferring Policy or Transferring Outwards Reinsurance shall be determined by agreement between Britannia and Britannia Europe.

11. PERSONAL DATA

11.1 On and with effect from Initial Effective Date, the Hong Kong Branch Transfer Date, the Japan Branch Transfer Date and the Singapore Branch Transfer Date, as applicable, Britannia Europe shall:

11.1.1 succeed to all rights, liabilities and obligations of Britannia in respect of any personal data which relates to the Transferring Business and which is subject to the GDPR;

11.1.2 become the data controller of any personal data which relates to the Transferring Business and which is subject to the GDPR in place of Britannia and shall be deemed to have been the controller of all such data at all material times when personal data was processed;

11.1.3 in respect of any personal data which relates to the Transferring Business be under the same duty by virtue of any law as Britannia was under to respect the confidentiality and privacy of any person in relation to that personal data and shall be bound by any specific notice or consent given, or request made by, the data subject which was binding on Britannia and which required Britannia not to use the personal data for marketing purposes; and

11.1.4 in any consent given by a data subject in respect of such data as is mentioned in this paragraph 11, any reference to Britannia shall be deemed to include a reference to Britannia Europe.

12. **EXCLUDED POLICIES**

12.1 Subject to paragraph 12.3 below, the Excluded Policies shall not be transferred to Britannia Europe by this Scheme and the liabilities under the Excluded Policies shall remain liabilities of Britannia.

12.2 If any person exercises any right or option granted under the terms of an Excluded Policy which provides for a new, additional or replacement policy to be issued, such person shall continue to be entitled to require that the obligation thereby arising shall be satisfied by the issue by Britannia of a policy which complies with the terms of such right or option. Any new policy issued by Britannia pursuant to this paragraph 12.2 shall be treated as an Excluded Policy.

12.3 If the novation of any Excluded Policy to Britannia Europe is procured, the rights and liabilities relating such policy shall, to the extent not previously transferred, be transferred to Britannia Europe and such policy shall thereafter be dealt with by Britannia Europe under the provisions of this Scheme in all respects as if such Excluded Policy were a Transferring Policy.

13. **DECLARATION OF TRUST BY BRITANNIA**

13.1 Britannia shall, from the Initial Effective Date, the Hong Kong Branch Transfer Date, the Japan Branch Transfer Date and the Singapore Branch Transfer Date, as applicable, hold on trust for Britannia Europe:

13.1.1 any assets comprised within the Transferring Assets, which are not capable of being transferred on the relevant transfer date by reason of such assets being outside the jurisdiction of the Court or otherwise; and

13.1.2 any Excluded Policies.

13.2 Britannia shall follow the directions of Britannia Europe in relation to such assets and shall have authority to act as attorney of Britannia in relation to any of them and Britannia shall account to Britannia Europe for any financial proceeds received in relation to them.

13.3 In the event that following the Initial Effective Date, the Hong Kong Branch Transfer Date, the Japan Branch Transfer Date and the Singapore Branch Transfer Date, as the case may be, Britannia receives any payment or other benefit in respect of the Transferring Business or any Transferring Assets, Britannia shall pay to, transfer to or otherwise account to Britannia Europe for such payment or benefit.

14. INDEMNITIES IN FAVOUR OF BRITANNIA

- 14.1 With effect from the Initial Effective Date, the Hong Kong Branch Transfer Date, the Japan Branch Transfer Date and the Singapore Branch Transfer Date, as the case may be, Britannia Europe shall indemnify and keep indemnified Britannia against any loss or expense incurred by or demand made against Britannia that is attributable to the Transferring Business or the Excluded Policies, including in relation to any Proceedings.

15. EVIDENCE OF TRANSFER

- 15.1 The production of a copy of the Order and a copy of a certificate by a director of Britannia or Britannia Europe that the Scheme (or any part of it) has taken effect shall, for all purposes, be evidence of the transfer to, and vesting in, Britannia Europe of the Transferring Business (or any relevant part of it).

16. EFFECTIVE DATE

- 16.1 Subject to paragraph 16.1 below, this Scheme shall become effective as follows:
- 16.1.1 in relation to the Transferring Non-Branch Business, on the Initial Effective Date;
 - 16.1.2 in relation to the Transferring Hong Kong Branch Business, on the Hong Kong Branch Transfer Date;
 - 16.1.3 in relation to the Transferring Japan Branch Business, on the Japan Branch Business Transfer Date; and
 - 16.1.4 in relation to the Transferring Singapore Branch Business, on the Singapore Branch Transfer Date.
- 16.2 Further and alternatively, the Scheme shall become effective at such other time and date as the Court may allow upon the application of Britannia and Britannia Europe pursuant to paragraph 17 below.

17. MODIFICATIONS OR ADDITIONS TO THIS SCHEME

- 17.1 Britannia and Britannia Europe may, as required, consent for and on behalf of the parties hereto and all other persons concerned to any modification of or addition to this Scheme or to any further condition or provision affecting the same which, prior to its sanction of this Scheme, the Court may approve or impose.
- 17.2 Subject to paragraph 17.3, at any time after the sanction of this Scheme, Britannia Europe, with Britannia's consent (not to be unreasonably withheld or delayed) for so long as Britannia exists, shall be at liberty to apply to the Court for consent to amend the Scheme, provided that in any such case:
- 17.2.1 the PRA and the FCA shall be notified in advance of, and shall have the right to be heard at, any hearing of the Court at which such application is considered; the parties agree that the PRA and FCA shall be given sufficient written notice of the proposed amendment and at least 42 days (or such other reasonable period as agreed between the parties), commencing on the date that the FCA has confirmed receipt of the relevant notification, shall lapse before any hearing of the Court at which such application is considered shall take place; and
 - 17.2.2 such application shall be accompanied by a certificate or updated independent expert's report, as appropriate, and which has been prepared on the basis of the most recent available financial information, from an independent actuary to the effect that in his opinion the proposed amendment will not materially adversely affect policyholders

(being all groups of potentially affected policyholders) when taking account of all possible impacts of the proposed amendment.

If the consent of the Court is granted, Britannia Europe may amend the terms of this Scheme in accordance with such consent.

17.3 The consent of the Court shall not be required in relation to minor and/or technical amendments to the terms of this Scheme (including amendments to correct manifest errors and/or changes required by law or regulation) that are agreed by Britannia and Britannia Europe, provided that either:

17.3.1 each of the PRA and the FCA has been notified of the same and has indicated that it does not object thereto; or

17.3.2 a period of at least 42 days (or such other reasonable period as agreed between the parties), commencing on the date that the FCA has confirmed receipt of the relevant notification, has passed without either the PRA or the FCA indicating any objection thereto.

18. **COSTS AND EXPENSES**

18.1 Britannia shall bear the costs and expenses in relation to preparing and carrying out this Scheme.

18.2 Notwithstanding paragraph 18.1, Britannia Europe shall bear all costs and expenses of and incidental to carrying out this Scheme including all relevant stamp duty, stamp duty reserve tax or other documentary transfer or transactions duties, including in each case any related penalties arising as a result of this Scheme.

19. **SUCCESSORS AND ASSIGNS**

19.1 This Scheme will bind and enure to the benefit of the successors and assigns of Britannia and Britannia Europe.

20. **THIRD PARTY RIGHTS**

20.1 Subject to paragraph 8.3 above, a person who is not a party to this Scheme may not enforce any of its terms pursuant to the Contracts (Rights of Third Parties) Act 1999.

21. **GOVERNING LAW**

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

DATED this [●] day of [●] 2020