

**DRAFT SUMMARY OF CERTAIN KEY SCHEME PROVISIONS OF THE PROPOSED
TOKIO MARINE EUROPE INSURANCE LIMITED ("TMEI")**

SCHEME OF ARRANGEMENT

Introduction

This is a general overview of some key features of a proposed solvent Scheme for TMEI. It is not a definitive guide to, nor advice about it. Scheme Creditors and others who may have any concerns with the proposed Scheme should contact PRO to discuss any issues arising.

TMEI intends to propose a solvent scheme of arrangement in order to finalise the run-off of certain of its reinsurance business.

"**Scheme Claims**" will be - in general terms - liabilities arising out of the contracts or policies of reinsurance or retrocession issued or assumed by TMEI. Any claims in respect of UK compulsory insurance are excluded.

No Discounting

If their claims are agreed with the Scheme Manager, or determined by the Scheme Adjudication processes, Scheme Creditors will then receive full payment of the value of their Net Ascertained Claims, (i.e. the final balance shown in favour of the Scheme Creditor on the Valuation Statement) without discounting for the time value of money.

No Ascertainment Date

The date on which claims are valued in schemes of arrangement of the type contemplated here may be selected by the company proposing the scheme. This date is sometimes known as the "ascertainment date". However, the TMEI Scheme will not specify any such ascertainment date. Instead, Scheme Creditors are free to select the most appropriate recent date up to which they have current claim records and which is convenient for them in order to calculate their Scheme Claim, rather than working with a date selected by TMEI. Scheme Claims may be updated up to the Bar Date

Bar Date

The Scheme provides that Scheme Creditors are required to make claims submissions and provide supporting documentation within the claim submission period of 180 days following the Effective Date of the Scheme ("**Bar Date**").

Unpaid Agreed Claims

Scheme Creditors will not be required to submit a Claim Form if only claiming in respect of claims which have been listed on the Claim Form by the Scheme Manager. These will include Unpaid Agreed Claims, (essentially claims arising under or balances in relation to a Scheme Reinsurance Contract which as at the Effective Date had been agreed by or on behalf of TMEI and the relevant other party or parties, but which have not been paid or discharged including by the operation of set-off or otherwise).

Agreement of Claim Forms

Following the Bar Date, the Scheme provides for a period of at least 4 months during which the Scheme Manager and Scheme Creditor will attempt to agree the Scheme Creditor's Scheme Claims. Any values that remain disputed after this period, will be sent by the Scheme Manager to whichever or both of the Actuarial Adjudicator and/or Scheme Adjudicator is appropriate to determine the disputed matter(s).

Adjudication of Disputed Claims

Subject to the Scheme Manager's ability to extend time, the relevant Adjudicator will adjudicate upon any disputed matter(s) referred to him within 91 days of the matter being referred to him. An Adjudicator's decision will be final and binding insofar as the law allows. If a disputed matter has been referred to the Scheme Actuary, the Scheme Actuary will apply the Estimation Methodology to that matter to it and this may include the application of "win-factors" where appropriate.

Currency of Payment

Scheme Creditors may submit their Scheme Claims in one or more of the Scheme Currencies (Australian Dollars, Canadian Dollars, Euros, Japanese Yen, Pounds Sterling and US Dollars) or in the currency of the original contract if different. On its Claim Form, a Scheme Creditor may elect for payment of its Net Ascertained Claim or Net Debt to be denominated in a single Scheme Currency. Failing election by the Scheme Creditor, the relevant amounts will be denominated and paid in Pounds Sterling.

Payment of Scheme Claims

Payments will be made to Scheme Creditors within 42 days of the Valuation Statement becoming final and binding. The Scheme provides that the Scheme Manager and the Scheme Creditor may agree the amount of a Net Ascertained Claim or Net Debt which shall appear on that Scheme Creditors' Valuation Statement.

Security and Letters of Credit

Under the Scheme, Scheme Creditors will be expected to draw down on Security and Letters of Credit to the extent to which they are entitled in payment of their Net Ascertained Claims. Scheme Creditors will also be required to co-operate and assist in obtaining release of any balance of Security or Letter of Credit remaining after satisfaction of their Scheme Claims.

Completion of the Scheme

The Completion Date of the Scheme will be the date that the Scheme Manager certifies to TMEI that the Scheme has been implemented in accordance with its terms. The Scheme provides for at least 56 days' notice of completion to be given on the Website.

Extension of Time Periods

Except for the Bar Date, the Scheme Manager has the discretion to extend time periods for Scheme processes.

Website

A website www.TMEIScheme.com is available, providing regular updates and copies of market circulars regarding the Scheme and will at a later stage include the ability to download / view the Scheme Document as well as blank Voting Forms and Claim Forms.

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