



15 February 2016

TO ALL KNOWN POLICYHOLDERS, CREDITORS, BROKERS, AGENTS AND INTERMEDIARIES OF OIC RUN-OFF LIMITED (“OIC”) AND THE LONDON AND OVERSEAS INSURANCE COMPANY LIMITED (“L&O”) (BOTH SUBJECT TO AN AMENDING SCHEME OF ARRANGEMENT).

THIS LETTER AND THE DOCUMENTS TO WHICH IT REFERS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.

Dear Scheme Creditor

Amending Scheme of Arrangement between OIC and L&O (together the “Companies”) and their respective Scheme Creditors (the “Amending Scheme”)

1. We are writing to you on behalf of the Companies in connection with the Amending Scheme pursuant to Part 26 of the Companies Act 2006.
2. Unless otherwise defined in this letter, all capitalised terms used in this letter have the same meaning as given to them in the Amending Scheme.
3. We are writing to you as we believe that you are, or may be, a creditor of the Companies (a “**Scheme Creditor**”) and that you may be affected by the Amending Scheme. Alternatively you may be a broker, agent or other intermediary who has acted for Scheme Creditors in placing business with the Companies. If you are such a broker, agent or other intermediary, please forward a copy of this letter to any of your clients you believe may be affected by the Amending Scheme or, if you have not already done so, please provide us with your clients’ names and addresses so we can write to them directly.
4. In accordance with paragraph 10.3 of the Amending Scheme we confirm:
 - a. **New Effective Date – 14 January 2016**

The Amending Scheme was approved at meetings of Scheme Creditors held on 11 December 2014. The High Court of Justice of England and Wales sanctioned the Amending Scheme by an order dated 29 October 2015 (“**the Order**”). The United States Bankruptcy Court granted an order under Chapter 15 of the United States Bankruptcy Code recognising and enforcing the Amending Scheme in the United States of America on 11 January 2016. The Order was lodged with the Registrar of Companies in England and Wales and the Amending Scheme accordingly became effective on 14 January 2016.

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b. Bar Date – 12 September 2016

Scheme Creditors are required to provide full details of their claim(s) against the Companies, including any Notified Outstanding Liabilities and IBNR Liabilities, together with all Supporting Information, by completing and submitting a Claim Form, either electronically or (on request by the Scheme Creditor) by post, so as to be received by the Companies by no later than **midnight (English time) on 12 September 2016**. This is the Bar Date for the purposes of the Amending Scheme.

The requirement to submit a Claim Form before the Bar Date applies to all Scheme Creditors other than NNOFIC, Opt Out Qualifying ILU Policyholders, Protected Policyholders, Potentially Protected Policyholders, No Notice Individual Creditors and those Qualifying ILU Policyholders who may, in certain very limited circumstances, bring a claim against the Companies after the Bar Date under the terms of the Amending Scheme. If you are unsure as to whether you are in one of these categories of Scheme Creditors please contact the Run-off Company using the contact details set out in paragraph 8 below.

Any Scheme Creditor to whom the Bar Date applies and who does not return a Claim Form so as to be received by the Companies before the Bar Date, and who has not elected to have its voting and proxy form or any other form that it has submitted (as the case may be) treated as its Claim Form, will be deemed to have accepted the details of its claims (net of any Security Interest and Offset Amount) set out in the Claim Form made available to the Scheme Creditor by the Companies on the Website. Scheme Creditors who have additional Scheme Liabilities (including any Notified Outstanding Liabilities and/or IBNR Liabilities): (i) which are not shown on their Claim Form; or (ii) who do not have a Claim Form, and who, in each case, do not submit details of their claims on their Claim Form before the Bar Date, will receive no payment in respect of those additional claims under the Amending Scheme. In particular, Scheme Creditors should contact their broker representatives to find out if they have any unrepresented or unagreed claims against the Companies as these must be included on the respective Scheme Creditor's Claim Form in order to be agreed and paid under the Amending Scheme.

c. Opt Out Form

Pursuant to paragraph 37 of the Amending Scheme, a Qualifying ILU Policyholder may in respect of all of its Qualifying ILU Policies opt out of the crystallisation and payment provisions of the Amending Scheme and instead have its Scheme Liabilities under such Qualifying ILU Policies agreed or determined (as the case may be) and paid in accordance with the terms of the Original Scheme.

Any Qualifying ILU Policyholder who so wishes to opt out of the crystallisation and payment provisions of the Amending Scheme must complete the attached Opt Out Form (Appendix A) and return it, either electronically or (on request by the Qualifying ILU Policyholder) by post, so as to be received by the Run-off Company (on behalf of the Companies) at the address set out in paragraph 8 below before the Bar Date.

d. Postal Service Request

Should a Scheme Creditor wish to correspond by post rather than electronically, please complete the attached Postal Service Request form (Appendix B) and return it to the Run-off Company using the contact details set out in paragraph 8 below.

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e. Full copy of documents

The full text of the Amending Scheme and the Amending Explanatory Statement can be downloaded from the Website at www.oicrun-offltd.com. Alternatively, hard copies of those documents can be obtained, free of charge, by contacting the Run-off Company using the contact details set out in paragraph 8 below.

5. In accordance with paragraph 10.4 of the Amending Scheme, the process for completing and submitting your Claim Form before the Bar Date is set out below:
 - a. if you are a Scheme Creditor whom the Companies believe has or may have a claim against either or both of the Companies, you will find attached to this letter a Website login schedule (Appendix D). This schedule sets out your individual login ID and password which you should use to access and submit your Claim Form on the Website; or
 - b. if no login schedule is attached but you wish to submit a claim via the Website, please contact the Run-off Company using the contact details in paragraph 8 below and they will send you a login schedule with your individual login ID and password to enable you to access your Claim Form on the Website; or
 - c. if you would prefer to complete and submit a hard copy Claim Form, please complete the Postal Service Request form (referred to in paragraph 4(d) above) and return it to the Run-off Company at the address given in paragraph 8 below. The Run-off Company will send you a hard copy Claim Form along with instructions on how to complete and submit the Claim Form.
6. The Claim Form will include, to the extent known by the Companies, details of:
 - a. certain policies held by that Scheme Creditor;
 - b. the Scheme Creditor's Established Liabilities; and
 - c. the Scheme Creditor's Agreed Liabilities.
7. Payment is subject to the terms of the Amending Scheme. In particular, the crystallisation and payment provisions are subject to paragraphs 39 (the review of the Opt Out Proportion Figure) and 42 (the reversion to run-off of the Pre-1969 L&O Claims) of the Amending Scheme. Payment will not be made to a Scheme Creditor in respect of its claims against the Companies until such time as the Companies have agreed all claims with that Scheme Creditor and the Companies have received confirmation from the Scheme Creditor as to whom they would like the funds to be paid, be that directly to the Scheme Creditor or to its broker, agent or intermediary. Any payment is also subject to paragraph 47 of the Amending Scheme where the Companies are prevented from making a payment to a Scheme Creditor by law or regulations imposing international sanctions.

8. Contact details and further information

Any Scheme Creditor which has any questions concerning this letter or the action that it is required to take, or which requires assistance in completing its Claim Form, should contact the Run-off Company using the contact details set out below. Any person who is, or who considers itself to be a Scheme Creditor, and who has not received by post a copy of this letter, an Opt Out Form, a Postal Service Request form or a schedule with its individual Website login ID and password, should also contact the Run-off Company using the contact details set out below.

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The contact details for the Run-off Company are as follows:

By Post: Armour Risk Management Limited, 4th Floor, 20 Old Broad Street, London, EC2N 1DP, United Kingdom, marked for the attention of Andrew Jones

By e-mail: OICClosureHelpdesk@armourrisk.com

By phone: +44 (0) 20 7382 2020

By fax: +44 (0) 20 7382 2001

9. A copy of the advertisement placed by the Scheme Administrators in various publications and newspapers, stating that the Amending Scheme has become effective and providing details of the timing of the Bar Date, is attached at Appendix C.

Yours faithfully
For and on behalf of
OIC Run-Off Limited
The London and Overseas Insurance Company Limited

A handwritten signature in black ink, appearing to read 'Dan Schwarzmann', is written over a light blue horizontal line.

Dan Schwarzmann
Joint Scheme Administrator

Enclosures

Dan Schwarzmann and Paul Evans were appointed as Joint Scheme Administrators of OIC Run-Off Limited and The London and Overseas Insurance Company Limited to manage their affairs, business and property as agents without personal liability. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The Joint Scheme Administrators are Data Controllers of personal data as defined by the Data Protection Act 1998. PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the scheme of arrangement.

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