

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about what action you should take, you should consult your insurance broker or other professional adviser without delay. A copy of this document has been sent to brokers identified by Tokio Marine Europe Insurance Limited ("TMEI") as having placed business with or on behalf of TMEI or to have had dealings with TMEI. Brokers, other agents and intermediaries are requested to bring the contents of this document and the Scheme to which it relates, to the attention of clients who have, or may have, a Scheme Claim against TMEI.

Further copies of this document and other related documentation can be obtained from the proposed Scheme Manager, PRO Insurance Solutions Limited, whose contact details are on page 3, or from the Scheme website at www.TMEIScheme.com

EXPLANATORY STATEMENT

(in compliance with Section 897 of the Companies Act 2006)

in relation to

**A SCHEME OF ARRANGEMENT CONCERNING CERTAIN REINSURANCE
BUSINESS WRITTEN OR ASSUMED BY TMEI**

BETWEEN

TOKIO MARINE EUROPE INSURANCE LIMITED

(incorporated and registered in England and Wales with number 989421)
(formerly known as The Tokio Marine & Fire Insurance Company (U.K.) Limited)

AND ITS

**SCHEME CREDITORS
(as defined in the Scheme)**

For details of the business included in the Scheme, please see pages 9 to 10 of this document. Details of the company names under which the business included in the Scheme was written are at page 9 of this document.

IMPORTANT NOTICE:

SAVE IN RESPECT OF THE AMENDMENTS MADE TO REFLECT GEORGE MAHER'S RESIGNATION FROM THE ROLES OF VOTE ASSESSOR AND SCHEME ADJUDICATOR AND HIS REPLACEMENT BY JOHN BIRKENHEAD, THIS DOCUMENT OTHERWISE REMAINS UNCHANGED FROM THE 3 DECEMBER 2010 VERSION MADE AVAILABLE TO SCHEME CREDITORS.

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IMPORTANT NOTICE TO POTENTIAL SCHEME CREDITORS

This document has been prepared in connection with a proposal in relation to a scheme of arrangement pursuant to Part 26 of the Companies Act 2006 between Tokio Marine Europe Insurance Limited ("**TMEI**") and its Scheme Creditors (the "**Scheme**").

Unless otherwise indicated, the statements, opinions and information contained in this document are made, held or given respectively as at the date of this document and reflect the circumstances existing and the information of which TMEI was aware at that time.

The summary of the principal provisions of the Scheme and related matters in this Explanatory Statement is qualified in its entirety by the Scheme itself.

The Scheme (and this Explanatory Statement) can be viewed and downloaded from the Scheme Website at **www.TMEIScheme.com** or a copy can be obtained from the proposed Scheme Manager, PRO Insurance Solutions Limited ("**PRO**") (see contact details on page 3). Scheme Creditors should read and consider carefully the full text of the Explanatory Statement and the Scheme. Reading individual sections in isolation may be misleading. In the event of any conflict between the terms of the Explanatory Statement and the Scheme, the terms of the Scheme will prevail.

The information contained in this document has been prepared on the basis of the records maintained by PRO.

Nothing in this document shall constitute any admission of fact or liability on the part of TMEI or any person with respect to any right or asset to which it may be entitled or any claim against it. No estimate of the amount of any claim against TMEI provided to it or taken into account for the purposes of voting on the Scheme shall be binding on TMEI or any other party for the purposes of the Scheme or for any other purpose.

No person has been authorised by TMEI to make any representations concerning the Scheme which are inconsistent with the statements contained herein and, if made, such representations may not be relied upon as having been so authorised.

None of the contents of this document is intended to constitute legal, tax, financial or other advice to Scheme Creditors. Scheme Creditors should take advice from their own professional advisers before taking any action in connection with the Scheme.

KEY DATES

Court hearing at which leave to convene the Meeting was given	2 December 2010
Proxy and Voting Forms to be returned by 11.59pm London Time	25 February 2011
Meeting of Scheme Creditors in London	8 March 2011
Court hearing in London to sanction the Scheme ⁽¹⁾	[April 2011]
Effective Date of the Scheme ⁽¹⁾	[April 2011]
Chapter 15 hearing in New York ⁽¹⁾	[April/May 2011]
Bar Date ⁽²⁾	11.59pm on the first Business Day falling 180 days after the Effective Date
Earliest anticipated payment date ⁽²⁾	To be confirmed

(1) Dates subsequent to the Meeting of Scheme Creditors are indicative only. The date of the Court hearing to sanction the Scheme can only be confirmed after the Scheme has been approved by Scheme Creditors at the Meeting of Scheme Creditors. **THESE DATES WILL BE CONFIRMED ON THE WEBSITE AT WWW.TMEISCHEME.COM ONCE KNOWN.**

(2) Except for the Bar Date, dates subsequent to the Effective Date of the Scheme may, in accordance with the terms of the Scheme, be extended at the discretion of the Scheme Manager or by agreement with the Scheme Creditor(s).

CONTACT DETAILS

Scheme Website: www.TMEISCHEME.com	Scheme e-mail address: PRO_TMEI@pro-ltd.co.uk
Scheme Manager	Scheme Adviser
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SECTION 1: INTRODUCTION AND OVERVIEW

Introduction

TMEI is proposing a solvent scheme of arrangement pursuant to Part 26 of the Companies Act 2006 of England and Wales (the "**Scheme**") in order to finalise the run-off of certain reinsurance business written or assumed by it. **The Scheme relates to part only of TMEI's business.**

PRO Insurance Solutions Limited ("**PRO**") administers the run-off of the business proposed to be included in the Scheme and is the proposed Scheme Manager.

You have been sent this document because you are (or someone you represent is) or may be a Scheme Creditor of TMEI and accordingly entitled to vote on the Scheme at the forthcoming meeting of Scheme Creditors (the "**Meeting**") when the Scheme proposals will be formally submitted to Scheme Creditors for their approval (with or without modification). Notice of the Meeting is set out at Schedule V. The Meeting is scheduled to take place on 8 March 2011 at the offices of Sidley Austin LLP at Woolgate Exchange, 25 Basinghall Street, London EC2V 5HA, United Kingdom at 11am London Time. As the business to which the Scheme relates is reinsurance only, such that it is considered that the rights of Scheme Creditors are not so dissimilar that they would be unable to consult together in their common interest as a single class, TMEI is convening a single meeting of Scheme Creditors to vote on the Scheme.

This Explanatory Statement contains background information in relation to TMEI and the specific portfolios of business to be included in the Scheme. It also contains a summary of the terms of the Scheme and an explanation of why it has been proposed.

A list of documents available for inspection by Scheme Creditors is at Schedule III. These documents are also available to view or download from the Website at www.TMEIScheme.com.

Why is TMEI proposing the Scheme?

The relevant business has been in run-off since 2004. The purpose of the Scheme is to try to finalise the run-off of the business proposed to be included in the Scheme in a much shorter timescale than would be possible in the ordinary course.

In the normal course it is estimated that it would take at least another 30 to 40 years to run-off the business proposed to be included in the Scheme.

Through the Scheme, TMEI now wishes to put in place a mechanism for agreeing or determining Scheme Creditors' Scheme Claims (including outstanding and IBNR claims) and to pay or discharge these claims in full in the shortest practicable time-limit subject to the application of any applicable set-off.

Unless otherwise indicated, capitalised terms defined in the Scheme have the same meaning when used in this Explanatory Statement.

Please note that the Explanatory Statement is intended merely as a guide and should not be relied on in place of reading the Scheme itself.

What business is included in the Scheme?

The Scheme is proposed between TMEI and its Scheme Creditors. It is extremely important that Scheme Creditors are aware of the types of contracts that are included within the scope of the Scheme. Scheme Claims will be – in general terms – liabilities arising out of contracts of reinsurance or retrocession issued or assumed by TMEI. Not all the policies and contracts underwritten or assumed by TMEI are included in the Scheme.

A description of the business which is included in the Scheme is set out at pages 9 to 10.

The Scheme does not include any TMEI liability in respect of UK compulsory insurance.

Further information regarding the TMEI business is available on the Website at www.TMEIScheme.com or may be obtained from PRO (for contact details see page 3).

What is a scheme of arrangement and when does it become legally binding?

A scheme of arrangement such as that proposed here is a compromise or arrangement provided for by Part 26 of the Companies Act 2006, to take effect between a company and its creditors (or any class of them). Such a scheme of arrangement becomes legally binding on the company and on all the creditors to whom it applies if:

- a majority in number representing not less than 75% in value of each class of creditors, present and voting in person or by proxy, vote in favour of it at meetings convened with the permission of the Court;
- the Court subsequently makes an order sanctioning the scheme; and
- a copy of the order of the Court to that effect is delivered to the Registrar of Companies in England and Wales.

Once TMEI's Scheme becomes effective, it will bind TMEI's Scheme Creditors irrespective of whether, and how, they voted at the Meeting.

Will the Scheme be binding in the US?

It is presently intended that TMEI will make an application for a Permanent Injunction under Chapter 15 of the US Bankruptcy Code if its Scheme is sanctioned.

The effects of this injunctive relief are described at Schedule VI.

What are the key features of the Scheme?

The Scheme has been designed to offer a fair, consistent and transparent approach to claims submission and quantification leading to the settlement of Scheme Claims in the shortest practicable time.

The Scheme enables Scheme Creditors to receive a certain cash amount in relation to their Scheme Claims, at an earlier point than they would have been entitled to receive payment in the normal course. Payment in respect of future claims is generally (for example in individually agreed commutations) subject to the application of a time-value discount to reflect the fact that creditors are receiving cash now rather than at a later date. Scheme

Claims which are subject to the Estimation Methodology will be valued as Best Estimates (meaning, in this case, the Scheme Adjudicator's estimate of the mean of possible outcomes for the Scheme Claim) of TMEI's liabilities in respect of them to each Scheme Creditor. Whilst discounting will not be applied to Scheme Claims in general, any part of a Scheme Claim settled in the form of an annuity payment for the life of a claimant will be valued as an annuity and will reflect the opportunity for investment during the payment period. In such a case, no discounting would be applied up until the start of the relevant annuity payment under the Scheme. Otherwise, Scheme Creditors will receive full payment of the value of their Net Ascertained Claim (i.e. the final balance shown in favour of the Scheme Creditor on the Valuation Statement) without any discounting for the time-value of money. Therefore, in general, Scheme Creditors will effectively receive an enhanced value or premium for their claims given that these will ordinarily be valued on an undiscounted basis.

Scheme Creditors are required to make their claims submissions by the Bar Date, which will be the first Business Day falling 180 days after the Effective Date of the Scheme. Scheme Claims, other than Unpaid Agreed Claims, which are not submitted by such date, will be invalid and TMEI will have no liability in respect of them whether under the Scheme or otherwise. Unpaid Agreed Claims which are known to the Scheme Manager will be paid whether or not a Claim Form has been submitted.

Scheme Creditors are free to select the most recent date up to which they have current claim records in order to calculate their Scheme Claim, provided that that date is not earlier than 31 December 2008. Scheme Creditors may update their Scheme Claim up until the Bar Date.

Scheme Creditors are required to provide evidence in support of their Scheme Claims by the Bar Date. The Estimation Methodology at Appendix B to the Scheme provides detailed information as to the type of supporting evidence which will be appropriate.

Scheme Creditors may either agree the value of their claims with the Scheme Manager or if agreement cannot be reached, may submit to the Adjudication process set out in the Scheme. So far as the law permits, and in the absence of Manifest Error, Adjudication will result in a final and binding decision being made by the Scheme Adjudicator in accordance with that Adjudication process. Scheme Creditors should be aware that, in either event, their outstanding and IBNR claims will be valued at estimated amounts, and that this will almost certainly result in them receiving a different amount (which may be more or less) in respect of such claims than would have been the case had TMEI continued to run-off the relevant business in the normal course.

Scheme Creditors should also note that although the Scheme does not affect their rights to enforce any Security, it does place a bar on taking or continuing Proceedings to establish the existence or amount of a Scheme Claim. However, the Scheme does not prevent a Scheme Creditor from taking proceedings where TMEI has failed to perform its payment obligations to a Scheme Creditor under the Scheme.

For further details of the Scheme process, please see Section 3.

The Meeting of Creditors on 8 March 2011

A notice of the Meeting to be held on 8 March 2011 at 11am London Time at Sidley Austin LLP at Woolgate Exchange, 25 Basinghall Street, London EC2V 5HA, United Kingdom is included at Schedule V.

Scheme Creditors are entitled to attend the Meeting in person (or, if a corporation, by a duly authorised representative) or may vote by proxy. Returning a Proxy and Voting Form will not prevent any Scheme Creditor from attending the Meeting and voting in person should they wish to do so.

Scheme Creditors have been sent Proxy and Voting Forms to be used for voting at the Meeting, accompanied by a pre-populated policy schedule containing details of any of their known Scheme Reinsurance Contracts which, in the reasonable opinion of the Scheme Manager may give rise to a Scheme Claim, together with details of any Unpaid Agreed Claims in relation to such Scheme Reinsurance Contracts.

Whether or not Scheme Creditors intend to be present in person at the Meeting, they are requested to complete and sign the Proxy and Voting Forms in accordance with the instructions and the guidance notes printed on the forms. All Proxy and Voting Forms must be completed in English.

Please note that the policy schedule accompanying the Proxy and Voting Form can be supplied in Microsoft Excel format by PRO. Scheme Creditors are strongly encouraged to request this and to enter their policy and claims data on the Excel spreadsheet, where possible, as this should simplify and speed up the process of claims submission for Scheme Creditors.

Completed Proxy and Voting Forms should be returned by post as soon as possible, and in any event so that they are received by 11.59pm London Time on 25 February 2011 by the proposed Scheme Manager, PRO Insurance Solutions Limited, Bruton Court, Bruton Way, Gloucester GL1 1DA, United Kingdom, marked for the attention of Philip Toft. Alternatively, Scheme Creditors may also send their completed forms by facsimile to +44(0)1452 523437 or by e-mail to PRO_TMEI@pro-ltd.co.uk by 11.59pm London Time on 25 February 2011 provided that they are legible. Proxy and Voting Forms may also be handed in at the registration desk prior to the commencement of the Meeting on 8 March 2011.

The Chairman of the Meeting will be Frank Attwood. The Chairman will determine the right and entitlement of a Scheme Creditor to vote (either at all, or in relation to specific contracts for which it has submitted values on its Voting Form) at the Meeting, and will determine any other matters arising in relation to the votes (save for the value of each vote, which is to be determined by the Vote Assessor). The Chairman will (subject to his determination on the points referred to above) adopt the values determined by the Vote Assessor in order to determine whether the relevant majorities, by number and value, have been achieved at the Meeting.

The Vote Assessor will be ~~George Maher of Towers Watson. Mr Maher~~ [John Birkenhead of HJC Actuarial Consulting Limited. Mr Birkenhead](#) will determine the values of each Scheme Creditor's vote and report his findings to the Chairman unless all the votes are cast in the same direction (in which event the Chairman will determine the value for which each Scheme Creditor shall be entitled to vote at the Meeting). If there is a conflict of interest between Mr ~~Maher~~ [Birkenhead](#) and a Scheme Creditor submitting a vote, TMEI will ask the President of the Institute of Actuaries to nominate a suitably qualified substitute Vote Assessor in relation to that vote. The Chairman's and Vote Assessor's Curricula Vitae are at Schedule IV.

Scheme Claims and supporting evidence must be submitted at policy level. In other words, each claim must be made by reference to a specific Scheme Reinsurance Contract. In the event that a single claim impacts more than one Scheme Reinsurance Contract, the Scheme Creditor must set out a separate claim for each Scheme Reinsurance Contract under which it wishes to claim. Failure to do this may mean that unless amended, the value submitted by the Scheme Creditor is rejected in whole or in part and may result in a zero value being allocated in respect of the whole or part of the vote.

Votes will be valued as at the date of the Meeting with a discount to reflect the time value of money. Set-off will be applied in respect of, and only in respect of amounts arising in relation to Scheme Reinsurance Contracts. If the Vote Assessor determines that the value of a Scheme Creditor's vote is zero, or that following the application of set-off their net position is that of a debtor rather than a creditor of TMEI in relation to the Scheme business, their vote will not be taken into account by the Chairman when determining the majorities either by number or by value at the Meeting.

As Scheme Claims are denominated in various currencies, for the purpose of voting at the Meeting, Scheme Claims will be converted into Pounds Sterling. The conversion rates used will be the closing mid-point rates of exchange for the relevant currencies on 25 February 2011, as quoted in the Financial Times for that date or, if no such rates are quoted, at such rates as may reasonably be selected by the Chairman.

Where a vote is rejected or valued at a different amount than originally asserted, the Scheme Creditor will be notified of this decision by the Chairman as soon as possible, and, in any event, prior to the Court hearing to sanction the Scheme. This rejection or revision of the Scheme Creditor's vote value will be reported to the Court at the sanction hearing.

The admission of a claim for voting purposes by the Chairman will not constitute an admission of the existence or amount of any liability of TMEI and will not be binding on TMEI or the Scheme Creditor in the valuation of any Scheme Claim once the Scheme becomes effective.

SECTION 2: BACKGROUND TO AND BUSINESS INCLUDED IN THE SCHEME

1. COMPANY HISTORY

TMEI was incorporated in September 1970 as The Tokio Marine & Fire Insurance Company (U.K.) Limited. It changed its name to its present style with effect from 17 June 2002.

2. BUSINESS FALLING WITHIN THE SCOPE OF SCHEME

The Scheme will apply to certain but not all of TMEI's reinsurance business, namely the Scheme Reinsurance Contracts written or assumed by TMEI as described in the Scheme. TMEI wrote a broad book of international reinsurance business, mainly non-marine, including traditionally long-tail policies exposed to asbestos, pollution and health hazard risks emanating principally from Europe and the United States.

The business covered by the Scheme will be:

- (a) business underwritten by TMEI through underwriting stamp numbers T0304, T0403 and T0502, (subject to the exception at 3(a) below in respect of some T0502 stamps); and
- (b) the reinsurance business transferred to TMEI by The Tokio Reinsurance Company Limited (also known as Tokio Rückversicherungs-Gesellschaft AG and Tokio Compagnie De Reassurance SA) ("**Tokio Re**") by way of two instruments of transfer dated 7 March 1994 and 14 March 1994 each such transfer being deemed to have taken effect on 31 December 1994. The business transferred consisted of all of the contracts entered into by Tokio Re through its UK branch and all such contracts entered into by Tokio Re through its head office in Switzerland.

3. BUSINESS OUTSIDE THE SCOPE OF THE SCHEME

The following business is outside the scope of the Scheme:

- (a) Liabilities arising from all facultative Engineering and facultative CAR insurances or reinsurances with policy references commencing "3500" written under stamp T0502. This business was underwritten by TMEI and is a class of business as opposed to individual contracts. The business is still being written (albeit by a different company within the Tokio group);
- (b) Liabilities arising from the business assumed by TMEI as a participating company in the Willis Faber Underwriting Limited ("**WFUM**") Pools, as these liabilities were subject to a separate scheme of arrangement; and
- (c) Liabilities in respect of fees, costs and expenses (including any tax thereon), in respect of services or advice payable to service providers, excluding brokers, but including without limitation, lawyers and loss adjusters.

The Scheme does not include any TMEI liability in respect of UK compulsory insurance.

4. **DIRECTORS' INTERESTS**

None of TMEI's directors is a Scheme Creditor. None of the directors has any material interests which will be affected by the Scheme, whether as a director, member or creditor of TMEI or otherwise. Apart from a small element of PRO's fee which is deferred and made subject to the Scheme becoming effective, no contingent or "performance-related" payments will be made to any of the directors (or to anyone else) under or as a result of the Scheme.

SECTION 3: THE SCHEME PROCESS

The Scheme (and this Explanatory Statement) may be viewed and downloaded on the Website at www.TMEIScheme.com or a hard copy may be obtained by contacting PRO (see contact details on page 3). Scheme Creditors and their advisers and representatives should read the Scheme in full in order to determine how it will affect them. The following section of the Explanatory Statement gives an overview of how the Scheme works but does not attempt to summarise every term of the Scheme and is not a substitute for reading the Scheme itself.

Defined terms used herein are the same as those used in the Scheme and the full definitions are set out in Schedule I of this document.

1. APPLICATION OF THE SCHEME

The Scheme will apply to all Scheme Claims (as defined in the Scheme – please refer to Schedule I, which contains a copy of the Scheme definitions).

Details of the scope of the Scheme can be found on pages 9 and 10 of this Explanatory Statement and in Appendix A of the Scheme. The Scheme will not apply to any liability of TMEI in respect of UK compulsory insurance.

2. DISTRIBUTION AND COMPLETION OF CLAIM FORMS

Once the Scheme has become effective, Scheme Creditors will be notified of the Effective Date and the Bar Date by way of advertisements (placed in the same publications as the advertisements of the Meeting, unless for any reason these are unavailable) and notices on the Website. Scheme Creditors, for which the Scheme Manager has a current address will be sent notice direct by Post or E-mail within 14 days of the Effective Date. Along with such notice, the Scheme Manager will send each such Scheme Creditor a Claim Form accompanied by details of (i) all known Scheme Reinsurance Contracts which may, in the Scheme Manager's opinion, give rise to Scheme Claims and (ii) details of any known Unpaid Agreed Claims arising under such Scheme Reinsurance Contracts.

In order to claim in the Scheme, Scheme Creditors must complete their Claim Form and return it so as to reach the Scheme Manager prior to the Bar Date which will be 11.59pm London Time on the first Business Day falling 180 days after (and not including) the Effective Date.

The Claim Form includes detailed instructions as to its completion which must be followed in order to make a valid claim. In particular, in order to make its Scheme Claim, each Scheme Creditor must, before the Bar Date:

- (a) identify each Scheme Reinsurance Contract under or in relation to which a Scheme Claim arises;
- (b) specify the amount of each of the Scheme Claims arising under or in relation to each Scheme Reinsurance Contract; and

- (c) provide supporting documentation to validate each Scheme Claim e.g. copy slips/policies claim information.

Scheme Creditors should state the Reference Date as at which they have calculated their Scheme Claim, which must be a date not earlier than 31 December 2008. Where Scheme Creditors submit estimates in relation to future or contingent amounts they should provide full details of the basis of the calculation, together with documentary evidence to support the reasonableness of the claim. The Estimation Methodology at Appendix B to the Scheme contains general guidance as to the evidence that Scheme Creditors should provide to support such Scheme Claims.

Scheme Creditors are not obliged to use the Estimation Methodology when estimating their future and contingent claims on their Claim Form if they believe that their own methodology for making such estimates is more appropriate. Where a Scheme Claim is disputed, the Scheme Adjudicator will adopt, in whole or in part, an actuarial methodology used by the Scheme Creditor if he considers it to be more appropriate to the Scheme Creditor's circumstances than the Estimation Methodology.

Scheme Creditors should note that any estimates of the value of their Scheme Claims made on and evidence provided in connection with a Claim Form may not be protected by privilege and may be discoverable, for example, on the application of a third party with a claim against the Scheme Creditor. Scheme Creditors should consult their own professional advisers as to the consequences of furnishing such particulars.

Scheme Creditors are entitled to revise or add to their Claim Form at any time prior to the Bar Date, and are entitled to submit supporting evidence in relation to their Claim Form at any time prior to the Bar Date. However, Scheme Creditors cannot submit a new or revised Claim Form after the Bar Date or seek to assert further Scheme Claims after such date. After the Bar Date, Scheme Creditors will only be entitled to provide revised or further information in respect of a Scheme Claim in response to a request from the Scheme Manager or Scheme Adjudicator.

3. AGREEMENT OF SCHEME CLAIMS

The Scheme Manager will endeavour to reach agreement with the Scheme Creditor as to the value of all notified Scheme Claims on each Claim Form within 180 days of the Bar Date. If agreement cannot be reached within this period, the Scheme Manager will send the relevant Scheme Creditor an Inwards Valuation Form setting out either (i) the amount the Scheme Manager believes is due in respect of each of that Scheme Creditor's unagreed Scheme Claims or (ii) the total amount which the Scheme Manager believes is due to that Scheme Creditor (including any Agreed Claims). The Inwards Valuation Form will not include any amounts which are to be deducted from Agreed Claims. The Scheme Creditor is entitled to dispute any amount set out in the Inwards Valuation Form, by sending a Dispute Notice to the Scheme Manager. For the avoidance of doubt, if such disputed amount includes sums attributable to Agreed Claims, such Agreed Claims will not form part of the Disputed Claim. If the Scheme Creditor decides not to, or fails to, send a Dispute Notice within 56 days of the date of the Inwards Valuation Form, the value(s) set out on the Inwards Valuation Form will

constitute the Scheme Creditor's Agreed Claim(s) and will be final and binding on TMEI and the Scheme Creditor.

4. **DISPUTES AND ADJUDICATION PROCEDURE**

Any amount(s) on an Inwards Valuation Form which are disputed by the Scheme Creditor will be referred by the Scheme Manager to Adjudication as Disputed Claims. The Scheme Adjudicator will be ~~George Maher~~John Birkenhead, who is independent of TMEI. Mr. ~~Mahe~~Birkenhead's curriculum vitae is at Schedule IV.

The Scheme Adjudicator will adjudicate upon and finally determine any dispute within 91 days of the matter being referred to him.

The Scheme Creditor's Claim Form and the supporting evidence provided by it to the Scheme Manager prior to the Bar Date will be treated as its initial submission to the Scheme Adjudicator, and TMEI shall be entitled to comment on such submission.

The Scheme Adjudicator has the right to request further supporting evidence either from the Scheme Manager or the Scheme Creditor which evidence shall be provided to the Scheme Adjudicator within 35 days of his request.

The Scheme Adjudicator's determination will be final and binding on TMEI and the Scheme Creditor, insofar as the law allows.

The Scheme Adjudicator's determination in relation to a Disputed Claim shall not result in its value exceeding the amount of the Scheme Claims asserted by a Scheme Creditor in respect of the relevant policy on its Claim Form.

The Scheme Adjudicator's remuneration, costs and expenses will be determined in accordance with clause 2.12 and Appendix E to the Scheme.

The costs and expenses of the Scheme Adjudicator will, unless the Scheme Adjudicator decides otherwise, be shared equally by TMEI and the Scheme Creditor. The Scheme Adjudicator is entitled to direct that such other proportion of his costs shall be borne by either TMEI or the Scheme Creditor where he considers that either the Scheme Manager, acting on TMEI's behalf, or the Scheme Creditor has acted vexatiously or in bad faith, or has unreasonably caused the Scheme Adjudicator to incur additional time or costs.

5. **NET VALUATION STATEMENTS**

Once all of a Scheme Creditor's Scheme Claims have been agreed and/or determined by Adjudication, the Scheme Manager will prepare and send to the Scheme Creditor a Valuation Statement setting out the total amount of the Scheme Creditor's Agreed Claims, the amount of any Scheme Debts owed by the Scheme Creditor to TMEI, and any other amounts to be set-off against or deducted from the amount of the Scheme Creditor's Agreed Claims.

The amount shown on a Valuation Statement after such adjustments have been carried out is the Scheme Creditor's "**Net Ascertained Claim**" (or "**Net Debt**" if it is an amount due to TMEI).

A Valuation Statement becomes binding upon the Scheme Creditor unless disputed by notice in writing received by the Scheme Manager within 42 days of the date of the Valuation Statement or, if applicable, revised Valuation Statement. It will become binding earlier than this if the Scheme Creditor returns a signed copy of the Valuation Statement to the Scheme Manager, which it may choose to do in order to receive an earlier payment. Calculations of amounts to be deducted from Agreed Claims which the Scheme Creditor may not have seen before, such as Scheme Debts, the application of set-off and Tax, may be disputed on substantive grounds. A Scheme Creditor may dispute the calculation of the reinsurance recovery offset, for instance, in terms of issues relating to the coverage of claims and application of limits, retentions and signed lines under the contracts insuring TMEI. However, it cannot dispute the principle that claims valued through the Scheme are recoverable by offset through the reinsurance programme, or the amount of the Agreed Claims used to calculate the reinsurance recoverables. If agreement cannot be reached, disputes on substantive grounds will be referred to the Scheme Adjudicator and resolved by Adjudication. A Valuation Statement may only be disputed as regards Agreed Claim values if it contains a clear typographical or mathematical error which is apparent on its face or an error in the entry of binding information to it. These kinds of error are referred to as "**Manifest Error**".

Following agreement or determination of any disputed amounts, the Scheme Manager will issue a revised Valuation Statement. The revised Valuation Statement may only be disputed on grounds of Manifest Error and, if no such dispute is notified within 42 days of the date of the revised Valuation Statement, it will be final and binding.

6. **CURRENCY OF PAYMENT**

A Scheme Creditor may elect on its Claim Form for its Net Ascertained Claim or Net Debt to be denominated in a single Scheme Currency, the Scheme Currencies being US Dollars, Canadian Dollars, Australian Dollars, Japanese Yen, Euros and Pounds Sterling. Payment will be made in the elected currency. If no such election is made by a Scheme Creditor, its Net Ascertained Claim or Net Debt will be denominated in Pounds Sterling.

7. **PAYMENT**

The Scheme Manager will procure that payment will be made to each Scheme Creditor in the amount of its Net Ascertained Claim as soon as reasonably practicable after its Valuation Statement has become binding and, in any event, within 42 days thereof.

Payment by TMEI to the Scheme Creditor or at the Scheme Creditor's direction in respect of any Net Ascertained Claim will be in full and final settlement of that Net Ascertained Claim and TMEI will have no further liability to the Scheme Creditor in respect of business covered by the Scheme.

8. **STAY OF PROCEEDINGS**

The Scheme will operate to prevent the commencement or continuation of Proceedings against TMEI or its Property or against the Scheme Manager for the purpose of obtaining payment or establishing the existence or amount of any Scheme

Claim. The Scheme also prevents Scheme Creditors from taking or continuing Proceedings against the Released Parties (which includes, but is not limited to the Chairman, Vote Assessor, Foreign Representative, Scheme Manager, Scheme Adviser and Scheme Adjudicator), in connection with their duties and obligations under, or in relation to, the Scheme.

However, if TMEI fails to make a payment which it is obliged to make under the Scheme, Scheme Creditors are permitted to take Proceedings against TMEI for the purpose of enforcing such payment.

9. SCHEME ADVISER

David William McGuigan of PO Box 683, Redhill, RH1 9BY, United Kingdom will be the first Scheme Adviser. Mr McGuigan has acted as an adviser to and representative of TMEI, in relation to the business which is the subject of the Scheme for approximately six years. In his capacity as TMEI's representative in respect of the Scheme, Mr McGuigan has given instructions on TMEI's behalf to, and worked very closely with, PRO, the proposed Scheme Manager and Sidley Austin LLP, TMEI's UK legal advisers in respect of the Scheme. He has previously been involved with TMEI in relation to other reorganisations, including another scheme of arrangement (this is the "WFUM Pools" scheme - case *Re Sovereign Marine & General Insurance Company Limited* [2006] EWHC 1335 (Ch) - in which the Scheme Company was an applicant) and a transfer of insurance business. Mr McGuigan's curriculum vitae is at Schedule IV. Scheme Creditors may give notice to the Scheme Adviser if they consider that the Scheme is not being operated in accordance with its terms. The Scheme Adviser is required to review and investigate any such complaint and, if he considers that it is justified, advise TMEI and the Scheme Manager on the steps which should be taken to remedy it. The Scheme Adviser may require the Scheme Manager to meet with him to discuss the issues raised in his advice.

10. SECURITY

A Scheme Creditor may obtain payment by means of, and in accordance with, its Security at any time, and in that context, Scheme Creditors' rights in respect of Security are not altered by the Scheme.

In the calculation of a Scheme Creditor's Net Ascertained Claim on a Valuation Statement, it will be assumed that such Scheme Creditor will drawdown any amounts to which it is entitled in respect of its Scheme Claims from Security. Accordingly, such amounts will be deducted in the calculation of the Scheme Creditor's Net Ascertained Claim and payment of Net Ascertained Claims by TMEI will be made net of any amounts which the Scheme Creditor is entitled to draw down from Security.

Any balance remaining of any funds deposited in respect of a Security are to be released to TMEI with the co-operation and assistance of the Scheme Creditor.

11. THIRD PARTY FUNDING

In respect of claims against TMEI by brokers or other third parties in respect of amounts paid by them to a Scheme Creditor in relation to sums due from TMEI to that Scheme Creditor, the Scheme Manager will need to be provided with evidence of a

written assignment or other authority (in a form acceptable to the Scheme Manager) to make payment in respect of the relevant Scheme Claim to a broker or other funding party, or be satisfied that any payment was made under pre-existing contractual obligations with TMEI or at the request of TMEI.

12. **LLOYD'S NAMES AND SYNDICATE SET-OFF**

There would be significant practical problems in identifying set-off at a Lloyd's Names' level. The Scheme adopts the practical solution normally used in London market schemes of arrangement, which is to apply set-off at syndicate level. Set-off at syndicate level will be permitted across different underwriting years, provided the syndicate managing agent establishes to the satisfaction of the Scheme Manager that there has been no material change in syndicate membership between the different underwriting years.

13. **MANAGING GENERAL AGENTS, LINESLIP HOLDERS, POOL MANAGERS ETC**

Where one entity such as a pool manager, managing general agent, Lineslip holder or holder of a Broker's Cover is authorised to act on behalf of a number of Scheme Creditors, the Scheme Manager may require it to allocate Scheme Claims submitted by it by reference to each of the underlying Scheme Creditors.

14. **EXTENSION OF TIME LIMITS**

Except for the Bar Date, the Scheme Manager may, at any time prior to completion or termination of the Scheme, extend any unexpired period of time or deadline in the Scheme as it relates to a specific Scheme Claim or Scheme Creditor or generally. This may be done by agreement with the relevant Scheme Creditor, in which case there is no prescribed limit for the extension. Alternatively, the Scheme Manager may elect to extend such periods and deadlines provided that the length of the extension does not exceed the total of: (i) the duration of the original maximum period of time specified in the Scheme for the taking of the relevant step(s) and (ii) where applicable, the time taken to replace the Scheme Manager or Scheme Adjudicator during the relevant period. Specifically affected Scheme Creditors will be given written notice of extensions. Where Scheme Creditors generally are affected, notice will, instead, be placed on the Website.

15. **COMPLETION OF THE SCHEME**

The Scheme will be completed when the Scheme Manager certifies in writing to TMEI that the Scheme has been implemented in accordance with its terms. Notice will be placed on the Website at least 56 days prior to the date on which it is proposed that the Scheme will be declared complete, and any Scheme Creditor who believes that the Scheme has not been properly carried out in relation to its claims may notify the Scheme Adviser and Scheme Manager to this effect. Completion of the Scheme for that Scheme Creditor will be delayed until the matter has been investigated and, if appropriate, rectified.

Once the Scheme is complete, all Scheme Claims will be deemed to have been paid and Scheme Creditors will have no further rights under the Scheme or in

respect of Scheme Claims. All obligations and liabilities of the Released Parties pursuant to, or in connection with, the Scheme shall, so far as the law permits, cease and be released absolutely.

16. PROHIBITED PAYMENTS

In some cases, TMEI may be prevented by a law or regulation from making payment to a Scheme Creditor under the Scheme. TMEI will deal with such Blocked Monies in accordance with the relevant law or regulation, or as instructed by the relevant authority. On completion of the Scheme, if TMEI is still holding Blocked Monies which it cannot legally pay to a Scheme Creditor and in respect of which it has no instructions from the relevant authority, the Blocked Monies will be paid to the Charity and the relevant Scheme Creditor will have no further claim on TMEI in respect of such monies.

17. GOVERNING LAW AND JURISDICTION

The Scheme will be governed by, and construed in accordance with, the laws of England and Wales. The Court is given exclusive jurisdiction to hear and determine any Proceedings or dispute which may arise out of the Scheme or any associated document or form or out of any action taken or omitted to be taken under the Scheme or in connection with the administration of the Scheme. For such purposes, TMEI and the Scheme Creditors irrevocably submit to the jurisdiction of the Court. The Scheme does not affect, or seek to change, the law governing the underlying Scheme Reinsurance Contracts.

18. FEE ARRANGEMENTS

There are no reserve based contingent fee arrangements in respect of the fees of the Scheme Manager, Scheme Adviser or Scheme Adjudicator. All fees and expenses of the Scheme Manager, the Scheme Adviser and Scheme Adjudicator are payable by TMEI, save in the latter case, as provided in clauses 2.12.1 and 2.12.2 of the Scheme. None of these parties has any contingent fee arrangement in connection with the Scheme or its implementation (apart from a small element of PRO's fee which is deferred and made subject to the Scheme becoming effective).

With the exception of any fees or expenses which might be outstanding at the date of this document (which amounts will be payable in full by TMEI), neither the Scheme Manager, the Scheme Adjudicator, nor the Scheme Adviser, is a creditor, director or shareholder of TMEI.

The fees of the UK and US legal advisers to the Scheme Companies for their work in drafting the Scheme and making the necessary applications to the Court in the UK and the US are payable by TMEI, with no contingent or "performance-related" fee arrangements.

SCHEDULE I

Scheme definitions

Definitions

In this Scheme, unless the context otherwise requires or otherwise expressly provides, the following words shall have the following meanings:

"Additional Unpaid Claims" the value, as at the Reference Date, of Scheme Claims that the Scheme Creditor asserts on a Claim Form have been settled by it and are due for payment to it by TMEI, excluding any amounts already included in Unpaid Agreed Claims;

"Adjudication" the procedure for the resolution of disputes by a Scheme Adjudicator;

"Admissible Interest" any interest provided for in a Scheme Reinsurance Contract or any relevant statute or any other relevant law from the date provided for therein up to the last Business Day of the month prior to the date of the Valuation Statement;

"Advertise" the placing of advertisements in the same publications as notice of the Meeting was placed, or, if that is not practicable, in such other publications or forums as the Scheme Manager shall reasonably deem appropriate;

"Agreed Claim" the final and binding amount of the valuation of a Scheme Claim determined by the process set out at clauses 2.2 to 2.8 inclusive;

"Appendices" the appendices to the Scheme referred to in the contents page and set out at pages 71 to 116 of the Scheme when printed in its entirety;

"Australian Dollars" Australian dollars, being the lawful currency of Australia;

"Bank Base Rate" in respect of each day of a calendar month:

- (a) the official bank rate set by the Bank of England as in force on the last Business Day of the preceding calendar month, for the Scheme Currency or other currency save that if the Bank of England changes the name of the Bank Base Rate or substitutes an equivalent rate, then "Bank Base Rate" will mean the rate as renamed or substituted (as applicable); or
- (b) if no such rate exists then "Bank Base Rate" will mean the average of the base rates of the four largest clearing banks in London from time to time;

"Bar Date" 11.59pm London Time on the date falling 180 days after (and not including) the Effective Date or, if that date is not a Business Day, then the next Business Day;

"Binding Authority" a binding contractual agreement pursuant to which TMEI gave a broker authority to bind risks on its behalf in respect of a Scheme Reinsurance Contract;

"Blocked Monies" any monies payable to a Scheme Creditor under the Scheme the payment of which is prohibited by an applicable law or regulation referred to in clause 8.7;

"Board" the board of directors of TMEI from time to time;

"Broker's Cover" a binding contractual agreement pursuant to which TMEI gave the holder the authority to perform the functions specified therein in respect of a Scheme Reinsurance Contract;

"Business Day" any day other than (1) Saturday, (2) Sunday or (3) a day on which the UK clearing banks are not open for business in London;

"Canadian Dollars" Canadian dollars, being the lawful currency of Canada;

"Chairman" the chairman of the Meeting;

"Charity" the British Red Cross Society of 44 Moorfields, London EC2Y 9AL, United Kingdom, Registered Charity Number 220949;

"Claim Form" the document entitled Claim Form, including all guidance notes and instructions, to be completed by Scheme Creditors (or their duly authorised agents) detailing Scheme Claims against TMEI, an example of which is at Appendix C;

"Companies Act" the Companies Act 2006 as amended and in force on the Effective Date;

"Company Directors Disqualification Act" the Company Directors Disqualification Act 1986;

"Complaint" shall have the meaning given to it in clause 7.2.4;

"Completion Date" in respect of a Scheme Creditor, the date upon which the Scheme is certified to have been completed in accordance with clause 8.3.1;

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

"Deed of Release" a deed in the form or substantially in the form set out in Appendix F;

"Delegate" any person to whom the Scheme Manager delegates any of its powers, rights, duties or functions;

"Dispute Notice" a notice sent to the Scheme Manager pursuant to clause 2.8.3 containing the information referred to in clause 2.8.4;

"Disputed Claim" an amount set out on an Inwards Valuation Form which is disputed in accordance with clause 2.8.3 and/or a disputed matter referred to a Scheme Adjudicator pursuant to clause 2.15.3. For the avoidance of doubt, any claim which has become an Agreed Claim prior to referral to the Scheme Adjudicator shall not form part of a Disputed Claim;

"Effective Date" the date on which a copy of the order of the Court sanctioning the Scheme is delivered to the Registrar of Companies;

"E-mail" delivery, where permitted by the terms of the Scheme and where a Scheme Creditor has provided an E-mail address, by electronic mail;

"Employee" any partner or director in the same firm, company, limited liability partnership or partnership as another, or any individual employed, whether under a contract of service or

a contract for services, by that firm, company, limited liability partnership or partnership or by any company owned by such firm, company, limited liability partnership or partnership;

"Estimation Methodology" the estimation methodology which is set out at Appendix B;

"Euro" the currency adopted by participating Member States in furtherance of economic and monetary union under Article 109 of the Treaty of the European Union;

"Explanatory Statement" the explanatory statement prepared in accordance with Section 897 of the Companies Act in relation to the Scheme;

"Foreign Representative" David McGuigan of PO Box 683, Redhill, RH1 9BY, United Kingdom or such other person as may be appointed as foreign representative of TMEI in relation to its application for a permanent injunction pursuant to Chapter 15 of the United States Bankruptcy Code;

"IBNR" the value, as at the Reference Date, of Scheme Claims in respect of losses which have been incurred by a Scheme Creditor but not notified to it, for which it asserts on a Claim Form that an amount will become due for payment by TMEI, excluding any amounts already included in Additional Unpaid Claims, and/or Outstanding Claims and/or Unpaid Agreed Claims;

"Insolvency Act" the Insolvency Act 1986 as amended and in force at the Effective Date;

"Insolvency Event"

- (a) the making of an order by the Court to wind up a company or limited liability partnership compulsorily pursuant to the Insolvency Act; or
- (b) the commencement of a creditors' voluntary liquidation in respect of a company or limited liability partnership in accordance with the provisions of the Insolvency Act; or
- (c) a company or limited liability partnership entering into a company voluntary arrangement with its creditors in accordance with the provisions of the Insolvency Act; or
- (d) the appointment of an administrator, administrative receiver, receiver or provisional liquidator in respect of a company or limited liability partnership in accordance with the provisions of the Insolvency Act; or
- (e) a determination by the company or limited liability partnership that the value of its assets is less than the value of its liabilities; or
- (f) the occurrence in relation to a company or limited liability partnership of any analogous event in any other jurisdiction;

"Institute of Actuaries" the Institute of Actuaries established by Royal Charter dated 29 July 1884, having its principal place of business at Staple Inn Hall, High Holborn, London WC1V 7QJ, United Kingdom;

"Inwards Valuation Form" a form to be prepared in accordance with clause 2.8.1;

"Japanese Yen" Japanese yen, being the lawful currency of Japan;

"Letter of Credit" any valid letter of credit issued to or for the benefit of a Scheme Creditor in respect of any Scheme Reinsurance Contract;

"Liability" any debt or liability (being a liability to pay money or money's worth) of a person, whether it is present or future, certain or contingent, whether or not its amount is fixed or liquidated, or is capable of being ascertained by fixed rules or as a matter of opinion whether or not it involves the payment of money and whether it arises at common law, in equity, by contract or by statute, in England and Wales or in any other jurisdiction or in any manner whatsoever, but excluding any liability which, subject to the proviso below, is barred at the Effective Date by statute or is otherwise unenforceable or which is claimed to arise in respect of a contract which is void or, being voidable, has duly been avoided.

Provided, however, that any sum representing an Unpaid Agreed Claim inserted by the Scheme Manager on a schedule accompanying the Claim Form pursuant to clause 2.2.4.2 shall constitute a Liability notwithstanding any statutory bar or unenforceability which would otherwise apply to it subject always to the provisions of clause 3.2.2;

"Lineslip" a binding contractual agreement pursuant to which TMEI gave authority to perform the functions specified therein in respect of a Scheme Reinsurance Contract;

"Lloyd's" the society incorporated by the Lloyd's Act 1871 by the name of Lloyd's and situated at One Lime Street, London EC3M 7HA, United Kingdom;

"Lloyd's Syndicate" a group of underwriting members of Lloyd's to which a number is assigned on behalf of the Council of Lloyd's in respect of an underwriting year;

"London Time" means the time at the relevant date in London, England;

"Loss Reserve" the amount reserved to meet known losses on a Scheme Reinsurance Contract which have not been settled;

"Manifest Error" an arithmetical or typographical error which is apparent either on the face of the document concerned or by reference to the information which has been or should, in accordance with the Scheme, have been inserted in the document concerned but has been incorrectly transcribed;

"Meeting" the meeting of Scheme Creditors convened by TMEI with the leave of the Court for the purpose of considering and, if thought fit, approving the Scheme;

"Net Ascertained Claim" the final balance shown as due to a Scheme Creditor in a Valuation Statement;

"Net Debt" the final balance shown as due to TMEI in a Valuation Statement;

"Net Debtor" any person who has a Net Debt shown on their Valuation Statement;

"Outstanding Claims" the value, as at the Reference Date, of Scheme Claims in respect of losses notified to the Scheme Creditor for which it asserts on a Claim Form that an amount will become due for payment to it by TMEI, excluding any amounts already included in Additional Unpaid Claims and/or Unpaid Agreed Claims;

"Post" delivered by hand (including by a generally recognised commercial courier service), prepaid post or airmail;

"Pounds Sterling" pounds sterling, being the lawful currency of the United Kingdom;

"Premium Reserve" the amount withheld by a Scheme Creditor intended to represent unearned premium;

"Proceedings" any form of proceedings in any jurisdiction or forum including, without limitation, any demand, legal proceedings, regulatory proceedings, insolvency proceedings, arbitration, alternative dispute resolution, judicial review, adjudication, mediation, seizure, distraint, forfeiture, re-entry, execution or enforcement of judgment or enforcement of any Security or any step taken for the purpose of creating or enforcing a lien;

"Property" all forms of property including money, goods, things in action, land and every description of property wherever situated and also any obligation or interest, whether present or future or vested or contingent, arising out of, or incidental to, property;

"Reference Date" the date selected by the Scheme Creditor, to be not earlier than 31 December 2008, as at which the Scheme Creditor has calculated its Scheme Claims;

"Registrar of Companies" the registrar or other officer performing under the Companies Act the duty of registration of companies in England and Wales;

"Released Parties" TMEI, the Foreign Representative, any person who holds or has held the position of President of the Institute of Actuaries, any person holding, or who has at any time held, the position of Scheme Appointee, Chairman, Vote Assessor and any past or present director of TMEI, including any Delegate, Employee, partner or alternate of any of the foregoing persons, in each case in their capacity as such;

"Relevant Currency" the currency elected by a Scheme Creditor on its Claim Form pursuant to clause 2.3 or, in the event that a Scheme Creditor does not so elect, Pounds Sterling;

"Scheme" the scheme of arrangement in the form herein contained, together with any modification thereof or addition thereto approved or imposed by the Court;

"Scheme Adjudicator" the person referred to as such in accordance with clause 6.1.2 and any person appointed in substitution for him pursuant to the provisions of the Scheme or as an alternate pursuant to clause 6.2.1;

"Scheme Adviser" the person referred to in clause 7.1 or such other person or persons as may be appointed as such pursuant to the Scheme;

"Scheme Appointees" any person holding or who has at any time held the position of Scheme Manager, Scheme Adviser or Scheme Adjudicator including any Employee, partner and alternate of such person;

"Scheme Claim" save as excluded below, Scheme Claims shall comprise:

- (a) any claim against TMEI in respect of all or part of a Liability arising under or in relation to a Scheme Reinsurance Contract as at the Effective Date;

- (b) all Liabilities of TMEI arising under any agreement entered into before the Effective Date by which TMEI has commuted, settled or compromised all or part of its Liability under any such Scheme Reinsurance Contract;
- (c) all Liabilities of TMEI arising under any agreement pursuant to which an insurance broker is entitled to brokerage or commission from TMEI in respect of the placing of a Scheme Reinsurance Contract; and
- (d) Liabilities of TMEI arising under rights of contribution and subrogation in respect of a Scheme Reinsurance Contract;

after the application of any relevant counterclaim or right of contribution but in each case prior to the application of any amounts referred to in clauses 2.14.1.1 to 2.14.1.8 inclusive in accordance with the Scheme.

Scheme Claims shall not include:

- (a) save to the extent provided for in a Scheme Reinsurance Contract, Liabilities in respect of fees, costs and expenses (including any tax thereon), in respect of services or advice, payable to service providers, excluding brokers, but including, without limitation, lawyers and loss adjusters;
- (b) in the case of underwriting stamp T0502, all Engineering/CAR reinsurances with policy reference numbers commencing "3500";
- (c) Liabilities arising from the business assumed by TMEI as a participating company in the Willis Faber Underwriting Limited ("WFUM") Pools, which was subject to a separate scheme of arrangement;
- (d) the whole or part of any policy of reinsurance or retrocession underwritten by TMEI to the extent that it reinsured, as at the Effective Date, any liability required under any of the following enactments to be covered by insurance or (as the case may be) by some other provisions for securing its discharge:
 - (i) Section 1(4A)(d) of the Riding Establishments Act 1964 (or any corresponding enactment for the time being in force in Northern Ireland);
 - (ii) Section 1 of the Employers' Liability (Compulsory Insurance) Act 1969 or Article 5 of the Employers' Liability Order (Defective Equipment and Compulsory Insurance) (Northern Ireland) Order 1972;
 - (iii) Part VI of the Road Traffic Act 1988 or Part VIII of the Road Traffic (Northern Ireland) Order 1981;
 - (iv) Section 19 of the Nuclear Installations Act 1965;

"Scheme Creditor" a creditor of TMEI in respect of a Scheme Claim;

"Scheme Currency"

- (a) for the purposes of Scheme Claims submitted in any currency other than those listed in (b) to (g) below, Pounds Sterling;

- (b) for the purposes of Scheme Claims submitted in Australian dollars, Australian Dollars;
- (c) for the purposes of Scheme Claims submitted in Canadian dollars, Canadian Dollars;
- (d) for the purposes of Scheme Claims submitted in Euros, Euros;
- (e) for the purposes of Scheme Claims submitted in Japanese yen, Japanese Yen;
- (f) for the purposes of Scheme Claims submitted in pounds sterling, Pounds Sterling;
- (g) for the purposes of Scheme Claims submitted in US dollars, US Dollars;

in the event that a Scheme Currency is replaced by another unit of currency, references to that Scheme Currency shall, where appropriate, be deemed to refer to such replacement unit of currency and any amounts denominated in the original Scheme Currency shall be converted into the replacement unit of currency at the rate of exchange specified in the legislation introducing the replacement unit of currency;

"Scheme Debt" a Liability which is or may become payable to TMEI arising in connection with a Scheme Reinsurance Contract including, without limitation, reinstatement premiums, claim reserve deposits, refunds, rights of subrogation and reinsurance recoverables, and also including (for the avoidance of doubt) any such Liability arising by virtue of the application of Agreed Claims to reinsurance contracts;

"Scheme Manager" PRO Insurance Solutions Limited and any Delegate thereof, or such other person as may be appointed in substitution or replacement of PRO Insurance Solutions Limited pursuant to the Scheme, and any Delegate thereof;

"Scheme Rate" the closing mid-point rate of exchange for the Relevant Currency quoted in the Financial Times for the last Business Day of the month preceding the date of the relevant Inwards Valuation Form or Valuation Statement or if no such rate is published, such rate as may reasonably be selected by the Scheme Manager;

"Scheme Reinsurance Contract" any contract or policy of reinsurance or retrocession comprised in the business referred to in paragraph 2.1 of Appendix A;

"Security" any effective deposit or reserve of funds, escrow, cash reserves, trust fund or assets established by TMEI, including any Letter of Credit, Loss Reserve or Premium Reserve, to the extent only that it relates to business covered by the Scheme;

"Tax" any form of taxation, levy, duty, charge, contribution, withholding or impost of any nature (including any related fine, penalty, surcharge or interest) imposed, collected or concerned by or payable to any Tax Authority;

"Tax Authority" any government, state municipality or any local state, federal or other fiscal, revenue, customs or excise authority, body or official anywhere in the world (including in the United Kingdom, without limitation, Her Majesty's Revenue & Customs);

"Termination Event" in respect of a company, limited liability partnership or partnership, on the occurrence of an Insolvency Event in respect of such company, limited liability partnership or partnership; or

in respect of an individual, the point at which such individual:

- (a) dies;
- (b) is convicted of an indictable offence;
- (c) becomes bankrupt or enters into any composition or arrangement with one or more of their creditors;
- (d) is disqualified from acting as a director of a company under the Company Directors Disqualification Act or is disqualified by any professional body of which he is a member; or
- (e) is admitted to hospital because of a mental disorder or is the subject of an order concerning his mental disorder made by a court having jurisdiction in such matters in England and Wales or elsewhere;

"TMEI" Tokio Marine Europe Insurance Limited (company number 989421), a company incorporated in England and Wales;

"Unpaid Agreed Claim" any claim arising under or balance in relation to a Scheme Reinsurance Contract which, as at the Effective Date, is valid and due having been agreed by or on behalf of TMEI and the party to which it is due, but which has not been paid or discharged by the operation of set-off or otherwise;

"US Dollars" United States dollars, being the lawful currency of the United States of America;

"Valuation Statement" the statement to be prepared in accordance with clause 2.13.2 (setting out only the amount of the Net Ascertained Claim or Net Debt as agreed) or clause 2.14.1 (setting out the amount of the Net Ascertained Claim or Net Debt and the calculation thereof), as the case may be, in substantially the form set out in Appendix D;

"Vote Assessor" the person appointed as such by the Court in relation to the Meeting and any person appointed in substitution for him;

"Website" the website at www.TMEIScheme.com.

Schedule II

SPECIMEN Proxy and Voting Form

PART 1: PROXY FORM

IN THE HIGH COURT OF JUSTICE CHANCERY DIVISION COMPANIES COURT Claim No. 9791 of 2010	IN THE MATTER OF TOKIO MARINE EUROPE INSURANCE LIMITED AND IN THE MATTER OF THE COMPANIES ACT 2006
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To be used at the meeting of Scheme Creditors to vote on the solvent scheme of arrangement proposed by TMEI to be held at the offices of Sidley Austin LLP at Woolgate Exchange, 25 Basinghall Street, London EC2V 5HA, United Kingdom at 11am London Time on **8 March 2011** (the "**Meeting**").

Before completing this Proxy Form please refer to the Instructions for completion of this Proxy Form at page 28-29 and the General Notes for completion of the Proxy and Voting Form at pages 30 to 33. The numbering below relates to the Instructions at pages 28 to 29.

(1) I / We (Scheme Creditor Name)
 of (Scheme Creditor Address)
 Creditor reference: (To be quoted in all future correspondence)

being a Scheme Creditor of TMEI,

(2) WILL / WILL NOT BE ATTENDING THE MEETING (Delete as applicable)

(3) I / WE HEREBY APPOINT either:

- (a) the Chairman of the Meeting or
- (b) (Name of person to be appointed)

as my/our proxy to act for me/us at the Meeting which I am/we are entitled to attend for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme referred to in the notice summoning the Meeting (a copy of which is at Schedule V to the Explanatory Statement), or any adjournment thereof, to vote on my/our behalf and in my/our name for or against the Scheme (with or without modification) or as my/our proxy may elect, as hereinafter indicated.

If you wish to vote for the Scheme, sign in the box marked "FOR". If you wish to vote against the Scheme, sign in the box marked "AGAINST". If you wish your proxy to have discretion to vote for or against the Scheme, sign in the box marked "AT DISCRETION".

Please note that if you have appointed the Chairman of the Meeting as your proxy, you must sign either in the box marked "FOR" or in the box marked "AGAINST". If you sign in the box marked "AT DISCRETION", the Chairman will abstain from voting on your behalf. If you do not sign in any of the boxes this form of proxy will not operate as a valid appointment of your proxy.

If you are the duly authorised representative of a Scheme Creditor, enter the capacity in which you have signed the form (e.g. director, agent or attorney) below. A signature on this form shall constitute the giving of a warranty that the signatory has been duly authorised by the relevant Scheme Creditor to sign the form on their behalf.

(4) I / WE HEREBY INSTRUCT MY / OUR PROXY TO VOTE AS FOLLOWS:

FOR the Scheme (with or without modification)	AGAINST the Scheme	AT DISCRETION Do not tick this box if you have appointed the Chairman as your proxy
(5) Signature	(5) Signature	(5) Signature
Date:	Date:	Date:
Name:	Name:	Name:
Position/Capacity:	Position/Capacity:	Position/Capacity:

THE INSTRUCTIONS FOR COMPLETION OF THE PROXY FORM (AT PAGES 28-29) ARE TO BE READ IN CONJUNCTION WITH THE GENERAL NOTES AT PAGES 30-33.

INSTRUCTIONS FOR COMPLETION OF THE TMEI PROXY FORM

Please note that terms contained within these instructions and the Proxy and Voting Form bear the same meanings as given in them in the Scheme, save where the content otherwise requires.

(1) On pre-populated forms, the name and address of the Scheme Creditor will have been entered by the proposed Scheme Manager. Please amend if incorrect. Alternatively, where a broker or agent of a Scheme Creditor is completing this form, please enter the name and address of the Scheme Creditor, together with all former names, in block capitals. Please complete a separate form for each Scheme Creditor and provide evidence (which must be acceptable to the Chairman of the Meeting) of your authority to execute the proxy form on their behalf.

(2) If you wish to attend the Meeting, you do not need to appoint a proxy. Continue to **(5)**

If you are not attending the Meeting, but still wish to cast your vote, then you **must** appoint a proxy to attend and vote on your behalf. Continue to **(3)**.

(3) To appoint a proxy to vote on your behalf at the Meeting please fill in this section. You may appoint as your proxy either (a) the Chairman of the Meeting or (b) another named individual.

Appointing the Chairman as your proxy holder

If you wish to appoint the Chairman as your proxy, please leave part (b) blank.

Appointing another named individual as your proxy holder

If you wish to appoint an alternative proxy, please delete the words in (a) and insert in block capitals in (b) the name of the person to be appointed. The person appointed as your proxy holder does not need to be a Scheme Creditor.

(4) When appointing a proxy, you **must** indicate how you wish your proxy to vote.

If you wish to vote for the Scheme, enter a ✓ in the box marked "FOR". If you wish to vote against the Scheme, enter a ✓ in the box marked "AGAINST". If you wish your proxy to have discretion to vote for or against the Scheme, enter a ✓ in the box marked "AT DISCRETION".

If you have appointed the Chairman of the Meeting as your proxy, you **must not** tick the box marked "AT DISCRETION". The Chairman cannot exercise discretion as to the direction of votes cast by him as proxy holder and will not be validly appointed as a proxy unless the direction of the vote is indicated.

(5) You **must** sign the form in this section, whether or not you wish to appoint a proxy.

If you are a duly authorised representative of a corporation (which includes a company) or a partnership or other unincorporated body or person, or the duly authorised agent and/or attorney of a Scheme Creditor or a number of Scheme Creditors, enter the capacity in which you have signed the proxy form (for example, director, partner or agent and/or attorney). Please note that if you are the duly authorised representative of a number of companies you should complete a separate voting form in respect of each company.

A signature on this form shall constitute the giving of a warranty that the signatory has been duly authorised by the relevant Scheme Creditor to sign the form on their behalf.

GENERAL NOTES FOR COMPLETION OF THE TMEI PROXY AND VOTING FORM

Please read the following notes and guidance regarding vote submission prior to completing this Proxy and Voting Form.

(A) In order to vote at the Meeting, you are requested to return your completed Proxy and Voting Form to PRO Insurance Solutions Limited ("PRO"), the proposed Scheme Manager (see address and contact details below) as soon as possible, and in any event, so that it is received by 11.59pm London Time on 25 February 2011. Scheme Creditors may send their forms by post, e-mail or fax. Forms returned by e-mail (in pdf format) or fax will only be accepted if they are legible. If completed Proxy and Voting Forms are not received by 11.59pm London Time on 25 February 2011, they may be handed in at the registration desk prior to the commencement of the Meeting.

PROPOSED SCHEME MANAGER

PRO Insurance Solutions Limited
Bruton Court
Bruton Way
Gloucester GL1 1DA
United Kingdom

Contact: Philip Toft
Telephone: +44 (0) 1452 78269
Fax: +44 (0) 1452 523437
Email: PRO_TMEI@pro-ltd.co.uk

(B) Any alteration to the Proxy and Voting Form must be initialled by the person who signs it.

(C) If you are a duly authorised agent and/or an attorney of a number of Scheme Creditors, you should ensure that a separate Proxy and Voting Form is completed in respect of each Scheme Creditor for which you act (photocopying the form as many times as necessary).

(D) The Chairman of the Meeting will be Frank Attwood and the Vote Assessor will be ~~George Maher of Towers Watson~~ [John Birkenhead of HJC Actuarial Consulting Limited](#). The Chairman will determine the right and entitlement of a Scheme Creditor to vote at the Meeting (either at all, or in relation to particular contracts for which it has submitted values on its Voting Form) and any other matters arising in relation to the votes, save the value of each vote. The Vote Assessor will determine the value of each vote and report his findings to the Chairman. The Chairman will (subject to his determination on the points referred to above) adopt the values determined by the Vote Assessor in order to determine whether the relevant majorities, by number and value, have been achieved at the Meeting. However, if all the votes in the Meeting are cast in the same direction, the Vote Assessor will not review the values of the votes cast at such Meeting. In such circumstances, the values for which each Scheme Creditor is admitted to vote in such Meeting will be determined by the Chairman.

(E) Your completed Voting Form, together with the supporting evidence supplied with it, should be sufficient to enable the Vote Assessor to assess the reasonableness of your valuation.

(F) To assist you in completion of the Voting Form, you should have received a policy schedule accompanying your Voting Form containing the policy details held by PRO in respect of those Scheme Reinsurance Contracts known to it which it considers may give rise to Scheme Claims and details of any known Unpaid Agreed Claims arising under those Scheme Reinsurance Contracts.

Please be aware that the schedule accompanying your Voting Form can also be supplied electronically in Microsoft Excel format by PRO. You are strongly encouraged to request this and to enter your policy and claims data on the Excel spreadsheet, where possible, because this should be easier for you than entering it on the paper spreadsheet. Alternatively, if you so wish, a blank schedule can be downloaded in Microsoft Excel from the Website at www.TMEISCHEME.com. If you enter your data on the Excel spreadsheet, this should be submitted as described in paragraph (A), along with the Proxy Form in Part I and the Voting Form signature page on page 34 of this document. Please ensure that all documents submitted are marked with the relevant Scheme Creditor name and Creditor Reference.

(G) CLAIMS AND SUPPORTING EVIDENCE MUST BE SUBMITTED AT POLICY LEVEL AS AT A DATE NOT EARLIER THAN 31 DECEMBER 2008.

Each claim must be made under a specified Scheme Reinsurance Contract. In the event that a single claim impacts more than one Scheme Reinsurance Contract, please enter a separate claim for each Scheme Reinsurance Contract. Failure to do this may result in the Vote Assessor being unable to accept the value you have submitted without amendment, or at all. Please contact PRO if you have any queries regarding the submission of your claim for voting purposes.

(H) Please ensure that you correctly identify any Scheme Reinsurance Contract(s) additional to those set out by PRO, in respect of which you intend to claim for voting purposes. Before your claim to vote at the Meeting can be admitted, the Chairman will be obliged to satisfy himself that your claim relates to business falling within the Scheme.

(I) The Scheme Company has been advised that particulars as to estimates of the amount of any future claims furnished by a Scheme Creditor for voting purposes may not be protected by privilege under English law (or other relevant laws) and may be discoverable by a third party with a claim against the Scheme Creditor in any action or proceeding to which the Scheme Creditor may be a party. You should consult your legal adviser as to the consequences for you of furnishing such particulars in relation to any litigation in which you are or may become involved.

(J) Please supply as much information as possible to support your submitted vote value. Guidance is given in the Estimation Methodology in the Scheme as to the type of supporting evidence which the Scheme Adjudicator will expect to see in relation to claims submitted in the Scheme. This guidance is also relevant as to the type of information which should be supplied in relation to your voting submissions. In general, the amount of evidence needed to support large claims will be greater than that required for smaller claims.

For each Scheme Reinsurance Contract on the Voting Form to which a Scheme Creditor adds values it should supply a list of the losses that it is asserting against that Scheme Reinsurance Contract, the values of which should add up to the values asserted for that Scheme

Reinsurance Contract on the Voting Form. This list of losses should show, for each loss, the data outlined below:

- TMEI and/or Scheme Creditor policy references which should match to the reference that is shown on the Voting Form for the relevant policy.
- The name of the Original Insured
- Scheme Creditor's Claim Number
- Loss Type
- Date of Loss
- Description of Loss
- Unpaid Claims
- Undiscounted Outstanding
- Undiscounted IBNR

In preparing their supporting evidence Scheme Creditors should have regard to the Estimation Methodology at Appendix B to the Scheme and they should specify the policy(s) and individual claim(s) or claim types that the supporting evidence refers to.

You should supply supporting evidence sufficient to enable the Vote Assessor to review the data, methods and assumptions that you have used in determining the value of your claims. If you are unsure as to what evidence to provide in relation to your claims, you should contact PRO as soon as possible.

(K) In deciding the value for which a claim will be admitted for voting purposes, the Vote Assessor will review the information available from the Scheme Company's records and the supporting information provided by the relevant Scheme Creditor with its Voting Form. If the Vote Assessor considers that the vote value submitted by the Scheme Creditor is reasonable, it will be admitted at that amount. If the Vote Assessor disagrees with the value submitted on the Scheme Creditor's Voting Form and cannot resolve the matter with the Scheme Creditor, the Vote Assessor shall determine what he considers to be a fair and reasonable assessment of the Scheme Creditor's vote value.

(L) Votes will be valued as at the date of the Meeting with a discount to reflect the time value of money. Creditors' set off will be applied in respect of, and only in respect of, amounts arising in relation to Scheme Reinsurance Contracts which are established as due from Scheme Creditors to the Scheme Company at the date of the Meeting. If the Vote Assessor determines that the value of a Scheme Creditor's vote is zero, or that following the application of set-off their net position is that of a debtor rather than a creditor of the Scheme Company in relation to the Scheme business, their vote will not be taken into account by the Chairman when determining the majorities either by number or by value at the Meeting. If the Vote Assessor determines that the value of a Scheme Creditor's vote is nominal, such vote value will be valued at £1 unless the Vote Assessor ascribes a higher value to it.

(M) As claims may be denominated in various currencies, for the purpose of voting at the Meeting, claims will be converted into Pounds Sterling. The conversion rates used will be the closing mid-point rates of exchange on 25 February 2011 as published in the Financial Times UK edition for that date or, if no such rates are published, at such rates as may reasonably be selected by the Chairman.

(N) Where a claim is rejected in whole or in part, the Chairman will advise the Scheme Creditor of this decision, prior to the Meeting where practicable, and in any event prior to any hearing of the Scheme Company's application for sanction of the Scheme.

(O) The Chairman will prepare a report on the values for which Scheme Creditors' claims have been admitted to vote, whether the votes were in favour of the Scheme or against it and whether or not an indicative valuation for the claims had previously been provided by the Scheme Company, which will be submitted to the Court as part of any application to sanction the Scheme.

(P) The admission of a claim for voting purposes does not constitute an admission of the existence or amount of any Liability of the Scheme Company and will not bind the Scheme Company or Scheme Creditors. Estimates of claims produced for voting purposes, whether by Scheme Creditors, the Vote Assessor or, if appropriate, the Chairman will not determine the amount that will be paid to the Scheme Creditor concerned under the Scheme, but will be used for voting purposes only. A Scheme Creditor must submit a Claim Form after the Effective Date, if it intends to assert a Scheme Claim, other than an Unpaid Agreed Claim.

PART 2: VOTING FORM

Scheme Creditor Details

Please complete this form following the General Notes on pages 30 to 33 and the Instructions in Part 3 carefully.

CLAIMS AND SUPPORTING EVIDENCE MUST BE SUBMITTED AT POLICY LEVEL AS AT A DATE NOT EARLIER THAN 31 DECEMBER 2008. PLEASE CONTACT PRO IF YOU HAVE ANY QUERIES REGARDING THE SUBMISSION OF YOUR CLAIM FOR VOTING PURPOSES.

Particulars as to estimates of the amount of any Outstanding and IBNR Claims, and supporting evidence provided by a Scheme Creditor in relation to such claims may not be protected by privilege under English law (or other relevant laws) and may be discoverable by a third party with a claim against the Scheme Creditor in any action or proceeding to which the Scheme Creditor may be a party. Scheme Creditors should consult their legal advisers as to the consequences for them of providing such particulars in relation to any litigation in which they are or may become involved.

The admission of a claim for voting purposes will not constitute an admission of the existence or amount of any liability of TMEI and will not be binding in the valuation of any Scheme Claim.

Please complete a separate spreadsheet for each different currency.

Scheme Creditor Name:

Cedant Name (if different from above):

Scheme Creditor Postal Address:

Scheme Creditor Reference:

Scheme Creditor E-mail:

Telephone:

Fax:

You must sign the form in this section. An unsigned form will not operate as a valid Voting Form.

To the best of my knowledge and belief the information on this Voting Form and any supporting schedules is correct. A signature on this form shall constitute the giving of a warranty that the signatory has been duly authorised by the relevant Scheme Creditor to sign the form on their behalf.

Signed:

Name:

Position/Capacity:

Date:

SPECIMEN TMEI SUMMARY VOTING FORM

Part 2A: Summary Voting Form

SCHEME CREDITOR NAME:

TMEI REF:

(1) REFERENCE DATE:

(2) CURRENCY IN WORDS:

	(3) Unpaid Agreed Claims	(4) Undiscounted Outstanding Claims	(5) Discounted Outstanding Claims	(6) Undiscounted IBNR Claims	(7) Discounted IBNR Claims	(8) Security/ Set-off	(9) Net Total
Values per PRO's records							
Values added by Scheme Creditor							
							(10) Overall Total

SPECIMEN TMEI VOTING FORM

Part 2B: Policy / Claim Information

TMEI REF:

SCHEME CREDITOR NAME:

(11) REFERENCE DATE:

(12) CURRENCY IN WORDS:

(13) Ref	(14) Our Contract Reference Number	(15) Your Contract Reference Number	(16) Type of Business Policy Type	(17) Inception Date Expiry Date	(18) CC Y	(19) Sum Insured Excess	(20) Order	(21) Ultimate Signed Line	(22) Broker Banker Slip Reference	(23) Original Signing Date & No.	(24) Unpaid Agreed Claim per PRO's records	(25) Additional Unpaid Claims	(26) Undiscoun ted Outstanding Claims	(27) Discounted Outstanding Claims	(28) Undisclosed IBNR Claims	(29) Discounted IBNR Claims	(30) Security Interests // Set Off	(31) Total
1																		
2																		
3																		
4																		
5																		
6																		
7																		
8																		
9																		
10																		
11																		
12																		
14																		
(32) Overall Total																		

Part 3: Instructions for completion of the Voting Form

Please be aware that your Voting Form is also available electronically in Microsoft Excel format from PRO. You are strongly encouraged to request this electronic version of the Voting Form and to enter your policy and claims data on the Excel spreadsheet, where possible, because this should be easier for you than entering it on the paper spreadsheet. Alternatively, if you so wish, a blank schedule can be downloaded in Microsoft Excel from the Website at www.TMEISCHEME.com.

General

Please note that defined terms contained within these instructions and in this form bear the same meanings as given to them by the Scheme, save where the context otherwise requires.

Please complete a separate table for each different currency in which you wish to submit a vote. The default currency is consolidated Pounds Sterling. Use photocopied pages as required.

Although claims against TMEI may be denominated in other currencies, for voting purposes, claims will be converted, where necessary, to Pounds Sterling. The rate of exchange used for this purpose will be the closing mid-point rates of exchange quoted by the Financial Times for 25 February 2011.

Before completing this Voting Form please refer to these Instructions and the General Notes at pages 30 to 33. Failure to complete your form in accordance with these instructions and the guidance notes may result in your claim being rejected in whole or in part for voting purposes if the Chairman or Vote Assessor, as appropriate, has insufficient information to decide whether it is a fair and reasonable claim.

For any forms which are not pre-populated, please insert in this section the name of the Scheme Creditor and, if different, the name of the cedant as given in the Scheme Reinsurance Contract under which you are claiming. Where the name of the cedant given on the Scheme Reinsurance Contract is different from the name of the Scheme Creditor, please explain the reason for this, e.g. change of name, assignment etc. Insert an address and contact details for the individual who will be dealing with the Scheme Creditor's claims against TMEI. Inclusion of up-to-date contact details will assist TMEI in quickly resolving any queries it may have in relation to the information provided on the form and will also ensure that the Claim Form will be sent to the correct address and reference in the event that the Scheme becomes effective.

Scheme Creditor Details

For any forms which are not pre-populated, please insert in this section the name of the Scheme Creditor and, if different, the name of the cedant as given in the Scheme Reinsurance Contract under which you are claiming. Where the name of the cedant given on the Scheme Reinsurance Contract is different from the name of the Scheme Creditor, please explain the reason for this, e.g. change of name, assignment etc. Insert an address and contact details for the individual who will be dealing with the Scheme Creditor's claims against TMEI. Inclusion of up-to-date contact details will assist TMEI in quickly resolving any queries it

may have in relation to the information provided on the form and will also ensure that the Claim Form will be sent to the correct address and reference in the event that the Scheme becomes effective.

The individual completing the form should sign and date the form to confirm the accuracy of the information provided printing his/her name in BLOCK CAPITALS where indicated. The form should be signed by the duly authorised representative of a corporation or partnership or other unincorporated body or person, or the duly authorised agent and/or attorney of a Scheme Creditor, please enter the capacity in which the signatory has signed the Voting Form (for example agent and/or attorney).

CLAIMS AND SUPPORTING EVIDENCE MUST BE SUBMITTED AT POLICY LEVEL AS AT A DATE NOT EARLIER THAN 31 DECEMBER 2008.

WHEN ENTERING INFORMATION IN RESPECT OF A SCHEME REINSURANCE CONTRACT NOT ALREADY LISTED, PLEASE DO SO IN THE SAME FORMAT AS THE PRE-POPULATED FORM, IN ACCORDANCE WITH THESE INSTRUCTIONS.

Notes to Part 2A: Summary Voting Form

(1) Reference Date

The "as at" date of the calculation of your claim. Please note that there is no fixed ascertainment date specified by TMEI, instead you are free to select the most appropriate recent date (**provided it is after 31 December 2008**) up to which you have current claim records and which is convenient for you in order to calculate your claim.

(2) Currency in Words

Please enter the currency in which your claims are submitted. Claims may be submitted in one or more Scheme Currencies (Australian Dollars, Canadian Dollars, Euros, Japanese Yen, Pounds Sterling and US Dollars). **Please use a different form for each currency in which you wish to submit your claims.**

As claims may be denominated in various currencies, any claims which are not denominated in Pounds Sterling will be converted into Pounds Sterling for the purpose of vote valuation at the Meeting. The conversion rate used will be the relevant closing mid-point rates of exchange on 25 February 2011 as published in the Financial Times UK edition for that date or, if no such rates are published, at such rates as may reasonably be selected by the Chairman.

(3) Unpaid Agreed Claims

The total value which has been agreed as due to you, but not paid or discharged by operation of set-off or otherwise. This field will be pre-populated by PRO in accordance with its records.

If you consider that the values shown do not reflect your records, please add any additional value and provide particulars of your additions in Part 2B: Policy / Claim Information.

(4) Undiscounted Outstanding Claims

Enter the total value in respect of losses notified to you for which you assert that an amount will become due for payment to you by TMEI (excluding any amounts in (3) above and (5) below) and provide particulars of your additions in Part 2B: Policy / Claim Information.

(5) Discounted Outstanding Claims

Enter the value of the losses in column (4) following the application of a discount to reflect the time value of money. Please explain and provide documentation supporting the discounting percentage applied.

(6) Undiscounted IBNR Claims

Enter the total estimated amount in respect of losses which have been incurred by you, but not notified to you, for which you assert that an amount will become due for payment to you by TMEI (excluding any amounts already included in columns (3) and (4) above) and provide particulars of your additions in Part 2B: Policy / Claim Information.

(7) Discounted IBNR Claims

Enter the value of the losses in column (6) following the application of a discount to reflect the time value of money. Please explain and provide documentation supporting the discounting percentage applied.

(8) Security / Set-off

The total amount of any Security (including any Letter of Credit, trust fund, Loss Reserve or Premium Reserve), set-off or counter-claim which is available in relation to your claim under Scheme Reinsurance Contracts. This field will be pre-populated by PRO in accordance with its records.

If you consider that the values shown do not reflect your records, please add any additional value (in brackets) within the field "Values added by Scheme Creditor" and provide particulars of your additions in Part 2B: Policy / Claim Information.

(9) Net Total

The total value of Unpaid Agreed Claims less any Security / set-off as presented per PRO's records and the total value of added Unpaid Agreed Claims, Discounted Outstanding Claims and Discounted IBNR less any Security / set-off as added by you.

(10) Overall Total

The total value of Unpaid Agreed Claims less any Security / set-off as presented per PRO's records plus the value added by you in respect of Additional Unpaid Claims, Discounted Outstanding Claims and Discounted IBNR less any Security / set-off as added by you, for the purpose of voting

Notes to Part 2B: Policy / Claim Information

(11) Reference Date

See Note 1 above.

(12) Currency in Words

See Note 2 above.

(13) Ref.

The unique reference number for each row of data.

(14) Our Contract Reference Number

The TMEI reference number on the Scheme Reinsurance Contract under which any claim(s) arises.

(15) Your Contract Reference Number

If there is any Scheme Reinsurance Contract not referred to in the Voting Form, which you would like to add and where you do not have the TMEI reference number, please specify your reference number on the Scheme Reinsurance Contract under which the claim(s) arises and provide a copy of the policy schedule or cover note and the schedule of insurers with particulars of each claim in supporting schedules (where applicable). If you do not have a record of these numbers, please obtain them from your broker.

(16) Type of Business

This is the type of business to which the Scheme Reinsurance Contract relates, for example, Property, Casualty, Aviation, Marine, Motor, General Liability etc.

Policy Type

This is the policy type to which the Scheme Reinsurance Contract relates, for example, Binder/Lineslip - Direct Business (BND), Binder/Lineslip - Reinsurance Business (BNR), Binder/Lineslip - Mixed Business (BNM), Direct Business (DIR), Excess of Loss (X/L), Facultative (FAC), Facultative Obligatory Treaty (FOB), Quota Share Treaty (Q/S), Stop Loss (S/L) and Surplus Treaty (SUR).

(17) Inception Date

The date when each Scheme Reinsurance Contract commenced. In the case of continuous Scheme Reinsurance Contracts or Scheme Reinsurance Contracts of more than 12 months plus odd time, each annual renewal should be shown as a separate Scheme Reinsurance Contract.

Expiry Date

The date at which the policy expired.

(18) CCY

The currency code for the sum insured and excess point for the policy.

AUD – Australian Dollars

CAD – Canadian Dollars

EUR – Euros

GBP – Pounds Sterling

JPY – Japanese Yen

USD – US Dollars

(19) Sum Insured

The policy limit or maximum amount payable under the policy.

Excess

The amount retained under any policy.

(20) Order

The total order placed on the slip.

(21) Ultimate Signed Line

The percentage line (taking into account the Order placed) underwritten or assumed by TMEI under the Scheme Reinsurance Contract. If you are adding Scheme Reinsurance Contracts or amending the form, please insert TMEI's ultimate signed line for each Scheme Reinsurance Contract.

(22) Broker

The name of the broking company who placed the Scheme Reinsurance Contract under which you are claiming.

If you are adding Scheme Reinsurance Contracts or amending the form, and if the placing broker is not known, please specify any other broking company or intermediary (if known) who acted on your behalf in relation to the Scheme

Reinsurance Contract. Enter, in addition, either "placing broker" or "other" as applicable.

Broker Slip Reference

The broker reference for the contract.

(23) Original Signing Date & No.

The Signing Date and Number for business where premium and claims are advised through the bureau (LPC). If adding or amending the form, please enter the original signing date and number.

(24) Unpaid Agreed Claims per PRO's records

The value of a claim which, according to PRO's records, has been agreed as due to you, but not paid or discharged by operation of set-off or otherwise. This field will be pre-populated by PRO.

(25) Additional Unpaid Claims

The value, as at the Reference Date, of claims that you assert have been settled by you and are due for payment by TMEI.

If you consider that any values shown in column (24) in respect of Unpaid Agreed Claims do not reflect your records, please enter in this column any additional value in respect of claims that you assert have been settled by you and are due for payment by TMEI. Please specify the amount for each claim or, where there is more than one claim, the aggregate amount of any claims you have, by type of business, arising under each Scheme Reinsurance Contract.

The value you enter must represent the difference between the value of Unpaid Agreed Claims as shown in your records and that presented in column (24).

(26) Undiscounted Outstanding Claims

Enter the estimated amount of any claim or (where there is more than one claim) the aggregate estimated amount of any claims, as at the Reference Date, in respect of losses notified to you for which you assert that an amount will become due for payment to you by TMEI as a Scheme Claim (excluding any amounts included in columns (24) and (25) and provide particulars of your estimate(s) in supporting schedules.

(27) Discounted Outstanding Claims

Enter the value of the losses in column (26) following the application of a discount to reflect the time value of money. Please explain and provide documentation supporting the discounting percentage applied.

(28) Undiscounted IBNR Claims

Enter the estimated amount of any claims, as at the Reference Date, in respect of losses which have been incurred by you but not notified to you, for which you assert that an amount will become due for payment to you by TMEI as a Scheme Claim (excluding any amounts already included in columns (24) to (27) above) and provide particulars of your estimate(s) in a supporting schedule.

(29) Discounted IBNR Claims

Enter the value of the losses in column (28) following the application of a discount to reflect the time value of money. Please explain and provide documentation supporting the discounting percentage applied.

(30) Security / Set-off

This is the amount of any Security (including any Letter of Credit, trust fund, Loss Reserve or Premium Reserve), set-off or counter-claim, in accordance with PRO's records in relation to each claim under a Scheme Reinsurance Contract and which is available in respect of such claim(s).

If you consider that the values shown do not reflect your records, please provide an analysis of the amount and provide any supporting documentation, including bank references in respect of Letters of Credit.

(31) Total

Enter the total of columns (24), (25), (27) and (29) less the amount in column (30) to achieve the net total in respect of each Scheme Reinsurance Contract.

(32) Overall Total

The overall total of values presented by PRO and additions by yourself at policy level.

By 11.59pm on 25 February 2011

Please return this Voting Form together with the Proxy Form (at Part 1) to:

**PRO Insurance Solutions Limited
Bruton Court
Bruton Way
Gloucester GL1 1DA
United Kingdom**

**Tel: +44 (0) 1452 782 699
Fax: +44 (0) 1452 523 437
E-mail: PRO_TMEI@pro-ltd.co.uk
Contact: Philip Toft**

Alternatively, Proxy and Voting Forms may also be handed into the registration desk prior to the commencement of the Meeting on 8 March 2011.

SCHEDULE III

LIST OF DOCUMENTS AVAILABLE FOR INSPECTION

1. The Scheme, the Explanatory Statement and their respective Appendices and Schedules.
2. Certificate of Incorporation.
3. Memorandum of Association.
4. Articles of Association.
5. TMEI accounts as at 31 December 2009.
6. Practice Statement Letter.
7. Chairman's CV.
8. Alternate Chairman's credentials.
9. Vote Assessor's CV.
10. Letter from the Scheme Company appointing David McGuigan as "Foreign Representative".
11. FSA Letter of non-objection.
12. Order of the Court dated 2 December 2010 directing the convening of the Meeting.

Copies of the above documents will be available for inspection after the date hereof and on reasonable notice by Scheme Creditors (until the close of the Meeting) at the offices of PRO Insurance Solutions Limited at 22 Billiter Street, 4th Floor, Suite 1, London EC3M 2TA, United Kingdom and in New York at the offices of Sidley Austin LLP, 787 Seventh Avenue, New York NY 10019, United States of America during ordinary business hours from Monday to Friday (excluding public holidays).

SCHEDULE IV

CURRICULA VITAE OF THE CHAIRMAN, VOTE ASSESSOR, SCHEME ADJUDICATOR AND SCHEME ADVISER

FRANK ATTWOOD - CHAIRMAN

Frank Attwood began his career at RSM Robson Rhodes ("**RSMRR**") where he was a partner from 1974 to 2004. During this time Frank was the co-ordinator for the RSMRR Insurance practice, the CEO of RSM International (1990 – 1996) and the chairman of RSMRR Management Board (1999 – 2004).

Frank has extensive experience as an auditor and advisor to the insurance sector, and of companies in solvent and insolvent schemes of arrangement including KWELM companies, Charter Re, Insurance Corporation of Singapore, HIR (UK) and others in provisional liquidation or run-off. He has previously been chairman of a number of scheme creditors' meetings, most recently in relation to the CUAL Scheme (which was unanimously approved by creditors in June 2010) and also the Deutsche Rück UK solvent scheme, which was approved in 2009. He is proposed as the alternate chairman of the scheme creditors' meeting prospectively envisaged for the Ridgewell Fox Underwriting Pool. Frank is formerly a member of the ICAEW's insurance sub-committee and chairman of the APC/APB Lloyd's working party.

Frank's present roles include a non-executive directorship of a large international medical indemnity organisation with a UK insurance subsidiary. He has recently acted as co-ordinator of an international reinsurance run-off for a Middle East reinsurer.

Frank was, until 31 December 2009, the deputy chairman of the International Ethics standard Board for Accountants and has been an expert witness on numerous insurance/reinsurance disputes in several jurisdictions. Frank has been appointed under the ICAEW President's Appointments Scheme to determine reinsurance and other disputes.

~~**GEORGE MAHER – VOTE ASSESSOR AND SCHEME ADJUDICATOR**~~**JOHN**
~~**BIRKENHEAD - VOTE ASSESSOR AND SCHEME ADJUDICATOR**~~

~~George Maher is a consulting actuary with the Tillinghast business of Towers Perrin in the firm's London office. He is a principal of Towers Perrin. Mr. Maher read Mathematics at Trinity College, Dublin and is a Fellow of the Institute of Actuaries, a Member of the American Academy of Actuaries and a Fellow of the Society of Actuaries in Ireland. He is a holder of a Lloyd's Signing Actuary Certificate from the Institute of Actuaries and a Signing Actuary Certificate from the Society of Actuaries in Ireland.~~

~~Mr Maher joined Tillinghast in 1987 and specialises in general insurance. He has extensive experience reserving in the U.K. including Lloyd's Marine and Non-Marine syndicates. He has led projects for non-U.K. clients, including insurers and reinsurers writing in Continental Europe, the Middle East and the United States. A number of these projects have been associated with the merger or acquisition of insurers and transfer of business. He also has assisted clients in their evaluation of capital adequacy for transaction, rating and regulatory purposes and in their development of Enterprise Risk Management frameworks.~~

~~He currently serves or in the past has served as a Claims Adjudicator, Vote Valuer, Scheme Actuary or expert witness for several Scheme of Arrangement engagements. These schemes include the Schemes of Arrangement for M&G, Reliance, Oslo, Deutsche Rück UK, ING Re UK, NRG, WFUM, Scottish Lion and Minster Insurance.~~

~~He has assisted self-insureds in their review of insurance buying, captive feasibility and broker selection. Industries covered include oil and gas, property, transportation, security, marine, food retail, bloodstock and fine art.~~

~~Significant projects in which he has been involved include the demutualisation of Norwich Union, the privatisation of the Italian national insurer INA and the restructuring of SASRIA, the South African riot and terrorism insurer. He was a member of the actuarial team that produced the first actuarial review of the Weavers pool. Mr Maher was part of the Equitas actuarial review team as part of Lloyd's R&R. He assisted the Irish Insurance Federation in its review of the Irish insurance market as part of a government commissioned study of the market and presented his findings to a committee of the joint houses of the Irish Parliament. He worked with the International Group of P&I clubs in their review of Marine large loss exposures.~~

~~John Birkenhead is an independent consulting actuary with his own consulting firm, HJC Actuarial Consulting Limited, which he formed in 2003.~~

~~Previously he was an actuarial Partner at Mercer (now [Mercer] Oliver Wyman), an actuarial audit manager at Ernst & Young - involved in the audits of over 30 Lloyd's syndicates (including CAT & LMX writers) and in the valuation of liabilities for the formation of Equitas – and a Statistics Manager at an insurance company. He has specialised in general insurance since 1989.~~

~~He is authorised by the Institute of Actuaries to carry out Insurance Mediation business, i.e. assisting in the administration and performance of a contract of insurance.~~

He qualified as an actuary in 1995 (“FIA”) and holds a 1st class degree (“BSc”) in Mathematics from Imperial College, London. He is also a Chartered Mathematician (“CMath”) and a Fellow of the Institute of Mathematics and its Applications (“FIMA”).

His clients include brokers, insurance advisors, captive insurers and local authorities.

He has advised on valuations of significant inwards portfolio transfers, negotiations with insurers, loss reserve adequacy and methodologies, insurance and reinsurance optimisation studies and presentation of complex risks at insurance renewals. He has carried out major projects for UK (*asbestos*), Irish (*medical malpractice*) and Turkish (*earthquake pool*) government agencies, as well as Lloyd’s syndicates and P&I clubs.

He has acted for a number of policyholders in relation to the MMI Scheme of Arrangement (*valuation of asbestos, abuse and environmental pollution claims*) and the Chester Street/Iron Trades Scheme of Arrangement, including reviewing the methodologies used by Chester Street to value their long-tailed liabilities to support the activation of the Scheme Trigger.

He has also held a Certificate to act as a Lloyd’s Actuary and has been a certified loss reserving specialist for the insurance authorities in Bermuda and a Signing Actuary for the insurance authorities in Dublin.

~~He has been a member of various working parties of the General Insurance Study Group and co-authored "Some Aspects of Reserving in the London Market" which was presented to the Casualty Actuarial Society. In 1995 he presented a sessional paper to the Institute of Actuaries entitled "Loss Reserves in the London Market".~~extensive experience of communicating at all levels, in non-technical language, with regular contact with insurance officers, risk managers, insurance brokers, accountants, company secretaries, finance directors and other consulting professionals.

~~Mr Maher is a member of the Institute of Actuaries Working Party on Individual Capital Assessments. He is a frequent speaker at conferences on capital requirements. Mr. Maher has been a tutor and assistant examiner for the professional examinations of the Institute of Actuaries. He is a former member of the Council of the Society of Actuaries in Ireland and former chairman of its General Insurance Committee.~~

DAVID McGUIGAN – SCHEME ADVISER

David is a self-employed consultant and CEDR accredited Mediator.

In December 1997, David co-founded the Association of Run-Off Companies (“ARC”), the UK market body for insurance and reinsurance market legacy management professionals. He was ARC’s first chairman and held that position from 1999 to 2005. He was also a director of ARC until 2009.

Since 2002, he has advised clients on the management of legacy business and has particular expertise in advising on strategic management and exit routes, solvent schemes of arrangement, commutation strategy, Part VII transfers and the general operation of claims handling and debt recovery.

He has advised a variety of clients - both multinational live companies and smaller run-off entities in respect of the ongoing management of discontinued business. Most recently, David became the Scheme Manager for the CUAL Pool Scheme. He was heavily involved in the project management of the successful WFUM Pool Scheme where he represented the three largest solvent participants, Allianz, Mitsui Sumitomo and Tokio Marine.

In addition to providing guidance and strategic input in the general management of legacy/discontinued business, his work has included assisting in the drafting of Lloyd’s guidelines to managing agencies on how to handle run-off syndicates, and assisting Xchanging in their Enhanced Claims Review Project.

He was a member of the informal Creditors’ Committee of UIC Insurance from 1996 until 2006.

He has served on many market committees including the ECF User Group, Xchanging’s ‘Claims and Accounting Users Group’, ‘Claims Practitioners/Brokers Group’, and ‘Technical Accounting Users Group’.

He is a member of the Chartered Insurance Institute and the British Insurance Law Association.

SCHEDULE V

NOTICE OF MEETING

IN THE HIGH COURT OF JUSTICE

Claim no. 9791 of 2010

CHANCERY DIVISION

COMPANIES COURT

IN THE MATTER OF TOKIO MARINE EUROPE INSURANCE LIMITED

(FORMERLY KNOWN AS THE TOKIO MARINE & FIRE INSURANCE (U.K.)
COMPANY LIMITED)

AND

IN THE MATTER OF THE COMPANIES ACT 2006

PROPOSED SOLVENT SCHEME OF ARRANGEMENT

NOTICE IS HEREBY GIVEN that by an Order dated 2 December 2010 made in the above matter, the High Court of Justice of England and Wales (the "**Court**") has directed that a meeting (the "**Meeting**") be convened of the Scheme Creditors (as defined in the proposed scheme of arrangement referred to below) of Tokio Marine Europe Insurance Limited ("**TMEI**") for the purpose of considering and, if thought fit, approving (with or without modification) the scheme of arrangement proposed to be made between TMEI and its Scheme Creditors pursuant to Part 26 of the Companies Act 2006 (the "**Scheme**").

The Meeting will be held at 11am London Time on 8 March 2011 at the offices of Sidley Austin LLP at Woolgate Exchange, 25 Basinghall Street, London EC2V 5HA, United Kingdom at which time and place all such Scheme Creditors are requested to attend. Registration will commence at 10am London Time.

Enclosed with this notice are copies of:

- the Explanatory Statement;
- the Proxy and Voting Form; and
- a map showing the location of the Meeting.

Downloadable files of these documents together with the Scheme are available on the Website at www.TMEIScheme.com. If you require any further printed copies, or a list of your policies which, where known, may be affected by the Scheme, please contact PRO Insurance Solutions Limited ("**PRO**") the proposed Scheme Manager on the contact details below and copies will be sent to you free of charge.

Scheme Creditors may attend and vote in person (or, if a corporation, by a duly authorised representative) at the Meeting. Alternatively, they may appoint another person, whether a Scheme Creditor or not, as their proxy to attend and vote in their place.

Completed Proxy and Voting Forms should be returned to PRO at the address below as soon as possible, and in any event, so that they are received by 11.59pm London Time on 25 February 2011. Scheme Creditors may return their forms by post, e-mail or fax. Forms returned by e-mail or fax will only be accepted if they are legible. If completed Proxy and Voting Forms are not received by 11.59pm London Time on 25 February 2011, they may be handed in at the registration desk prior to the commencement of the Meeting. Scheme Creditors are however urged to return the completed forms in advance of the Meeting.

The Court has directed that Frank Attwood of 21 Woodside Road, New Malden, Surrey KT3 3AW, United Kingdom (or, failing him, William Nigel James Montgomery of Sidley Austin LLP) be appointed to act as chairman of the Meeting (the "**Chairman**") and has directed the Chairman to report the result of the said Meeting to the Court. The Court has appointed George Maher of Towers Watson, 71 High Holborn, London WC1V 6TP, United Kingdom to act as the Vote Assessor for the purposes of determining the value of each vote referred to him by the Chairman.

Any Scheme Creditor who is unclear about or has any questions concerning the action it is required to take in order to vote on the Scheme, or would like to discuss the way in which its claims data is likely to be evaluated under the Scheme process, including the Estimation Methodology, should contact PRO.

If approved by the requisite majorities of Scheme Creditors, the Scheme will be subject to the subsequent sanction of the Court.

Dated this [●] day of [●].

PRO Insurance Solutions Limited

Bruton Court

Bruton Way

Gloucester GL1 1DA

United Kingdom

Tel: +44(0)1452 782699

Fax: +44(0)1452 523437

E-mail: PRO-TMEI@pro-ltd.co.uk

Contact: Philip Toft

SCHEDULE VI

EFFECT OF INJUNCTION UNDER CHAPTER 15 OF US BANKRUPTCY CODE

TMEI intends to apply for recognition of its Scheme and additional relief from the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") under Chapter 15 of Title 11 of the United States Code (the "Bankruptcy Code"). Chapter 15 of the Bankruptcy Code incorporates the Model Law on Cross-Border Insolvency promulgated by the United Nations Commission on International Trade Law. Chapter 15 replaces section 304 of the Bankruptcy Code and applies to all ancillary cases filed on or after 17 October 2005.

Any application for recognition in the United States of the Scheme under Chapter 15 will begin with the filing of a Chapter 15 petition on behalf of TMEI. A prerequisite for relief under Chapter 15 is the existence of a foreign proceeding. For the purposes of Chapter 15, a "foreign proceeding" is defined as "a collective judicial or administrative proceeding in a foreign country, including an interim proceeding, under a law relating to insolvency or adjustment of debt in which proceeding the assets and affairs of the debtor are subject to control or supervision by a foreign court, for the purpose of reorganisation or liquidation." This new definition is substantially similar to that used in section 304.

Although cases decided under section 304 are not necessarily applicable to Chapter 15, the Bankruptcy Court may consider such cases as persuasive when considering language in Chapter 15 that is similar to language previously contained in section 304. Following case law developed under section 304, bankruptcy courts applying Chapter 15 have concluded that schemes of arrangement under section 425 of the Companies Act 1985 (and thus Part 26 of the Companies Act 2006) (and similar statutes) qualified as foreign proceedings because the scheme process is a judicial proceeding to adjust debts. Based upon this rationale, the Bankruptcy Court will be asked to find that the Scheme proposed for TMEI qualifies as a foreign proceeding for the purposes of Chapter 15.

Chapter 15 draws a distinction between a foreign "main" proceeding and a foreign "nonmain" proceeding. A foreign main proceeding refers to "a foreign proceeding pending in the country where the debtor has the center of its main interests." While Chapter 15 does not define what constitutes the "center of its main interests," it contains the presumption that a debtor's registered office is the center of a debtor's main interests. A foreign nonmain proceeding refers to a foreign proceeding pending in a country where the debtor has an "establishment." An establishment is defined as "any place of operations where the debtor carries out a nontransitory economic activity."

Based upon the definitions set forth in the Bankruptcy Code, it is intended that TMEI's Scheme will be sought to be recognised as a foreign main proceeding. TMEI intends to seek relief from the Bankruptcy Court in the form of an order providing, among other things, that:

1. its Scheme (including any amendments or modifications of that Scheme on or before the date of the recognition order (the "**Order**")) and the order sanctioning the Scheme be given full force and effect and be binding on and enforceable against all Scheme

Creditors, including without limitation, against a Scheme Creditor in its capacity as a debtor of TMEI, in the United States and its territories;

2. all Scheme Creditors and any parties acting on behalf of or deriving title from any Scheme Creditor be permanently enjoined and restrained from:
 - 2.1 taking or continuing any step, or doing or continuing any act by way of Proceedings (as defined in the Scheme) or otherwise, in any jurisdiction whatsoever: (i) against or in respect of TMEI or its Property (as defined in the Scheme), for the purpose of obtaining payment, or establishing the existence or quantum, of any Scheme Claims; or (ii) save as permitted by clause 2.2 below, against or in respect of any of the Released Parties (as defined in the Scheme) either individually or collectively in connection with their duties and obligations under the Scheme;
 - 2.2 commencing or continuing any legal or equitable action or proceedings challenging the validity of any act done or omitted to be done by the Released Parties (as defined in the Scheme) in connection with the Scheme, including in the United States and its territories, and/or (where appropriate) the Meeting, and the Released Parties shall not be liable for any loss suffered by any Scheme Creditor or third party arising in connection with the Scheme, unless such loss is attributable to their fraud or dishonesty; accordingly, no Scheme Creditor shall bring or institute any Proceedings, claims or complaints against the Released Parties to the extent prohibited by the Scheme;
 - 2.3 enforcing any judicial, quasi-judicial, administrative or regulatory judgment, assessment or order or arbitration award and commencing or continuing any act or any other legal or equitable action or proceedings (including, without limitation, arbitration, mediation or any judicial, quasi-judicial, administrative or regulatory action, proceedings or process whatsoever) to create, perfect or enforce any lien or other security interest, set-off, attachment, garnishment or other claim against TMEI in connection with the Scheme or any of its property in the United States, and its territories, or any proceeds thereof, including, without limitation, rights under reinsurance or retrocession contracts;
 - 2.4 invoking, enforcing or relying on the benefit of any statute, rule or requirement of federal, state or local law or regulation requiring TMEI to establish or post security in the form of a bond, letter of credit or otherwise as a condition of prosecuting or defending any proceeding (including, without limitation, arbitration, mediation or any judicial, quasi-judicial, administrative or regulatory action, proceeding or process whatsoever), and such statute, rule or requirement will be rendered null and void for Proceedings, except in compliance with the Scheme; provided, however, that nothing in the Order shall in any respect affect any Security in existence at the Effective Date or the replacements for such Security;
 - 2.5 withdrawing from, setting off against, or otherwise applying property that is the subject of any trust or escrow agreement or similar agreement in which TMEI has an interest in excess of amounts expressly authorised by the terms of the trust, escrow or similar agreement; and

- 2.6 drawing down any letter of credit established by, on behalf or at the request of, TMEI, in excess of amounts expressly authorised by the terms of the contract or other agreement pursuant to which such letter of credit has been established;
3. all Scheme Creditors of TMEI be permanently enjoined from taking any action in contravention of or inconsistent with the Scheme;
4. except as otherwise provided in the Order or in the Scheme, in the absence of a bona fide dispute raised and conducted in accordance with the Scheme, all persons and entities in possession, custody or control of property of TMEI in the United States and its territories, or the proceeds thereof, are required to turn over and account for such property or proceeds to TMEI;
5. nothing in the Order would prevent the continuance or commencement of proceedings against any person, entity, or other insurer other than the Released Parties; provided, however, that if any third party shall reach a settlement with, or obtain a judgment against, any person or entity other than the Released Parties, such settlement or judgment shall not be binding on, or enforceable against, the Released Parties or their property, or any proceeds thereof;
6. the security provisions of Rule 65(c) of the Federal Rules of Civil Procedure, pursuant to US Bankruptcy Rule 7065, be waived with respect to the injunctive relief provided in the Order;
7. no action taken by the Foreign Representative, the Scheme Manager, the Scheme Advisor, the Scheme Adjudicator, their Delegates, successors, agents, representatives, advisers or counsel or any of them, in preparing, disseminating, applying for, implementing or otherwise acting in furtherance of the Scheme, this Order, this Chapter 15 case, any further order for additional relief in this Chapter 15 case, or any adversary proceedings in connection therewith will be deemed to constitute a waiver of the immunity afforded to the Foreign Representative, the Scheme Manager, the Scheme Adviser, the Scheme Adjudicator, their Delegates, successors, agents, representatives, advisers or counsel or any of them pursuant to section 306 or section 1510 of the Bankruptcy Code, the law of the United States or otherwise;
8. all Scheme Creditors that are beneficiaries of letters of credit established by, on behalf or at the request of TMEI, or parties to any trust or escrow agreement or similar arrangement in which TMEI has an interest, shall be required to:
 - 8.1 provide notice to the Petitioner's United States counsel of any drawdown on any letter of credit established by, on behalf or at the request of, TMEI, or any withdrawal from, set-off against, or other application of property that is the subject of any trust or escrow agreement or similar arrangement in which TMEI has an interest, together with information sufficient to permit the Scheme Manager to assess the propriety of such drawdown, withdrawal, set-off or other application, including, without limitation, the date and amount of such drawdown, withdrawal, set-off or other application and a copy of any contract, related trust or other agreement pursuant to which any such drawdown, withdrawal set-off, or other application was made, and provide such notice and other information contemporaneously therewith; provided, however, no drawing against any letter of credit or withdrawal from any escrow, trust or similar arrangement shall be made in connection with any commutation unless the amount of such drawing has been agreed in writing with TMEI and the Scheme Manager; and

- 8.2 turn over and account to the Scheme Manager for any funds resulting from the drawdown of any letter of credit or the application of funds subject to any trust, escrow or similar arrangement, withdrawal, set-off, or other application in excess of amounts expressly authorised by the terms of the contract, any related trust or other agreement pursuant to which such letter of credit, trust, escrow or similar arrangement has been established;
9. TMEI and the Scheme Manager be authorised to transfer to the foreign proceedings for distribution pursuant to the Scheme any monies or assets of TMEI which TMEI or the Scheme Manager have or may hereafter recover in connection with the Scheme;
10. all persons that have a claim of any nature or source against TMEI in connection with the Scheme and who are parties to any proceedings (including, without limitation, arbitration or any judicial, quasi-judicial, administrative action, proceeding or process whatsoever) in which TMEI is or was named as a party, or as a result of which a liability of TMEI may be established in connection with the Scheme, is required to place the Petitioner's United States counsel on the master service list of any such action or other legal proceeding, and to take such other steps as may be necessary to ensure that such counsel receives:
 - 10.1 copies of any and all documents served by the parties to such action or other legal proceeding or issued by the court, arbitrator, administrator, regulator or similar official having jurisdiction over such action or legal proceeding; and
 - 10.2 any and all correspondence, or other documents circulated to parties named in the master service list;
11. the High Court of Justice of England and Wales has exclusive jurisdiction to hear and determine any suit, action, claim or proceeding and to settle any dispute which may arise out of the construction or interpretation of the Scheme, or out of any action taken or omitted to be taken by any of the Released Parties in connection with the Scheme; provided, however, that in relation to the determination of Scheme Claims nothing in the Order affects the validity of provisions determining governing law and jurisdiction, whether contained in any contract between TMEI and any of its Scheme Creditors or otherwise;
12. the Bankruptcy Court shall retain jurisdiction with respect to the enforcement, amendment, or modification of the Order or requests for any additional relief in this Chapter 15 case and all adversary proceedings in connection therewith properly commenced and within the jurisdiction of the Bankruptcy Court;
13. notice of the Order be served:
 - 13.1 by United States mail, first-class prepaid, on or before the date prescribed by the Bankruptcy Court upon all the known Scheme Creditors in the U.S. of whose current address the Scheme Manager is aware at the date of service; and
 - 13.2 by publication in The Wall Street Journal (US Edition) and Business Insurance magazine on or before the date prescribed by the Bankruptcy Court;

and that such service will be good and sufficient service and adequate notice of the Order for all purposes.

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