

CR-2019-008234

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

IN THE MATTER OF AMTRUST EUROPE LIMITED

and

IN THE MATTER OF AMTRUST INTERNATIONAL UNDERWRITERS DAC

and

IN THE MATTER OF AMTRUST ASSICURAZIONI S.P.A.

and

IN THE MATTER OF PART VII OF THE FINANCIAL SERVICES AND MARKETS ACT 2000

SCHEME

(pursuant to Part VII of the Financial Services and Markets Act 2000)

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PART A - DEFINITIONS AND INTERPRETATION

1 Definitions and Interpretation

1.1 In this Scheme, unless the subject or context requires otherwise, the following expressions bear the meanings respectively set opposite them:

Actuary means the person appointed by the relevant (re)insurer from time to time to perform the "actuarial function", as described in the Conditions Governing Business chapter of the PRA Rulebook

AmTrust Italy means AmTrust Assicurazioni s.p.a.

AIU means AmTrust International Underwriters designated activity company

Applicable Privacy Laws means all applicable data protection laws, rules and regulations, including Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data, as amended or replaced from time to time (including by the General Data Protection Regulation), and any applicable national laws, rules and regulations implementing the foregoing

Board means, in relation to a company, the board of directors from time to time of that company

CBI means the Central Bank of Ireland, or any successor or replacement regulatory authority with responsibility for supervision of insurance and reinsurance companies in Ireland

Court means the High Court of Justice in England and Wales

DISP has the meaning set out in clause 4.6

EEA30 means the European Economic Area as constituted at the Effective Date, which, for the avoidance of doubt, excludes the United Kingdom

EEA30 Assets means the EEA30 FOS Assets, the Italian Assets and the Swedish Assets

EEA30 BTA has the meaning set out in clause 2.7

EEA30 Effective Date has the meaning set out in clause 19.2

EEA30 FOS Assets means any and all Transferred EEA30 Assets relating to the EEA30 FOS Policies

EEA30 FOS Liabilities means any and all Transferred EEA30 Liabilities relating to the EEA30 FOS Policies

EEA30 FOS Policies means any and all Policies written and/or assumed by or on behalf of AEL on a freedom of services basis through its head office in the United Kingdom prior to the EEA30 Effective Date in accordance with the Passporting Regulations in respect of risks situated in the EEA30 (other than the Medmal Policies), in each case, which wholly or partly relates to a risk or risks situated in the EEA30, except that if a Policy is a Split EEA30 Policy, only the part of the Split EEA30 Policy which relates to a risk or risks situated in the EEA30 will constitute an EEA30 FOS Policy

EEA30 Payment has the meaning set out in clause 10.4

EEA30 Policies means any and all of the EEA30 FOS Policies, the Italian Policies and the Swedish Policies and **EEA30 Policy** shall mean any one of them

EEA30 Third Party Contracts means all contracts, other than the EEA30 Policies, the Transferred EEA30 Reinsurance Agreements and the Split EEA30 Reinsurance Agreements, to which AEL is party or beneficiary which relate to the Transferred EEA30 Business including all of AEL's rights, benefits and powers under any indemnity agreements, collateral agreements, pledges, liens, guarantees and other repayment or reimbursement rights of AEL related to the EEA30 Policies written by or on behalf of or assumed by AEL as insurer, reinsurer or retrocessionaire

Encumbrance means any mortgage, charge, pledge, security assignment, lien, option, restriction, right of first refusal, right of pre-emption, third party right or interest, any other encumbrance or security interest of any kind and any other type of preferential arrangement (including, without limitation, title transfer and retention agreements) having a similar effect

Excluded EEA30 Assets means any and all assets of AEL other than the Transferred EEA30 Assets and the Residual EEA30 Assets, and such Excluded EEA30 Assets shall include (without limitation):

- (a) the corporate minute books and stock records of AEL, and any other books and records to the extent relating to any other Excluded EEA30 Asset;
- (b) subject to clause 7.1(c), all property not used (in whole or in part) in the conduct of the operation of the Transferred EEA30 Business;
- (c) the Retained Records;
- (d) all cash and other investments other than those held as reserves for the Transferred EEA30 Business;
- (e) any right to repayment of taxation or any available taxation credits;

- (f) the rights, benefits and powers of AEL under or by virtue of the Excluded EEA30 Policies;
- (g) any property of AEL attributable to the Transferred EEA30 Business (including any right or benefit of AEL under any Transferred EEA30 Policy) which AEL and AIU agree prior to the EEA30 Effective Date should not be transferred at all; and
- (h) all rights, benefits and powers under the Residual EEA30 Policies Reinsurance Arrangement

Excluded EEA30 Intellectual Property means the Intellectual Property that is owned by AEL and which, on the EEA30 Effective Date, has no substantial application to the Transferred EEA30 Business

Excluded EEA30 Liabilities means any liability whatsoever of AEL:

- (a) that is attributable to or connected with an Excluded EEA30 Asset;
- (b) which AEL and AIU agree prior to the EEA30 Effective Date should not be transferred at all;
- (c) which cannot be transferred to or vested in AIU for any other reason on the EEA30 Effective Date other than the Residual EEA30 Liabilities;
- (d) to make a payment of or in respect of or of an amount representing, equal to, equivalent to, or deemed to be, taxation (whether actual, present, future, contingent or deferred); or
- (e) all obligations and liabilities under the Residual EEA30 Policies Reinsurance Arrangement

Excluded EEA30 Policies means EEA30 Policies:

- (a) which AEL and AIU agree prior to the EEA30 Effective Date should not be transferred; or
- (b) in relation to which the policyholder is included on any of the Sanctions Lists

Excluded Medmal Assets means any and all assets of AEL other than the Transferred Medmal Assets and the Residual Medmal Assets:

- (a) the corporate minute books and stock records of AEL; and any other books and records to the extent relating to any other Excluded Medmal Asset;
- (b) subject to clause 15.1(c), all property not used (in whole or in part) in the conduct of the operation of the Transferred Medmal Business;
- (c) the Retained Records;

- (d) all cash and other investments other than those held as reserves for the Transferred Medmal Business, save to the extent comprised in Transferred Medmal Assets;
- (e) any right to repayment of taxation or any available taxation credits;
- (f) the rights, benefits and powers of AEL under or by virtue of the Excluded Medmal Policies;
- (g) any property of AEL attributable to the Transferred Medmal Business (including any right or benefit of AEL under any Transferred Medmal Policy) which AEL and AmTrust Italy agree prior to the Medmal Effective Date should not be transferred at all; and
- (h) all rights, benefits and powers under the Residual Medmal Policies Reinsurance Arrangement

Excluded Medmal Intellectual Property means the Intellectual Property that is owned by AEL and which, on the Medmal Effective Date, has no substantial application to the Transferred Medmal Business

Excluded Medmal Liabilities means any liability whatsoever of AEL:

- (a) that is attributable to or connected with an Excluded Medmal Asset;
- (b) which AEL and AmTrust Italy agree prior to the Medmal Effective Date should not be transferred at all;
- (c) which cannot be transferred to or vested in AmTrust Italy for any other reason on the Medmal Effective Date other than the Residual Medmal Liabilities;
- (d) to make a payment of or in respect of or of an amount representing, equal to, equivalent to, or deemed to be, taxation (whether actual, present, future, contingent or deferred); or
- (e) all obligations and liabilities under the Residual Medmal Policies Reinsurance Arrangement

Excluded Medmal Policies means Medmal Policies:

- (a) which AEL and AmTrust Italy agree prior to the Medmal Effective Date should not be transferred; or
- (b) in relation to which the policyholder is included on any of the Sanctions Lists

FCA means the Financial Conduct Authority, or such other governmental, statutory or other authority or authorities as shall from time to time perform such regulatory and supervisory

functions in relation to General Business carried on in the United Kingdom as are at the date of this Scheme allocated to the Financial Conduct Authority under FSMA

FCA Glossary means the Glossary of the FCA Handbook

FCA Handbook means the handbook of rules and guidance issued by the FCA from time to time pursuant to FSMA

FSMA means the Financial Services and Markets Act 2000

General Business means the business of effecting or carrying out general insurance contracts as principal, being contracts falling within Part 1 of Schedule 1 to the RAO

General Data Protection Regulation means:

- (a) Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (the **Regulation**); and
- (b) laws implementing the Regulation

Governmental Authority means any national, supra-national, federal, state, provincial or local government, political subdivision, governmental, regulatory, department, bureau, board or other administrative authority, instrumentality, agency, body or commission, self-regulatory organization or any court (including, without limitation, the Court), tribunal, or judicial or arbitral body

Group means in respect of any person:

- (a) that person;
- (b) its holding companies from time to time;
- (c) its subsidiaries from time to time; and
- (d) each of the subsidiaries from time to time of any such holding company

Italian Assets means any and all Transferred EEA30 Assets relating to AEL's Italian branch and/or relating to the Italian Policies, other than the Transferred Medmal Assets

Italian Liabilities means any and all Transferred EEA30 Liabilities relating to AEL's Italian branch and/or relating to the Italian Policies, other than the Transferred Medmal Liabilities

Italian Policies means any and all Policies written and/or assumed by or on behalf of AEL through its branch in Italy, other than the Transferred Medmal Policies

Independent Expert means Stewart Mitchell of Lane Clark & Peacock LLP or any other independent expert approved pursuant to section 109(2)(b) of FSMA

Intellectual Property means all of the following, whether protected, created or arising under the laws of any jurisdiction and whether or not registered or published: copyrights; moral rights; database rights; design rights; trade secrets; Trademarks; all rights arising from or in respect of domain names and domain name registrations and reservations; intellectual property rights arising from or in respect of technology; and all other applications and registrations related to any of the rights set forth in this definition and all rights therein whether provided by international treaty, convention or otherwise

Intermediary means any broker, agent, employee benefit consultant, independent financial adviser or other intermediary that is not an appointed representative (which has the meaning set out in the FCA Glossary) and that has entered into an agreement (whether or not reduced to writing) with AEL to distribute AEL's products in respect of (as the case may be) the Transferred EEA30 Business and/or the Transferred Medmal Business from time to time

IVASS means the Italian Insurance Supervisory Authority or any relevant successor regulator of insurance companies in Italy

liability to taxation means a liability to make an actual payment of taxation

Medmal BTA has the meaning set out in clause 2.8

Medmal Effective Date has the meaning set out in clause 19.2

Medmal Policies means any and all Policies written and/or assumed by or on behalf of AEL which relate to professional liability coverage in Italy, San Marino and the Vatican City for healthcare sector institutions (and includes indemnifying a client where they are subjected to a medical malpractice claim as a result of an error or omission), comprising classes 1, 13 and 17 of Part 1 of Schedule 1 to the RAO

Medmal Third Party Contracts means all contracts, other than the Medmal Policies, the Transferred Medmal Reinsurance Agreements and the Split Medmal Reinsurance Agreements, to which AEL is party or beneficiary which relate to the Transferred Medmal Business including all of AEL's rights, benefits and powers under any indemnity agreements, collateral agreements, pledges, liens, guarantees and other repayment or reimbursement rights of AEL related to the Medmal Policies written by or on behalf of or assumed by AEL as insurer, reinsurer or retrocessionaire

Order means an order made by the Court pursuant to section 111 of FSMA sanctioning this Scheme (or any part of it) and any order (including any subsequent order) in relation to this Scheme made by the Court pursuant to section 112 of FSMA

Part 4A permission means a permission to carry on regulated activities granted under part 4A of FSMA, or having effect as if so given

Passporting Regulations means the Financial Services and Markets Act 2000 (EEA Passport Rights) Regulations 2001 (SI 2001/2511)

Permits means any approvals, authorisations, consents, registrations, franchises, licences, permits or certificates of a Governmental Authority

Policies means all policies (as defined in the Policyholder Order), treaties, facultative certificates, binders, slips and other contracts of or for insurance, reinsurance or retrocession and all binding quotations (and including at any time any constituent part of a policy which gives rise to any separately identifiable benefit) written by or on behalf of or assumed by AEL as insurer, reinsurer or retrocessionaire (where such policy, treaty, facultative certificate, binder, slip or other contract was not written or assumed solely by or on behalf of the AEL, to the extent and only for and in respect of the proportion written by or on behalf of the AEL) (including, without limitation, all supplements, endorsements and riders thereto and all ancillary agreements in connection therewith) prior to the EEA30 Effective Date or Medmal Effective Date (as applicable).

policyholder has the meaning set out in the Policyholder Order

Policyholder Order means the Financial Services and Markets Act 2000 (Meaning of "Policy" and "Policyholder") Order 2001 (SI 2001/2361)

PRA means the Prudential Regulation Authority, or such other governmental, statutory or other authority or authorities as shall from time to time perform such prudential and supervisory functions in relation to General Business carried on in the United Kingdom as are at the date of this Scheme allocated to the Prudential Regulation Authority under FSMA

PRA Rulebook means the rulebook issued by the PRA from time to time pursuant to FSMA

Proceedings means any action or other legal or administrative proceedings or step (whether direct or indirect, by way of a claim, demand, legal proceedings, execution of judgment, arbitration, complaint or otherwise howsoever), including:

- (a) arbitration;
- (b) mediation;

- (c) any other dispute resolution procedure (whether or not it involves submission to any court);
- (d) any judicial, quasi-judicial, administrative or regulatory review or process; and
- (e) any complaint or claim to any ombudsman, including the United Kingdom Financial Ombudsman Service

RAO means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544)

Residual EEA30 Assets means:

- (a) the Residual EEA30 Policies and the rights, benefits and powers of AEL under or by virtue of the Residual EEA30 Policies;
- (b) any property of AEL attributable to the Residual EEA30 Policies or the Transferred EEA30 Business (including any right, benefit or power of AEL under any Transferred EEA30 Policy) in respect of which the Court has declined to order the transfer to AIU under section 112 of FSMA on the EEA30 Effective Date;
- (c) property held by AEL in an amount equal to the technical reserves for the Residual EEA30 Policies as reflected in the books and records of AEL;
- (d) any property of AEL attributable to the Residual EEA30 Policies or the Transferred EEA30 Business which is outside the jurisdiction of the Court or in respect of which the transfer pursuant to an order of the Court is not recognised by the laws of the jurisdiction in which the property is situated or in respect of which further steps are necessary to effect the transfer pursuant to the laws of the jurisdiction in which such property is situated;
- (e) any property of AEL attributable to the Residual EEA30 Policies or the Transferred EEA30 Business which cannot be transferred to or vested in AIU on the EEA30 Effective Date for any other reason;
- (f) any property of AEL attributable to the Residual EEA30 Policies or the Transferred EEA30 Business (including any right, benefit or power of AEL under any Residual EEA30 Policy or any Transferred EEA30 Policy) where AEL and AIU agree prior to the EEA30 Effective Date that its transfer should be delayed;
- (g) any other property of AEL attributable to the Residual EEA30 Policies or the Transferred EEA30 Business (including any right, benefit or power under a Residual EEA30 Policy, a

Transferred EEA30 Policy or a Transferred EEA30 Reinsurance Agreement) in respect of which:

- (i) the Court makes an order as to the enforceability of an interest or right as referred to in section 112A(2)(b) of FSMA; and
 - (ii) AEL and AIU have agreed in writing prior to the EEA30 Effective Date that its transfer should be delayed; and
- (h) any proceeds of sale or income or other accrual or return whatsoever, whether or not in any case in the form of cash, earned or received from time to time after the EEA30 Effective Date but prior to any relevant Subsequent EEA30 Transfer Date in respect of any such property referred to in clauses (a) to (g) of this definition,

but excluding any Excluded EEA30 Assets

Residual EEA30 Liability means any liability whatsoever of AEL relating to the Transferred EEA30 Business (other than under an Excluded EEA30 Policy):

- (a) to the extent that is attributable to or connected with a Residual EEA30 Asset and arises at any time before the Subsequent EEA30 Transfer Date applicable to that Residual EEA30 Asset;
- (b) in respect of which the Court has declined to order the transfer to AIU under section 112 of FSMA on the EEA30 Effective Date;
- (c) in respect of which AEL and AIU agree prior to the EEA30 Effective Date that its transfer should be delayed; or
- (d) which cannot be transferred to or vested in AIU for any other reason on the EEA30 Effective Date

Residual EEA30 Policies means EEA30 Policies comprised in the Transferred EEA30 Business (other than any Excluded EEA30 Policies):

- (a) written by AEL in the course of carrying on insurance business in the United Kingdom or any other EEA State, in respect of which:
 - (i) for the purpose of paragraph 1(2A) of Schedule 12 to FSMA, an EEA State other than the United Kingdom is the State in which the contract was concluded (for the purposes of FSMA); and
 - (ii) the PRA has not prior to the making of the Order by which the Court sanctions this Scheme provided the certificate referred to in paragraph 3A of Schedule 12

to FSMA with respect to the relevant EEA State which is the State in which the contract was concluded (for the purposes of FSMA);

- (b) written by AEL in the course of carrying on General Business but which are not otherwise capable of being transferred pursuant to FSMA at the EEA30 Effective Date; or
- (c) in respect of which further steps are necessary to be taken following the Order before any such EEA30 Policies can be transferred and AEL and AIU agree that such steps should be taken,

and any further EEA30 Policy issued by AEL pursuant to the exercise of any right or option under a Residual EEA30 Policy, but excluding any EEA30 Policy that is or becomes a Transferred EEA30 Policy as described in clause 7.2

Residual EEA30 Policies Reinsurance Arrangement means a reinsurance arrangement implemented in respect of Residual EEA30 Policies pursuant to and in accordance with clause 7.1

Residual Medmal Assets means:

- (a) the Residual Medmal Policies and the rights, benefits and powers of AEL under or by virtue of the Residual Medmal Policies;
- (b) any property of AEL attributable to the Residual Medmal Policies or the Transferred Medmal Business (including any right, benefit or power of AEL under any Transferred Medmal Policy) in respect of which the Court has declined to order the transfer to AmTrust Italy under section 112 of FSMA on the Medmal Effective Date;
- (c) property held by AEL in an amount equal to the technical reserves for the Residual Medmal Policies as reflected in the books and records of AEL;
- (d) any property of AEL attributable to the Residual Medmal Policies or the Transferred Medmal Business which is outside the jurisdiction of the Court or in respect of which the transfer pursuant to an order of the Court is not recognised by the laws of the jurisdiction in which the property is situated or in respect of which further steps are necessary to effect the transfer pursuant to the laws of the jurisdiction in which such property is situated;
- (e) any property of AEL attributable to the Residual Medmal Policies or the Transferred Medmal Business which cannot be transferred to or vested in AmTrust Italy on the Medmal Effective Date for any other reason;

- (f) any property of AEL attributable to the Residual Medmal Policies or the Transferred Medmal Business (including any right, benefit or power of AEL under any Residual Medmal Policy or any Transferred Medmal Policy) where AEL and AmTrust Italy agree prior to the Medmal Effective Date that its transfer should be delayed;
- (g) any other property of AEL attributable to the Residual Medmal Policies or the Transferred Medmal Business (including any right, benefit or power under a Residual Medmal Policy, a Transferred Medmal Policy or a Transferred Medmal Reinsurance Agreement) in respect of which:
 - (i) the Court makes an order as to the enforceability of an interest or right as referred to in section 112A(2)(b) of FSMA; and
 - (ii) AEL and AmTrust Italy have agreed in writing prior to the Medmal Effective Date that its transfer should be delayed; and
- (h) any proceeds of sale or income or other accrual or return whatsoever, whether or not in any case in the form of cash, earned or received from time to time after the Medmal Effective Date but prior to any relevant Subsequent Medmal Transfer Date in respect of any such property referred to in clauses (a) to (g) of this definition,

but excluding any Excluded Medmal Assets

Residual Medmal Liability means any liability whatsoever of AEL relating to the Transferred Medmal Business (other than under an Excluded Medmal Policy):

- (a) to the extent that is attributable to or connected with a Residual Medmal Asset and arises at any time before the Subsequent Medmal Transfer Date applicable to that Residual Medmal Asset;
- (b) in respect of which the Court has declined to order the transfer to AmTrust Italy under section 112 of FSMA on the Medmal Effective Date;
- (c) in respect of which AEL and AmTrust Italy agree prior to the Medmal Effective Date that its transfer should be delayed; or
- (d) which cannot be transferred to or vested in AmTrust Italy for any other reason on the Medmal Effective Date

Residual Medmal Policies means Medmal Policies comprised in the Transferred Medmal Business (other than any Excluded Medmal Policies):

- (a) written by AEL in the course of carrying on insurance business in the United Kingdom or any other EEA State, in respect of which:

- (i) for the purpose of paragraph 1(2A) of Schedule 12 to FSMA, an EEA State other than the United Kingdom is the State in which the contract was concluded; and
 - (ii) the PRA has not prior to the making of the Order by which the Court sanctions this Scheme provided the certificate referred to in paragraph 3A of Schedule 12 to FSMA with respect to the relevant EEA State which is the State in which the contract was concluded;
- (b) written by AEL in the course of carrying on General Business but which are not otherwise capable of being transferred pursuant to FSMA at the Medmal Effective Date; or
- (c) in respect of which further steps are necessary to be taken following the Order before any such Medmal Policies can be transferred and AEL and AIU agree that such steps should be taken,

and any further Medmal Policy issued by AEL pursuant to the exercise of any right or option under a Residual Medmal Policy, but excluding any Medmal Policy that is or becomes a Transferred Medmal Policy as described in clause 15.2

Residual Medmal Policies Reinsurance Arrangement means a reinsurance arrangement implemented in respect of Residual Medmal Policies pursuant to and in accordance with clause 15.1

Retained Records means any accounting and financial and other records of AEL which AEL is required by law to retain, including ad valorem tax records

Sanctions Lists means the sanctions lists maintained by the following as at the EEA30 Effective Date and/or the Medmal Effective Date (as applicable): (i) the United Nations; (ii) the European Union; (iii) the US Department of the Treasury; (iv) Switzerland (including any relevant governmental or regulatory body); (v) the Office of Foreign Asset Control; (vi) Her Majesty's Treasury; and (vii) Canada (including any relevant governmental or regulatory body)

Scheme means this scheme in its original form or with or subject to any modification, addition or condition which may be approved or imposed in accordance with clause 21

Split EEA30 Policies means any and all Policies written and/or assumed by or on behalf of AEL prior to the EEA30 Effective Date in accordance with the Passporting Regulations (other than the Medmal Policies) in each case, which relate to a risk or risks situated both in the EEA30 and outside the EEA30

Split EEA30 Reinsurance Agreements means those outwards reinsurance agreements to which AEL is a party at the EEA30 Effective Date and which reinsure or purport to reinsure liabilities under: (i) Residual EEA30 Policies and/or Transferred EEA30 Policies; and (ii) any other Policies, in respect of which AEL is the reinsured, including (but without limitation) those listed in Part C of Schedule 1

Split Medmal Reinsurance Agreements means those outwards reinsurance agreements to which AEL is a party at the Medmal Effective Date and which reinsure or purport to reinsure liabilities under: (i) Residual Medmal Policies and/or Transferred Medmal Policies; and (ii) any other Policies, in respect of which AEL is the reinsured, including (but without limitation) those listed in Part D of Schedule 1

Subsequent EEA30 Transfer Date means in relation to any Residual EEA30 Asset or Residual EEA30 Liability, the date (and each date) after the EEA30 Effective Date on which such Residual EEA30 Asset or Residual EEA30 Liability as the case may be is or is to be transferred to AIU, namely:

- (a) in respect of any Residual EEA30 Asset falling within clauses (a), (b), (c), (d) or (e) of the definition of Residual EEA30 Assets and of any Residual EEA30 Liability which is attributable to or connected with that Residual EEA30 Asset or which falls within clauses (a), (b) or (d) of the definition of Residual EEA30 Liability, the date on which any impediment to its transfer shall have been removed or overcome;
- (b) in respect of any Residual EEA30 Asset falling within clauses (f) or (g) of the definition of Residual EEA30 Assets and of any Residual EEA30 Liability which is attributable to or connected with that Residual EEA30 Asset or which falls within clause (c) of the definition of Residual EEA30 Liability, the date on which AEL and AIU agree the transfer should take effect; and
- (c) in respect of any Residual EEA30 Asset falling within clause (h) of the definition of Residual EEA30 Assets and of any Residual EEA30 Liability which is attributable to or connected with that Residual EEA30 Asset, the date on which such Residual EEA30 Asset is received or earned by AEL

Subsequent Medmal Transfer Date means in relation to any Residual Medmal Asset or Residual Medmal Liability, the date (and each date) after the Medmal Effective Date on which such Residual Medmal Asset or Residual Medmal Liability as the case may be is or is to be transferred to AmTrust Italy, namely:

- (a) in respect of any Residual Medmal Asset falling within clauses (a), (b), (c), (d) or (e) of the definition of Residual Medmal Assets and of any Residual Medmal Liability which is attributable to or connected with that Residual Medmal Asset or which falls within clauses

- (a), (b) or (d) of the definition of Residual Medmal Liability, the date on which any impediment to its transfer shall have been removed or overcome;
- (b) in respect of any Residual Medmal Asset falling within clauses (f) or (g) of the definition of Residual Medmal Assets and of any Residual Medmal Liability which is attributable to or connected with that Residual Medmal Asset or which falls within clause (c) of the definition of Residual Medmal Liability, the date on which AEL and AmTrust Italy agree the transfer should take effect; and
- (c) in respect of any Residual Medmal Asset falling within clause (h) of the definition of Residual Medmal Assets and of any Residual Medmal Liability which is attributable to or connected with that Residual Medmal Asset, the date on which such Residual Medmal Asset is received or earned by AEL

Swedish Assets means any and all Transferred Swedish Assets relating to AEL's Swedish branch and/or relating to the Swedish Policies

Swedish Liabilities means any and all Transferred EEA30 Liabilities relating to AEL's Swedish branch and/or relating to the Swedish Policies

Swedish Policies means any and all policies (as defined in the Policyholder Order), written and/or assumed by or on behalf of AEL through its branch in Sweden

taxation means:

- (a) all forms of tax, levy, duty, charge, impost, withholding or other amount whenever created or imposed and whether of the United Kingdom or elsewhere, payable to or imposed by any authority responsible for the collection or management of any such tax, levy, duty, charge, impost, withholding or other amount; and
- (b) all charges, interest, penalties and fines incidental or relating to any sum falling within (a) above or which arise as a result of the failure to pay that sum on the due date or to comply with any obligation relating to it

Trademarks means all of the following, whether protected, created or arising under the laws of England and Wales or the laws of any other jurisdiction: trademarks, service marks, trade names, service names, trade dress, logos, designs, slogans and other identifiers of source, including all goodwill associated therewith and all common law rights, registrations and applications for registration thereof, and all rights therein provided by international treaties or conventions, and all extensions and renewals of any of the foregoing

Transferred EEA30 Assets means any and all property of AEL whatsoever and wheresoever situated comprised in or attributable to the Transferred EEA30 Business as at the EEA30 Effective Date including (without prejudice to the generality of the foregoing):

- (a) the rights, benefits and powers of AEL under or by virtue of the Transferred EEA30 Policies (including the appropriate proportion of the rights, benefits and powers of AEL which will pass to AIU upon the deemed variation of the Split EEA30 Policies pursuant to clause 5.6 (if applicable));
- (b) all rights and claims (present or future, actual or contingent and known or unknown) against any third party in relation to the Transferred EEA30 Business or arising as a result of AEL having carried on the Transferred EEA30 Business;
- (c) the rights, benefits and powers of AEL under the Transferred EEA30 Reinsurance Agreements and (if applicable) the appropriate proportion of the rights, benefits and powers of AEL which will pass to AIU upon the deemed variation of the Split EEA30 Reinsurance Agreements;
- (d) property held as of the EEA30 Effective Date by AEL in an amount equal to: the sum of (i) the technical reserves for the Transferred EEA30 Policies as reflected in the books and records of AEL; and (ii) the amount of any other liabilities in respect of Transferred EEA30 Liabilities;
- (e) the rights, benefits and powers of AEL under the EEA30 Third Party Contracts;
- (f) all accounts, notes, premiums, reinsurance, retrocession and subrogation recoveries and other receivables that primarily relate to the Transferred EEA30 Business;
- (g) all expenses that have been prepaid by AEL relating to the Transferred EEA30 Business, including ad valorem taxation and lease and rental payments;
- (h) all EEA30 Intellectual Property other than the Excluded EEA30 Intellectual Property;
- (i) all transferable Permits used in connection with the Transferred EEA30 Business;
- (j) all books, records, files and papers, whether in hard copy or computer format, of the Transferred EEA30 Business, including insurance and reinsurance contracts, claims and underwriting files, sales and promotional literature, manuals and data, sales and purchase correspondence and lists of present and former customers, excluding the Retained Records; and
- (k) all goodwill (including the renewal rights) associated with the Transferred EEA30 Assets,

but excluding: (1) the Residual EEA30 Assets; (2) the property under or relating to the Residual EEA30 Policies or any Residual EEA30 Policies Reinsurance Agreement; (3) the Excluded EEA30 Assets; (4) the appropriate proportion of the rights, benefits and powers of AEL which will remain with AEL upon the deemed variation of the Split EEA30 Policies (if applicable) in accordance with clause 5.6; (5) the benefit of any charges attaching to any Transferred EEA30 Reinsurance Agreement or Split EEA30 Reinsurance Agreement (if applicable); and (6) the appropriate proportion of the property of AEL which will remain with AEL upon the deemed variation of the Split EEA30 Reinsurance Agreements (if applicable)

Transferred EEA30 Business means

- (a) the business carried on by AEL comprising the underwriting, management and administration of the EEA30 Policies and all associated liabilities of the EEA30 Policies; together with
- (b) all activities carried on by AEL in relation or in connection thereto together with the rights and obligations of AEL under the Transferred EEA30 Assets and the Transferred EEA30 Liabilities,

but excluding the Excluded EEA30 Assets, the Excluded EEA30 Policies and the Excluded EEA30 Liabilities

Transferred EEA30 Liabilities means any and all liabilities whatsoever of AEL comprised in or attributable to the Transferred EEA30 Business or otherwise arising in connection with or in relation to the carrying on of the Transferred EEA30 Business as at the EEA30 Effective Date including (without prejudice to the generality of the foregoing):

- (a) all liabilities under and in connection with the Transferred EEA30 Policies (including, for the avoidance of doubt, (if applicable) the appropriate proportion of the liabilities of AEL which will pass to AIU upon the deemed variation of the Split EEA30 Policies in accordance with clause 5.6);
- (b) all liabilities under and in connection with lapsed, matured, surrendered, expired and reinstated EEA30 Policies;
- (c) all liabilities in connection with quotations made by or on behalf of AEL:
 - (i) acting through its Italian branch prior to the EEA30 Effective Date and which relate to a risk or risks situated in any EEA30 state (other than in respect of Medmal Policies);
 - (ii) acting through its Swedish branch prior to the EEA30 Effective Date and which relate to a risk or risks situated in any EEA30 state; and

- (iii) on a freedom of services basis through its head office in the United Kingdom or otherwise in the United Kingdom prior to the EEA30 Effective Date and which relate to a risk or risks situated in any EEA30 state,

which, in each case, were not proceeded with and/or did not become EEA30 Policies for any reason whatever (including due to an administrative or processing error);

- (d) all liabilities under and in connection with the Transferred EEA30 Reinsurance Agreements arising in, and relating to, the period on and after the EEA30 Effective Date and (if applicable) the appropriate proportion of the liabilities of AEL arising in, and relating to, the period on and after the EEA30 Effective Date which will pass to AIU upon the deemed variation of the Split EEA30 Reinsurance Agreements pursuant to clause 6.3;
- (e) all liabilities under and in connection with the EEA30 Third Party Contracts; and
- (f) all liabilities for damages (including compensatory, consequential, exemplary, punitive, bad faith or similar or other damages) which relate to the marketing, sale, underwriting, issuance, delivery, cancellation or administration of any Transferred EEA30 Policy including (without limitation): (1) any amount in respect of interest arising in connection thereto or in connection with any payment made in respect thereof; (2) any amount in respect of any additional liability or an increase in liability to taxation of a policyholder or former policyholder when compared to that person's liability to taxation if the event or series of events giving rise to the relevant damages had not occurred; and (3) any liability arising out of or relating to any alleged or actual act, error or omission by AEL or its agents, whether intentional or otherwise, with respect to any such Transferred EEA30 Policy, including:
 - (i) any alleged or actual reckless conduct or bad faith in connection with the handling of any claim arising out of or under such Transferred EEA30 Policy; or
 - (ii) the marketing, sale, underwriting, issuance, delivery, cancellation or administration of such Transferred EEA30 Policy

but excluding: (1) the Residual EEA30 Liabilities; (2) the liabilities under or relating to the Residual EEA30 Policies or any Residual EEA30 Policies Reinsurance Agreement (3) the Excluded EEA30 Liabilities; (4) the appropriate proportion of the liabilities of AEL which will remain with AEL upon the deemed variation of the Split EEA30 Policies (if applicable) in accordance with clause 5.6; (5) the appropriate proportion of the liabilities of AEL which will remain with AEL upon the deemed variation of the Split EEA30 Reinsurance Agreements (if applicable) including all liabilities relating to the period prior to the EEA30 Effective Date; and (6)

the liabilities under the Transferred EEA30 Reinsurance Agreements relating to the period prior to the EEA30 Effective Date

Transferred EEA30 Policies means every EEA30 Policy written and/or assumed by AEL which is comprised in the Transferred EEA30 Business (and any and all rights to renew the same), together with all proposals for insurance received by or on behalf of AEL before the EEA30 Effective Date which have not become EEA30 Policies in force by the EEA30 Effective Date but which subsequently become EEA30 Policies and any Policies that have been bound but which have not yet incepted as at the EEA30 Effective Date but subsequently become EEA30 Policies (including, for the avoidance of doubt, (if applicable) the appropriate proportion of the EEA30 Policies which shall transfer to AIU in respect of the Split EEA30 Policies varied in accordance with clause 5.6), but excluding the Excluded EEA30 Policies and (subject to clauses 7.1 to 7.3 inclusive) the Residual EEA30 Policies

Transferred EEA30 Reinsurance Agreements means all contracts, agreements, Policies and other arrangements of whatsoever nature made between AEL and a third party or a related party of AEL in the nature of retrocessions under or in connection with any Transferred EEA30 Liability, including (without limitation) those which are listed in Part B of Schedule 1

Transferred Medmal Assets means any and all property of AEL whatsoever and wheresoever situated comprised in or attributable to the Transferred Medmal Business as at the Medmal Effective Date including (without prejudice to the generality of the foregoing):

- (a) the rights, benefits and powers of AEL under or by virtue of the Transferred Medmal Policies;
- (b) all rights and claims (present or future, actual or contingent and known or unknown) against any third party in relation to the Transferred Medmal Business or arising as a result of AEL having carried on the Transferred Medmal Business; and
- (c) the rights, benefits and powers of AEL under the Transferred Medmal Reinsurance Agreements and (if applicable) the appropriate proportion of the rights, benefits and powers of AEL which will pass to AmTrust Italy upon the deemed variation of the Split Medmal Reinsurance Agreements;
- (d) property held as of the Medmal Effective Date by AEL in an amount equal to: the sum of (i) the technical reserves for the Transferred Medmal Policies as reflected in the books and records of AEL; and (ii) the amount of any other liabilities in respect of Transferred Medmal Liabilities;
- (e) the rights, benefits and powers of AEL under the Medmal Third Party Contracts;

- (f) all accounts, notes, premiums, reinsurance, retrocession and subrogation recoveries and other receivables that primarily relate to the Transferred Medmal Business;
- (g) all expenses that have been prepaid by AEL relating to the Transferred Medmal Business, including ad valorem taxation and lease and rental payments;
- (h) all Medmal Intellectual Property other than the Excluded Medmal Intellectual Property;
- (i) all transferable Permits used in connection with the Transferred Medmal Business;
- (j) all books, records, files and papers, whether in hard copy or computer format, of the Transferred Medmal Business, including insurance and reinsurance contracts, claims and underwriting files, sales and promotional literature, manuals and data, sales and purchase correspondence and lists of present and former customers, excluding the Retained Records; and
- (k) all goodwill (including the renewal rights) associated with the Transferred Medmal Assets,

but excluding: (1) the Residual Medmal Assets; (2) the property under or relating to the Residual Medmal Policies or any Residual Medmal Policies Reinsurance Agreement; (3) the Excluded Medmal Assets; (4) the benefit of any charges attaching to any Transferred Medmal Reinsurance Agreement or Split Medmal Reinsurance Agreement (if applicable); and (5) the appropriate proportion of the rights, benefits and powers of AEL which will remain with AEL upon the deemed variation of the Split Reinsurance Agreements (if applicable)

Transferred Medmal Business means

- (a) the business carried on by AEL comprising the underwriting, management and administration of the Medmal Policies and all associated liabilities of the Medmal Policies; together with
- (b) all activities carried on by AEL in relation or in connection thereto together with the rights and obligations of AEL under the Transferred Medmal Assets and the Transferred Medmal Liabilities,

but excluding the Excluded Medmal Assets, the Excluded Medmal Policies and the Excluded Medmal Liabilities

Transferred Medmal Liabilities means any and all liabilities whatsoever of AEL comprised in or attributable to the Transferred Medmal Business or otherwise arising in connection with or in relation to the carrying on of the Transferred Medmal Business as at the Medmal Effective Date including (without prejudice to the generality of the foregoing):

- (a) all liabilities under and in connection with the Transferred Medmal Policies;

- (b) all liabilities under and in connection with lapsed, matured, surrendered, expired and reinstated Medmal Policies;
- (c) all liabilities in connection with quotations made by or on behalf of AEL which were not proceeded with and/or did not become Medmal Policies for any reason whatever (including due to an administrative or processing error)
- (d) all liabilities under and in connection with the Transferred Medmal Reinsurance Agreements arising in, and relating to, the period on and after the Medmal Effective Date and (if applicable) the appropriate proportion of the liabilities of AEL arising in, and relating to, the period on and after the Medmal Effective Date which will pass to AmTrust Italy upon the deemed variation of the Split Medmal Reinsurance Agreements pursuant to clause 14.3; and
- (e) all liabilities under and in connection with the Medmal Third Party Contracts;
- (f) all liabilities for damages (including compensatory, consequential, exemplary, punitive, bad faith or similar or other damages) which relate to the marketing, sale, underwriting, issuance, delivery, cancellation or administration of any Transferred Medmal Policy including (without limitation): (1) any amount in respect of interest arising in connection thereto or in connection with any payment made in respect thereof; (2) any amount in respect of any additional liability or an increase in liability to taxation of a policyholder or former policyholder when compared to that person's liability to taxation if the event or series of events giving rise to the relevant damages had not occurred; and (3) any liability arising out of or relating to any alleged or actual act, error or omission by AEL or its agents, whether intentional or otherwise, with respect to any such Transferred Medmal Policy, including:
 - (i) any alleged or actual reckless conduct or bad faith in connection with the handling of any claim arising out of or under such Transferred Medmal Policy; or
 - (ii) the marketing, sale, underwriting, issuance, delivery, cancellation or administration of such Transferred Medmal Policy

but excluding: (1) the Residual Medmal Liabilities; (2) the liabilities under or relating to the Residual Medmal Policies or any Residual Medmal Policies Reinsurance Agreement; (3) the Excluded Medmal Liabilities; (4) the appropriate proportion of the liabilities of AEL which will remain with AEL upon the deemed variation of the Split Medmal Reinsurance Agreements (if applicable) including all liabilities relating to the period prior to the Medmal Effective Date; and (5) the liabilities under the Transferred Medmal Reinsurance Agreements relating to the period prior to the Medmal Effective Date

Transferred Medmal Policies means every Medmal Policy written and/or assumed by AEL which is comprised in the Transferred Medmal Business (and any and all rights to renew the same), together with all proposals for insurance received by or on behalf of AEL before the Medmal Effective Date which have not become Medmal Policies in force by the Medmal Effective Date but which subsequently become Medmal Policies and any Policies that have been bound but which have not yet incepted as at the Medmal Effective Date but subsequently become Medmal Policies, but excluding the Excluded Medmal Policies and (subject to clauses 15.1 to 15.3 inclusive) the Residual Medmal Policies

Transferred Medmal Reinsurance Agreements means all contracts, agreements, Policies and other arrangements of whatsoever nature made between AEL and a third party or a related party of AEL in the nature of retrocessions under or in connection with any Transferred Medmal Liability, including (without limitation) those which are listed in Part B of Schedule 1

1.2 In this Scheme:

- (a) **property** includes property, assets, interests, rights and powers of every description (whether present or future, actual or contingent) and includes property held on trust and securities, benefits, powers of any description and any interest whatsoever in any of the foregoing;
- (b) **liabilities** includes duties and obligations of every description (whether present or future, actual or contingent);
- (a) **transfer** includes (as the context may require) **assign, assignation or assignment, dispose or disposal or convey or conveyance;**
- (b) any reference to the singular shall include a reference to the plural and vice versa and any reference to the masculine shall include a reference to the feminine and neuter and vice versa;
- (c) any reference to an enactment, a statutory provision or any subordinate legislation shall be deemed to include a reference to that enactment, statutory provision or subordinate legislation as amended, replaced or re-enacted from time to time and to any instrument or order made from time to time under such enactment, statutory provision or subordinate legislation;
- (d) any reference to any rules, regulations or guidance made by the PRA and/or the FCA (as applicable) shall be deemed to include a reference to such rules or regulations as amended or replaced from time to time, and any reference to any provision of the PRA Rulebook or FCA Handbook (as applicable) which is not in force at the date of this Scheme but will be in force by the EEA30 Effective Date and/or the Medmal Effective

Date (as applicable) shall, in respect of the period before it comes into force, be deemed to include a reference to such rules or regulations issued by the PRA and/or the FCA (as applicable) as most closely corresponded to that provision at the date of this Scheme;

- (e) expressions used which have meanings under FSMA shall bear those meanings, including "**EEA State**" which bears the meaning set out in paragraph 8, Part 1 of Schedule 3 to FSMA;
- (c) the expressions **subsidiary** and **holding company** shall have the meanings given in section 1159 of the CA 2006, save that for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c) of the CA 2006 a company shall be treated as a member of another company
 - (i) if any shares in that other company are held by a person acting on behalf of the company or any of its subsidiaries;
 - (ii) if any of its subsidiaries is a member of that other company; or
 - (iii) if any shares in that other company are held by a person (or that person's nominee) by way of security or in connection with the taking of security granted by the company or any of its subsidiaries;
- (d) any reference to **this Scheme** shall include the Schedules to it and references to clauses or Schedules are to clauses or Schedules to this Scheme;
- (e) headings are inserted for convenience only and shall not affect the construction of this Scheme;
- (f) any reference to a person shall include a reference to a body corporate, a partnership, an unincorporated association or to a person's executors or administrators, and for the avoidance of doubt, shall include a trustee;
- (g) unless otherwise specified, if a period of time is specified from a given day or date or from the day or date of an actual event, it shall be calculated exclusive of that day or date;
- (h) any reference to writing shall include any modes of reproducing words in a legible and non-transitory form;
- (i) any reference to a calculation, decision, determination or opinion of any Board (or any similar expression) shall be deemed to include a calculation, decision, determination or opinion of a duly constituted committee or duly authorised representative of that Board;
- (j) the expression **variation** shall include any variation, supplement, deletion, replacement or termination, however effected;

- (k) general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words;
- (l) any reference to an amount shall be exclusive of any applicable value added or other tax;
and
- (m) any reference to **pounds** or **£** shall be to pounds sterling in the currency of the United Kingdom.

PART B - INTRODUCTION

2 Introduction

- 2.1 AEL is a company incorporated in England and Wales with registered number 01229676. The registered office of AEL is at 10th Floor Market Square House, Saint James's Street, Nottingham, Nottinghamshire, NG1 6FG.
- 2.2 AIU is a company incorporated in Ireland with registered number 169384. The registered office of AIU is at 6-8 College Green, Dublin 2, D02 VP48, Ireland.
- 2.3 AmTrust Italy is a company incorporated in Italy with registered number 01917540518. The registered office of AmTrust Italy is at 14, Via Clerici, 20121 Milan, Italy.
- 2.4 AEL has Part 4A permission under FSMA to carry on General Business in the United Kingdom in classes of business 1 to 3, 7 to 10 and 13 to 18 (in each case inclusive) as set out in Part 1 of Schedule 1 to the RAO. AEL has established a branch under the Passporting Regulations in each of Italy and Sweden.
- 2.5 AIU has a licence issued by the CBI to carry on non-life insurance business in Ireland in classes 1 to 3, 7 to 10 and 13 to [18] (in each case inclusive) as set out in Schedule I to the European Union (Insurance and Reinsurance) Regulations 2015. AIU has established a branch in each of Italy and Sweden and has received permission to operate in each of the aforementioned jurisdictions.
- 2.6 AmTrust Italy has a licence issued by IVASS to carry on non-life insurance business in Italy in classes 1, 2, 13, 17 and 18 as set out in Annex 1 of the Solvency II Directive.
- 2.7 AEL has agreed to transfer the Transferred EEA30 Business to AIU pursuant to a business transfer agreement entered into between AEL and AIU and dated [●] 2020 (the **EEA30 BTA**).
- 2.8 AEL has agreed to transfer the Transferred Medmal Business to AmTrust Italy pursuant to a business transfer agreement entered into between AEL and AmTrust Italy and dated [●] 2020 (the **Medmal BTA**).
- 2.9 The transfer of the EEA30 Business under the EEA30 BTA and the transfer of the Medmal Business under the Medmal BTA is, in each case, conditional upon the Scheme taking effect. Accordingly, it is proposed that, subject to the sanction of this Scheme by the Court:
- (a) the Transferred EEA30 Business carried on by AEL shall pursuant to and in accordance with Part C of this Scheme, be transferred to AIU; and

- (b) the Transferred Medmal Business carried on by AEL shall pursuant to and in accordance with Part D of this Scheme be transferred to AmTrust Italy.

PART C – EEA30 TRANSFER

3 Transfer of EEA30 Business

- 3.1 Each part of the Transferred EEA30 Business, the Residual EEA30 Assets and the Residual EEA30 Liabilities shall be transferred to and be vested in AIU in accordance with this Scheme, so that:
- (a) subject to clause 9, with effect on and from the EEA30 Effective Date, each Transferred EEA30 Asset and all the property of AEL in it shall, by the Order and without any further act or instrument, be transferred to and be vested in AIU, subject to all Encumbrances (if any) affecting such property in accordance with this Scheme;
 - (b) subject to clause 9, with effect on and from each Subsequent EEA30 Transfer Date, each Residual EEA30 Asset to which such Subsequent EEA30 Transfer Date applies and all the property of AEL in it shall, by the Order and without any further act or instrument, be transferred to and be vested in AIU, subject to all Encumbrances (if any) affecting such property in accordance with this Scheme;
 - (c) with effect on and from the EEA30 Effective Date, each Transferred EEA30 Liability shall, by the Order and without any further act or instrument, be transferred to and become a liability of AIU in accordance with this Scheme and shall cease to be a liability of AEL; and
 - (d) with effect on and from each Subsequent EEA30 Transfer Date, each Residual EEA30 Liability to which such Subsequent EEA30 Transfer Date applies shall, by the Order and without any further act or instrument, be transferred to and become a liability of AIU in accordance with this Scheme and shall cease to be a liability of AEL.
- 3.2 AIU shall accept without investigation or requisition such title as AEL shall have at the EEA30 Effective Date to the Transferred EEA30 Assets and, at any Subsequent EEA30 Transfer Date, to each Residual EEA30 Asset then transferred and AEL shall not be liable for any charges, expenses, costs, claims, losses or any other liabilities in connection thereto that arise after the EEA30 Effective Date, save as otherwise agreed between the parties in writing or as set out in this Scheme.
- 3.3 Save as provided in this Scheme, the transfer and vesting of any Transferred EEA30 Asset or Transferred EEA30 Liability relating to any part of the Transferred EEA30 Business by virtue of the Order and this Scheme shall not
- (a) invalidate or discharge any contract, security interest or any other agreement or arrangement having a similar effect;

- (b) require further registration in respect of any security;
 - (c) constitute a breach of, or default under, or require any obligation to be performed sooner or later than would have otherwise been the case under, any contract or instrument to which AEL or AIU are a party or are bound;
 - (d) allow any party to a contract to which AIU or AEL are a party to terminate that contract when that party would not otherwise have been able to terminate it;
 - (e) entitle any party to any contract to which AIU or AEL are a party to vary the terms of that contract when that party would not otherwise have been able to vary those terms or confer a right or benefit on it which that party would not otherwise have had; or
 - (f) confer any greater or lesser rights or benefits, or impose any greater or lesser obligations, on any party to any contract to which AEL or AIU are a party when that greater or lesser obligation would not otherwise have been imposed.
- 3.4 AEL and AIU shall take all such steps, and execute all such documents, as may be necessary or desirable:
- (a) to effect or perfect the transfer to and vesting in AEL of any Transferred EEA30 Asset or Residual EEA30 Asset pursuant to this Scheme;
 - (b) to correct any errors in the identity or amount of the property so transferred; and
 - (c) to effect or perfect the transfer to and assumption by AIU of any Transferred EEA30 Liability or Residual EEA30 Liability pursuant to this Scheme.
- 3.5 With effect on and from the EEA30 Effective Date, following the sanction of the Scheme by the Court:
- (a) the Italian Assets and Italian Liabilities shall be allocated to AIU's Italian branch;
 - (b) the Swedish Assets and Swedish Liabilities shall be allocated to AIU's Swedish branch; and
 - (c) the EEA30 FOS Assets and EEA30 FOS Liabilities shall be allocated to AIU's Irish head office.
- 3.6 With effect on and from the EEA30 Effective Date, following the sanction of the Scheme by the Court, the Transferred Business in relation to:
- (a) the Italian Policies shall be carried on by AIU acting through its Italian branch;
 - (b) the Swedish Policies shall be carried on by AIU acting through its Swedish branch;

(c) the EEA30 FOS Policies shall be carried on by AIU acting through its Irish head office.

3.7 With effect on and from the EEA30 Effective Date, AIU shall:

- (a) succeed to all property and liabilities of AEL in respect of any personal data which relates to the Transferred EEA30 Business and which is subject to the Applicable Privacy Laws;
- (b) become the data controller of any personal data which relates to the Transferred EEA30 Business and which is subject to the Applicable Privacy Laws and shall be deemed to have been controller of all such personal data at all material times when such personal data was processed; and
- (c) in respect of any personal data which relates to the Transferred EEA30 Business be subject to the same duty by virtue of any law to which AEL was subject to respect the confidentiality and privacy of each data subject of that personal data and shall be bound by any specific notice or consent given, or request made, by the data subject which was binding on AEL and which required AEL not to use the personal data for marketing purposes,

and in any consent given by a data subject in respect of such data as is mentioned in this clause 3.7, any reference to AEL (or to any member of AEL's Group) shall be deemed to include a reference to AIU (and to any member of AIU's Group).

4 Continuity of Proceedings

4.1 With effect on and from the EEA30 Effective Date, any Proceedings (or any relevant part thereof) which:

- (a) prior to the EEA30 Effective Date, have been issued, served, commenced, threatened or contemplated;
- (b) as at the EEA30 Effective Date are pending or are continued, or which are issued, served, commenced, threatened or contemplated;
- (c) as at the EEA30 Effective Date may be brought in the future including those not yet in contemplation; or
- (d) as at the EEA30 Effective Date are pending or are continued on or after the EEA30 Effective Date, by or against AEL in connection with the Transferred EEA30 Business, the Transferred EEA30 Policies, the Transferred EEA30 Assets or the Transferred EEA30 Liabilities,

shall be continued or commenced by, against or in relation to AIU (and for the avoidance of doubt any future Proceedings (or any relevant part thereof) in connection with the Transferred

EEA30 Business, the Transferred EEA30 Policies, the Transferred EEA30 Assets or the Transferred EEA30 Liabilities shall be brought by, against or in relation to AIU and AIU shall be entitled to all defences, claims, counterclaims, settlements, rights of set-off, rights of subrogation and any other rights that would have been available to AEL in relation to the Transferred EEA30 Business, the Transferred EEA30 Policies, the Transferred EEA30 Assets or the Transferred EEA30 Liabilities in any such Proceedings (or any relevant part thereof)).

4.2 With effect on and from the Subsequent EEA30 Transfer Date applicable thereto, any Proceedings (or any relevant part thereof) which:

- (a) prior to the Subsequent EEA30 Transfer Date, have been issued, served, commenced, threatened or contemplated;
- (b) as at the Subsequent EEA30 Transfer Date are pending or are continued, or which are issued, served, commenced, threatened or contemplated;
- (c) as at the Subsequent EEA30 Transfer Date may be brought in the future including those not yet in contemplation; or
- (d) as at the Subsequent EEA30 Transfer Date are pending or are continued on or after the Subsequent EEA30 Transfer Date, by or against AEL in connection with the Residual EEA30 Assets or the Residual EEA30 Liabilities which are to be transferred on such Subsequent EEA30 Transfer Date,

shall be continued or commenced by, against or in relation to AIU (and for the avoidance of doubt any future Proceedings (or any relevant part thereof) in connection with such Residual EEA30 Assets or Residual EEA30 Liabilities shall be brought by, against or in relation to AIU and AIU shall be entitled to all defences, claims, counterclaims, settlements, rights of set-off, rights of subrogation and any other rights that would have been available to AEL in relation to the Residual EEA30 Assets and the Residual EEA30 Liabilities). Until such Subsequent EEA30 Transfer Date, the relevant Proceedings (or any relevant part thereof) shall be commenced or continued by or against AEL and AEL shall conduct such Proceedings (or any relevant part thereof) in accordance with the reasonable instructions of AIU and at the cost of AIU.

4.3 Any judgment, settlement, order or award (or any relevant part thereof) obtained by or against AEL whether before or after the EEA30 Effective Date to the extent that it relates to any part of the Transferred EEA30 Business, the Transferred EEA30 Policies, the Transferred EEA30 Assets, the Transferred EEA30 Liabilities, the Residual EEA30 Assets or the Residual EEA30 Liabilities and which is not fully satisfied before the EEA30 Effective Date or, as the case may be, the applicable Subsequent EEA30 Transfer Date, shall, on that date and to the extent to which it was enforceable by or against AEL immediately prior to such date (or, if later, the date

on which the judgment, settlement, order or award (or any relevant part thereof) is obtained), become enforceable by or against AIU (to the exclusion of AEL).

- 4.4 All documents which would before the EEA30 Effective Date have been evidence in respect of any matter for or against AEL shall on and from the EEA30 Effective Date be evidence in respect of the same matter for or against AIU.
- 4.5 On and from the EEA30 Effective Date, AIU shall owe to the policyholders of the Transferred EEA30 Business or to any other person the same duties of confidentiality and privacy (whether pursuant to statute or contract) as those which AEL owed under the Transferred EEA30 Business immediately prior to the EEA30 Effective Date.
- 4.6 In respect of the Transferred EEA30 Business, AIU undertakes to comply with:
- (a) the relevant provisions of the Dispute Resolution Complaints rules (**DISP**) included in the FCA Handbook that would apply to the handling of any complaints brought to the UK Financial Ombudsman Service that fall under its jurisdiction;
 - (b) any other relevant sections of the FCA Handbook where the application of local law is likely not to result in the same outcome for the holders of Transferred EEA30 Policies; and
 - (c) any valid judgment, settlement, order or award (or any relevant part thereof) of the UK Financial Ombudsman Service, made under its jurisdiction as set out in DISP 2 of the FCA Handbook.
- 4.7 Notwithstanding clause 22.1, any holder of a Transferred EEA30 Policy may enforce the provisions of clause 4.6(c) against AIU.

5 Rights and Obligations in relation to the Transferred EEA30 Business

- 5.1 With effect on and from the EEA30 Effective Date, AIU shall become entitled to all the rights, benefits, powers and other property of AEL whatsoever subsisting on the EEA30 Effective Date under or by virtue of the Transferred EEA30 Policies.
- 5.2 Every person who is a policyholder of any of the Transferred EEA30 Policies or is a party to, or has the benefit of, any of the agreements with AEL comprising the Transferred EEA30 Business shall with effect on and from the EEA30 Effective Date become entitled, in succession to, and to the exclusion of, any rights which he may have had against AEL under any of the Transferred EEA30 Policies or any other such agreement comprising the Transferred EEA30 Business, to the same rights against AIU subject to the terms of this Scheme as were available to it against AEL under such Transferred EEA30 Policies or such other agreement comprising the Transferred EEA30 Business and (as regards Transferred EEA30 Policies under which

premiums or other sums attributable or referable thereto continue to be payable) shall with effect on and from the EEA30 Effective Date account to AIU for any further or additional premiums or other sums attributable or referable thereto as and when the same become due and payable.

- 5.3 All references in any Transferred EEA30 Policy or other agreement comprising the Transferred EEA30 Business to AEL, AEL's Board, AEL's Actuary or any other officers, employees or agents of AEL shall from and after the EEA30 Effective Date be read as references to AIU, AIU's Board, AIU's Actuary or any other officers or employees of AIU or, where appropriate, agents of AIU to which the administration of the relevant part of the business carried on by AIU has been delegated. In particular, but without limitation, all rights and duties exercisable or expressed to be exercisable or responsibilities to be performed by AEL, AEL's Board, AEL's Actuary or any other officers, employees or agents of AEL in relation to any of the Transferred EEA30 Policies or other agreements relating to the Transferred EEA30 Business shall, from and after the EEA30 Effective Date, be exercisable or required to be performed by AIU, AIU's Board, AIU's Actuary or any other officers, employees or agents of AIU.
- 5.4 The transfer of any rights, benefits, liabilities and obligations under or in connection with any Transferred EEA30 Policy, Transferred EEA30 Asset, Residual EEA30 Asset, Transferred EEA30 Liability or Residual EEA30 Liability pursuant to this Scheme shall take effect and shall be valid and binding on all parties having any interest in the same notwithstanding any restriction howsoever arising (including but not limited to, at law, in equity, tort or by contract) on transferring, assigning or otherwise dealing with the same and such transfer shall be deemed to take effect on the basis that it does not contravene any such restriction and does not give rise to any right to terminate, modify, acquire or claim an interest or right, or to treat an interest or right as terminated or modified or to treat any obligations or liabilities as discharged, modified or released.
- 5.5 AIU shall on and from the EEA30 Effective Date, as principal, take over from AEL the administration and negotiation of proposals for insurance which would become Transferred EEA30 Policies if AIU determined to accept them (but whether or not AIU does so determine). AIU shall bear all expenses and liabilities in relation thereto. Nothing contained herein shall oblige AIU to accept any proposal for insurance received by or on behalf of AEL before the EEA30 Effective Date but not accepted by AEL by the EEA30 Effective Date.
- 5.6 Unless otherwise agreed between AEL and AIU:
- (a) each of the Split EEA30 Policies shall be varied such that:
- (i) it shall continue on its existing terms with AEL as the insurer to the extent that such Split EEA30 Policy relates to assets which are not Transferred EEA30 Assets or

liabilities which are not Transferred EEA30 Liabilities and remain with AEL after the EEA30 Effective Date; and

- (ii) a new agreement shall be constituted between the insured and AIU as the insurer on the same terms as the existing terms to the extent that such Split EEA30 Policy relates to Transferred EEA30 Assets or Transferred EEA30 Liabilities which transfer to AIU under this Scheme;
- (b) the terms referred to in clause 5.6(a)(ii) shall be no more onerous for the policyholder than the existing terms of the applicable Split EEA30 Policy are for the policyholder and shall operate in conjunction with such existing terms such that the policyholder has a contract with each of AEL and AIU but is no better or worse off in respect of such contractual terms and conditions as a result of this Scheme;
- (c) the variation of the Split EEA30 Policy pursuant to clause 5.6(a) shall not constitute an event of default, suspension or otherwise give rise to a right of termination, early termination or unilateral variation (howsoever described) under the terms of any such Split EEA30 Policy;
- (d) each of AEL and AIU shall owe separate and individual (but not, for the avoidance of doubt, joint) obligations and duties under, and be liable for performance of, only the respective contract created under this Scheme to which it is a party, in accordance with its terms, and not under any contract created under this Scheme to which the other is a party;
- (e) all rights, claims (including incurred but not reported claims), proceedings and benefits under and accruing to the insured, AEL or AIU (as the case may be) under each Split EEA30 Policy shall not be terminated, reduced or otherwise adversely affected by such variation and new agreement and all such rights, claims (including incurred but not reported claims), Proceedings and benefits under each Split EEA30 Policy which relate to assets which are not Transferred EEA30 Assets or liabilities which are not Transferred EEA30 Liabilities will remain with and continue to be capable of being exercised by AEL and shall not be terminated, reduced or otherwise adversely affected by such variation and new agreement, and all such rights, claims (including incurred but not reported claims), proceedings and benefits under each Split EEA30 Policy which relate to the Transferred EEA30 Assets or the Transferred EEA30 Liabilities shall not be terminated, reduced or otherwise adversely affected and shall accrue to and be capable of being exercised by AIU under such new agreement in replacement of AEL; and
- (f) where applicable, the method of allocating premiums, limits, losses and related expenses and taxation in respect of a Split EEA30 Policy shall be determined by agreement between AEL and AIU.

6 EEA30 Reinsurance Arrangements

- 6.1 With effect on and from the EEA30 Effective Date, all the rights, benefits and powers conferred on or vested in AEL and all the liabilities imposed on AEL by or under the Transferred EEA30 Reinsurance Agreements, whether express or implied, shall, by the Order and without any further act or instrument, be transferred to and vest in AIU who shall, where appropriate, be substituted as a party in place of AEL as if AIU had always been the original party to such agreements from inception.
- 6.2 All references in the Transferred EEA30 Reinsurance Agreements to AEL, the AEL's Board, or any other officers, employees or agents of AEL shall from and after the EEA30 Effective Date be read as references to AIU, AIU's Board, or any other officers or employees of AIU or, where appropriate, agents of AIU to which the administration of the business carried on by AIU has been delegated. In particular, but without limitation, all rights and/or duties exercisable or expressed to be exercisable or responsibilities to be performed by AEL, AEL's Board, or any other officers, employees or agents of AEL in relation to any of the Transferred EEA30 Reinsurance Agreements shall, from and after the EEA30 Effective Date, be exercisable or required to be performed by AIU, AIU's Board or any other officers, employees or agents of AIU.
- 6.3 Unless otherwise agreed between AEL and AIU, each of the Split EEA30 Reinsurance Agreements shall be varied such that it shall continue on its existing terms with AEL as the reinsured to the extent that such Split EEA30 Reinsurance Agreements relate to liabilities which are not Transferred EEA30 Liabilities and remain with AEL after the EEA30 Effective Date, and shall constitute a new agreement with AIU as the reinsured on the same terms as the existing terms (which, for the avoidance of doubt, shall be terms that for AIU are no more onerous than the existing terms were for AEL) to the extent that such Split EEA30 Reinsurance Agreements relate to Transferred EEA30 Liabilities which transfer to AIU under this Scheme and such splitting and transfer shall not constitute an event of default, suspension or otherwise give rise to a right of termination, early termination or unilateral variation (howsoever described) under the terms of any such Split EEA30 Reinsurance Agreement and all rights, claims (including incurred but not reported claims), Proceedings and benefits under and accruing to the AEL under each Split EEA30 Reinsurance Agreement shall not be terminated, reduced or otherwise adversely affected by such variation and new agreement and all such rights, claims (including incurred but not reported claims), Proceedings and benefits under each Split EEA30 Reinsurance Agreement which relate to liabilities which are not Transferred EEA30 Liabilities will remain with and continue to be capable of being exercised by AEL and shall not be terminated, reduced or otherwise adversely affected by such variation and new agreement, and all such rights, claims (including incurred but not reported claims), Proceedings and benefits under each Split EEA30 Reinsurance Agreement which relate to Transferred EEA30 Liabilities shall not be terminated, reduced or otherwise adversely affected and shall accrue to and be capable of being exercised by AIU under such new agreement in replacement of AEL.

7 Residual EEA30 Policies

7.1 Subject to clauses 7.2 and 7.3, the Residual EEA30 Policies shall not be transferred to AIU by this Scheme and all liabilities attributable to the Residual EEA30 Policies shall remain liabilities of AEL and be fully reinsured to AIU with effect from the EEA30 Effective Date on the following basis:

- (a) all liabilities of AEL attributable to and arising under the Residual EEA30 Policies shall be reinsured in full to AIU with effect on and from the EEA30 Effective Date;
- (b) the liability of AIU with effect on and from the EEA30 Effective Date shall be such that the rights, benefits and powers provided to holders of Residual EEA30 Policies shall, to the extent possible, be the same as the rights, benefits and powers which would have been provided to such holders if the Residual EEA30 Policies had been Transferred EEA30 Policies;
- (c) the premiums payable by AEL to AIU in connection with the provision of the reinsurance described in this clause 7.1 shall comprise an amount equal to the sum of:
 - (i) the Residual EEA30 Assets which relate to such Residual EEA30 Policies and which have been received by AIU;
 - (ii) all premiums received by AEL in respect of such Residual EEA30 Policies at any time after the EEA30 Effective Date, which premiums shall be paid to AIU as soon as practicable after they are received;
 - (iii) all charges due to or deductible by AEL in accordance with the relevant Residual EEA30 Policy's terms and conditions; and
 - (iv) less any fees, charges and expenses in respect of the Residual EEA30 Policies to the extent that such fees, charges and expenses are deducted from amounts received by AEL in accordance with the terms and conditions of the Residual EEA30 Policies; and
- (d) AIU shall assume from AEL the administration of the Residual EEA30 Policies and shall bear all expenses and liabilities in relation thereto, save as otherwise agreed in writing between the parties.

7.2 If all consents, permissions or other requirements for the transfer of a Residual EEA30 Policy from AEL to AIU are obtained:

- (a) such Residual EEA30 Policy shall be transferred to AIU and shall thereafter be treated in all respects as if it were a Transferred EEA30 Policy save that references in this Scheme

to the EEA30 Effective Date shall be deemed for these purposes to be references to the Subsequent EEA30 Transfer Date applicable to such Residual EEA30 Policy or Residual EEA30 Liability (as the case may be); and

- (b) any liability attributable to such Residual EEA30 Policy (which, if it were attributable to a Transferred EEA30 Policy, would be a Transferred EEA30 Liability) shall be transferred to AIU and shall thereafter be treated in all respects as if it were a Transferred EEA30 Liability save that references in this Scheme to the EEA30 Effective Date shall be deemed for these purposes to be references to the Subsequent EEA30 Transfer Date applicable to such Residual EEA30 Policy or Residual EEA30 Liability (as the case may be).

- 7.3 If any Residual EEA30 Policy is novated by written agreement to AIU, the property and liabilities relating to such Residual EEA30 Policy shall, to the extent not previously transferred, be transferred to AIU and such Residual EEA30 Policy shall thereafter be dealt with by AIU under the provisions of this Scheme in all respects as if such Residual EEA30 Policy were a Transferred EEA30 Policy save that references in this Scheme to the EEA30 Effective Date shall be deemed for these purposes to be references to the Subsequent EEA30 Transfer Date applicable to such Residual EEA30 Policy or Residual EEA30 Liability (as the case may be).

8 Premiums, Mandates and other Payments

- 8.1 All premiums payable to AEL in respect of the Transferred EEA30 Policies shall with effect on and from the EEA30 Effective Date be payable to AIU.
- 8.2 Any mandate or other instruction in force on the EEA30 Effective Date (including, without limitation, any instruction given to a bank by its customer in the form of a direct debit or standing order) and providing for the payment by a banker or other Intermediary of premiums payable to AEL under or in respect of any of the Transferred EEA30 Policies shall thereafter take effect as if it had provided for and authorised such payment to AIU.
- 8.3 Any mandate or other instruction in force on the EEA30 Effective Date as to the manner of payment of any sum payable by AEL under any of the Transferred EEA30 Policies shall, with effect on and from the EEA30 Effective Date, continue in force as an effective authority to AIU in place of AEL.

9 Declaration of Trust by AEL

- 9.1 In the case of any Residual EEA30 Asset, AEL shall from the EEA30 Effective Date, until the relevant Subsequent EEA30 Transfer Date, hold any such Residual EEA30 Asset as trustee for AIU.

- 9.2 AEL shall be subject to AIU's directions in respect of any property referred to in clause 9.1 from the EEA30 Effective Date until the relevant property is transferred to or otherwise vested in AIU or is disposed of (whereupon AEL shall account to AIU for the proceeds of sale thereof), and AIU shall have authority to act as the attorney of AEL in respect of such property for all such purposes.
- 9.3 In the event of any payment being made to, property being received by or right being conferred upon AEL after the EEA30 Effective Date in respect of the Transferred EEA30 Business, the Transferred EEA30 Policies, any Transferred EEA30 Asset or any Residual EEA30 Asset, AEL shall, as soon as is reasonably practicable after its receipt, pay over the full amount of such payment or (to the extent to which it is able to do so) transfer such property or right to, or in accordance with the directions of, AIU.
- 9.4 AIU shall indemnify AEL against any reasonable out-of-pocket charges, costs, expenses, claims and other liabilities arising in respect of any obligation under or in connection with this clause 9.

10 Indemnities in favour of AEL

- 10.1 With effect on and from the EEA30 Effective Date, AIU shall discharge on AEL's behalf or, failing that, shall indemnify AEL against:
- (a) charges, costs, expenses and claims and any other liabilities (which, in each case, AEL shall procure are reasonable to the extent such matters are within its control) arising in respect of all Transferred EEA30 Liabilities and Residual EEA30 Liabilities (other than liabilities which would otherwise be the subject of double recovery under clause 10.1(b) or clause 10.2 below) until the relevant liability is transferred to or becomes a liability of AIU;
 - (b) any amount paid by AEL in respect of any Transferred EEA30 Liabilities and Residual EEA30 Liabilities that are, whether wholly or in part, the subject of a policy of indemnity insurance or a claim or right of recovery against a third party, but only to the extent that AEL, having made a claim under such a policy or against such third party, shall have failed to recover any such amount pursuant to rights it may have under such policy, claim or right of recovery (having used all reasonable endeavours to do so, including complying with clause 10.3); and
 - (c) charges, costs and claims arising in respect of any relevant Proceedings in respect of the Transferred EEA30 Business continued by or against AEL in accordance with the instructions of AIU as contemplated by clause 4.2.

- 10.2 For the avoidance of doubt, AIU shall not be required under clause 10.1 to discharge or indemnify AEL against Excluded EEA30 Liabilities or for any charges, costs, expenses and claims or any other liabilities arising in respect of any Excluded EEA30 Liabilities.
- 10.3 AIU shall indemnify AEL against any reasonable costs and/or expenses which it may incur in pursuing any claim under any such policy of indemnity insurance or against any such third party as is referred to in clause 10.1(b). Subject thereto, AEL shall take such steps as AIU shall require in order to pursue the rights it may have under any such policy of indemnity insurance or against any such third party. AIU shall be entitled, upon notice to AEL, to have conduct of all Proceedings in respect of any such claim. In that connection, AEL shall give all such assistance as AIU may reasonably require in conducting any such Proceedings.
- 10.4 Where AEL is entitled to receive an amount pursuant to the indemnities contained in clauses 10.1 or 10.3, it shall be entitled to receive such amount on the basis that the amount payable by AIU pursuant to such obligation (the **EEA30 Payment**) shall be calculated in such a manner as will ensure that AEL is in the same position as that in which it would have been if the matter giving rise to the EEA30 Payment had not occurred, including by taking into account:
- (a) any taxation required to be deducted or withheld by AIU from the EEA30 Payment;
 - (b) the amount of any additional taxation which becomes payable by AEL as a result of the EEA30 Payment being subject to taxation in the hands of AEL; and
 - (c) the amount of any tax relief which is obtained by AEL or another member of AEL's Group, to the extent that such tax relief is attributable to the matter giving rise to the EEA30 Payment or as a result of receiving the EEA30 Payment,
- (which taxation and tax relief is to be determined, by taking into account its value, certainty of its availability and timing of its utilisation, by AEL, acting reasonably and in good faith, to the reasonable satisfaction of AIU).
- 10.5 For the avoidance of doubt, AEL shall not be entitled to obtain payment or indemnity more than once in respect of any shortfall or other event or any other circumstances which give rise to a claim under this Scheme or any other related agreement between the parties.

PART D – MEDMAL TRANSFER

11 Transfer of Medmal Business

- 11.1 Each part of the Transferred Medmal Business, the Residual Medmal Assets and the Residual Medmal Liabilities shall be transferred to and be vested in AmTrust Italy in accordance with this Scheme, so that:
- (a) subject to clause 17, with effect on and from the Medmal Effective Date, each Transferred Medmal Asset and all the property of AEL in it shall, by the Order and without any further act or instrument, be transferred to and be vested in AmTrust Italy, subject to all Encumbrances (if any) affecting such property in accordance with this Scheme;
 - (b) subject to clause 17, with effect on and from each Subsequent Medmal Transfer Date, each Residual Medmal Asset to which such Subsequent Medmal Transfer Date applies and all the property of AEL in it shall, by the Order and without any further act or instrument, be transferred to and be vested in AmTrust Italy, subject to all Encumbrances (if any) affecting such property in accordance with this Scheme;
 - (c) with effect on and from the Medmal Effective Date, each Transferred Medmal Liability shall, by the Order and without any further act or instrument, be transferred to and become a liability of AmTrust Italy in accordance with this Scheme and shall cease to be a liability of AEL; and
 - (d) with effect on and from each Subsequent Medmal Transfer Date, each Residual Medmal Liability to which such Subsequent Medmal Transfer Date applies shall, by the Order and without any further act or instrument, be transferred to and become a liability of AmTrust Italy in accordance with this Scheme and shall cease to be a liability of AEL.
- 11.2 AmTrust Italy shall accept without investigation or requisition such title as AEL shall have at the Medmal Effective Date to the Transferred Medmal Assets and, at any Subsequent Medmal Transfer Date, to each Residual Medmal Asset then transferred and AEL shall not be liable for any charges, expenses, costs, claims, losses or any other liabilities in connection thereto that arise after the Medmal Effective Date, save as otherwise agreed between the parties in writing or as set out in this Scheme.
- 11.3 Save as provided in this Scheme, the transfer and vesting of any Transferred Medmal Asset or Transferred Medmal Liability relating to any part of the Transferred Medmal Business by virtue of the Order and this Scheme shall not
- (a) invalidate or discharge any contract, security interest or any other agreement or arrangement having a similar effect;

- (b) require further registration in respect of any security;
- (c) constitute a breach of, or default under, or require any obligation to be performed sooner or later than would have otherwise been the case under, any contract or instrument to which AEL or AmTrust Italy are a party or are bound;
- (d) allow any party to a contract to which AmTrust Italy or AEL are a party to terminate that contract when that party would not otherwise have been able to terminate it;
- (e) entitle any party to any contract to which AmTrust Italy or AEL are a party to vary the terms of that contract when that party would not otherwise have been able to vary those terms or confer a right or benefit on that party which he would not otherwise have had; or
- (f) confer any greater or lesser rights or benefits, or impose any greater or lesser obligations, on any party to any contract to which AEL or AmTrust Italy are a party when that greater or lesser obligation would not otherwise have been imposed.

11.4 AEL and AmTrust Italy shall take all such steps, and execute all such documents, as may be necessary or desirable:

- (a) to effect or perfect the transfer to and vesting in AEL of any Transferred Medmal Asset or Residual Medmal Asset pursuant to this Scheme;
- (b) to correct any errors in the identity or amount of the property so transferred; and
- (c) to effect or perfect the transfer to and assumption by AmTrust Italy of any Transferred Medmal Liability or Residual Medmal Liability pursuant to this Scheme.

11.5 With effect on and from the Medmal Effective Date, AmTrust Italy shall:

- (a) succeed to all property and liabilities of AEL in respect of any personal data which relates to the Transferred Medmal Business and which is subject to the Applicable Privacy Laws;
- (b) become the data controller of any personal data which relates to the Transferred Medmal Business and which is subject to the Applicable Privacy Laws and shall be deemed to have been controller of all such personal data at all material times when such personal data was processed; and
- (c) in respect of any personal data which relates to the Transferred Medmal Business be subject to the same duty by virtue of any law to which AEL was subject to respect the confidentiality and privacy of each data subject of that personal data and shall be bound by any specific notice or consent given, or request made, by the data subject which was binding on AEL and which required AEL not to use the personal data for marketing purposes,

and in any consent given by a data subject in respect of such data as is mentioned in this clause 11.5, any reference to AEL (or to any member of AEL's Group) shall be deemed to include a reference to AmTrust Italy (and to any member of AmTrust Italy's Group).

12 Continuity of Proceedings

12.1 With effect on and from the Medmal Effective Date, any Proceedings (or any relevant part thereof) which:

- (a) prior to the Medmal Effective Date, have been issued, served, commenced, threatened or contemplated;
- (b) as at the Medmal Effective Date are pending or are continued, or which are issued, served, commenced, threatened or contemplated;
- (c) as at the Medmal Effective Date may be brought in the future including those not yet in contemplation; or
- (d) as at the Medmal Effective Date are pending or are continued on or after the Medmal Effective Date, by or against AEL in connection with the Transferred Medmal Business, the Transferred Medmal Policies, the Transferred Medmal Assets or the Transferred Medmal Liabilities,

shall be continued or commenced by, against or in relation to AmTrust Italy (and for the avoidance of doubt any future Proceedings (or any relevant part thereof) in connection with the Transferred Medmal Business, the Transferred Medmal Policies, the Transferred Medmal Assets or the Transferred Medmal Liabilities shall be brought by, against or in relation to AmTrust Italy and AmTrust Italy shall be entitled to all defences, claims, counterclaims, settlements, rights of set-off, rights of subrogation and any other rights that would have been available to AEL in relation to the Transferred Medmal Business, the Transferred Medmal Policies, the Transferred Medmal Assets or the Transferred Medmal Liabilities in any such Proceedings (or any relevant part thereof)).

12.2 With effect on and from the Subsequent Medmal Transfer Date applicable thereto, any Proceedings (or any relevant part thereof) which:

- (a) prior to the Subsequent Medmal Transfer Date, have been issued, served, commenced, threatened or contemplated;
- (b) as at the Subsequent Medmal Transfer Date are pending or are continued, or which are issued, served, commenced, threatened or contemplated;

- (c) as at the Subsequent Medmal Transfer Date may be brought in the future including those not yet in contemplation; or
- (d) as at the Subsequent Medmal Transfer Date are pending or are continued on or after the Subsequent Medmal Transfer Date, by or against AEL in connection with the Residual Medmal Assets or the Residual Medmal Liabilities which are to be transferred on such Subsequent Medmal Transfer Date,

shall be continued or commenced by, against or in relation to AmTrust Italy (and for the avoidance of doubt any future Proceedings (or any relevant part thereof) in connection with such Residual Medmal Assets or Residual Medmal Liabilities shall be brought by, against or in relation to AmTrust Italy and AmTrust Italy shall be entitled to all defences, claims, counterclaims, settlements, rights of set-off, rights of subrogation and any other rights that would have been available to AEL in relation to the Residual Medmal Assets and the Residual Medmal Liabilities). Until such Subsequent Medmal Transfer Date, the relevant Proceedings (or any relevant part thereof) shall be commenced or continued by or against AEL and AEL shall conduct such Proceedings (or any relevant part thereof) in accordance with the reasonable instructions of AmTrust Italy and at the cost of AmTrust Italy.

- 12.3 Any judgment, settlement, order or award (or any relevant part thereof) obtained by or against AEL whether before or after the Medmal Effective Date to the extent that it relates to any part of the Transferred Medmal Business, the Transferred Medmal Policies, the Transferred Medmal Assets, the Transferred Medmal Liabilities, the Residual Medmal Assets or the Residual Medmal Liabilities and which is not fully satisfied before the Medmal Effective Date or, as the case may be, the applicable Subsequent Medmal Transfer Date, shall, on that date and to the extent to which it was enforceable by or against AEL immediately prior to such date (or, if later, the date on which the judgment, settlement, order or award (or any relevant part thereof) is obtained), become enforceable by or against AmTrust Italy (to the exclusion of AEL).
- 12.4 All documents which would before the Medmal Effective Date have been evidence in respect of any matter for or against AEL shall on and from the Medmal Effective Date be evidence in respect of the same matter for or against AmTrust Italy.
- 12.5 On and from the Medmal Effective Date, AmTrust Italy shall owe to the policyholders of the Transferred Medmal Business or to any other person the same duties of confidentiality and privacy (whether pursuant to statute or contract) as those which AEL owed under the Transferred Medmal Business immediately prior to the Medmal Effective Date.
- 12.6 In respect of the Transferred Medmal Business, AmTrust Italy undertakes to comply with:

- (a) the relevant provisions of DISP included in the FCA Handbook that would apply to the handling of any complaints brought to the UK Financial Ombudsman Service that fall under its jurisdiction;
- (b) any other relevant sections of the FCA Handbook where the application of local law is likely not to result in the same outcome for the holders of Transferred Medmal Policies; and
- (c) any valid judgment, settlement, order or award (or any relevant part thereof) of the UK Financial Ombudsman Service, made under its jurisdiction as set out in DISP 2 of the FCA Handbook.

12.7 Notwithstanding clause 22.1, any holder of a Transferred Medmal Policy may enforce the provisions of clause 12.6(c) against AmTrust Italy.

13 Rights and Obligations in relation to the Transferred Medmal Business

13.1 With effect on and from the Medmal Effective Date, AmTrust Italy shall become entitled to all the rights, benefits, powers and other property of AEL whatsoever subsisting on the Medmal Effective Date under or by virtue of the Transferred Medmal Policies.

13.2 Every person who is a policyholder of any of the Transferred Medmal Policies or is a party to, or has the benefit of, any of the agreements with AEL comprising the Transferred Medmal Business shall with effect on and from the Medmal Effective Date become entitled, in succession to, and to the exclusion of, any rights which he may have had against AEL under any of the Transferred Medmal Policies or any other such agreement comprising the Transferred Medmal Business, to the same rights against AmTrust Italy subject to the terms of this Scheme as were available to it against AEL under such Transferred Medmal Policies or such other agreement comprising the Transferred Medmal Business and (as regards Transferred Medmal Policies under which premiums or other sums attributable or referable thereto continue to be payable) shall with effect on and from the Medmal Effective Date account to AmTrust Italy for any further or additional premiums or other sums attributable or referable thereto as and when the same become due and payable.

13.3 All references in any Transferred Medmal Policy or other agreement comprising the Transferred Medmal Business to AEL, AEL's Board, AEL's Actuary or any other officers, employees or agents of AEL shall from and after the Medmal Effective Date be read as references to AmTrust Italy, AmTrust Italy's Board, AmTrust Italy's Actuary or any other officers or employees of AmTrust Italy or, where appropriate, agents of AmTrust Italy to which the administration of the relevant part of the business carried on by AmTrust Italy has been delegated. In particular, but without limitation, all rights and duties exercisable or expressed to be exercisable or responsibilities to be performed by AEL, AEL's Board, AEL's Actuary or any other officers,

employees or agents of AEL in relation to any of the Transferred Medmal Policies or other agreements relating to the Transferred Medmal Business shall, from and after the Medmal Effective Date, be exercisable or required to be performed by AmTrust Italy, AmTrust Italy's Board, AmTrust Italy's Actuary or any other officers, employees or agents of AmTrust Italy.

- 13.4 The transfer of any rights, benefits, liabilities and obligations under or in connection with any Transferred Medmal Policy, Transferred Medmal Asset, Residual Medmal Asset, Transferred Medmal Liability or Residual Medmal Liability pursuant to this Scheme shall take effect and shall be valid and binding on all parties having any interest in the same notwithstanding any restriction howsoever arising (including but not limited to, at law, in equity, tort or by contract) on transferring, assigning or otherwise dealing with the same and such transfer shall be deemed to take effect on the basis that it does not contravene any such restriction and does not give rise to any right to terminate, modify, acquire or claim an interest or right, or to treat an interest or right as terminated or modified or to treat any obligations or liabilities as discharged, modified or released.
- 13.5 AmTrust Italy shall on and from the Medmal Effective Date, as principal, take over from AEL the administration and negotiation of proposals for insurance which would become Transferred Medmal Policies if AmTrust Italy determined to accept them (but whether or not AmTrust Italy does so determine). AmTrust Italy shall bear all expenses and liabilities in relation thereto. Nothing contained herein shall oblige AmTrust Italy to accept any proposal for insurance received by or on behalf of AEL before the Medmal Effective Date but not accepted by AEL by the Medmal Effective Date.

14 Medmal Reinsurance Arrangements

- 14.1 With effect on and from the Medmal Effective Date, all the rights, benefits and powers conferred on or vested in AEL and all the liabilities imposed on AEL by or under the Transferred Medmal Reinsurance Agreements, whether express or implied, shall, by the Order and without any further act or instrument, be transferred to and vest in AmTrust Italy who shall, where appropriate, be substituted as a party in place of AEL as if AmTrust Italy had always been the original party to such agreements from inception.
- 14.2 All references in the Transferred Medmal Reinsurance Agreements to AEL, the AEL's Board, or any other officers, employees or agents of AEL shall from and after the Medmal Effective Date be read as references to AmTrust Italy, AmTrust Italy's Board, or any other officers or employees of AmTrust Italy or, where appropriate, agents of AmTrust Italy to which the administration of the business carried on by AmTrust Italy has been delegated. In particular, but without limitation, all rights and/or duties exercisable or expressed to be exercisable or responsibilities to be performed by AEL, AEL's Board, or any other officers, employees or agents of AEL in relation to any of the Transferred Medmal Reinsurance Agreements shall, from

and after the Medmal Effective Date, be exercisable or required to be performed by AmTrust Italy, AmTrust Italy's Board or any other officers, employees or agents of AmTrust Italy.

- 14.3 Unless otherwise agreed between AEL and AmTrust Italy, each of the Split Medmal Reinsurance Agreements shall be varied such that it shall continue on its existing terms with AEL as the reinsured to the extent that such Split Medmal Reinsurance Agreements relate to liabilities which are not Transferred Medmal Liabilities and remain with AEL after the Medmal Effective Date, and shall constitute a new agreement with AmTrust Italy as the reinsured on the same terms as the existing terms (which, for the avoidance of doubt, shall be terms that for AmTrust Italy are no more onerous than the existing terms were for AEL) to the extent that such Split Medmal Reinsurance Agreements relate to Transferred Medmal Liabilities which transfer to AmTrust Italy under this Scheme and such splitting and transfer shall not constitute an event of default, suspension or otherwise give rise to a right of termination, early termination or unilateral variation (howsoever described) under the terms of any such Split Medmal Reinsurance Agreement and all rights, claims (including incurred but not reported claims), Proceedings and benefits under and accruing to the AEL under each Split Medmal Reinsurance Agreement shall not be terminated, reduced or otherwise adversely affected by such variation and new agreement and all such rights, claims (including incurred but not reported claims), Proceedings and benefits under each Split Medmal Reinsurance Agreement which relate to liabilities which are not Transferred Medmal Liabilities will remain with and continue to be capable of being exercised by AEL and shall not be terminated, reduced or otherwise adversely affected by such variation and new agreement, and all such rights, claims (including incurred but not reported claims), Proceedings and benefits under each Split Medmal Reinsurance Agreement which relate to Transferred Medmal Liabilities shall not be terminated, reduced or otherwise adversely affected and shall accrue to and be capable of being exercised by AmTrust Italy under such new agreement in replacement of AEL.

15 Residual Medmal Policies

- 15.1 Subject to clauses 15.2 and 15.3, the Residual Medmal Policies shall not be transferred to AmTrust Italy by this Scheme and all liabilities attributable to the Residual Medmal Policies shall remain liabilities of AEL and be fully reinsured to AmTrust Italy with effect from the Medmal Effective Date on the following basis:
- (a) all liabilities of AEL attributable to and arising under the Residual Medmal Policies shall be reinsured in full to AmTrust Italy with effect on and from the Medmal Effective Date;
 - (b) the liability of AmTrust Italy with effect on and from the Medmal Effective Date shall be such that the rights, benefits and powers provided to holders of Residual Medmal Policies shall, to the extent possible, be the same as the rights, benefits and powers which would have been provided to such holders if the Residual Medmal Policies had been Transferred Medmal Policies;

- (c) the premiums payable by AEL to AmTrust Italy in connection with the provision of the reinsurance described in this clause 15.1 shall comprise an amount equal to the sum of:
 - (i) the Residual Medmal Assets which relate to such Residual Medmal Policies and which have been received by AmTrust Italy;
 - (ii) all premiums received by AEL in respect of such Residual Medmal Policies at any time after the Medmal Effective Date, which premiums shall be paid to AmTrust Italy as soon as practicable after they are received;
 - (iii) all charges due to or deductible by AEL in accordance with the relevant Residual Medmal Policy's terms and conditions; and
 - (iv) less any fees, charges and expenses in respect of the Residual Medmal Policies to the extent that such fees, charges and expenses are deducted from amounts received by AEL in accordance with the terms and conditions of the Residual Medmal Policies; and
- (d) AmTrust Italy shall assume from AEL the administration of the Residual Medmal Policies and shall bear all expenses and liabilities in relation thereto, save as otherwise agreed in writing between the parties.

15.2 If all consents, permissions or other requirements for the transfer of a Residual Medmal Policy from AEL to AmTrust Italy are obtained:

- (a) such Residual Medmal Policy shall be transferred to AmTrust Italy and shall thereafter be treated in all respects as if it were a Transferred Medmal Policy save that references in this Scheme to the Medmal Effective Date shall be deemed for these purposes to be references to the Subsequent Medmal Transfer Date applicable to such Residual Medmal Policy or Residual Medmal Liability (as the case may be); and
- (b) any liability attributable to such Residual Medmal Policy (which, if it were attributable to a Transferred Medmal Policy, would be a Transferred Medmal Liability) shall be transferred to AmTrust Italy and shall thereafter be treated in all respects as if it were a Transferred Medmal Liability save that references in this Scheme to the Medmal Effective Date shall be deemed for these purposes to be references to the Subsequent Medmal Transfer Date applicable to such Residual Medmal Policy or Residual Medmal Liability (as the case may be).

15.3 If any Residual Medmal Policy is novated by written agreement to AmTrust Italy, the property and liabilities relating to such Residual Medmal Policy shall, to the extent not previously transferred, be transferred to AmTrust Italy and such Residual Medmal Policy shall thereafter be dealt with by AmTrust Italy under the provisions of this Scheme in all respects as if such

Residual Medmal Policy were a Transferred Medmal Policy save that references in this Scheme to the Medmal Effective Date shall be deemed for these purposes to be references to the Subsequent Medmal Transfer Date applicable to such Residual Medmal Policy or Residual Medmal Liability (as the case may be).

16 Premiums, Mandates and other Payments

- 16.1 All premiums payable to AEL in respect of the Transferred Medmal Policies shall with effect on and from the Medmal Effective Date be payable to AmTrust Italy.
- 16.2 Any mandate or other instruction in force on the Medmal Effective Date (including, without limitation, any instruction given to a bank by its customer in the form of a direct debit or standing order) and providing for the payment by a banker or other Intermediary of premiums payable to AEL under or in respect of any of the Transferred Medmal Policies shall thereafter take effect as if it had provided for and authorised such payment to AmTrust Italy.
- 16.3 Any mandate or other instruction in force on the Medmal Effective Date as to the manner of payment of any sum payable by AEL under any of the Transferred Medmal Policies shall, with effect on and from the Medmal Effective Date, continue in force as an effective authority to AmTrust Italy in place of AEL.

17 Declaration of Trust by AEL

- 17.1 In the case of any Residual Medmal Asset, AEL shall from the Medmal Effective Date, until the relevant Subsequent Medmal Transfer Date, hold any such Residual Medmal Asset as trustee for AmTrust Italy.
- 17.2 AEL shall be subject to AmTrust Italy's directions in respect of any property referred to in clause 17.1 from the Medmal Effective Date until the relevant property is transferred to or otherwise vested in AmTrust Italy or is disposed of (whereupon AEL shall account to AmTrust Italy for the proceeds of sale thereof), and AmTrust Italy shall have authority to act as the attorney of AEL in respect of such property for all such purposes.
- 17.3 In the event of any payment being made to, property being received by or right being conferred upon AEL after the Medmal Effective Date in respect of the Transferred Medmal Business, the Transferred Medmal Policies, any Transferred Medmal Asset or any Residual Medmal Asset, AEL shall, as soon as is reasonably practicable after its receipt, pay over the full amount of such payment or (to the extent to which it is able to do so) transfer such property or right to, or in accordance with the directions of, AmTrust Italy.
- 17.4 AmTrust Italy shall indemnify AEL against any reasonable out-of-pocket charges, costs, expenses, claims and other liabilities arising in respect of any obligation under or in connection with this clause 17.

18 Indemnities in favour of AEL

- 18.1 With effect on and from the Medmal Effective Date, AmTrust Italy shall discharge on AEL's behalf or, failing that, shall indemnify AEL against:
- (a) charges, costs, expenses and claims and any other liabilities (which, in each case, AEL shall procure are reasonable to the extent such matters are within its control) arising in respect of all Transferred Medmal Liabilities and Residual Medmal Liabilities (other than liabilities which would otherwise be the subject of double recovery under clause 18.1(b) or clause 18.2 below) until the relevant liability is transferred to or becomes a liability of AmTrust Italy;
 - (b) any amount paid by AEL in respect of any Transferred Medmal Liabilities and Residual Medmal Liabilities that are, whether wholly or in part, the subject of a policy of indemnity insurance or a claim or right of recovery against a third party, but only to the extent that AEL, having made a claim under such a policy or against such third party, shall have failed to recover any such amount pursuant to rights it may have under such policy, claim or right of recovery (having used all reasonable endeavours to do so, including complying with clause 18.3); and
 - (c) charges, costs and claims arising in respect of any relevant Proceedings in respect of the Transferred Medmal Business continued by or against AEL in accordance with the instructions of AmTrust Italy as contemplated by clause 12.2.
- 18.2 For the avoidance of doubt, AmTrust Italy shall not be required under clause 18.1 to discharge or indemnify AEL against Excluded Medmal Liabilities or for any charges, costs, expenses and claims or any other liabilities arising in respect of any Excluded Medmal Liabilities.
- 18.3 AmTrust Italy shall indemnify AEL against any reasonable costs and/or expenses which it may incur in pursuing any claim under any such policy of indemnity insurance or against any such third party as is referred to in clause 18.1(b). Subject thereto, AEL shall take such steps as AmTrust Italy shall require in order to pursue the rights it may have under any such policy of indemnity insurance or against any such third party. AmTrust Italy shall be entitled, upon notice to AEL, to have conduct of all Proceedings in respect of any such claim. In that connection, AEL shall give all such assistance as AmTrust Italy may reasonably require in conducting any such Proceedings.
- 18.4 Where AEL is entitled to receive an amount pursuant to the indemnities contained in clauses 18.1 or 18.3, it shall be entitled to receive such amount on the basis that the amount payable by AmTrust Italy pursuant to such obligation (the **Medmal Payment**) shall be calculated in such a manner as will ensure that AEL is in the same position as that in which it would have been if the matter giving rise to the Medmal Payment had not occurred, including by taking into account:

- (a) any taxation required to be deducted or withheld by AmTrust Italy from the Medmal Payment;
- (b) the amount of any additional taxation which becomes payable by AEL as a result of the Medmal Payment being subject to taxation in the hands of AEL; and
- (c) the amount of any tax relief which is obtained by AEL or another member of AEL's Group, to the extent that such tax relief is attributable to the matter giving rise to the Medmal Payment or as a result of receiving the Payment,

(which taxation and tax relief is to be determined, by taking into account its value, certainty of its availability and timing of its utilisation, by AEL, acting reasonably and in good faith, to the reasonable satisfaction of AmTrust Italy).

18.5 For the avoidance of doubt, AEL shall not be entitled to obtain payment or indemnity more than once in respect of any shortfall or other event or any other circumstances which give rise to a claim under this Scheme or any other related agreement between the parties.

PART E - MISCELLANEOUS PROVISIONS

19 Effective Date

19.1 For the avoidance of doubt, the provisions of this Scheme relating to the transfer to AIU of the Transferred EEA30 Business on the one hand and the transfer to AmTrust Italy of the Transferred Medmal Business on the other are not interdependent and, accordingly, it is hereby declared that:

- (a) the transfer to AIU of the Transferred EEA30 Business may be sanctioned and become effective irrespective of whether or not the transfer to AmTrust Italy of the Transferred Medmal Business is sanctioned and becomes effective (either at the same time or at all); and
- (b) the transfer to AmTrust Italy of the Transferred Medmal Business may be sanctioned and become effective irrespective of whether or not the transfer to AIU of the Transferred Medmal Business is sanctioned and becomes effective (either at the same time or at all).

19.2 Subject to clause 19.3, the provisions of this Scheme related to:

- (a) the Transferred EEA30 Business shall become effective at 00.01 am BST on 1 July 2020 (the **EEA30 Effective Date**); and
- (b) the Transferred Medmal Business shall become effective at 00.01 am BST on 1 July 2020 (the **Medmal Effective Date**).

19.3 If the provisions of this Scheme relating to:

- (a) the Transferred EEA30 Business have not become effective on or before 00.01am BST on 30 September 2020, the provisions of this Scheme relating to the Transferred EEA30 Business shall lapse; or
- (b) the Transferred Medmal Business have not become effective on or before 00.01am BST on 30 September 2020, the provisions of this Scheme relating to the Transferred Medmal Business shall lapse.

19.4 This Scheme will not become effective on the EEA30 Effective Date or the Medmal Effective Date unless on or prior thereto the Order shall have been made.

20 Costs and Expenses

Except as otherwise agreed in writing, AEL shall bear 50% and AIU and AmTrust Italy shall each bear 25% of the aggregate costs and expenses in relation to the preparation and carrying into effect of this Scheme.

21 Modification or Additions

- 21.1 AEL, AIU and AmTrust Italy may, as required, consent for and on behalf of the parties hereto and all other persons concerned to any modification of or addition to this Scheme or to any further condition or provision affecting the same which, prior to its sanction of this Scheme, the Court may approve or impose.
- 21.2 Subject to clause 21.4, at any time after the sanction of this Scheme, AIU, with AEL's consent (not to be unreasonably withheld or delayed), shall be at liberty to apply to the Court for consent to amend clauses 1 and clause 2 (inclusive) (to the extent such clauses relate to the Transferred EEA30 Business) and clauses 3 to 10 inclusive, provided that in any such case:
- (a) the PRA and the FCA shall be notified in advance and in good time of (and, in any event, not less than twenty eight (28) days prior to), and shall have the right to be heard at, any hearing of the Court at which such application is considered; and
 - (b) such application shall be accompanied by a certificate (supported by a report which has been prepared on the basis of the most recent available financial information) from the Independent Expert or another independent actuary to the effect that in his opinion the proposed amendment will not materially adversely affect: (i) the policyholders of the Transferred EEA30 Policies, the Transferred Medmal Policies, the Residual EEA30 Policies or the Residual Medmal Policies; or (ii) the other policyholders of AEL.

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

- 21.3 Subject to clause 21.4, at any time after the sanction of this Scheme, AmTrust Italy shall be at liberty to apply to the Court for consent to amend clauses 1 and clause 2 (inclusive) (to the extent such clauses relate to the Transferred Medmal Business) and clauses 11 to 18 (inclusive), provided that in any such case:
- (a) the PRA and the FCA shall be notified in advance and in good time of (and, in any event, not less than twenty eight (28) days prior to), and shall have the right to be heard at, any hearing of the Court at which such application is considered; and
 - (b) such application shall be accompanied by a certificate (supported by a report which has been prepared on the basis of the most recent available financial information) from the Independent Expert or another independent actuary to the effect that in his opinion the proposed amendment will not materially adversely affect: (i) the policyholders of the Transferred EEA30 Policies, the Transferred Medmal Policies, the Residual EEA30 Policies or the Residual Medmal Policies; or (ii) the other policyholders of AEL.

If the consent or the Court is granted, AmTrust Italy may amend the terms of this Scheme in accordance with such consent.

21.4 The consent of the Court shall not be required in relation to minor and/or technical amendments to the terms of this Scheme (including amendments to correct manifest errors and/or to reflect changes required by law or regulation, including changes in generally accepted actuarial practice) that are (in the case of amendments set out in clause 21.2) agreed by AEL and AIU or (in the case of amendments set out in clause 21.3) agreed by AEL and AmTrust Italy, provided that either:

- (a) each of the PRA and the FCA has been notified of the same and has indicated that it does not object thereto; or
- (b) a period of twenty eight (28) days commencing on the date of an acknowledgement of receipt of the relevant notification by both the PRA and the FCA has passed without the PRA or the FCA indicating any objection thereto.

22 Third Party Rights and Governing Law

22.1 It is not intended that any person who is not a party to this Scheme may enforce any of its terms, whether by virtue of the Contracts (Rights of Third Parties) Act 1999 or otherwise.

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

Dated this [●] day of June 2020

Schedule 1
Reinsurance Agreements

Part A – Transferred EEA30 Reinsurance Agreements

Policy Market Reference Number	Type	Inception Date	Expiry Date

Part B – Transferred Medmal Reinsurance Agreements

Policy Market Reference Number	Type	Inception Date	Expiry Date

Part C – Split EEA30 Reinsurance Agreements

Policy Market Reference Number	Type	Inception Date	Expiry Date

Part D – Split Medmal Reinsurance Agreements

Policy Market Reference Number	Type	Inception Date	Expiry Date