IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
SCOTTISH HOLDINGS, INC., *et al.*,	Case No. 18-10160 (LSS)
Debtors.[1]	Jointly Administered

NOTICE OF FILING OF (I) AMENDED [PROPOSED] DISCLOSURE STATEMENT FOR DEBTORS' FIRST AMENDED JOINT CHAPTER 11 PLAN; (II) DEBTORS' FIRST AMENDED JOINT CHAPTER 11 PLAN; AND (III) REVISED PROPOSED DISCLOSURE STATEMENT ORDER

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On April 18, 2018, the Debtors filed the *Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* (D.I. 213) (the "Plan") and the *[Proposed] Disclosure Statement for Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* (D.I. 214) (the "Disclosure Statement").

2. On May 4, 2018, the Debtors filed *Debtors' Motion for Order: (I) Approving Disclosure Statement; (II) Scheduling Confirmation Hearing and Related Deadlines; (III) Establishing Procedures for Solicitation, Temporary Allowance of Claims and Vote Tabulation; (IV) Approving Form of Ballots; (V) Approving Form, Manner and Sufficiency of Notice of Confirmation Hearing and Related Deadlines; and (VI) Granting Related Relief* (D.I. 242) (the "Solicitation Procedures Motion"), to which was annexed a proposed form of order and

[1] The Debtors, along with the last four digits of their federal tax identification numbers, are as follows: Scottish Holdings, Inc. (4408) and Scottish Annuity & Life Insurance Company (Cayman) Ltd. (3285). The Debtors' mailing address for purposes of these chapter 11 cases is 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277.

various exhibits thereto including notices and Ballots. (collectively, the "Original Proposed Disclosure Statement Order").

3. On June 12, 2018, this Court entered the *Order: (I) Approving Debtors' Designations of (A) Winning Bid and Winning Bidder and (B) Backup Bid and Backup Bidder; and (II) Granting Related Relief* [D.I. 346] (the "Winning Bidder Order"). As contemplated by the Winning Bidder Order, the Debtors have prepared revised version of the Plan, the Disclosure Statement and the Original Proposed Disclosure Statement Order, on terms consistent with the Winning Bid.

4. Attached hereto as **Exhibit A** is the *Disclosure Statement for First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* (the "Amended Disclosure Statement").

5. Attached hereto as **Exhibit B** is the *First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* (the "Amended Plan").

6. Attached hereto as **Exhibit C** is the revised Disclosure Statement Order to the Solicitation Procedures Motion (the "Revised Proposed Disclosure Statement Order").

7. Attached hereto as **Exhibit D** is a redline comparing the Amended Disclosure Statement to the Disclosure Statement.

8. Attached hereto as **Exhibit E** is a redline comparing the Amended Plan to the Plan.

9. Attached hereto as **Exhibit F** is a redline comparing the Revised Proposed Disclosure Statement Order to the Original Proposed Disclosure Statement Order.

10. The hearing to consider approval of the Amended Disclosure Statement and the relief requested in the Solicitation Procedures Motion, as supplemented and modifed by the Revised Proposed Disclosure Statement Order, is currently scheduled for **June 28, 2018 at 10:00 a.m. (prevailing Eastern time)** (the "Hearing") before the Honorable Laurie Selber Silverstein, United States Bankruptcy Judge, at the United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, 6th Floor, Courtroom No. 2, Wilmington, Delaware 19801. The Hearing may be adjourned from time to time without further notice to parties in interest other than by an announcement in Court of such adjournment on the date scheduled for the Hearing or as indicated in any notice of agenda of matters scheduled for hearing filed by the Debtors with the Court

11. The Debtors reserve the right to further alter, amend, modify, or supplement the Amended Plan, Amended Disclosure Statement, and Revised Proposed Disclosure Statement Order.

12. Copies of the Amended Plan, Amended Disclosure Statement, and Revised Disclosure Statement Order are or soon will be available and may be examined by interested parties, as follows: (i) free of charge at the web page maintained by the Debtors for restructuring information at http://www.scottishre.com/chapter11info; (ii) at the office of the Clerk of the Court, 824 N. Market Street, Wilmington, Delaware 19801 between the hours of 8:00 a.m. and 3:00 p.m. (ET); (iii) on the Court's electronic docket of these cases at the address http://www.pacer.gov (charges may apply); and (iv) free of charge upon reasonable written request to the Debtors' counsel identified in this notice.

13. If you have any questions regarding this notice, the Amended Disclosure Statement, the Amended Plan, or the Solicitation Procedures Motion as modified and

supplemented by the Revised Proposed Disclosure Statement Order, please contact the undersigned counsel for the Debtors by email at scottishrebankruptcyinfo@mnat.com or by phone at 302-351-9146. The Debtors' counsel cannot provide you with legal advice; you must consult your own attorney for such matters. **DO NOT ATTEMPT TO CONTACT THE COURT FOR ADVICE.**

Dated: June 15, 2018
Wilmington, Delaware

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Exhibit A

Amended Disclosure Statement

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
SCOTTISH HOLDINGS, INC., *et al.*,	Case No. 18-10160 (LSS)
Debtors.[1]	Jointly Administered

DISCLOSURE STATEMENT FOR FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF SCOTTISH HOLDINGS, INC., AND SCOTTISH ANNUITY & LIFE INSURANCE COMPANY (CAYMAN) LTD.

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Dated: June 15, 2018
Wilmington, Delaware

[1] The Debtors, along with the last four digits of their federal tax identification numbers, are as follows: Scottish Holdings, Inc. (4408) and Scottish Annuity & Life Insurance Company (Cayman) Ltd. (3285). The Debtors' mailing address for purposes of these Chapter 11 Cases is 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277.

IMPORTANT INFORMATION ABOUT THIS DISCLOSURE STATEMENT

THE DEBTORS ARE PROVIDING THE INFORMATION IN THIS DISCLOSURE STATEMENT TO HOLDERS OF CLAIMS ENTITLED TO VOTE FOR PURPOSES OF SOLICITING VOTES TO ACCEPT OR REJECT THE JOINT CHAPTER 11 PLAN OF SCOTTISH HOLDINGS, INC. AND SCOTTISH ANNUITY & LIFE INSURANCE COMPANY (CAYMAN) LTD. PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE RELIED UPON OR USED BY ANY ENTITY FOR ANY OTHER PURPOSE. BEFORE DECIDING WHETHER TO VOTE FOR OR AGAINST THE PLAN, EACH HOLDER ENTITLED TO VOTE SHOULD CAREFULLY CONSIDER ALL OF THE INFORMATION IN THIS DISCLOSURE STATEMENT, INCLUDING THE RISK FACTORS DESCRIBED IN ARTICLE IX HEREIN.

THE DEBTORS URGE EACH HOLDER OF A CLAIM ENTITLED TO VOTE TO CONSULT WITH ITS OWN ADVISORS WITH RESPECT TO ANY LEGAL, FINANCIAL, SECURITIES, TAX, OR BUSINESS ADVICE IN REVIEWING THIS DISCLOSURE STATEMENT, THE PLAN, AND THE PROPOSED TRANSACTIONS CONTEMPLATED THEREBY. FURTHERMORE, THE BANKRUPTCY COURT'S APPROVAL OF THE ADEQUACY OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL OF THE PLAN.

THIS DISCLOSURE STATEMENT CONTAINS, AMONG OTHER THINGS, SUMMARIES OF THE PLAN, CERTAIN STATUTORY PROVISIONS, AND CERTAIN ANTICIPATED EVENTS IN THE CHAPTER 11 CASES. ALTHOUGH THE DEBTORS BELIEVE THAT THESE SUMMARIES ARE FAIR AND ACCURATE, THESE SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS OR EVERY DETAIL OF SUCH ANTICIPATED EVENTS. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR ANY OTHER DOCUMENTS INCORPORATED HEREIN BY REFERENCE, THE PLAN OR SUCH OTHER DOCUMENTS WILL GOVERN FOR ALL PURPOSES. FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE DEBTORS' MANAGEMENT EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. THE DEBTORS DO NOT REPRESENT OR WARRANT THAT THE INFORMATION CONTAINED HEREIN OR ATTACHED HERETO IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION. THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE A GUARANTEE BY THE COURT OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN OR AN ENDORSEMENT BY THE BANKRUPTCY COURT OF THE MERITS OF THE PLAN.

IN PREPARING THIS DISCLOSURE STATEMENT, THE DEBTORS RELIED ON FINANCIAL DATA DERIVED FROM THE DEBTORS' BOOKS AND RECORDS AND ON VARIOUS ASSUMPTIONS REGARDING THE DEBTORS' BUSINESSES. WHILE THE DEBTORS BELIEVE THAT SUCH FINANCIAL INFORMATION FAIRLY REFLECTS THE FINANCIAL CONDITION OF THE DEBTORS AS OF THE DATE HEREOF AND THAT THE ASSUMPTIONS REGARDING FUTURE EVENTS REFLECT REASONABLE BUSINESS JUDGMENTS, NO REPRESENTATIONS OR WARRANTIES ARE MADE AS TO THE ACCURACY OF THE FINANCIAL INFORMATION CONTAINED HEREIN OR ASSUMPTIONS REGARDING THE DEBTORS' BUSINESSES AND THEIR FUTURE RESULTS AND OPERATIONS. THE DEBTORS EXPRESSLY CAUTION READERS NOT TO PLACE UNDUE RELIANCE ON ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN.

THE DEBTORS ARE MAKING THE STATEMENTS AND PROVIDING THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AS OF THE DATE HEREOF, UNLESS OTHERWISE SPECIFICALLY NOTED. ALTHOUGH THE DEBTORS MAY SUBSEQUENTLY UPDATE THE INFORMATION IN THIS DISCLOSURE STATEMENT, THE DEBTORS HAVE NO AFFIRMATIVE DUTY TO DO SO, AND EXPRESSLY DISCLAIM ANY DUTY TO PUBLICLY UPDATE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS, OR OTHERWISE. HOLDERS OF CLAIMS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT INFER THAT, AT THE TIME OF THEIR REVIEW, THE FACTS SET FORTH HEREIN HAVE NOT CHANGED SINCE THIS DISCLOSURE STATEMENT WAS FILED. INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION, MODIFICATION, OR AMENDMENT. THE DEBTORS RESERVE THE RIGHT TO FILE AN AMENDED OR MODIFIED PLAN AND RELATED DISCLOSURE STATEMENT FROM TIME TO TIME, SUBJECT TO THE TERMS OF THE PLAN.

THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE, AND MAY NOT BE CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION, OR WAIVER. THE DEBTORS OR ANY OTHER AUTHORIZED PARTY MAY SEEK TO INVESTIGATE, FILE, AND PROSECUTE CLAIMS AND MAY OBJECT TO CLAIMS AFTER THE CONFIRMATION OR EFFECTIVE DATE OF THE PLAN IRRESPECTIVE OF WHETHER THIS DISCLOSURE STATEMENT IDENTIFIES ANY SUCH CLAIMS OR OBJECTIONS TO CLAIMS.

THE DEBTORS HAVE NOT AUTHORIZED ANY ENTITY TO GIVE ANY INFORMATION ABOUT OR CONCERNING THE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT. THE DEBTORS HAVE NOT AUTHORIZED ANY REPRESENTATIONS CONCERNING THE DEBTORS OR THE VALUE OF THEIR PROPERTY OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT AND THE EFFECTIVE DATE OCCURS, ALL HOLDERS OF CLAIMS OR INTERESTS (INCLUDING THOSE HOLDERS OF CLAIMS WHO DO NOT SUBMIT BALLOTS TO ACCEPT OR REJECT THE PLAN, WHO VOTE TO REJECT THE PLAN, OR WHO ARE NOT ENTITLED TO VOTE ON THE PLAN) WILL BE BOUND BY THE TERMS OF THE PLAN AND THE RESTRUCTURING TRANSACTION CONTEMPLATED THEREBY.

THE CONFIRMATION AND EFFECTIVENESS OF THE PLAN ARE SUBJECT TO CERTAIN MATERIAL CONDITIONS PRECEDENT DESCRIBED HEREIN AND SET FORTH IN ARTICLE IX OF THE PLAN. THERE IS NO ASSURANCE THAT THE PLAN WILL BE CONFIRMED, OR IF CONFIRMED, THAT THE CONDITIONS REQUIRED TO BE SATISFIED FOR THE PLAN TO GO EFFECTIVE WILL BE SATISFIED (OR WAIVED).

YOU ARE ENCOURAGED TO READ THE PLAN AND THIS DISCLOSURE STATEMENT IN ITS ENTIRETY, INCLUDING ARTICLE IX, ENTITLED "ERROR! REFERENCE SOURCE NOT FOUND.**," WHICH BEGINS ON PAGE [ ], BEFORE SUBMITTING YOUR BALLOT TO VOTE ON THE PLAN.**

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3016(B) AND IS NOT NECESSARILY PREPARED IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER SIMILAR LAWS. THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR ANY SIMILAR FEDERAL, STATE, LOCAL, OR FOREIGN REGULATORY AGENCY, NOR HAS THE SEC OR ANY OTHER AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT.

UPON CONFIRMATION OF THE PLAN, CERTAIN (BUT NOT ALL) OF THE SECURITIES DESCRIBED IN THIS DISCLOSURE STATEMENT WILL BE ISSUED WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933, 15 U.S.C. §§ 77A–77AA, TOGETHER WITH THE RULES AND REGULATIONS PROMULGATED THEREUNDER (THE "SECURITIES ACT"), OR SIMILAR FEDERAL, STATE, LOCAL, OR FOREIGN LAWS, IN RELIANCE ON THE EXEMPTION SET FORTH IN SECTION 1145 OF THE BANKRUPTCY CODE. OTHER SECURITIES MAY BE ISSUED PURSUANT TO OTHER APPLICABLE EXEMPTIONS UNDER THE FEDERAL SECURITIES LAWS. TO THE EXTENT EXEMPTIONS FROM REGISTRATION UNDER SECTION 1145 OF THE BANKRUPTCY CODE OR APPLICABLE FEDERAL SECURITIES LAW DO NOT APPLY, THE SECURITIES MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO A VALID EXEMPTION OR UPON REGISTRATION UNDER THE SECURITIES ACT.

THE DEBTORS MAKE STATEMENTS IN THIS DISCLOSURE STATEMENT THAT ARE CONSIDERED FORWARD-LOOKING STATEMENTS UNDER FEDERAL SECURITIES LAWS. THE DEBTORS CONSIDER ALL STATEMENTS REGARDING ANTICIPATED OR FUTURE MATTERS TO BE FORWARD-LOOKING STATEMENTS. FORWARD-LOOKING STATEMENTS MAY INCLUDE STATEMENTS ABOUT THE DEBTORS':

- **BUSINESS STRATEGY;**
- **TECHNOLOGY;**
- **FINANCIAL CONDITION, REVENUES, CASH FLOWS, AND EXPENSES;**
- **LEVELS OF INDEBTEDNESS, LIQUIDITY, AND COMPLIANCE WITH DEBT COVENANTS;**
- **FINANCIAL STRATEGY, BUDGET, PROJECTIONS, AND OPERATING RESULTS;**
- **THE AMOUNT, NATURE, AND TIMING OF CAPITAL EXPENDITURES;**

- **AVAILABILITY AND TERMS OF CAPITAL;**
- **SUCCESSFUL RESULTS FROM THE DEBTORS' OPERATIONS;**
- **COSTS OF CONDUCTING THE DEBTORS' OTHER OPERATIONS;**
- **GENERAL ECONOMIC AND BUSINESS CONDITIONS;**
- **EFFECTIVENESS OF THE DEBTORS' RISK MANAGEMENT ACTIVITIES;**
- **THE OUTCOME OF PENDING AND FUTURE LITIGATION;**
- **UNCERTAINTY REGARDING THE DEBTORS' FUTURE OPERATING RESULTS;**
- **PLANS, OBJECTIVES, AND EXPECTATIONS;**
- **THE ADEQUACY OF THE DEBTORS' CAPITAL RESOURCES AND LIQUIDITY;**
- **RISKS IN CONNECTION WITH ACQUISITIONS;**
- **THE POTENTIAL ADOPTION OF NEW GOVERNMENTAL REGULATIONS; AND**
- **THE DEBTORS' ABILITY TO SATISFY FUTURE CASH OBLIGATIONS.**

STATEMENTS CONCERNING THESE AND OTHER MATTERS ARE NOT GUARANTEES OF THE REORGANIZED DEBTORS' FUTURE PERFORMANCE. THERE ARE RISKS, UNCERTAINTIES, AND OTHER IMPORTANT FACTORS THAT COULD CAUSE THE REORGANIZED DEBTORS' ACTUAL PERFORMANCE OR ACHIEVEMENTS TO BE DIFFERENT FROM THOSE THEY MAY PROJECT, AND THE DEBTORS UNDERTAKE NO OBLIGATION TO UPDATE THE PROJECTIONS MADE HEREIN. THESE RISKS, UNCERTAINTIES, AND FACTORS MAY INCLUDE THE FOLLOWING: THE DEBTORS' ABILITY TO CONFIRM AND CONSUMMATE THE PLAN; THE POTENTIAL THAT THE DEBTORS MAY NEED TO PURSUE AN ALTERNATIVE TRANSACTION IF THE PLAN IS NOT CONFIRMED; THE DEBTORS' ABILITY TO REDUCE THEIR OVERALL FINANCIAL LEVERAGE; THE POTENTIAL ADVERSE IMPACT OF THE CHAPTER 11 CASES ON THE DEBTORS' OPERATIONS, MANAGEMENT, AND EMPLOYEES; THE RISKS ASSOCIATED WITH OPERATING THE DEBTORS' BUSINESSES DURING THE CHAPTER 11 CASES; CUSTOMER RESPONSES TO THE CHAPTER 11 CASES; THE DEBTORS' INABILITY TO DISCHARGE OR SETTLE CLAIMS DURING THE CHAPTER 11 CASES; GENERAL ECONOMIC, BUSINESS, AND MARKET CONDITIONS; CURRENCY FLUCTUATIONS; INTEREST RATE FLUCTUATIONS; PRICE INCREASES; EXPOSURE TO LITIGATION; A DECLINE IN THE DEBTORS' MARKET SHARE DUE TO COMPETITION OR PRICE PRESSURE BY CUSTOMERS; THE DEBTORS' ABILITY TO IMPLEMENT COST REDUCTION INITIATIVES IN A TIMELY MANNER; THE DEBTORS' ABILITY TO DIVEST EXISTING BUSINESSES; FINANCIAL CONDITIONS OF THE DEBTORS' CUSTOMERS; ADVERSE TAX CHANGES; LIMITED ACCESS TO CAPITAL RESOURCES; CHANGES IN DOMESTIC AND FOREIGN LAWS AND REGULATIONS; TRADE BALANCE; NATURAL DISASTERS; GEOPOLITICAL INSTABILITY; AND THE EFFECTS OF GOVERNMENTAL REGULATION ON THE DEBTORS' BUSINESSES.

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THIS IS NOT A SOLICITATION OF VOTES TO ACCEPT OR REJECT THE PLAN IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND WITHIN THE MEANING OF SECTION 1126 OF THE BANKRUPTCY CODE. 11 U.S.C. §§ 1125, 1126. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT. THE INFORMATION IN THE PLAN AND THIS DISCLOSURE STATEMENT IS SUBJECT TO WITHDRAWAL, CHANGE AND MAY BE SUPPLEMENTED. THE FILING OF THE DISCLOSURE STATEMENT AND PLAN IS WITHOUT PREJUDICE TO ANY CONSENT RIGHTS THAT THE PURCHASER MAY HAVE PURSUANT TO THE STOCK PURCHASE AGREEMENT AND ANY CONSENT RIGHTS THAT SRGL MAY HAVE UNDER THE TERMS OF THE RESTRUCTURING IMPLEMENTATION AGREEMENT OR THE RIA ORDER. THE PLAN AND THIS DISCLOSURE STATEMENT ARE NOT AN OFFER TO SELL ANY SECURITIES AND ARE NOT SOLICITING AN OFFER TO BUY ANY SECURITIES.

I. INTRODUCTION AND EXECUTIVE SUMMARY

A. Overview of this Disclosure Statement

Scottish Holdings, Inc. ("SHI") and Scottish Annuity & Life Insurance Company (Cayman) Ltd. ("SALIC"), debtors and debtors in possession (the "Debtors") in these Chapter 11 Cases, hereby submit this disclosure statement (the "Disclosure Statement"), pursuant to section 1125 of title 11 of the United States Code (the "Bankruptcy Code"), for use in the solicitation of votes on the *First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* Filed June 15, 2018 (as further amended, modified, or supplemented from time to time in accordance with its terms, the "Plan"). Capitalized terms used and not defined herein have the meaning ascribed to such terms in the Plan, a copy of which is attached as **Exhibit 1** to this Disclosure Statement, and the Glossary of Defined Terms attached to the Plan as **Exhibit A**.

The purpose of this Disclosure Statement is to enable Holders of Impaired Claims who are entitled to vote to make an informed decision in exercising their right to accept or reject the Plan. This Disclosure Statement sets forth certain information regarding the Debtors' prepetition operating and financial history, their reasons for seeking protection and reorganization under chapter 11, significant events that have occurred during the Chapter 11 Cases and the anticipated operations and financing of the Reorganized Debtors upon their emergence from chapter 11. This Disclosure Statement also describes certain terms and provisions of the Plan, certain effects of Confirmation of the Plan, certain risk factors associated with the Plan and the type and manner of Distributions to be made under the Plan. In addition, this Disclosure Statement discusses the Confirmation process and the voting procedures that Holders of Claims entitled to vote under the Plan must follow for their votes to be counted.

B. Purpose and Effect of the Plan

The Plan provides for the sale of SALIC and certain of its Affiliates as a going concern to Hildene Re Holdings, LLC[2] (the "Purchaser") free and clear of all funded indebtedness and certain general unsecured claims unrelated to SALIC's reinsurance business. More specifically, the Plan provides for: (1) the reorganization and recapitalization of the Debtors and certain of their non-debtor Affiliates through a new money contribution of $12,500,000 by the Purchaser in the form of the Recapitalization Funding Payment; (2) the funding of distributions to the Debtors' creditors through an additional new money contribution of $21,500,000 by the Purchaser in the form of the Plan Funding Payment subject to reduction by the amount of the TruPS Returned Cash; (3) in exchange for the foregoing payments and other consideration, the issuance or assignment to the Purchaser of one hundred percent (100%) of the New Equity, subject to downward adjustment to no less than seventy (70%), to the extent that eligible unsecured creditors elect to receive their pro rata share of up to thirty percent (30%) of the New Equity, in lieu of a cash distribution under the Plan; (4) the assumption by the Reorganized Debtors of all Reinsurance Contracts and Reserve Financing Contracts (each as defined in the Stock Purchase Agreement); (5) creation of the Distribution Trust (a) for payment of all Secured Claims, Administrative Claims, and Priority Claims to the extent Allowed and not paid or otherwise satisfied prior to the Effective Date, and (b) for the benefit of Holders of SHI TruPS Claims, SHI General Unsecured Claims, SALIC TruPS Claims and SALIC General Unsecured Claims, all to the extent Allowed; and (6) funding of the Distribution Trust with the Distribution Trust Assets, as well as the Available Plan Distribution Funding Payment and the Distribution Trust Reserves.

Pursuant to sections 105(a), 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the Distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good faith compromise of all Claims, Interests and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim may have with respect to any Allowed Claim, or any distribution to be made on account of such Allowed Claim, as well as the allocation of the Plan Funding Payment among the Debtors' Estates and Creditors. *In addition, the Plan contains certain release, injunction and exculpation provisions all set forth in Article X of the Plan.*

C. Summary of Treatment of Claims and Interests and Description of Recoveries under the Plan

The table below summarizes the classification and treatment of the Claims and Interests under the Plan. The projected recoveries are estimates based upon a number of assumptions, including the amount of Allowed Claims in each Class, which amounts are

[2] The Purchaser is an Affiliate of Hildene Opportunities Master Fund, Ltd. ("Hildene"), which was until recently a member of the Official Committee in these Chapter 11 Cases. Once Hildene expressed interest in participating directly in the Auction process as a bidder, the Debtors promptly requested and received from the Official Committee assurances that Hildene and its Affiliates had been walled off from the Committee's consideration of which bids should be deemed Qualified Bids, as that term is defined in the Bidding Procedures, and other aspects of the bidding and auction process. Shortly after the conclusion of the Auction, Hildene resigned from the Official Committee.

estimated as of [June 15, 2018], except for Claims in Classes 4, 5, 6 and 7, which are estimated as of the Petition Date based on information contained in the Debtors' Schedules and the Debtors' ongoing review of Proofs of Claim filed in the Chapter 11 Cases.

The actual amounts of Allowed Claims could materially exceed or could be materially less than the amounts estimated by the Debtors and used to estimate the projected recoveries shown in the table below. The Debtors have not yet reviewed and fully analyzed all Claims, and the estimates underlying the projected recoveries set forth below are based upon the Debtors' review of their books and records, and include estimates of a number of Claims that are contingent, disputed, or unliquidated.

Class	Claim or Interest	Summary of Treatment	Projected Recovery Under Plan
1	Secured Claims	Unimpaired; Deemed to Accept the Plan	100%
2	Priority Non-Tax Claims	Unimpaired; Deemed to Accept the Plan	100%
3	Intercompany Claims	Unimpaired; Deemed to Accept the Plan	100%
4	SHI TruPS Claims	Impaired; Entitled to Vote on the Plan	TBD
5	SHI General Unsecured Claims	Impaired; Entitled to Vote on the Plan	TBD
6	SALIC TruPS Claims & SFL Claims	Impaired; Entitled to Vote on the Plan	TBD
7	SALIC General Unsecured Claims	Impaired; Entitled to Vote on the Plan	TBD
8	Subordinated Claims	Impaired; Deemed to Reject the Plan	0%
9	SHI Existing Equity Interests	Impaired; Deemed to Reject the Plan	0%
10	SALIC Existing Equity Interests	Unimpaired; Deemed to Accept the Plan	N/A

Hypothetical Recoveries for Unsecured Creditors:

Assumptions for the following examples (please note that all of the assumed numbers are purely illustrative and do not reflect potential claim amounts or projected recoveries):

- The TruPS Claims Aggregate Amount is $333,411,262.40.
- The TruPS/GUC Claims Aggregate Amount is $348,411,262.40.
- The Creditor's Allowed Claim is $10,000,000.00.

Calculation of Recoveries for Allowed Claims in Classes 4 and 6 held by New Equity Eligible Beneficial Holders who do not make the Cash Election.

As a hypothetical example, the Creditor will receive:

1. Its TruPS Equity Distribution Amount, which will be calculated as the Creditor's Allocated Portion of the Allowed Claims in that Class over the TruPS Claims Aggregate Amount ($10,000,000/$333,411,262.40 = 0.03 or 3.0%). That Creditor will receive approximately 3.0% of the 30% of Offered New Equity, or approximately 0.9% of the total New Equity.

2. Approximately 2.9% of the Distribution Trust Asset Proceeds, calculated as its Allowed Claim over the TruPS/GUC Claims Aggregate Amount ($10,000,000/$348,411,262.40 = 0.029 or 2.9%).

Calculation of Recoveries for Allowed Claims of New Equity Eligible Beneficial Holders in Classes 4 and 6 who make the Cash Election and SRGL.

As a hypothetical example, the Creditor will receive:

1. Its TruPS/GUC Cash Distribution Amount, which will be calculated as the Creditor's Allowed Claim in that Class over the TruPS/GUC Claims Aggregate Amount ($10,000,000/$348,411,262.40 = 0.029 or 2.9%). That Creditor will receive approximately 2.9% of the Available Plan Funding Payment.

2. Approximately 2.9% of the Distribution Trust Asset Proceeds, calculated as its Allowed Claim over the TruPS/GUC Claims Aggregate Amount ($10,000,000/$348,411,262.40 = 0.029 or 2.9%).

Calculation of Recoveries for Allowed Claims held by GUCs in Classes 5 and 7

As a hypothetical example, the Creditor will receive:

1. Its TruPS/GUC Cash Distribution Amount, which will be calculated as the Creditor's Allowed Claim in that Class over the TruPS/GUC Claims Aggregate Amount ($10,000,000/$348,411,262.40 = 0.029 or 2.9%). That Creditor will receive approximately 2.9% of the Available Plan Funding Payment.

2. Approximately 2.9% of the Distribution Trust Asset Proceeds, calculated as its Allowed Claim over the TruPS/GUC Claims Aggregate Amount ($10,000,000/$348,411,262.40 = 0.029 or 2.9%)

THE DEBTORS BELIEVE THAT THE PLAN PROVIDES THE BEST RECOVERIES POSSIBLE FOR HOLDERS OF CLAIMS AGAINST THE DEBTORS AND THUS STRONGLY RECOMMEND THAT CREDITORS VOTE TO ACCEPT THE PLAN.

D. Additional Plan Related Documents

This Disclosure Statement and the Plan incorporate by reference the Stock Purchase Agreement and Restructuring Implementation Agreement that are attached as **Exhibit B** and **Exhibit C** to the Plan, as well as any and all documents to be submitted as part of the Plan Supplement. The Stock Purchase Agreement, the Restructuring Implementation Agreement and the Plan Supplement are to be considered part of the Plan and this Disclosure Statement and should be reviewed and consulted when considering whether to vote to accept or reject the Plan.

II. PLAN VOTING INSTRUCTIONS AND PROCEDURES

A. Voting Rights

Under the Bankruptcy Code, only holders of claims and interests in classes that are (a) treated as "impaired" by a plan of reorganization and (b) entitled to receive a distribution under such plan are entitled to vote on such plan. Under the Plan, only Holders of Claims in Classes 4, 5, 6 and 7 are entitled to vote on the Plan. Claims in other Classes are either (i) Unimpaired, and their Holders are deemed to have accepted the Plan, or (ii) Impaired, and their Holders are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code.

Any Holder of a Claim that (a) is not scheduled and (b) that is not the subject of a Proof of Claim Filed by the applicable Bar Date set by the Bankruptcy Court will not be treated as a Creditor with respect to such Claim for purposes of voting on or objecting to the Plan. Any Holder of a Claim that is scheduled in the Schedules as disputed, contingent or unliquidated (and that has not been satisfied or superseded by any Proof of Claim), will be allowed to vote only in the amount of $1.00. In the event of any inconsistency between the voting rights and procedures as set forth herein and the Bankruptcy Court order approving this Disclosure Statement and related procedures for solicitation and voting [Docket No. ___] (the "Solicitation Procedures Order"), the latter shall control.

B. Classes Entitled to Vote to Accept or Reject the Plan

Only Holders of Claims in Classes 4, 5, 6 and 7 are entitled to vote to accept or reject the Plan. By operation of law, each Unimpaired Class of Claims is deemed to have accepted the Plan and, therefore, the Holders of Claims or Interests in such Classes are not entitled to vote to accept or reject the Plan. Accordingly, Holders of Claims in Classes 1, 2, and 3, and Holders of Interests in Class 10 are deemed to have accepted the Plan and, therefore, are not entitled to vote to accept or reject the Plan. By operation of law, each Class that is Impaired and will not receive a Distribution under the Plan is deemed to have rejected the Plan and, therefore, the Holders of Claims or Interests in such Classes are not entitled to vote to accept or reject the Plan. Accordingly, the Holders of Claims in Class 8, and Holders of Interests in Class 9 are deemed to have rejected the Plan and, therefore, are not entitled to vote to accept or reject the Plan.

C. Solicitation Materials

In soliciting votes for the Plan pursuant to this Disclosure Statement, Prime Clerk LLC will serve as solicitation and balloting agent (in such capacity, the "Voting Agent") and will send to Holders of Claims who are entitled to vote copies of: (a) the Disclosure Statement and Plan, (b) the notice of, among other things, (i) the date, time, and place of the hearing to consider Confirmation of the Plan and related matters, and (ii) the deadline for filing objections to Confirmation of the Plan (the "Confirmation Hearing Notice"), (c) one or more ballots (and return envelopes) to be used in voting to accept or to reject the Plan, and (d) other materials as authorized under the Solicitation Procedures Order.

D. Voting Procedures, Ballots, and Voting Deadline

After carefully reviewing the Plan, this Disclosure Statement, and the detailed instructions accompanying your ballot, you are asked to indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan on the accompanying ballot.

Each ballot has been coded to reflect the Class of Claims it represents. Accordingly, in voting to accept or reject the Plan, you must use only the coded ballot(s) sent to you with this Disclosure Statement.

All votes to accept or reject the Plan must be cast by using the ballot enclosed with the Disclosure Statement. IN ORDER FOR YOUR VOTE TO BE COUNTED, YOUR BALLOT MUST BE PROPERLY COMPLETED AS SET FORTH ABOVE AND IN ACCORDANCE WITH THE VOTING INSTRUCTIONS ON THE BALLOT AND RECEIVED NO LATER THAN **[AUGUST 13], 2018, AT [4:00 P.M.] (EASTERN TIME)** (THE "VOTING DEADLINE") BY THE FOLLOWING:

Via first-class mail, overnight courier, or hand-delivery to:

Scottish Holdings Ballot Processing
c/o Prime Clerk, LLC
830 3rd Avenue, 3rd Floor
New York, NY 10022

OR

Via the Voting Agent's online balloting portal:

Visit https://cases.primeclerk.com/scottishballots, click on "Submit E-Ballot" and follow the instructions indicated.

BALLOTS SENT BY FACSIMILE, E-MAIL OR OTHER ELECTRONIC MEANS WILL NOT BE ACCEPTED. BALLOTS THAT ARE RECEIVED BUT NOT SIGNED WILL NOT BE COUNTED. DO NOT RETURN ANY STOCK CERTIFICATES, DEBT INSTRUMENTS, OR OTHER EVIDENCE OF YOUR CLAIM WITH YOUR BALLOT.

For further general instructions on voting to accept or reject the Plan, see the instructions accompanying your ballot.

THE DEBTORS URGE ALL HOLDERS OF CLAIMS ENTITLED TO VOTE TO ACCEPT THE PLAN BY COMPLETING THEIR BALLOTS AND RETURNING THEIR BALLOTS BY THE VOTING DEADLINE.

E. Waivers of Defects, Irregularities, Etc.

Unless otherwise directed by the Bankruptcy Court, all questions as to the validity, form, eligibility (including time of receipt), acceptance, and revocation or withdrawal of ballots will be determined by the Voting Agent and the Debtors in their sole discretion, which determination will be final and binding. As indicated below under "Withdrawal of Ballots; Revocation," effective withdrawals of ballots must be delivered to the Voting Agent prior to the Voting Deadline. The Debtors reserve the absolute right to contest the validity of any such withdrawal. The Debtors also reserve the right to reject any and all ballots not in proper form, the acceptance of which would, in the opinion of the Debtors or their counsel, be unlawful. The Debtors further reserve the right, with the consent of the Purchaser (which consent shall not be unreasonably withheld), to waive any defects or irregularities or conditions of delivery as to any particular ballot. The interpretation (including the ballot and the respective instructions thereto) by the Debtors, unless otherwise directed by the Bankruptcy Court, will be final and binding on

all parties. Unless waived, any defects or irregularities in connection with deliveries of ballots must be cured within such time as the Debtors (or the Bankruptcy Court) determine. Neither the Debtors nor any other Person will be under any duty to provide notification of defects or irregularities with respect to deliveries of ballots nor will any of them incur any liabilities for failure to provide such notification. Unless otherwise directed by the Bankruptcy Court, delivery of such ballots will not be deemed to have been made until such irregularities have been cured or waived. Ballots previously furnished (and as to which any irregularities have not theretofore been cured or waived) will be invalidated.

F. Withdrawal of Ballots; Revocation

Any party who has delivered a valid ballot for the acceptance or rejection of the Plan may withdraw such acceptance or rejection by delivering a written notice of withdrawal to the Voting Agent at any time prior to the Voting Deadline. To be valid, a notice of withdrawal must (i) contain (x) the description of the Claim(s) to which it relates and (y) the aggregate principal amount represented by such Claim(s), (ii) be signed by the withdrawing party in the same manner as the ballot being withdrawn, (iii) contain a certification that the withdrawing party (x) owns the Claim(s) and (y) possesses the right to withdraw the vote sought to be withdrawn, and (iv) be received by the Voting Agent in a timely manner. The Debtors intend to consult with the Voting Agent to determine whether any withdrawals of ballots were received and whether the requisite acceptances of the Plan have been received. As stated above, the Debtors expressly reserve the right to contest the validity of any such withdrawals of ballots.

Unless otherwise directed by the Bankruptcy Court, a purported notice of withdrawal of ballots which is not received in a timely manner by the Voting Agent will not be effective to withdraw a previously cast ballot.

Any party who has previously submitted a properly completed ballot to the Voting Agent prior to the Voting Deadline may revoke such ballot and change his or its vote by submitting to the Voting Agent prior to the Voting Deadline a subsequent properly completed ballot for acceptance or rejection of the Plan. In the case where more than one timely, properly completed ballot is received, only the ballot bearing the latest date will be counted for purposes of determining whether the requisite acceptances have been received.

G. Voting Objection Deadline

As set forth more fully in the Solicitation Procedures Order, the deadline for the Debtors to File and serve any objections that may affect the ability of the Holder of such Claims to vote on the Plan (each, a "Voting Objection") is [August 1], 2018. Any motion pursuant to Bankruptcy Rule 3018(a) for temporary allowance for voting purposes of a Claim subject to a Voting Objection must be filed and served by no later than [August 10,] 2018, at 4:00 p.m. (Eastern Time).

H. Confirmation Hearing and Deadline for Objections to Confirmation

Pursuant to section 1128 of the Bankruptcy Code and Bankruptcy Rule 3017(c), the Bankruptcy Court has scheduled a Confirmation Hearing for **[August 22], 2018, at [10:00 a.m.] (Eastern Time)**. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for the announcement of the adjournment date made at the Confirmation Hearing or at any subsequently adjourned Confirmation Hearing. Objections to Confirmation of the Plan must be made in writing and must specify in detail the name and address of the objector, all grounds for the objection, and the amount and Class of the Claim. Any such objection must be Filed with the Bankruptcy Court on or before **[August 10], 2018, at [4:00 p.m.] (Eastern Time)**. Objections to Confirmation of the Plan are governed by Bankruptcy Rule 9014.

I. Further Information; Additional Copies

If you are the Holder of a Claim who believes you are entitled to vote on the Plan, and you did not receive a ballot or you received a ballot that is damaged or illegible, or if you have any questions or require further information about the voting procedures for voting your Claim or about the packet of material you received, or if you wish to obtain an additional copy of the Plan, this Disclosure Statement, or any exhibits or appendices to such documents (at your own expense, unless otherwise specifically required by Bankruptcy Rule 3017(d) or the Solicitation Procedures Order), please contact the Voting Agent at:

Scottish Holdings Ballot Processing
c/o Prime Clerk, LLC
830 3rd Avenue, 3rd Floor
New York, NY 10022
Telephone: (347) 897-3820 or (877) 851-3566 (toll-free)
scottishballots@primeclerk.com

Additional copies of this Disclosure Statement, the Plan, the Plan Supplement, and any related documents, all as such documents may be updated or modified from time to time, or other documents or information concerning these Chapter 11 Cases, may also be obtained free of charge at a webpage maintained by the Debtors for restructuring information at www.scottishre.com/chapter11info or https://cases.primeclerk.com/scottishballots.

III. OVERVIEW OF THE DEBTORS' BUSINESS AND FINANCIAL AFFAIRS

A. Scottish Re's Business

The Debtors, together with their non-debtor Affiliates, are part of the Scottish Re group of companies (collectively, "Scottish Re"). Founded in 1998, the Scottish Re companies are engaged in the reinsurance of life insurance, annuities and annuity-type products. These

products are written by life insurance companies and other financial institutions primarily located in the United States. Scottish Re's reinsurance companies are subject to insurance laws and regulation in the jurisdictions in which they operate, which include Bermuda, the Cayman Islands, Ireland, and the United States. In early 2008, the Scottish Re companies ceased writing new business and notified existing clients that they would not be accepting any new reinsurance risks under existing reinsurance treaties, thereby placing their remaining treaties into run-off. Scottish Re's business today consists of managing a legacy reinsurance portfolio.

The majority of Scottish Re's reinsurance business was written through Scottish Re (U.S.), Inc. ("SRUS"), a Delaware reinsurance company subject to regulation and oversight by the Delaware Department of Insurance (the "Delaware DOI"). As a domestic reinsurance company, SRUS is not eligible to be and is not a debtor in these Chapter 11 Cases. SRUS is party to nearly 1,000 reinsurance agreements or "treaties" with dozens of third-party life insurance and reinsurance companies.

To reduce its liabilities, and the amount of capital it is required to hold, SRUS has retroceded a significant portion of its business to SALIC. SALIC is a foreign reinsurance company organized under the laws of the Cayman Islands. SALIC is not subject to the regulation or oversight of any U.S. state insurance department, and, instead, is regulated by the Cayman Islands Monetary Authority ("CIMA"). Due to, among other factors, differences in capital requirements between U.S. insurance regulations and the regulations under which SALIC operates, SRUS's retrocession to SALIC makes Scottish Re's reinsurance business significantly more capital efficient than otherwise would be achievable without retrocession to such an offshore reinsurer.

B. Scottish Re's Corporate Structure

SALIC is wholly owned by Scottish Re Group Limited ("SRGL"), which is described in more detail below. SALIC is not subject to the regulation or oversight of any U.S. state insurance department, and therefore is eligible to be, and is, a Debtor in these Chapter 11 Cases.

SRGL is a privately-owned holding company incorporated under the laws of the Cayman Islands with its principal office in Bermuda. SRGL is not a debtor in these Chapter 11 Cases and, as described further below, has commenced voluntary winding-up proceedings in the Cayman Islands and Bermuda. SRGL holds the primary beneficial interest in Orkney Re II plc ("Orkney Re II"), a special purpose reinsurer, domiciled in Ireland. In accordance with FIN 46R, Orkney Re II is considered to be a variable interest entity and, as a result, Orkney Re II has been consolidated in SRGL's consolidated U.S. GAAP financial statements.

SHI is a Delaware corporation headquartered in Charlotte, North Carolina. All of SHI's common stock is owned by SALIC. SHI is a holding company that does not engage in the insurance or reinsurance business. SHI, therefore, is eligible to be, and is, a Debtor in these Chapter 11 Cases.

SHI directly owns all of the common stock of SRUS. SHI also owns all of the common securities of three Connecticut statutory business trusts and one Delaware statutory business trust, each of which was formed to issue certain of the "trust preferred securities" or "TruPS" described in greater detail below.

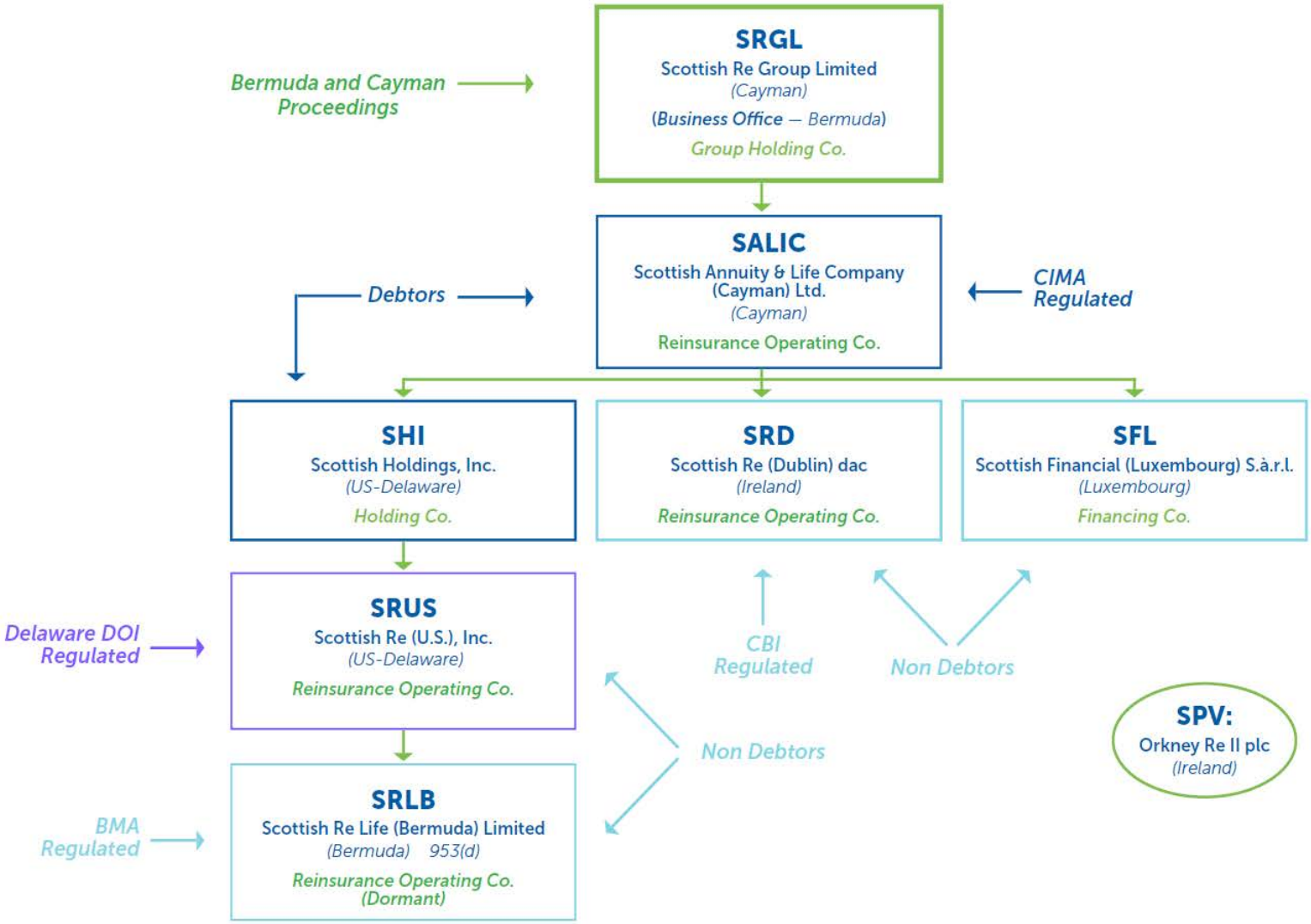
SRUS directly owns Scottish Re Life (Bermuda) Limited ("SRLB"), a Bermuda reinsurance company regulated by the Bermuda Monetary Authority (the "BMA"). SRLB is not a debtor in these Chapter 11 Cases.

In addition to its direct ownership of SHI and indirect ownership of SRUS and SRLB, SALIC also owns Scottish Financial (Luxembourg) S.á r.l. ("SFL"), a Luxembourg-organized special purpose financing entity. SFL is not a debtor in these Chapter 11 Cases. SFL was formed on July 10, 2003, as a direct subsidiary of SALIC. SFL owns all of the common securities of a Delaware statutory business trust formed as part of a TruPS transaction more fully described below in Section III.C.I. SFL is the subject of voluntary liquidation proceedings commenced on April 16, 2018, in the Grand Duchy of Luxembourg, as described further below.

Additionally, SALIC owns Scottish Re (Dublin) dac ("SRD"), a designated activity company organized under the laws of the Republic of Ireland and authorized to carry on a life reinsurance business. SRD operates in Ireland as a reinsurer of insurance and reinsurance liabilities and is regulated by the Central Bank of Ireland (the "CBI"). SRD is not a debtor in these Chapter 11 Cases.

Following is a chart showing the organizational structure of the foregoing entities, as well as the jurisdiction in which each entity is organized, and whether the entity is subject to these Chapter 11 Cases or a winding-up proceeding in the Cayman Islands and Bermuda:

[Chart on next page]


Bermuda and Cayman Proceedings
SRGL
Scottish Re Group Limited
(Cayman)
(Business Office — Bermuda)
Group Holding Co.
SALIC
Scottish Annuity & Life Company (Cayman) Ltd.
(Cayman)
Reinsurance Operating Co.
Debtors
CIMA Regulated
SHI
Scottish Holdings, Inc.
(US-Delaware)
Holding Co.
SRD
Scottish Re (Dublin) dac
(Ireland)
Reinsurance Operating Co.
SFL
Scottish Financial (Luxembourg) S.à.r.l.
(Luxembourg)
Financing Co.
Delaware DOI Regulated
SRUS
Scottish Re (U.S.), Inc.
(US-Delaware)
Reinsurance Operating Co.
CBI Regulated
Non Debtors
Non Debtors
SPV:
Orkney Re II plc
(Ireland)
BMA Regulated
SRLB
Scottish Re Life (Bermuda) Limited
(Bermuda) 953(d)
Reinsurance Operating Co.
(Dormant)

C. Scottish Re's Capital Structure

1. The TruPS Transactions

Scottish Re raised capital through five offerings of trust preferred securities ("TruPS"). In each TruPS transaction, a Scottish Re entity—in all cases either SHI or SFL—created a statutory business trust, and held all of the common securities of that trust. The trust then sold TruPS to investors in privately offered transactions. The funds raised through the sale of the TruPS and the common securities were then used by the trust to purchase debentures from the applicable entity (*i.e.*, SHI or SFL). The sole asset of each trust consists of the applicable debentures purchased with the proceeds from the sale of the TruPS and the common securities. In each transaction, the debentures have the same features as the TruPS from the same transaction, including maturity date and interest payable. Quarterly interest payments by the applicable entity to the relevant trust are used by the trust to fund equal quarterly interest payments to the holders of the TruPS issued by such trust. In each transaction, interest may be deferred without penalty or acceleration for up to twenty (20) consecutive quarters. SALIC issued a parent guarantee of the principal and interest due on the debentures in each transaction.

SHI and SFL entered into the following five TruPS transactions:

a. *SHST I TruPS*: On December 4, 2002, Scottish Holdings, Inc. Statutory Trust I, a Connecticut statutory business trust ("SHST I") of which U.S. Bank National Association, serves as institutional trustee, issued and sold in a private offering an aggregate of $17.5 million Floating Rate Capital Securities (the "SHST I TruPS"). All of the common shares of SHST I are owned by SHI. The sole assets of SHST I consist of $18.0 million principal amount of Floating Rate Debentures (the "SHST I TruPS Debentures") issued by SHI, and have all the same features (maturity date, interest payable, interest rate, maximum number of quarters for which interest may be deferred, and the number of quarters for which interest was deferred as of December 31, 2017) as the SHST I TruPS.

b. *SHST II TruPS*: On October 29, 2003, Scottish Holdings, Inc. Statutory Trust II, a Connecticut statutory business trust ("SHST II") of which U.S. Bank National Association serves as institutional trustee, issued and sold in a private offering an aggregate of $20.0 million Preferred Trust Securities (the "SHST II TruPS"). All of the common shares of SHST II are owned by SHI. The sole assets of SHST II consist of $20.6 million principal amount of Floating Rate Debentures (the "SHST II TruPS Debentures") issued by SHI, and have all the same features (maturity date, interest payable, interest rate, maximum number of quarters for which interest may be deferred, and the number of quarters for which interest was deferred as of December 31, 2017) as the SHST II TruPS.

c. *GPIC TruPS*: On November 14, 2003, GPIC Holdings Inc. Statutory Trust, a Delaware statutory business trust ("GPIC") of which Bank of New York Mellon serves as property trustee, issued and sold in a private offering an aggregate of $10.0 million Trust Preferred Securities (the "GPIC TruPS"). All of the common shares of GPIC are owned by SHI. The sole assets of GPIC consist of $10.3 million principal amount of Junior Subordinated Notes (the "GPIC TruPS Note") issued by SHI, and have all the same features (maturity date, interest payable, interest rate, maximum number of quarters for which interest may be deferred, and the number of quarters for which interest was deferred as of December 31, 2017) as the GPIC TruPS.

d. *SHST III TruPS*: On May 12, 2004, Scottish Holdings, Inc. Statutory Trust III, a Connecticut statutory business trust ("SHST III") of which U.S. Bank National Association serves as institutional trustee, issued and sold in a private offering an aggregate of $32.0 million Trust Preferred Securities (the "SHST III TruPS"). All of the common shares of SHST III are owned by SHI. The sole assets of SHST III consist of $33.0 million principal amount of Floating Rate Debentures (the "SHST III TruPS Debentures") issued by SHI, and have all the same features (maturity date, interest payable, interest rate, maximum number of quarters for which interest may be deferred, and the number of quarters for which interest was deferred as of December 31, 2017) as the SHST III TruPS.

e. *SFLST I TruPS*: On or about December 15, 2004, SFL Statutory Trust I, a Delaware statutory business trust ("SFLST I," and together with SHST I, SHST II, GPIC, and SHST III, the "TruPS Trusts") of which Wilmington Trust Company serves as institutional trustee, issued and sold in a private offering an aggregate of $50.0 million Trust Preferred Securities (the "SFLST I TruPS," and together with the SHST I TruPS, SHST II TruPS, GPIC TruPS, and SHST III TruPS, the "TruPS"). All of the common shares of SFLST I are owned by SFL. The sole assets of SFLST I consist of $51.5 million principal amount of Floating Rate Debentures (the "SFLST I TruPS Debentures," and together with the SHST I TruPS Debentures, SHST II TruPS Debentures, GPIC TruPS Note, and SHST III TruPS Debentures, the "Debentures") issued by SFL, and have all the same features (maturity date, interest payable, interest rate, maximum number of quarters for which interest may be deferred, and the number of quarters for which interest was deferred as of December 31, 2017) as the SFLST I TruPS.

SHI and SFL began the most recent deferral of quarterly interest payments on the debentures in the first quarter of 2013, and thus quarterly interest payments have been deferred on all of the TruPS for the same amount of time. As of December 31, 2017, SHI and SFL had

accrued and deferred interest payments on the TruPS in the total approximate amount of $31.1 million.

Subsequent to the initial sale of the TruPS, SRGL acquired in aftermarket transactions from third-parties, and currently holds, $43 million aggregate liquidation amount of TruPS, along with the right to deferred interest in the approximate amount of $10.7 million as of December 31, 2017, on such TruPS, as follows:

a. On December 3, 2014, SRGL agreed to acquire in a privately-negotiated transaction the entire $20.0 million in aggregate liquidation amount of SHST II TruPS, with a liquidation preference of $1,000 per security, at a purchase price of $665.00 per security.

b. On December 3, 2014, SRGL agreed to acquire in a privately-negotiated transaction the entire $10.0 million in aggregate liquidation amount of GPIC TruPS, with a liquidation preference of $1,000 per security, at a purchase price of $665.00 per security.

c. On January 31, 2013, SRGL agreed to acquire in a privately-negotiated transaction $13.0 million in aggregate liquidation amount of Trust SHST III TruPS, with a liquidation preference of $1,000 per security, at a purchase price of $520.00 per security.

The option to continue to defer interest on the TruPS transactions would have expired in the first quarter of 2018. Absent the filing of these Chapter 11 Cases, all of the deferred interest would have been due and payable in the first quarter of 2018. The Debtors did not, however, have sufficient available capital to satisfy the deferred interest when due.

As discussed above, SALIC has guaranteed the obligations of SHI and SFL under the various TruPS indentures. SALIC's other material obligations include numerous reinsurance agreements between it and other Scottish Re entities and between it and certain third-parties, as described in Section III.C.2.b., below.

2. Capital Structure of Specific Scottish Re Entities

The other material obligations and assets of the Debtors and their non-debtor Affiliates are described below.

a. SRGL (Non-Debtor) Capital Structure

SRGL is a holding company with relatively few creditors other than the SALIC Claims held by SALIC pursuant to the Restructuring Implementation Agreement. As described in more detail below in Section III.C.2.b., SRGL, as borrower, is indebted to SALIC for principal and accrued interest under the SRGL Revolving Credit Agreement. Additionally, SRGL is a defendant in certain litigation brought by Paul Davis, a current holder of SRGL's non-cumulative

perpetual preferred shares and former holder of SRGL's ordinary shares. Mr. Davis continues to seek damages against SRGL for having allegedly breached the certificate of designations for such non-cumulative perpetual preferred shares by distributing certain merger proceeds to the former holders of SRGL's ordinary shares at a time when no dividends were paid to holders of non-cumulative perpetual preferred shares. SRGL continues to defend against Mr. Davis's claims.

SRGL's principal assets are (i) SALIC's ordinary shares, (ii) cash on hand, and (iii) the TruPS it acquired in aftermarket transactions described above in Section III.C.1.

As discussed in more detail below in Section V.H., the Debtors are informed that Cayman Islands law will not recognize any "cancellation" of SALIC's ordinary shares by a foreign (*i.e.*, non-Cayman Islands) court. In addition, Cayman Islands law does not permit a Cayman Islands chartered company to accept the surrender of all of its shares when the effect of doing so would be to leave the company with no issued shares other than treasury shares.[3] In view of the limitations of Cayman Islands law, the Stock Purchase Agreement structured the Purchaser's acquisition of reorganized SALIC through multiple, discrete steps, including: (a) the pre-closing surrender to SALIC by SRGL, as SALIC's sole shareholder, of all but one of SALIC's issued and outstanding ordinary shares; (b) the issuance by SALIC of new ordinary shares to the Purchaser at closing of the Stock Purchase Agreement; and (c) immediately after closing, SRGL's surrender to reorganized SALIC of its sole remaining SALIC ordinary share. On or about March 23, 2018, SRGL surrendered to SALIC all but one of SALIC's issued and outstanding ordinary shares. Thus, at this time, SRGL retains ownership of SALIC, through ownership of a single share.

As discussed in further detail in Section IV.C., SRGL commenced winding-up proceedings in the Supreme Court of Bermuda (the "Bermuda Court") and the Grand Court of the Cayman Islands (Financial Services Division) (the "Cayman Islands Court"). Although the liquidation of SRGL in Bermuda is permanently stayed, the SRGL winding-up proceedings in the Cayman Islands will proceed subject to the jurisdiction of the Cayman Islands Court.

b. SALIC (Debtor) Capital Structure

Pursuant to the SALIC-SRUS Net Worth Maintenance Agreement, SALIC has agreed to maintain the net worth of SRUS, including, specifically, to: (a) maintain minimum capital and surplus levels at SRUS sufficient to prevent the occurrence of a "company action level" event with respect to SRUS under the Risk Based Capital regulations of the state of Delaware; and (b) provide SRUS with sufficient liquidity to meet its obligations in a timely manner. Creditors of SRUS have the right to enforce the terms of the SALIC-SRUS Net Worth

[3] Section 37B(1) of the Companies Law (2016 Revision) of the Cayman Islands provides: "Subject to any express provisions of the company's memorandum or articles of association to the contrary, a company may accept the surrender for no consideration of any fully paid share (including a redeemable share) ***unless, as a result of the surrender, there would no longer be any issued shares of the company other than shares held as treasury shares***." (emphasis added).

Maintenance Agreement. The termination of the SALIC-SRUS Net Worth Maintenance Agreement, or of a conforming substitute new net worth maintenance guaranty by an affiliate, is an event of default under certain indemnification or reimbursement agreements to which the Orkney Re II special purpose reinsurer and the Ballantyne Re plc ("Ballantyne Re") reinsurer (described in more detail below) are parties, but the remedies available to the financial guarantors under those indemnification or reimbursement agreements permit recovery only of actual losses as a result of the failure by the special purpose reinsurers to perform their obligations thereunder.

As described in Section III.C.2.f. below with respect to SRD, SALIC also executed a Net Worth Maintenance Agreement, as of January 1, 2002 (the "SALIC-SRD Net Worth Maintenance Agreement," and with the SALIC-SRUS Net Worth Maintenance Agreement, the "SALIC Net Worth Maintenance Agreements"), pursuant to which SALIC agreed to maintain the net worth of SRD.

SALIC reinsures life insurance, annuity and annuity-type obligations ceded by SRUS and by various third party ceding companies. SALIC's reinsurance agreements are structured as either (i) coinsurance, (ii) modified coinsurance, or (iii) renewable term reinsurance. In a coinsurance relationship, the ceding company shares its premiums, death claims, surrender benefits, dividends, and policy loans with the reinsurer and the reinsurer pays expense allowances to reimburse the ceding company for a share of its expenses. Modified coinsurance or "modco" is a variation of traditional coinsurance whereby the ceding company retains all of the reserves and assets, and pays interest to the reinsurer on the reinsurer's share of the reserves. The vast majority of SALIC's renewable term reinsurance is yearly renewable term, or "YRT." YRT is a type of reinsurance that covers only mortality risk (and not any other benefits such as cash surrender value), with each year's premium based on the current amount of risk.

SRUS, as retrocedent, has retroceded a portion of its reinsurance obligations to SALIC, as retrocessionaire. As of the filing of this Disclosure Statement, SALIC and SRUS were party to the following retrocession agreements (collectively, the "SRUS Retrocession Agreements"):

a. Coinsurance/Modified Coinsurance Reinsurance Agreement by and between SRUS (as retrocedent) and SALIC (assumed from SRD) (as retrocessionaire) and SRUS (as reinsurer), effective January 1, 2001;

b. Coinsurance Reinsurance Agreement by and between SRUS (as retrocedent) and SALIC (assumed from SRD) (as retrocessionaire), effective January 1, 2001;

c. Coinsurance Reinsurance Agreement by and between SRUS (as retrocedent) and SALIC (assumed from SRD) (as retrocessionaire), effective September 30, 2001;

d. Coinsurance Reinsurance Agreement by and between SRUS (as retrocedent) and SALIC (assumed from SRD) (as retrocessionaire), effective March 31, 2005; and

e. Modco Reinsurance Agreement by and between SRUS (as reinsurer) and SALIC (as retrocessionaire), as of December 31, 2015.

The SRUS Retrocession Agreements create both "funds withheld" coinsurance and modco relationships between SALIC and SRUS. As a result, the assets supporting each of the SRUS Retrocession Agreements are held by SRUS pursuant to Delaware insurance law.

SALIC also reinsures unaffiliated third party insurance and financial services providers in the ordinary course of its business. As of the filing of this Disclosure Statement, SALIC and certain unaffiliated insurers identified below were party to the following agreements (collectively, the "Third-Party Reinsurance Agreements," and together with the SRUS Retrocession Agreement, "SALIC's Reinsurance Treaties"):

a. Coinsurance Agreement, dated as of July 28, 1999, by and between Highmark Life Insurance Co., as ceding company, and SALIC, as reinsurer;

b. Coinsurance Agreement, dated as of October 21, 1999, by and between Highmark Life Insurance Co., as ceding company, and SALIC, as reinsurer;

c. Coinsurance Agreement, dated as of April 1, 2000, by and between Investors Heritage Life Insurance Co., as ceding company, and SALIC, as reinsurer;

d. Coinsurance Agreement, dated as of April 1, 2000, by and between Lincoln Heritage Life Insurance Co., as ceding company, and SALIC, as reinsurer;

e. Modco Agreement, dated as of February 15, 2000, by and between Lincoln National Life Ins. Co. ("Lincoln National"), as ceding company, and SALIC, as reinsurer (the "Lincoln Modco Agreement"); and

f. Automatic Monthly Renewable Term Reinsurance Agreement, dated as of June 1, 2016, between C.M. Life Insurance Co. and Mass Mutual Life Insurance Co., each a ceding insurer, and SALIC, as reinsurer.

Each of the Third-Party Reinsurance Agreements (other than the Lincoln Modco Agreement) is supported by a reserve credit trust in order to allow the relevant ceding company to qualify under applicable insurance laws for a credit against (*i.e.*, a reduction in) its liabilities

on its U.S. statutory financial statements[4] for liabilities ceded to SALIC, which is considered an unauthorized (re)insurer under those laws. Such financial statement credit is only available to an insurer that cedes risks to an "unauthorized reinsurer" to the extent that the cession is supported by acceptable collateral under the reinsurance regulation of the ceding company's state. A common method of satisfying this requirement is for the cession to be supported by qualifying investment securities deposited to a reserve credit trust established pursuant to a trust agreement among the reinsurer as grantor, the cedent as beneficiary, and an independent third party trustee. "Funds withheld" by the ceding company is another method of satisfying the regulatory requirements for financial statement credit.

SALIC and its unaffiliated ceding companies (other than Lincoln National, which utilizes a funds withheld structure) use reserve credit trusts to settle payments due to or from SALIC and the relevant ceding company pursuant to the applicable Third-Party Reinsurance Agreements resulting from the underlying performance of the ceded business. Such performance includes premiums paid to SALIC, claims paid by SALIC, investment income earned on the assets in the applicable reserve credit trust, changes in the market values of such assets, and changes in the associated reserves.

As of the filing of this Disclosure Statement, SALIC, as grantor, and the respective ceding companies identified below were party to the following trust agreements (the "Trust Agreements"):

a. Trust Agreement dated as of July 8, 1999, by and among SALIC, as grantor, Highmark Life Insurance Company, as beneficiary, and The Bank of New York Mellon, as trustee;

b. Trust Agreement dated as of October 21, 1999, by and among SALIC, as grantor, Highmark Life Insurance Company, as beneficiary, and The Bank of New York Mellon, as trustee;

c. Trust Agreement dated as of April 1, 2000, by and among SALIC, as grantor, Investors Heritage Life Insurance Company, as beneficiary, and The Bank of New York Mellon, as trustee;

d. Trust Agreement dated as of April 1, 2000, by and among SALIC, as grantor, Lincoln Heritage Life Insurance Company, as beneficiary, and The Bank of New York Mellon, as trustee;

e. Trust Agreement dated as of July 12, 2016, by and among SALIC, as grantor, C.M. Life Insurance Company, as beneficiary, and The Bank of New York Mellon, as trustee;

[4] Most insurers authorized to do business in the United States and its territories are required to prepare statutory financial statements in accordance with statutory accounting principles. Statutory accounting principles, which differ significantly from GAAP, are detailed within the National Association of Insurance Commissioners' *Accounting Practices and Procedures Manual*.

f. Trust Agreement dated as of July 12, 2016, by and among SALIC, as grantor, Massachusetts Mutual Life Insurance Company, as beneficiary, and The Bank of New York Mellon, as trustee; and

g. Security Trust Agreement dated as of July 12, 2016, by and among SALIC, as grantor, Massachusetts Mutual Life Insurance Company and C.M. Life Insurance Company, each as beneficiary, and The Bank of New York Mellon, as trustee.

In addition to the SALIC-SRUS Net Worth Maintenance Agreement and the foregoing reinsurance and trust agreements, SALIC is party to other financial services related contracts among Scottish Re affiliated entities and third parties in the ordinary course of business. SALIC is obligated on certain contractual agreements with certain of SALIC's direct and indirect operating subsidiaries for the intercompany allocation of expenses.

Furthermore, as discussed more fully below at Section III.C.2.f., on or about December 19, 2008, SALIC assumed all rights and obligations of SRD under the SFL Note (as defined below). SALIC may have complete or partial defenses to any liability under the SFL Note, including, but not limited to, defenses arising out of certain later transactions involving the Surplus Note (as defined below). Parties in interest are directed to Sections III.C.2.d. and III.C.2.f. of this Disclosure Statement for further discussion of the SFL Note and any associated obligations

SALIC is also a lender to SRGL, as borrower, under a certain SRGL Revolving Credit Agreement dated September 20, 2009. The borrowing limit under the SRGL Revolving Credit Agreement is $90 million. Interest accrues at a rate equal to the interest rate on 10-Year U.S. Treasury Notes. As of December 31, 2017, SRGL was indebted to SALIC under the Revolving Credit Agreement in the approximate amount of $78,449,595, representing principal and accrued interest. Following SRGL's commencement of provisional winding-up proceedings (discussed below at Section IV.C.), SRGL's ability to make additional draws on the revolving credit facility terminated. (The Debtors understand and believe that SALIC's claim against SRGL under the Revolving Credit Agreement represents substantially all of the valid unsecured claims in SRGL's liquidation in the Cayman Islands.)

c. SHI (Debtor) Capital Structure

As discussed above in Section III.C.1, SHI raised capital by means of four transactions, pursuant to which statutory trusts issued TruPS to investors through private offerings. Each statutory trust has the primary obligation to satisfy any payments due on its own TruPS. The proceeds of the sale of each statutory trust's TruPS were used by each such trust to purchase debentures issued by SHI. As issuer, SHI is obligated to make payments to the statutory trusts pursuant to the terms of the debenture held by each such statutory trust. In addition, SHI has guaranteed for the benefit of the holders of the TruPS the obligations of each such statutory trust. SALIC in turn, guaranteed SHI's obligations under the indentures for the benefit of the holders of SHI debentures, and SHI's obligations under the SHI guarantee

agreements, for the benefit of the holders of the relevant TruPS. This makes the trustees of the statutory trusts, U.S. Bank National Association, and Bank of New York Mellon, creditors of SHI and SALIC, and makes SRGL, a secondary purchaser of certain TruPS, an interest holder in the relevant TruPS Trusts. SHI began deferring interest on its debenture obligations beginning in the first quarter of 2013. All related deferred interest would have been due and payable during the first quarter of January 2018.

SHI is also obligated to provide directly or indirectly certain support services to Orkney Re II, pursuant to a Support Services Agreement as to which Assured Guaranty (UK) Ltd. ("Assured") is a third party beneficiary. SHI has no employees and therefore utilizes the services of SRUS to actually provide the referenced services to Orkney Re II. SHI and SRUS expect to continue to operate in this manner.

d. SFL (Non-Debtor) Capital Structure

As described above in Section III.C.1, SFL, a Luxembourg-organized special purpose financing entity, raised capital through the private offering by the SFLST I TruPS to certain investors. SFLST I has the primary obligation to satisfy any payments due on its TruPS. The proceeds of the sale of its TruPS were used by SFLST I to purchase debentures issued by SFL. As issuer, SFL is obligated to make payments to SFLST I pursuant to the terms of that trust's indenture. In addition, SFL guaranteed the payment obligations of SFLST I for the benefit of the holders of the related TruPS. SALIC, in turn, guaranteed SFL's obligations under the indenture for the benefit of the holders of the SFLST I TruPS Debentures, and SFL's obligations under the SFL guarantee agreement, for the benefit of the holders of the relevant TruPS. This makes the trustee of SFLST I, Wilmington Trust Company, a creditor of SFL and SALIC.

SFL, in turn, used the proceeds it realized from the above-described TruPS transaction to acquire the SFL Note. The SFL Note was amended on or about June 23, 2008, as described more fully in Section III.C.2.f. below. Additionally, as described more fully in Section III.C.2.f. below, pursuant to certain transactions among SALIC, SFL and SRD that occurred in late 2008, SALIC was substituted for SRD as the obligor on the SFL Note. SFL continues to hold the SFL Note, as amended, to the extent, if any, that it remains valid and enforceable. As discussed below at Section III.C.2.f., SALIC, which was substituted for SRD as the obligor under the SFL Note effective as of December 19, 2008, may have complete or partial defenses to any liability under the SFL Note, including, but not limited to, defenses arising out of its transactions occurring in 2011 (and described below at Section III.C.2.g.) involving the Surplus Note. Parties in interest are directed to Section III.C.2.f. of this Disclosure Statement for further discussion of the SFL Note and any associated obligations.

SFL began deferring interest on its debenture obligations relating to the SFLST I TruPS as of March 15, 2013. Deferred interest would have been due and payable in March 2018. SFL is the subject of voluntary liquidation proceedings commenced on April 16, 2018, in the Grand Duchy of Luxembourg.

SFL owns all of the common securities of SFLST I, which is the Delaware statutory business trust that issued the SFLST I TruPS and holds the SFLST I TruPS Debentures.

Unlike the TruPS issued by SHI, none of the TruPS issued by SFLST I are held by SRGL.

e. SRUS (Non-Debtor) Capital Structure

(i) SRUS's Reinsurance Agreements

SRUS is party to a large number of reinsurance agreements with unaffiliated insurance and financial services companies whereby it has agreed to reinsure certain life insurance, annuity and annuity-type obligations. SRUS, as retrocedent, has retroceded a significant portion of these liabilities to SALIC, as retrocessionaire, pursuant to the SRUS Retrocession Agreements, described above at Section III.C.2.b. The SRUS Retrocession Agreements create both funds withheld coinsurance and modco relationships between SRUS and SALIC. The actual assets supporting each of the SRUS Retrocession Agreements are held by SRUS pursuant to Delaware insurance law.

(ii) Obligations of SRUS related to Ballantyne Re

In 2006, Scottish Re formed Ballantyne Re, a special purpose reinsurer domiciled in Ireland, in order to reinsure certain business (referred to as the "Defined Block Business") ceded to SRUS by Security Life of Denver Insurance Company ("SLD"), a Colorado domestic insurer that is a subsidiary of ING Group. Ballantyne Re issued notes through a securitization facility in order to obtain the capital needed to fund the excess portion of the trust assets required to support the Defined Block Business. Certain of the notes issued by Ballantyne were guaranteed by one of two financial guarantors unaffiliated with Scottish Re. The Ballantyne Re securitization facility was assigned and novated by SRUS to SLD on November 19, 2008, with the effect that SRUS no longer was liable as a reinsurer with respect to the Defined Block Business. Nevertheless, SRUS continues to have certain obligations and/or liabilities with respect to this transaction, including:

Provision of support services. Pursuant to an amended and restated support services agreement, SRUS is obligated to provide certain support services to Ballantyne Re for the duration of the transaction.

Indemnification of financial guarantors. SRUS agreed with the financial guarantors to indemnify them for various kinds of losses and expenses arising under the Ballantyne Re transaction documents, including arising out of investigating whether an event of default has occurred and Ballantyne Re's failure to make certain payments to the guarantors. While a breach of this covenant would constitute an event of default under the agreements between Ballantyne Re and the relevant financial guarantor, the financial guarantor would have no

remedy against SRUS, unless non-performance caused an actual loss to the financial guarantor.

Indemnification for litigation expenses. SRUS's indemnification obligations include certain indemnities of the guarantors for expenses incurred in enforcing Ballantyne Re's rights under various transaction documents. This has resulted in Ambac Assurance UK Limited ("AMBAC") and Assured Guaranty (UK) plc, f/k/a Assured Guaranty (UK) Ltd., asserting (but not making a formal claim) that SRUS has indemnification obligations to AMBAC and Assured for attorneys' fees incurred in prosecuting claims against JPMorgan Chase Bank ("JPMorgan"), Ballantyne Re's former investment manager. SRUS has sought legal advice on the availability of challenges to any such claim if formally made. Pursuant to a tolling agreement, AMBAC has agreed not to prosecute any such indemnification claim during the term of such tolling agreement while the parties assist each other in the remediation of the Ballantyne Re transaction.

Pre-Assignment liabilities. SRUS and SRGL remain liable for any breaches of their representations, warranties, covenants or other obligations that relate to periods before the effective date of the assignment (i.e., pre-November 19, 2008). In addition, SRUS has agreed to indemnify and hold harmless SLD and its affiliates for losses and damages incurred arising from the exercise by Ballantyne Re of any right, or from any limitation on the ability of SLD, to exercise any right or recover any amount, under the post-assignment reinsurance agreement between SLD and Ballantyne Re as a result of (a) any breach of any representation, warranty or covenant of SRUS under the pre-assignment reinsurance agreement between SRUS and Ballantyne Re or any related transaction document, (b) any action or omission by any director, officer, employee, agent, representative, appointee, successor, or permitted assign of SRUS or any of its affiliates that causes a Tax Event (as defined in the pre-assignment reinsurance agreement) for Ballantyne Re or otherwise causes Ballantyne Re to be in breach of any representation, warranty or covenant under the pre-assignment reinsurance agreement or any related transaction document or (c) any arbitration award against SRUS that SLD pays on its behalf to avoid termination of the pre-assignment reinsurance agreement.

(iii) Obligations of SRUS related to Orkney Re II

As discussed above at Section III.B., Orkney Re II is a special purpose reinsurer, domiciled in Ireland. To obtain the capital needed to fund the excess portion of the Orkney Re II reinsurance trust account created by the Orkney Re II reinsurance trust agreement, Orkney Re II issued several series of notes pursuant to an indenture by and among Orkney Re II, as issuer, and Assured, as financial guarantor, Bank of New York Mellon, as trustee, and Bank of New York Mellon as securities intermediary, dated as of December 21, 2005. Orkney Re II's obligations in respect of certain series of the notes issued under the Orkney Re II indenture are guaranteed by

Assured. Orkney Re II is party to a Guarantee and Reimbursement Deed, governed by English law, with Assured, which gives Assured rights of subrogation to the rights granted by the Orkney Re II indenture to noteholders, to the extent that Assured is required to make payments on the notes. In addition, SRGL and SRUS are parties to the "side letters" to the Guarantee and Reimbursement Agreements. Pursuant to the side letters, SRGL covenants to maintain in force the SALIC-SRUS Net Worth Maintenance Agreement.

In addition, SRUS provided certain representations and warranties and certain covenants to Assured pursuant to a side letter, including:

> *Indemnification of financial guarantor*. SRUS agreed with Assured, the financial guarantor, to indemnify it for various kinds of losses and expenses arising under the Orkney Re II transaction documents, including arising out of investigating whether an event of default has occurred and Orkney Re II's failure to make certain payments to the guarantor. While a breach of this covenant would constitute an event of default under the agreements between Orkney Re II and Assured, Assured would have no remedy against SRUS, unless non-performance caused it an actual loss.
>
> *Indemnification for litigation expenses*. SRUS's indemnification obligations include certain indemnities of the guarantor for expenses incurred in enforcing Orkney Re II's rights under various transaction documents. This has resulted in Assured asserting (but not making a formal claim) that SRUS has indemnification obligations to Assured for attorneys' fees incurred in prosecuting claims against JPMorgan in the approximate amount of $20 million, Orkney Re II's former investment manager. SRUS has sought legal advice on the availability of challenges to any such claim if formally made. Pursuant to a tolling agreement, Assured has agreed not to prosecute any such indemnification claim during the term of such tolling agreement while the parties assist each other in the remediation of the Orkney Re II transaction.

(iv) SRUS's Employee Obligations

In connection with its reinsurance business, SRUS employs 29 employees and provides benefits to such employees, including expense reimbursement, flexible spending accounts, insurance benefits, paid time off, retirement and severance benefits. SRUS directly funds these employees' salaries, expenses and benefits in the first instance. All employee-related obligations are then allocated to the Debtors and other Scottish Re entities through transfer pricing agreements that meet the arm's-length standard consistent with the rules and principles governing related-party transactions under the laws of the United States and other jurisdictions in which the Debtors and non-debtor Affiliates operate. Transfer pricing and payment for employee related obligations are charged to the Debtors by SRUS (and SRLB, with respect to the two employees in Bermuda) to SALIC on a quarterly basis and to SHI on an annual basis. Additionally, SRUS has entered into certain bonus, incentive and severance plans with key

employees and executives. Amounts payable under such plans are not transfer-priced to the Debtors.

(v) SLD Claim

In January 2009, SRGL, SHI, SRUS, SRLB and SRD (as "Sellers") entered into a certain Master Asset Purchase Agreement and related agreements with, among others, Hannover Life Reassurance Company of America and Hannover Life Reassurance (Ireland) Limited (together, "Hannover") and SLD, pursuant to which Hannover replaced SRUS and SRLB as reinsurers under certain life reinsurance contracts between SRUS or SRLB and SLD. In connection with that transaction, Hannover agreed to administer business reinsured by SLD to Ballantyne Re, and Sellers agreed to "reimburse SLD within ten (10) Business Days of SLD providing notice to Sellers of payment therefor by SLD for the amount of such fees" incurred in administering such business. From 2009 until June 2017, SLD did not provide notice regarding payment of any such fees. In June 2017, SLD submitted invoices to SRUS for fees incurred in administering the Ballantyne Re business for each year from 2009 to 2017, totaling approximately $5.6 million. SHI and its non-debtor Affiliates that are Sellers under the agreements with SLD reserve and preserve all rights and defenses with respect to any and all fees and invoices.

(vi) Surplus Note (Retired)

In February 2005, SRUS, as obligor, issued that certain $70,000,000 aggregate principal amount 8.00% Surplus Note, due February 11, 2020 (the "Surplus Note") to SRD. Under the terms of the Surplus Note, the payment of interest and the ultimate repayment of principal were deeply subordinated to certain other obligations of SRUS. As discussed below at Section III.C.2.f. in December 2008, the Surplus Note was among the assets SALIC acquired from SRD pursuant to the Portfolio Transfer Agreement. The Surplus Note was later assigned by SALIC to SHL (as defined below) and subsequently retired.

f. SRD (Non-Debtor) Capital Structure

SRD operates in Ireland as a reinsurer of insurance and reinsurance liabilities and employs one person in Ireland. The costs associated with that employee are not shared with the Debtors or any other Scottish Re Affiliate. SRD also holds assets in Ireland consisting of cash and securities.

In December 2004, SRD raised funds by issuing that certain Floating Rate Junior Subordinated Deferrable Interest Debenture due 2034 (as amended, the "SFL Note") with an original principal amount of $51,547,000. As discussed above at Section III.C.2.d., SFL acquired the SFL Note with the proceeds realized from the sale of debentures issued by SFL to the SFLST I, which, in turn, had raised funds through the issuance and sale of the SFLST I TruPS.

Pursuant to that certain amendment dated as of June 23, 2008 (the "First Amendment"), SRD was relieved of any obligation to make any payment of interest or principal

on account of the SFL Note except to the extent that SRD received payment of interest or principal from SRUS under the Surplus Note.

In the fourth quarter of 2008, the Irish insurance regulator notified Scottish Re that corrective action needed to be taken with respect to SRD's regulatory solvency which had been negatively impacted by asset market value declines associated with the 2008 financial crisis. Absent corrective action, SALIC's obligations under the SALIC-SRD Net Worth Maintenance Agreement would have been triggered, which may have accelerated Scottish Re's need to restructure on a broader basis. To avoid this result, Scottish Re effectuated a transfer of a majority of SRD's business to SALIC, effective October 1, 2008, pursuant to the Portfolio Transfer Agreement.

Under the Portfolio Transfer Agreement, SALIC acquired substantially all of SRD's assets and assumed substantially all of SRD's liabilities, including SRD's rights and obligations (of which SRD was relieved) under the SFL Note and the Surplus Note. SFL, SRD and SALIC memorialized the transfer to SALIC of SRD's rights and obligations under the SFL Note via a second amendment to the SFL Note dated as of December 19, 2008.

g. SHL (Non-Debtor – Defunct) Capital Structure

In 2011, Scottish Re determined that the financial strength of SRUS had improved to such a degree that SRUS potentially could begin to make payments under the Surplus Note. With guidance from third-party tax consultants, Scottish Re planned and implemented certain steps to mitigate adverse tax consequences associated with payments on the Surplus Note that may be made by SRUS.

To this end, on or about November 9, 2011, Scottish Holdings (Luxembourg) S.á r.l. ("SHL") was incorporated under the laws of the Grand Duchy of Luxembourg. SALIC, as the sole shareholder of SHL, contributed the Surplus Note to SHL. Thereafter, SHL completed certain actions necessary to obtain favorable permissible tax treatment for payments received on account of the Surplus Note. In December 2012, SHL redeemed outstanding equity interests held by SALIC in exchange for a payment of approximately $70.1 million. SHL was subsequently dissolved in accordance with Luxembourg law.

IV. KEY EVENTS LEADING TO THE COMMENCEMENT OF THE CHAPTER 11 CASES

A. Adverse Mortality Experience

Scottish Re has suffered negative financial results caused primarily by adverse mortality experience on the YRT segment of its business. This segment accounts for a large portion of the risks reinsured by SALIC. On a consolidated U.S. GAAP basis, Scottish Re incurred a net loss of $202.8 million for the year ended December 31, 2016, and a net loss of $260.8 million for the year ended December 31, 2015. Though Scottish Re has taken steps to improve its financial results, including by increasing the premiums it charges for YRT

reinsurance, these steps have not resulted in enough improvement to avoid the need to restructure Scottish Re.

B. Insufficient Capital to Pay Deferred Interest on the TruPS

Scottish Re's ability to defer interest on the TruPS expired in the first quarter of 2018. Absent the filing of these Chapter 11 Cases, all of the deferred interest would have been due and payable at the end of such quarter. The Debtors did not have sufficient available capital to satisfy the deferred interest when due.

C. Provisional Winding-Up Proceedings for SRGL

On May 17, 2017, SRGL filed a winding-up petition in the Bermuda Court under the Bermuda Companies Act of 1981, and, on the same day, filed parallel proceedings in the Cayman Islands Court under the Cayman Islands Companies Law (2016 Revision). On May 18, 2017, the Bermuda Court entered a provisional winding-up order and appointed John C. McKenna of Finance & Risk Services Ltd., and Eleanor Fisher of Kalo (Cayman) Limited as joint provisional liquidators of SRGL with limited powers. Subsequently, the Bermuda Court entered a "full" winding up order on January 30, 2018, ordering the winding up of SRGL in Bermuda and appointing Mr. McKenna and Ms. Fisher as joint official liquidators in Bermuda (in such capacity, the "Joint Liquidators"). On February 15, 2018, the Cayman Islands Court also ordered the winding up of SRGL and the appointment of the Joint Liquidators in the Cayman Islands. Pursuant to an order of the Bermuda Court dated March 29, 2018, and effective April 19, 2018, the liquidation of SRGL in Bermuda was permanently stayed and the Joint Liquidators were released in Bermuda. Accordingly, the Joint Liquidators will proceed with the winding up of SRGL in the Cayman Islands subject to the jurisdiction of the Cayman Islands Court.

D. Prepetition Marketing Efforts

Since 2008, Scottish Re has engaged in at least nine marketing processes, including multiple formal processes where Scottish Re engaged top-tier investment banks and exposed its companies' business to the market. The Debtors began the latest formal sales process in early 2017 by interviewing several investment banks, and ultimately selecting Keefe, Bruyette & Woods, Inc. ("KBW"), because, among other attributes, KBW has the distinction of being a leading investment bank in the insurance sector and has served as an advisor on over fifty (50) insurance carrier M&A transactions since 2006. KBW went to market with a teaser, confidential information memorandum ("CIM") and virtual data room in early May 2017. KBW contacted fifty-one (51) potential strategic and financial buyers, including companies that operate in the Debtors' space or have shown interest in entering the space, or who were contacted or participated in prior sales processes involving the Debtors. At the same time, the Debtors' marketing process was widely publicized as a result of a press release and related industry trade publication articles in connection with SRGL commencing winding-up proceedings in the Cayman Islands and Bermuda in May 2017.

In total, twenty-three (23) parties executed nondisclosure agreements and received the CIM and access to the virtual data room. Of these parties, twenty-one (21) requested and received bid instruction letters in June 2017. From this process, the Debtors received three first-round letters of intent ("LOIs"). All three parties who submitted LOIs conducted site visits and in-person meetings with the Debtors. Following these meetings and further diligence, the Debtors received revised proposals from two of the parties, with one party dropping out of the process. The Debtors ultimately proceeded with the proposal submitted by the HSCM Bermuda Fund Ltd. ("Hudson"), because Hudson's proposal presented significantly more value than the other proposal, and the other proposal contained conditions that the Debtors and KBW determined were impracticable if not impossible to meet.

V. EVENTS DURING THE CHAPTER 11 CASES

A. Commencement of the Chapter 11 Cases and "First Day" and "Second Day" Motions and Relief

On January 28, 2018 (the "Petition Date"), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

At or in connection with "first day" and "second day" hearings held on January 30, 2018, and February 27, 2018, the Bankruptcy Court considered and granted certain requests for immediate relief filed by the Debtors to facilitate the transition between the Debtors' prepetition and postpetition business operations, including the following:

- *Joint Administration Order*: (a) directing that the Chapter 11 Cases of SALIC and SHI be jointly administered and (b) granting related relief. [D.I. 19; entered 1/30/18].

- *Interim Cash Management Order*: (a) authorizing the Debtors (i) to continue their cash management system, (ii) honor certain related prepetition obligations, (iii) maintain existing business forms, and (iv) continue to perform intercompany transactions; (b) authorizing the Debtors' banks to honor all related payment requests; (c) granting an interim waiver of the Debtors' compliance with section 345(b) of the Bankruptcy Code; (d) scheduling a final hearing; and (e) granting certain related relief. [D.I. 20; entered 1/30/18].

- *Insurance Order*: (a) authorizing Debtors to (i) continue prepetition insurance program, (ii) pay any prepetition premiums and related obligations, and (iii) renew or enter into new insurance arrangements; and (b) granting related relief. [D.I. 21; entered 1/30/18].

- *Taxes Order*: (a) authorizing the Debtors to pay certain prepetition taxes and regulatory fees in the ordinary course of business and (b) authorizing banks and financial institutions to honor and process checks and transfers related thereto. [D.I. 83; entered 2/20/18].

- *Employee Wages Order*: (a) authorizing, but not directing, the Debtors to (i) pay prepetition wages, salaries, and other compensation in the ordinary course under existing transfer pricing arrangements, and (ii) pay prepetition payroll taxes and benefits and continue benefit programs in the ordinary course under existing transfer pricing arrangements; (b) directing banks to honor checks for payment of prepetition employee payment and program obligations; and (c) granting related relief. [D.I. 84; entered 2/20/18].

- *Schedules/Statements Extension Order*: (a) extending the deadline for the Debtors to file their Schedules and (b) granting related relief. [D.I. 87; entered 2/20/18].

B. Other Procedural Motions and Retention of Professionals

During the Chapter 11 Cases, the Bankruptcy Court authorized the Debtors to retain and employ Hogan Lovells US LLP, as bankruptcy co-counsel [D.I. 90]; Morris, Nichols, Arsht & Tunnell LLP, as Delaware counsel and bankruptcy co-counsel [D.I. 88]; Mayer Brown LLP, as special transactional and insurance regulatory counsel [D.I. 156]; Keefe, Bruyette & Woods, Inc., as investment banker [D.I. 155]; Ernst & Young LLP, as audit services provider [D.I. 324]; and certain professionals in the ordinary course [D.I. 145]. Additionally, the Bankruptcy Court authorized procedures for interim compensation of professionals employed by the Debtors and the Official Committee [D.I. 89].

C. Appointment of Official Committee of Unsecured Creditors

On February 20, 2018, the U.S. Trustee, pursuant to its authority under section 1102(a) of the Bankruptcy Code, appointed the Official Committee, consisting of WTC, as Indenture Trustee, Hildene, and SLD [D.I. 81]. Subsequently, the Bankruptcy Court authorized the Official Committee to retain and employ (i) Pepper Hamilton LLP, as counsel to the Official Committee [D.I. 183], (ii) Alvarez & Marsal North America, LLC, as financial advisor to the Official Committee [D.I. 184], and (iii) Appleby (Cayman) Ltd., as special counsel to the Official Committee [D.I. 218]. The expenses of members of the Official Committee, and the fees and expenses of the Professionals serving on behalf of the Official Committee, are entitled to be paid by the Debtors, subject to approval of the Bankruptcy Court.

Shortly after the conclusion of the Auction, Hildene resigned from the Official Committee. Pursuant to a notice filed on June 13, 2018 [D.I. 350], the U.S. Trustee appointed U.S. Bank, as Indenture Trustee, to the Official Committee.

D. Motions and Relief for Maintaining Existing Reinsurance Treaties

The Debtors also filed motions to allow SALIC to maintain existing reinsurance treaties that are critical to preserving the Debtors' value and to achievement of the sale and restructuring contemplated by the Plan:

(a) On February 2, 2018, the Debtors filed a motion seeking an order (i) modifying the automatic stay to allow SRUS to request payment from SALIC in respect of periodic settlements owed by SALIC under the SRUS Retrocession Agreements (as defined herein); (ii) authorizing SALIC to pay certain amounts due in respect of prepetition obligations owed by SALIC to SRUS; and (iii) granting related relief (the "SRUS Settlement Payment Motion") [D.I. 37]. By order dated March 19, 2018 (the "SRUS Payment Order") [D.I. 169], the SRUS Settlement Payment Motion was granted. The SRUS Payment Order authorized SRUS to seek and SALIC to pay prepetition amounts due in respect of the first quarter of 2018 from SALIC to SRUS in an amount not to exceed $1,000,000, and established procedures for notice of any future settlements due from SALIC to SRUS to be provided to the U.S. Trustee and the Official Committee and for the timing of objections (if any) thereto; and

(b) On April 4, 2018, the Debtors filed their motion for an order (i) modifying the automatic stay pursuant to 11 U.S.C. § 362(a) to allow Investors Heritage Life Insurance Company ("Investors Heritage") to request funding of SALIC's "Top Up" obligation to continue to fund amounts to the Reserve Credit Trust supporting SALIC's reinsurance of Investor Heritage's cession, (ii) authorizing SALIC to pay such reinsurance trust obligation pursuant to 11 U.S.C. § 363, and (iii) granting related relief (the "Top up Motion") [D.I. 206]. Pursuant to this motion, the Debtors sought authority to pay $35,747 in respect of prepetition obligations to the Reserve Credit Trust supporting SALIC's reinsurance obligations pursuant to the Coinsurance Agreement, dated as of April 1, 2000, by and between Investors Heritage, as ceding company, and SALIC, as reinsurer (the "Investors Heritage Coinsurance Agreement"). By order dated April 24, 2018 [D.I. 227], the Bankruptcy Court granted the Top up Motion, and thereafter SALIC paid $35,747 to the Reserve Credit Trust supporting the Investors Heritage Coinsurance Agreement.

The Debtors may seek further relief to modify the automatic stay to pay additional reinsurance trust obligations as such obligations become due.

E. The Stalking Horse Stock Purchase Agreement and Plan Sponsorship Agreement

Immediately prior to the Petition Date, the Debtors and HSCM Bermuda Fund Ltd. (the "Stalking Horse") entered into a stock purchase agreement (the "Stalking Horse Stock Purchase Agreement") and a plan sponsorship agreement. The Debtors filed the Stalking Horse Stock Purchase Agreement with the Bankruptcy Court on January 30, 2018, as an attachment to the Bidding Procedures Motion discussed below. By order entered on February 28, 2018, the

Bankruptcy Court approved certain bid protections for the Stalking Horse as described further below.

Additionally, on January 31, 2018, the Debtors moved for authority to assume and perform under the plan sponsorship agreement. By order entered on February 27, 2018, the Bankruptcy Court authorized the Debtors to assume and perform under the plan sponsorship agreement, which set forth the terms on which the Debtors and the Stalking Horse agreed to pursue confirmation and consummation of the Plan consistent with the Stalking Horse Stock Purchase Agreement.

F. The Bidding Procedures, Postpetition Marketing Efforts and Auction

On January 31, 2018, the Debtors filed a motion [D.I. 27] (the "Bidding Procedures Motion") to establish bidding procedures (the "Bidding Procedures") for the purpose of soliciting higher or better offers to serve as plan sponsor or for an alternative transaction that maximizes value. On February 28, 2018, the Bankruptcy Court entered an order [D.I. 119] (the "Bidding Procedures Order") approving the relief requested in the Bidding Procedures Motion, as modified in agreement with the U.S. Trustee, the Official Committee and the Stalking Horse. Additionally, the Bankruptcy Court approved a break-up fee and expenses reimbursement for the Stalking Horse in the aggregate amount not to exceed $1.25 million.

In accordance with the Bidding Procedures Order, the deadline for submitting a Qualified Bid (as such term is defined in the Bidding Procedures) was May 17, 2018 at 4:00 p.m. (Eastern Time). On May 16, 2018, the Court entered an agreed order between the Debtors and Official Committee [D.I. 263] (the "Agreed Order") to extend the deadline to submit a Qualified Bid to May 25, 2018 at 4:00 p.m. (Eastern Time).

Following the Court's approval of the Bidding Procedures, KBW, on behalf of the Debtors, contacted sixty-five (65) potentially interested buyers or financiers, including strategic and financial players—the vast majority of which were the same firms that KBW had contacted in their prepetition marketing efforts. This renewed and additional outreach resulted in eleven (11) parties signing non-disclosure agreements and gaining access to the Debtors' virtual data room.

The robust postpetition marketing process resulted in the Debtors receiving three bids at or before the May 25 bid deadline, comprising of the Stalking Horse's bid plus bids from the Purchaser and one additional party. After an extended review of the bids, the Debtors, with the assistance of their legal advisors and KBW, determined that the Purchaser's bid was a Qualified Bid and the Initial Highest Bid, as that term is defined in the Bidding Procedures Order. The Debtors also determined that the Stalking Horse's bid was a Qualified Bid under the Bidding Procedures Order. The third bid was not deemed a Qualified Bid. Among other reasons, the Debtors determined that the third bid posed significant, and potentially insurmountable, regulatory hurdles to closing.

Pursuant to the Bidding Procedures Order, as modified by the Agreed Order, the Debtors commenced an Auction on May 30, 2018 at 12:00 noon (Eastern Time) at the offices of Hogan Lovells US LLP, 875 Third Avenue, New York, New York, 10022. At the conclusion of the Auction, in consultation with the Official Committee, the Debtors designated (i) the final Bid that the Purchaser made at the Auction as the Winning Bid and the Purchaser as the Winning Bidder (as those terms are defined in the Bidding Procedures) and (ii) the final Bid that the Stalking Horse made at the Auction as the Backup Bid and the Stalking Horse as the Backup Bidder (as those terms are defined in the Bidding Procedures).

G. The Winning Bid and Stock Purchase Agreement

The Purchaser's Winning Bid provides for, among other value, a committed Plan Funding Payment of $21.5 million, a Recapitalization Funding Payment of $12.5 million and funding of $100,000 for any cure amounts relating to contracts to be assumed as part of the transaction. In addition, the Purchaser's Winning Bid affords all beneficial holders of TruPS, and SFL with respect to the SFL Note Claim, the opportunity, in their discretion, to a pro rata share of 30% of the voting capital stock of reorganized SALIC, in lieu of a cash payout, as discussed in Section 4.3 of the Plan.

Following the Auction, the Debtors and the Purchaser entered into the certain Stock Purchase Agreement dated June 11, 2018 (the "Stock Purchase Agreement"). The Debtors filed the Stock Purchase Agreement with the Bankruptcy Court on June 11, 2018, as an attachment to a proposed form of order approving the Debtors' designations of (i) Winning Bid and Winning Bidder and (ii) Backup Bid and Backup Bidder (the "Winning Bidder Order"). On June 12, 2018, the Court entered the Winning Bidder Order [D.I. 346].

H. The Restructuring Implementation Agreement

Immediately prior to the Petition Date, the Debtors and SRGL executed the Restructuring Implementation Agreement. The Restructuring Implementation Agreement is intended to ensure that the Debtors will have the cooperation and support of SRGL, acting through the Joint Liquidators, in connection with pursuing the Debtors' reorganization. The Restructuring Implementation Agreement contains, among other things, undertakings by SRGL to seek an order from the Cayman Islands Court authorizing the Joint Liquidators to cause SRGL to meet its obligations under the Restructuring Implementation Agreement, including to surrender the existing ordinary shares of SALIC held by SRGL in two stages (as further described in Section III.C.2.a. hereof, and in the succeeding paragraph below) so that new shares can be issued to the Purchaser, all in accordance with the terms of the Restructuring Implementation Agreement (which are consistent with those of the Stock Purchase Agreement). SRGL allowed the Purchaser to step into the shoes of the Stalking Horse as the purchaser pursuant to the terms of the Restructuring Implementation Agreement.

The requirements of the laws of the Cayman Islands, where SALIC is organized, make this an essential step for the Debtors to consummate the Stock Purchase Agreement. Cayman Islands law imposes two principal barriers to a transaction, like the one here, involving

a Cayman Islands chartered company (*i.e.*, SRGL or SALIC) that is using a plan of reorganization to extinguish old equity and issue new equity to creditors or a purchaser. Initially, it is a general principle of Cayman Islands conflicts of law rules that a court of a foreign country has jurisdiction to give a judgment *in rem* capable of enforcement or recognition in the Cayman Islands if the subject matter of the proceedings wherein that judgment was given was immovable or movable property which was at the time of the proceedings situate in that country.[5] *See* 1 A.V. Dicey, *et al.*, DICEY, MORRIS AND COLLINS ON THE CONFLICTS OF LAW, Rule 47 (15th ed. rev. 2012) (hereafter, "DICEY"). It is a general principle of Cayman Islands conflicts of law rules that the law of the place of incorporation of the company decides how shares in the company may be transferred, and that shares in a Cayman Islands company are regarded as situate at the place where the share register is kept. *See* DICEY, ¶ 22-044; Companies Law of the Cayman Islands, § 40 (2016 Revision). Therefore, given that the shares held by SRGL (a Cayman Islands company) in SALIC (a Cayman Islands company) were not as a matter of Cayman Islands law situated in the United States at the time of SALIC's commencement of its bankruptcy case, it is the Debtors' understanding that a Cayman Islands court would not recognize a cancellation of those shares by the Bankruptcy Court in SALIC's bankruptcy case.

Additionally, the Debtors understand that any transaction that contravenes section 37B(1) of the Companies Law (2016 Revision) of the Cayman Islands would be deemed void and of no force or effect by a Cayman Islands court. Section 37B(1) provides:

> Subject to any express provisions of the company's memorandum or articles of association to the contrary, a company may accept the surrender for no consideration of any fully paid share (including a redeemable share) unless, as a result of the surrender, there would no longer be any issued shares of the company other than shares held as treasury shares.

Section 37B(1), therefore, drives the need for a two-step share surrender process described in the Restructuring Implementation Agreement and referenced in the Stock Purchase Agreement.

As a matter of Cayman Islands law, at no point in time can SALIC fail to have at least one issued and outstanding share (*i.e.*, not a treasury share). In short, compliance with applicable Cayman Islands law requires the consent and cooperation of SRGL, as the sole shareholder of SALIC, to these proposed restructuring transactions or any similarly structured alternative transaction that would transfer ownership of reorganized SALIC.

Furthermore, the Restructuring Implementation Agreement sets forth agreements and stipulations regarding intercompany obligations between SRGL and SALIC and its subsidiaries, which are necessary to the Debtors' ability to reorganize pursuant to, and maximize value from, the currently contemplated restructuring transactions.

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[5] "The Cayman Islands' legal system is based on English common law, locally enacted statutes and Orders-in-Council." Cayman Islands Judicial Administration, "Laws of the Cayman Islands," https://www.judicial.ky/laws (last accessed Feb. 25, 2018).

On January 31, 2018, the Debtors filed a motion for authorization to enter into and perform under the Restructuring Implementation Agreement [D.I. 29]. The Bankruptcy Court entered an order authorizing the Debtors to enter into and perform under the Restructuring Implementation Agreement on March 19, 2018 [D.I. 170], with certain amendments and clarifications requested by the U.S. Trustee and the Official Committee. As discussed above at Section III.C.2.b., the initial share surrender contemplated by the Restructuring Implementation Agreement occurred on or about March 28, 2018.

I. Luxembourg Proceedings of SFL

On April 16, 2018, SFL, through Luxembourg counsel, presented to the Commercial Court in Luxembourg (the "Commercial Court") the resolution of its Management Board seeking to comply with the bankruptcy law of Luxembourg by petitioning for the appointment of a receiver to facilitate the winding up of SFL. By judgment dated April 18, 2018 (the "SFL Bankruptcy Judgment"), Judge Nathalie Hilbert of the Commercial Court declared SFL to be bankrupt in accordance with Articles 440 and 442 of the French Commercial Code and appointed Mr. Max Mailliet as the insolvency receiver ("Insolvency Receiver") of SFL. As Insolvency Receiver, Mr. Mailliet will be responsible for managing and operating SFL, including, *inter alia*, filing SFL's claims against the Debtors in these Chapter 11 Cases. SFL has filed a claim in the amount of $63,536,014.32 against the Debtors in respect of the SFL-SRD Note. The Commercial Court also established June 1, 2018, at 2:30 p.m. (local Luxembourg time) as the date and time by which claims may be filed against SFL in the Commercial Court proceedings, and June 13, 2018, at 9:00 a.m. (local Luxembourg time) as the date and time for resolution of disputes as to claims. The SFL Bankruptcy Judgment also requires that such judgment be published in the Luxembourg Wort and the Tagblatt, in editions of those publications circulated in Luxembourg and Esch-sur-Aizette.

J. The Claims Process

On March 23, 2018, the Debtors filed their Schedules describing the Claims that exist against the Debtors as of the Petition Date. On March 28, 2018, the Bankruptcy Court entered an order [D.I. 189] (the "Bar Date Order") establishing a general bar date of May 7, 2018, for all Entities that are not Governmental Units to file Proofs of Claim. The Debtors received ten (10) Proofs of Claim against SALIC and seven (7) Proofs of Claim against SHI on or before the general bar date. The Debtors are currently reviewing and reconciling the Filed Proofs of Claims against the Schedules and the Debtors' books and records.

VI. SUMMARY OF THE PLAN'S CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

Section 1122 of the Bankruptcy Code provides that a plan of reorganization must classify the claims and interests of a debtor's creditors and equity interest holders. In accordance with section 1122 of the Bankruptcy Code, the Plan divides Claims and Interests into Classes and sets forth the treatment for each Class (other than Administrative Claims and Priority Tax Claims, which, pursuant to section 1123(a)(1), do not need to be classified). The Debtors also

are required, under section 1122 of the Bankruptcy Code, to classify Claims against and Interests in the Debtors into Classes that contain Claims and Interests that are substantially similar to the other Claims and Interests in such Class.

The Debtors believe that the Plan has classified all Claims and Interests in compliance with the provisions of section 1122 of the Bankruptcy Code and applicable case law, but it is possible that a Holder of a Claim or Interest may challenge the Debtors' classification of Claims and Interests and that the Bankruptcy Court may find that a different classification is required for the Plan to be confirmed. In that event, the Debtors intend, to the extent permitted by the Bankruptcy Code, the Plan, and the Bankruptcy Court, to make such reasonable modifications to the classifications under the Plan to permit Confirmation and to use the Plan acceptances received for purposes of obtaining the approval of the reconstituted Class or Classes of which each accepting Holder ultimately may be deemed to be a member. Any such reclassification could affect the Class in which such Holder initially was a member, or any other Class under the Plan, by changing the composition of such Class and the vote required of the Class for approval of the Plan.

The amount of any Impaired Claim that ultimately is Allowed by the Bankruptcy Court may vary from any estimated Allowed amount of such Claim and, accordingly, the total Claims ultimately Allowed with respect to each Impaired Class of Claims may also vary from any estimates contained herein with respect to the aggregate Claims in any Impaired Class. Thus, the value of the property ultimately to be received by a particular Holder of an Allowed Claim under the Plan may be adversely (or favorably) affected by the aggregate amount of Claims ultimately Allowed in the applicable Class.

The classification of Claims and Interests and the nature of Distributions to members of each Class are summarized below. The Debtors believe that the consideration, if any, provided under the Plan to Holders of Claims and Interests reflects an appropriate resolution of their Claims and Interests, taking into account the differing nature and priority (including applicable contractual and statutory subordination) of such Claims and Interests and the fair value of the Debtors' assets. The Debtors will seek Confirmation of the Plan pursuant to the "cramdown" provisions of the Bankruptcy Code, if necessary. Specifically, section 1129(b) of the Bankruptcy Code permits confirmation of a chapter 11 plan in certain circumstances even if the plan has not been accepted by all impaired classes of claims and interests. *See* Section XI.F. below. Although the Debtors believe that the Plan can be confirmed under section 1129(b), there can be no assurance that the Bankruptcy Court will find that the requirements to do so have been satisfied.

A. Administrative Expense Claims, Professional Fee Claims, Indenture Trustee Fees, and Priority Tax Claims

1. Administrative Claims

Except to the extent that an Allowed Administrative Claim has been satisfied prior to the Effective Date, and except as otherwise provided for herein (including Section 4.1(c)(ii) with respect to Professional Fee Claims), each Holder of an Allowed Administrative Claim shall be entitled to receive in full, final and complete settlement, release, and discharge of such Claim, either (i) to the extent such Administrative Claim is Allowed as of the Effective Date, payment in full in Cash of the unpaid portion of such Allowed Administrative Claim as a Closing Date Plan Distribution on the Effective Date, or as soon as reasonably practicable thereafter, or (ii) to the extent such Administrative Claim is Allowed after the Effective Date, payment in full in Cash of the unpaid portion of such Allowed Administrative Claim from the Distribution Trust, in an amount equal to the unpaid portion of such claim, at such time as such Administrative Claim is Allowed, or as soon as reasonably practicable thereafter.

Except as otherwise provided in Article IV of the Plan, requests for payment of Administrative Claims must be included within an application (setting forth the amount of, and basis for, such Administrative Claims, together with documentary evidence) and Filed and served on respective counsel for the Debtors, the Reorganized Debtors, the Purchaser, and the Distribution Trustee no later than the applicable Administrative Claims Bar Date. Holders of Administrative Claims (including, without limitation, Holders of any Claims for federal, state or local taxes) that are required to File a request for payment of such Claims and that do not File such requests by the applicable Administrative Claims Bar Date shall be forever barred from asserting such Claims against the Debtors, Reorganized Debtors, the Purchaser, the Distribution Trust or any of their respective property. Requests for payments of Administrative Claims included within a Proof of Claim are of no force and effect, and are deemed disallowed in their entirety as of the Effective Date, and shall be satisfied only to the extent such Administrative Claim is subsequently Filed in a timely fashion as provided by Section 4.1(c)(i) of the Plan and subsequently becomes an Allowed Claim.

2. Professional Fee Claims

All Professionals or other entities requesting compensation or reimbursement of expenses pursuant to sections 327, 328, 330, 331, 503(b) and 1103 of the Bankruptcy Code for services rendered before the Effective Date (including, without limitation, any compensation requested by any Professional or any other Entity for making a substantial contribution in the Chapter 11 Cases) shall File an application for final allowance of compensation and reimbursement of expenses no later than thirty (30) days after the Effective Date and simultaneously serve such application on counsel for the following entities: the Reorganized Debtors, the Purchaser, the Official Committee, the Distribution Trustee, and the U.S. Trustee.

Objections, if any, to a Professional's application for compensation or reimbursement of expenses must be filed no later than twenty-one (21) days after the date the application is filed, and simultaneously served on the applicant (and its counsel, if any) and counsel for the following entities: the Reorganized Debtors, the Purchaser, the Official Committee, the Distribution Trustee, and the U.S. Trustee. If no objections are received, the

Bankruptcy Court may enter a final order approving the applications and authorizing final Allowance and payment of compensation and reimbursement of expenses without a hearing. If any objection cannot be resolved consensually, the Bankruptcy Court will hold a hearing on the affected application(s).

The amount of compensation and reimbursement of expenses Allowed by the Bankruptcy Court (less (i) amounts previously received by the Professional in respect of interim compensation and (ii) any unapplied retainer or advance held by the Professional) shall be paid by the Distribution Trustee from the Professional Fee Reserve.

Any professional fees and reimbursements or expenses incurred by the Distribution Trust subsequent to the Effective Date may be paid in accordance with the Distribution Trust Agreement. Any professional fees and reimbursements or expenses incurred by the Reorganized Debtors subsequent to the Effective Date may be paid without further order of, or application to, the Bankruptcy Court.

3. Indenture Trustee Fees

On the Effective Date, the Debtors shall pay all undisputed Indenture Trustee Fees of the TruPS Indenture Trustees incurred through the Confirmation Date as set forth in section 6.1(b)(1). For a TruPS Indenture Trustee to be eligible to have its Indenture Trustee Fees incurred through the Confirmation Date paid on the Effective Date or as soon as reasonably practicable after the Effective Date, on or before the thirtieth (30th) day after the Confirmation Date, such TruPS Indenture Trustee must serve the Debtors, the Committee and the Purchaser with invoices setting forth in reasonable detail (but subject to appropriate redactions to preserve confidentiality or any applicable privileges or protections) the Indenture Trustee Fees for which such TruPS Indenture Trustee seeks payment. If none of the Debtors, the Committee or the Purchaser has served the applicable TruPS Indenture Trustee with a written objection to the TruPS Indenture Trustee Fees set forth in such invoices within ten (10) Business Days after the date of service of such invoices, then the subject Indenture Trustee Fees shall be paid to the applicable TruPS Indenture Trustee on or as soon as reasonably practicable after the Effective Date as set forth in Section 6.1(b)(1), without the need for application to, or approval by, any court. Each Indenture Trustee will not assert its Charging Lien to the extent that it receives payment of its Indenture Trustee Fees.

Prior to the Effective Date, the Debtors, in consultation with the Purchaser, the Committee and each of the TruPS Indenture Trustees, will make a good faith estimate of the Indenture Trustee Fees incurred and expected to be incurred during the period from the Confirmation Date through the Effective Date. On the Effective Date, the Indenture Trustee Fee Reserve shall be funded with such estimated amount in accordance with section 6.3(g) of the Plan.

For a TruPS Indenture Trustee to be eligible to have its Indenture Trustee Fees incurred during the period commencing from the Confirmation Date through the Effective Date paid from the Indenture Trustee Fee Reserve (and if such Indenture Trustee Fee Reserve proves

to be inadequate, the Available Plan Distribution Funding Amount), on or before the thirtieth (30th) day after the Effective Date, such TruPS Indenture Trustee must serve the Distribution Trustee and the Purchaser with invoices setting forth in reasonable detail (but subject to appropriate redactions to preserve confidentiality or any applicable privileges or protections) the Indenture Trustee Fees for which such TruPS Indenture Trustee seeks payment. If the Distribution Trustee or the Purchaser has not served the applicable TruPS Indenture Trustee with a written objection to the TruPS Indenture Trustee Fees set forth in such invoices within ten (10) Business Days after the date of service of such invoices, then the subject Indenture Trustee Fees shall be paid from the Indenture Trustee Fee Reserve (or the Available Plan Distribution Funding Amount if the Indenture Trustee Fee Reserve is inadequate) to the applicable TruPS Indenture Trustee within ten (10) Business Days after the expiration of such objection period, without the need for application to, or approval by, any court.

Prior to the Effective Date, the Debtors, in consultation with the Purchaser, the Committee and each of the TruPS Indenture Trustees, will make a good faith estimate of the Indenture Trustee Fees expected to be incurred following the Effective Date and the Indenture Trustee Fee Reserve shall be funded with such estimated amount in accordance with section 6.3(g) of the Plan. No TruPS Indenture Trustee shall be eligible to receive payment from the Distribution Trust or SRGL or to maintain a Charging Lien, for Indenture Trustee Fees incurred after the Effective Date for fees or expenses relating to the SHST II TruPS, the SHST II TruPS Documents, the GPIC TruPS, the GPIC TruPS Documents or any Distributions made on account of Claims arising from the SHST II TruPS, the SHST II Debentures, the GPIC TruPS, the GPIC Debentures or any other TruPS Document related to the foregoing TruPS transactions.

The aggregate amount of Indenture Trustee Fees recoverable from the Debtors and the Distribution Trust by the TruPS Indenture Trustees shall not exceed [$_____] (the "Indenture Trustee Fee Cap"). The Indenture Trustee Fee Cap may be increased upon the consent of the Debtors, the Committee and the Purchaser at any time prior to the Effective Date and upon the consent of the Distribution Trustee and the Purchaser on or after the Effective Date.

If the Debtors or Reorganized Debtors (as applicable), the Committee, the Purchaser or the Distribution Trustee disputes any requested Indenture Trustee Fees, such party shall notify the applicable TruPS Indenture Trustee, and, upon such notification, the applicable TruPS Indenture Trustee may (a) assert its Charging Lien to pay the disputed portion of the Indenture Trustee Fees and/or (b) submit such dispute for resolution to the Bankruptcy Court. If the dispute is not resolved in the TruPS Indenture Trustee's favor, any amounts for which the TruPS Indenture Trustee asserted its charging lien on account of such disputed Indenture Trustee Fees must be returned. Notwithstanding the pendency of an objection to a portion of a TruPS Indenture Trustee's Indenture Trustee Fees, the Debtors or Distribution Trust, as applicable, shall pay any undisputed portion of Indenture Trustee. Nothing herein shall be deemed to impair, waive, discharge, or negatively affect any Charging Lien for any fees, costs and expenses not paid by the Debtors or the Distribution Trustee and otherwise claimed by a TruPS Indenture Trustee pursuant to the procedures set forth in this Section 4.1(d) of the Plan; *provided, however,* that no TruPS Indenture Trustee shall be eligible to receive payment from the Distribution Trust

or maintain a Charging Lien for Indenture Trustee Fees incurred after the Effective Date for services related to Distributions to SRGL on account of its holdings of SHST II TruPS, GPIC TruPS or any corresponding SRGL TruPS Claims.

4. Priority Tax Claims

Except to the extent that an Allowed Priority Tax Claim has been satisfied prior to the Effective Date, each Holder of an Allowed Priority Tax Claim shall be entitled to receive, in full, final and complete settlement, release, and discharge of such Claim, at the election of the Debtors or the Distribution Trustee, one of the following treatments: (i) to the extent such Priority Tax Claim is Allowed as of the Effective Date, payment in full in Cash of the unpaid portion of such Allowed Priority Tax Claim as a Closing Date Plan Distribution on the Effective Date, or as soon as reasonably practicable thereafter; (ii) to the extent such Priority Tax Claim is Allowed after the Effective Date, payment in full in Cash of the unpaid portion of such Allowed Priority Tax Claim from the Distribution Trust, in an amount equal to the unpaid portion of such claim, at such time as such Priority Tax Claim is Allowed, or as soon as reasonably practicable thereafter; or (iii) or such other treatment or payment from the Distribution Trust as permitted under section 1129(a)(9)(C) of the Bankruptcy Code.

B. Classification of Claims and Interests

All Claims and Interests, except Administrative Claims and Priority Tax Claims, are placed in the Classes set forth below. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims have not been classified, and the treatment of such unclassified Claims is set forth in Section 4.1 of the Plan.

A Claim or Interest is placed in a particular Class only to the extent that the Claim or Interest falls within the description of that Class, and is classified in other Classes to the extent that any portion of the Claim or Interest falls within the description of such other Classes. A Claim is also placed in a particular Class for the purpose of receiving Distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that Class and such Claim has not been paid, released, or otherwise settled prior to the Effective Date.

The following table designates the Classes of Claims against and Interests in the Debtors and specifies which Classes are: (a) Impaired and Unimpaired under the Plan; (b) entitled to vote to accept or reject the Plan in accordance with section 1126 of the Bankruptcy Code; and (c) deemed to accept or reject the Plan:

Class	Type of Claim or Interest	Impairment	Entitled to Vote
Class 1	Secured Claims	Unimpaired	No (deemed to accept).
Class 2	Priority Non-Tax Claims	Unimpaired	No (deemed to accept).
Class 3	Intercompany Claims	Unimpaired	No (deemed to accept).
Class 4	SHI TruPS Claims	Impaired	Yes.
Class 5	SHI General Unsecured Claims	Impaired	Yes.

Class 6	SALIC TruPS Claims	Impaired	Yes.
Class 7	SALIC General Unsecured Claims	Impaired	Yes.
Class 8	Subordinated Claims	Impaired	No (deemed to reject).
Class 9	SHI Existing Equity Interests	Impaired	No (deemed to reject).
Class 10	SALIC Existing Equity Interests	Unimpaired	No (deemed to accept).

C. Treatment of Claims and Interests

1. Class 1 – Secured Claims

Unless a Holder of an Allowed Secured Claim agrees to lesser treatment, on the Effective Date, or as soon as reasonably practicable thereafter, each Holder of an Allowed Secured Claim shall receive one of the following treatments on account of such Allowed Secured Claim, at the option of the Debtors or the Distribution Trustee, as applicable: (a) reinstatement of the Allowed Secured Claim as against any collateral or proceeds thereof held by the Distribution Trust; (b) with the consent of the Purchaser, reinstatement of the Allowed Secured Claim as against any collateral or proceeds thereof held by the Reorganized Debtors; (c) in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Allowed Secured Claim, Cash equal to the full Allowed amount of such Secured Claim, with such Cash to be paid (i) as a Closing Date Plan Distribution to the extent that such Secured Claim is Allowed as of the Effective Date or (ii) from the assets of the Distribution Trust to the extent that such Secured Claim is allowed after the Effective Date; or (d) with the consent of the Purchaser as to any asset that is not a Distribution Trust Asset, delivery of the collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code.

The Holders of Claims in Class 1 will be conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Claims in Class 1 will not be entitled to vote to accept or reject the Plan.

2. Class 2 – Priority Non-Tax Claims

Unless a Holder of an Allowed Priority Non-Tax Claim agrees to lesser treatment, on the Effective Date, or as soon as reasonably practicable thereafter, each Holder of an Allowed Priority Non-Tax Claim shall receive in full, final and complete satisfaction, settlement, release, and discharge of such Allowed Priority Non-Tax Claim, either: (i) to the extent such Priority Non-Tax Claim is Allowed as of the Effective Date, payment in full in Cash of the unpaid portion of such Allowed Priority Non-Tax Claim as a Closing Date Plan Distribution on the Effective Date, or as soon as reasonably practicable thereafter, or (ii) to the extent such Priority Non-Tax Claim is Allowed after the Effective Date, payment in full in Cash of the unpaid portion of such Allowed Priority Non-Tax Claim from the Distribution Trust at such time as such Priority Non-Tax Claim is Allowed, or as soon as reasonably practicable thereafter.

The Holders of Claims in Class 2 will be conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Claims in Class 2 will not be entitled to vote to accept or reject the Plan.

3. Class 3 – Intercompany Claims

Intercompany Claims shall be paid, adjusted, continued, settled, reinstated, discharged, eliminated, or otherwise managed, in each case to the extent determined to be appropriate by the applicable Debtor(s) or Reorganized Debtor(s) and certain of their non-debtor Affiliates with the consent of the Purchaser. For the avoidance of doubt, Intercompany Claims shall not receive a Distribution and shall not otherwise be entitled to any of the assets of the Distribution Trust.

The Holders of Claims in Class 3 will be conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Claims in Class 3 will not be entitled to vote to accept or reject the Plan.

4. Class 4 – SHI TruPS Claims

The SHI TruPS Claims shall be allowed as follows (inclusive of all principal amount issued pursuant to the applicable TruPS Indentures and related documents and accrued but unpaid interest as of the Petition Date at the applicable rates specified in the applicable TruPS Indentures and related documents, other than Indenture Trustee Fees), and shall not be subject to objection, challenge, reduction, offset, avoidance, setoff, recharacterization, impairment, subordination (whether equitable, contractual or otherwise) except as provided herein, counterclaim, cross-claim, defense or disallowance under Applicable Law:

TruPS Debenture Issuance	TruPS Indenture Trustee	Holder of Allowed SHI TruPS Claim	Principal	Interest through Petition Date	Total Allowed SHI TruPS Claim
SHST I TruPS Debentures	U.S. Bank, as Indenture Trustee	U.S. Bank, as Indenture Trustee, on behalf of Beneficial Holders	$18,042,000.00	$4,805,863.87	$22,847,863.87
SHST II TruPS Debentures	U.S. Bank, as Indenture Trustee	U.S. Bank, as Indenture Trustee, exclusively for SRGL	$20,619,000.00	$5,528,239.88	$26,147,239.88
GPIC	BNYM, as	BNYM, as	$10,310,000.00	$2,561,006.29	$12,873,506.29

TruPS Debenture Issuance	TruPS Indenture Trustee	Holder of Allowed SHI TruPS Claim	Principal	Interest through Petition Date	Total Allowed SHI TruPS Claim
TruPS Debentures	Indenture Trustee	Indenture Trustee, exclusively for SRGL			
SHST III TruPS Debentures	U.S. Bank, as Indenture Trustee	U.S. Bank, as Indenture Trustee, on behalf of Beneficial Holders	$32,990,000.00	$8,310,979.84	$41,300,979.84
TOTAL			**$81,961,000.00**	**$21,206,089.88**	**$99,870,213.87**

A. With respect to Eligible SHI TruPS Claims, on or as soon as reasonably practicable after the DT Initial Distribution Date and the DT Subsequent Distribution Dates (as applicable), in full and final satisfaction of and in exchange for all Eligible SHI TruPS Claims, each Beneficial Holder of TruPS on account of its Allocated Portion of SHI TruPS Claim will receive (to be distributed in accordance with the procedures set forth in Sections 6.1(f) & (g), 6.3(i), 7.5 and 7.6 of the Plan):

(1) If such Beneficial Holder is a New Equity Eligible Beneficial Holder, the following:

(a) Either (x) if the Beneficial Holder makes the New Equity Election, then the Beneficial Holder's TruPS Claims Equity Distribution Amount; or (y) if the Beneficial Holder makes the Cash Election, the Beneficial Holder's TruPS/GUC Claims Cash Distribution Amount; and

(b) The Beneficial Holder's applicable percentage of the Distribution Trust Asset Proceeds, calculated as the amount of such New Equity Eligible Beneficial Holder's Allocated Portion of the Allowed Eligible SHI TruPS Claim divided by the TruPS/GUC Claims Aggregate Amount.

(2) If such Beneficial Holder is SRGL, the following:

(a) SRGL's TruPS/GUC Claims Cash Distribution Amount; and

(b) SRGL's applicable percentage of the Distribution Trust Assets Proceeds, calculated as the amount of SRGL's Allocated Portion of the Allowed Eligible SHI TruPS Claims divided by the TruPS/GUC Claims Aggregate Amount.

B. With respect to SRGL Exclusively Held SHI TruPS Claims, on or as soon as reasonably practicable after the DT Initial Distribution Date and the DT Subsequent Distribution Dates (as applicable), in full and final satisfaction of and in exchange for all SRGL Exclusively Held SHI TruPS Claims, SRGL shall receive (to be distributed in accordance with the procedures set forth in Sections 6.1(f) & (g), 6.3(i), 7.5 and 7.6 of this Plan):

(1) SRGL's TruPS/GUC Claims Cash Distribution Amount; and

(2) SRGL's applicable percentage of the Distribution Trust Assets Proceeds, calculated as the amount of the Allowed SRGL Exclusively Held SHI TruPS Claims divided by the TruPS/GUC Claims Aggregate Amount.

The Holders of Allowed Class 4 Claims are Impaired, and the Holders of such Claims will be entitled to vote to accept or reject the Plan.

5. Class 5 – SHI General Unsecured Claims

On or as soon as reasonably practicable after the DT Initial Distribution Date and the DT Subsequent Distribution Dates (as applicable), in full and final satisfaction of and in exchange for all SHI General Unsecured Claims, each Holder of an Allowed SHI General Unsecured Claim shall receive:

(1) The Holder's TruPS/GUC Claims Cash Distribution Amount; and

(2) The Holder's applicable percentage of the Distribution Trust Assets Proceeds, calculated as the amount of the Allowed Amount of the Holder's SHI General Unsecured Claims divided by the TruPS/GUC Claims Aggregate Amount.

The Holders of Allowed Class 5 Claims are Impaired, and the Holders of such Claims will be entitled to vote to accept or reject the Plan.

6. Class 6 – SALIC TruPS Claims & SFL Note Claim

The SALIC TruPS Claims shall be allowed as follows (inclusive of all principal amount issued pursuant to the applicable TruPS Indentures and related documents and accrued but unpaid interest as of the Petition Date at the applicable rates specified in the applicable TruPS Indentures and related documents, other than Indenture Trustee Fees), and shall not be subject to objection, challenge, reduction, offset, avoidance, setoff, recharacterization, impairment, subordination (whether equitable, contractual or otherwise) except as provided herein, counterclaim, cross-claim, defense or disallowance under Applicable Law:

TruPS Debenture Issuance	TruPS Indenture Trustee	Holder of Allowed SALIC TruPS Claim	Principal	Interest through Petition Date	Total Allowed SALIC TruPS Claim
SHST I Debentures	U.S. Bank, as Indenture Trustee	U.S. Bank, as Indenture Trustee, on behalf of Beneficial Holders	$18,042,000.00	$4,805,863.87	$22,847,863.87
SHST II Debentures	U.S. Bank, as Indenture Trustee	U.S. Bank, as Indenture Trustee, exclusively for SRGL	$20,619,000.00	$5,528,239.88	$26,147,239.88
GPIC Debentures	BNYM, as Indenture Trustee	BNYM, as Indenture Trustee, exclusively for SRGL	$10,310,000.00	$2,561,006.29	$12,873,506.29
SHST III Debentures	U.S. Bank, as Indenture Trustee	U.S. Bank, as Indenture Trustee, on behalf of Beneficial Holders	$32,990,000.00	$8,310,979.84	$41,300,979.84
SFLST I Debentures	WTC, as Indenture Trustee	WTC, as Indenture Trustee, on behalf of Beneficial Holders	$51,547,000.00	$11,989,041.32	$63,536,041.32
TOTAL			**$133,508,000.00**	**$33,195,131.20**	**$166,705,631.20**

If the Holder of the SFL Note Claim (1) votes the SFL Note Claim to accept the Plan, (2) does not object to confirmation of the Plan, and (3) does not opt out of the "Releases by Holders of Claims and Interests" set forth in Section 10.3 of the Plan (together, the "SFL Note Claim Allowance Conditions"), then upon the occurrence of the Effective Date, the SFL Note Claim shall be deemed Allowed as a Class 6 Claim in the amount of $63,536,014.32, and shall

not be subject to objection, challenge, reduction, offset, avoidance, setoff, recharacterization, impairment, subordination (whether equitable, contractual or otherwise) except as provided herein, counterclaim, cross-claim, defense or disallowance under Applicable Law, and shall be entitled, at such Holder's option to make (i) the New Equity Election; (ii) the Cash Election; or (iii) elect to allocate its Claim between the New Equity Election or the Cash Election. If the Holder of the SFL Note Claim fails to satisfy one or more of the SFL Note Claim Allowance Conditions, then, unless otherwise agreed in a writing signed by an authorized representative of the Debtors (or, if on or after the Effective Date, the Distribution Trustee) and consented to by the Purchaser (which consent shall not be unreasonably withheld) or adjudicated by a Final Order of the Bankruptcy Court, the SFL Note Claim shall (a) remain fully subject to objection, challenge, reduction, offset, avoidance, setoff, recharacterization, impairment, subordination (whether equitable, contractual or otherwise), counterclaim, cross-claim, defense or disallowance under Applicable Law and treated as a Disputed Claim and (b) be deemed to have made the Cash Election and will be reserved for in Cash as a Disputed Claim. For the avoidance of doubt, after the Effective Date, the Distribution Trustee shall have the sole right and authority, but not the obligation, to object to, litigate, and settle the amount, priority or extent of the SFL Note Claim and to make a Cash Distribution thereon to the extent Allowed.

With respect to Eligible SALIC TruPS Claims, on or as soon as reasonably practicable after the DT Initial Distribution Date and the DT Subsequent Distribution Dates (as applicable), in full and final satisfaction of and in exchange for all Eligible SALIC TruPS Claims, each Beneficial Holder of TruPS on account of its Allocated Portion of SALIC TruPS Claim arising from or relating to the TruPS issuance for which it is a Beneficial Holder shall receive (to be distributed in accordance with the procedures set forth in Sections 6.1(f) & (g), 6.3(i), 7.5 and 7.6 of this Plan):

(1) If such Beneficial Holder is a New Equity Eligible Beneficial Holder, the following:

(a) Either (x) if the Beneficial Holder makes the New Equity Election, then the Beneficial Holder's TruPS Claims Equity Distribution Amount; or (y) if the Beneficial Holder makes the Cash Election, the Beneficial Holder's TruPS/GUC Claims Cash Distribution Amount; and

(b) The Beneficial Holder's applicable percentage of the Distribution Trust Asset Proceeds, calculated as the amount of such New Equity Eligible Beneficial Holder's Allocated Portion of the Allowed Eligible SALIC TruPS Claims divided by the TruPS/GUC Claims Aggregate Amount.

(2) If such Beneficial Holder is SRGL, the following:

(a) SRGL's TruPS/GUC Claims Cash Distribution Amount; and

(b) SRGL's applicable percentage of the Distribution Trust Assets Proceeds, calculated as the amount of SRGL's Allocated Portion of the Allowed Eligible SALIC TruPS Claims divided by the TruPS/GUC Claims Aggregate Amount.

With respect to SRGL Exclusively Held SALIC TruPS Claims, on or as soon as reasonably practicable after the DT Initial Distribution Date and the DT Subsequent Distribution Date(s) (as applicable), in full and final satisfaction of and in exchange for all SRGL Exclusively Held SALIC TruPS Claims, SRGL shall receive (to be distributed in accordance with the procedures set forth in Sections 6.1(f) & (g), 6.3(i), 7.5 and 7.6 of this Plan):

(1) SRGL's TruPS/GUC Claims Cash Distribution Amount; and

(2) SRGL's applicable percentage of the Distribution Trust Assets Proceeds, calculated as the amount of the Allowed SRGL Exclusively Held SALIC TruPS Claims divided by the TruPS/GUC Claims Aggregate Amount.

With respect to the SFL Note Claim, on or as soon as reasonably practicable after the DT Initial Distribution Date and the DT Subsequent Distribution Dates (as applicable), in full and final satisfaction of and in exchange for all SFL Claims, the Holder of the SFL Note Claim shall receive (to be distributed in accordance with the procedures set forth in Sections 6.1(f) & (g), 6.3(i), 7.5 and 7.6 of this Plan) the following:

(1) If the SFL Note Claim Allowance Conditions are satisfied:

(a) Either (a) if the Holder of the Allowed SFL Note Claim makes the New Equity Election, such Holder's TruPS Claims Equity Distribution Amount; or (b) if the Holder of the Allowed SFL Note Claim makes the Cash Election, such Holder's TruPS/GUC Claims Cash Distribution Amount; and

(b) SFL's applicable percentage of the Distribution Trust Assets Proceeds, calculated as the amount of such New Equity Eligible Beneficial Holder's Allocated Portion of the Allowed SFL Claim divided by the TruPS/GUC Claims Aggregate Amount.

(2) If the SFL Note Claim Allowance Conditions are not satisfied, then subject to and upon the Allowance of the SFL Claim post-Effective Date:

(a) The Holder of the Allowed SFL Note Claim's TruPS/GUC Claims Cash Distribution Amount; and

(b) The Holder of the Allowed SFL Note Claim's applicable percentage of the Distribution Trust Assets Proceeds, calculated as the amount of the Allowed SFL Claim divided by the TruPS/GUC Claims Aggregate Amount.

The Holders of Allowed Class 6 Claims are Impaired, and the Holders of such Claims will be entitled to vote to accept or reject the Plan.

7. Class 7 – SALIC General Unsecured Claims

On or as soon as reasonably practicable after the DT Initial Distribution Date and the DT Subsequent Distribution Dates (as applicable), in full and final satisfaction of and in exchange for all Allowed SALIC General Unsecured Claims, each Holder of an Allowed SALIC General Unsecured Claim shall receive:

(1) The Holder's TruPS/GUC Claims Cash Distribution Amount; and

(2) The Holder's applicable percentage of the Distribution Trust Assets Proceeds, calculated as the amount of the Allowed Amount of the Holder's SALIC General Unsecured Claims divided by the TruPS/GUC Claims Aggregate Amount.

The Holders of Allowed Class 7 Claims are Impaired, and the Holders of such Claims will be entitled to vote to accept or reject the Plan.

8. Class 8 – Subordinated Claims

Holders of Subordinated Claims will not receive or retain any property on account of such Claims. On the Effective Date, Subordinated Claims shall be deemed automatically cancelled, released, and extinguished without further action by any Debtor, any Reorganized Debtor, or the Distribution Trustee, and the obligations of the Debtors thereunder shall be forever discharged.

Each Holder of a Subordinated Claim will be conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Subordinated Claims shall not be entitled to vote on the Plan.

9. Class 9 – SHI Existing Equity Interests

All SHI Existing Equity Interests will be cancelled and reissued at the direction of the Purchaser as described in Section 6.1 of the Plan.

The Holders of SHI Existing Equity Interests will be conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of SHI Existing Equity Interests shall not be entitled to vote on the Plan.

10. Class 10 – SALIC Existing Equity Interests

SALIC Existing Equity Interests are Unimpaired by the Plan and will be treated in accordance with the Stock Purchase Agreement, the New SALIC Shares Issuance Documents, the Share Surrender Documents, and the Restructuring Implementation Agreement, as provided in Section 6.1 of the Plan.

The Holders of SALIC Existing Equity Interests will be conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Interests in Class 10 will not be entitled to vote to accept or reject the Plan.

D. Acceptance Requirements

1. Impaired Classes of Claims Entitled to Vote

Holders of Allowed Claims in each Impaired Class that will receive a Distribution are entitled to vote as a Class to accept or reject the Plan. Accordingly, only the votes of Holders of Claims in Classes 4, 5, 6 and 7 shall be solicited with respect to the Plan. A Holder of a Disputed Claim which has not been temporarily allowed for purposes of voting on the Plan may vote only such Disputed Claim in an amount equal to the portion, if any, of such Claim shown as fixed, liquidated, and undisputed in the Schedules.

2. Acceptance by an Impaired Class

In accordance with section 1126(c) of the Bankruptcy Code, and except as provided in section 1126(e) of the Bankruptcy Code, an Impaired Class shall have accepted the Plan if the Plan is accepted by the Holders of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims in such Class that have timely and properly voted to accept or reject the Plan.

3. Presumed Acceptance by Unimpaired Classes

Classes 1, 2, 3, and 10 are Unimpaired under the Plan. Under section 1126(f) of the Bankruptcy Code, Holders of such Unimpaired Claims and Interests are conclusively presumed to have accepted the Plan, and the votes of Holders of such Claims and Interests shall not be solicited.

4. Presumed Rejection by Impaired Classes Not Receiving Any Distribution under the Plan

Classes 8 and 9 are Impaired under the Plan, and Holders of Claims and Interests in such Classes will not receive or retain any property under the Plan on account of such Claims or Interests. Under section 1126(f) of the Bankruptcy Code, Holders of such Claims and Interests are conclusively presumed to have rejected the Plan, and the votes of Holders of such Claims and Interests shall not be solicited.

5. Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code

To the extent that any Impaired Class rejects the Plan or is deemed to have rejected the Plan, the Debtors shall request Confirmation of the Plan under section 1129(b) of the Bankruptcy Code. The Debtors, subject to the terms of the Plan, the Stock Purchase Agreement,

and the Restructuring Implementation Agreement, reserve the right to alter, amend, modify, revoke, or withdraw the Plan, the Plan Supplement, or any schedule or exhibit, including to amend or modify it to satisfy the requirements of section 1129(b) of the Bankruptcy Code, if necessary.

In connection with requesting Confirmation of the Plan under section 1129(b) of the Bankruptcy Code, the Debtors, with the consent of the Purchaser, reserve the right to seek Confirmation of the Plan on a "per plan" basis (as opposed to a "per debtor" basis) consistent with In re Matter of Transwest Resort Properties, Inc., 881 F.3d 724 (9th Cir. 2018).

6. Elimination of Vacant Classes

Any Class that, as of the date of commencement of the Confirmation Hearing, does not contain any Allowed Claim or Interest, or any Claim temporarily allowed under Bankruptcy Rule 3018, shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan, and disregarded for purposes of determining whether the Plan satisfies section 1129(a)(8) of the Bankruptcy Code with respect to such Class.

7. Presumed Acceptance by Voting Classes in Which No Votes Are Cast

If a Class contains Claims eligible to vote and no Holder of a Claim eligible to vote in such Class votes to accept or reject the Plan, the Plan shall be presumed accepted by the Holders of such Claims in such Class.

8. Consolidation of Classes

To the extent permitted under section 1122 of the Bankruptcy Code, and subject to the terms of the Stock Purchase Agreement, and the Restructuring Implementation Agreement, the Debtors reserve the right to consolidate one or more Classes of Claims, including for purposes of sections 1126, 1129(a)(8), 1129(a)(10) or 1129(b) of the Bankruptcy Code.

9. Separate Classes of Secured Claims

Although all Secured Claims have been placed in one Class for purposes of nomenclature within the Plan, each Secured Claim, to the extent secured by a Lien on Collateral different from the Collateral securing another Secured Claim, shall be treated as being in a separate sub-Class for the purposes of receiving Distributions.

VII. MEANS FOR IMPLEMENTATION OF THE PLAN

A. Plan Transactions

1. Stock Purchase Agreement Closing

On or prior to the Effective Date, and as a condition to the Effective Date, each of the actions, transactions, and deliveries described in the Stock Purchase Agreement shall occur and shall have occurred, including, without limitation, the actions, transactions, and deliveries described in section 2.4 of the Stock Purchase Agreement.

2. Funding, Allocation and Use of Plan Funding Payment; Allocation and Use of Debtors' Unrestricted Cash

On the Effective Date, the Plan Funding Payment shall be funded by the Purchaser in accordance with the terms of the Stock Purchase Agreement and this Plan and allocated and used as follows (such waterfall, the "Allocation/Use Priorities"):

(1) First, to fund (a) all Closing Date Plan Distributions, (b) the Indenture Trustee Fees payable as set forth in section 4.1(d)(i), and (c) the Indenture Trustee Fee Reserve on account of the Pre-Effective Date Indenture Trustee Fee Estimate, to the extent such amounts in (a)-(c) are not fully funded from the unrestricted Cash of SALIC and SHI; provided however that such amounts shall be funded on or before the Effective Date from the unrestricted Cash of SALIC and SHI to the extent of such unrestricted Cash;

(2) Second, to fund the Professional Fee Reserve;

(3) Third, to fund the Trust Administration Reserve;

(4) Fourth, to fund the Disputed Claims Reserve to be maintained by the Distribution Trust;

(5) Fifth, to fund the Indenture Trustee Fee Reserve on account of the Post-Effective Date Indenture Trustee Fee Estimate;

(6) Sixth, to fund Distributions to the Holders of Allowed SHI General Unsecured Claims, Allowed SALIC General Unsecured Claims, Allowed SHI TruPS Claims (that make the Cash Election), Allowed SALIC TruPS Claims (that make the Cash Election), and Allowed SFL Note Claim (if the Cash Election is made or deemed to have been made) with such Distributions to be made on the DT Initial Distribution Date or DT Subsequent Distribution Dates, as applicable.

The Plan Funding Payment shall be adjusted downward by the TruPS Returned Cash on account of any amount of the Available Plan Funding Distribution Amount allocable to Allowed TruPS Claims that elect to receive the New Equity. For the avoidance of doubt, the Purchaser shall not fund the TruPS Returned Cash. Any portion of the Plan Funding Payment that is subsequently released from the Disputed Claims Reserve, the Professional Fee Reserve, the Trustee Administration Reserve, or the Indenture Trustee Fee Reserve on account of the

Post-Effective Date Indenture Trustee Fee Estimate, shall be released by the Distribution Trustee pro rata to (x) the Purchaser on account of the TruPS Returned Cash and (y) Holders of Allowed SHI General Unsecured Claims, Allowed SALIC General Unsecured Claims, Allowed SHI TruPS Claims (that make the Cash Election), Allowed SALIC TruPS Claims (that make the Cash Election), and Allowed SFL Note Claim (if the Cash Election is made or deemed to have been made). Any portion of the Indenture Trustee Fee Reserve on account of the Pre-Effective Date Indenture Trustee Fee Estimate that has not been paid to satisfy Indenture Trustee Fees shall be returned to the Reorganized Debtors to the extent that such amount was funded with unrestricted cash. Except as stated in Section 6.1(b)(1) of the Plan, the unrestricted Cash of SALIC and SHI shall remain with the Reorganized Debtors.

3. Funding of Recapitalization Funding Payment

On the Effective Date, the Recapitalization Funding Payment shall be funded to Reorganized SALIC by the Purchaser in accordance with the terms of the Stock Purchase Agreement and the Plan. The Recapitalization Funding Payment shall not be used to make Distributions.

4. Cancellation of SHI Existing Equity Interests; Issuance of New SHI Equity

On the Effective Date, all SHI Existing Equity Interests shall be cancelled and New SHI Equity shall be issued to the Purchaser or to another entity at the direction of the Purchaser in its sole discretion. Unless the Purchaser determines otherwise in its sole discretion, the New SHI Equity shall be deemed immediately contributed by the Purchaser to Reorganized SALIC.

5. Final Share Surrender

On the Effective Date and immediately following the New SALIC Equity issuance to Purchaser, in accordance with the terms and conditions of the Restructuring Implementation Agreement, the Stock Purchase Agreement and the Plan, SRGL shall complete the Final Share Surrender (as defined in the Restructuring Implementation Agreement). For the avoidance of doubt, as a result of the Plan, SRGL as the holder of the SALIC Existing Equity Interests shall not receive or retain any property under the Plan on account of such SALIC Existing Equity Interests.

6. New Equity Issuance and Distribution

a. New Equity Issuance

On the Effective Date, without further act or action under Applicable Law (other than as required by Applicable Law of the Cayman Islands with respect to SRGL and SALIC and provided for in the Restructuring Implementation Agreement and the RIA Order), in accordance with the terms and conditions of the Stock Purchase Agreement, the Restructuring

Implementation Agreement, the RIA Order and this Plan, the New Equity shall be issued and distributed by Reorganized SALIC or New Holdco, as applicable. Such New Equity shall be issued and distributed free and clear of all Liens, Claims and other Interests, except as expressly provided in this Plan.

On or before the deadline established by the Disclosure Statement Order for the filing of the Plan Supplement, the Purchaser shall File a notice stating whether the New Equity will be issued by Reorganized SALIC or New Holdco, which notice may be Filed as part of the Plan Supplement. Any recipient or subsequent holder of shares of New Equity shall be required to enter into the Stockholders Agreement, whether such recipient or holder acquires such shares as of the Effective Date or subsequent thereto. The New Corporate Governance Documents (including the Stockholders Agreement) will include certain restrictions on transfers of the New Equity, which shall be reasonably acceptable to the Purchaser in consultation with the Committee and the Debtors, and disclosed in the Plan Supplement.

The New Equity when issued or distributed as provided in the Plan, will be duly authorized, validly issued and, if applicable, fully paid and nonassessable. Each Distribution and issuance of such New Equity shall be governed by the terms and conditions set forth in the Plan applicable to such Distribution or issuance and by the terms and conditions of the instruments evidencing or relating to such Distribution or issuance, which terms and conditions shall bind each Person receiving such Distribution or issuance.

The Debtors, the Purchaser, the Indenture Trustees, the Committee, SRGL, the Voting Agent and each of their respective Representatives have, and upon Confirmation of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code and Applicable Law with regard to the distribution of the New Equity under the Plan, and therefore are not, and on account of such distributions will not be, liable at any time for the violation of any Applicable Law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan. Upon entry of the Confirmation Order, all provisions of the Plan addressing distribution of the New Equity shall be deemed necessary and proper.

b. Distribution of Offered New Equity

On the Effective Date as soon as practicable thereafter, the Offered New Equity shall be distributed to all New Equity Eligible Holders that make the New Equity Election.

On the Effective Date, all New Equity, other than the Offered New Equity that is distributed to New Equity Eligible Holders that make the New Equity Election, shall be distributed to the Purchaser.

Any shares of Offered New Equity that, as of the Effective Date, have not already been distributed to (or earmarked for distribution to) New Equity Eligible Holders or the Holder of the Allowed SFL Note Claim, shall be distributed to the Purchaser.

B. Vesting of Estate Property

On the Effective Date, all property of the Debtors and their Estates shall vest automatically in the Reorganized Debtors or the Distribution Trust as described in Section 6.2 of the Plan.

On the Effective Date, except as otherwise expressly provided in the Confirmation Order, the Distribution Trust Assets, the Available Plan Distribution Funding Amount and the Distribution Trust Reserve shall automatically vest in the Distribution Trust free and clear of all Claims, Liens and Interests (other than the Purchaser and Reorganized Debtors' respective reversionary interests in the Distribution Trust Reserves).

Except for the Distribution Trust Assets or as otherwise expressly provided in the Confirmation Order, pursuant to sections 1123(b)(3) and 1141(b)–(c) of the Bankruptcy Code, on the Effective Date, all of the property and assets of each Debtor shall automatically vest in the respective Reorganized Debtor, free and clear of all Claims, Liens and Interests. The Reorganized Debtors may operate their business and may use, acquire, and dispose of such property free of any restrictions of the Bankruptcy Code, the Bankruptcy Rules, and the Bankruptcy Court. As of the Effective Date, all such property of the Reorganized Debtors shall be free and clear of all Claims, Liens and Interests, except as specifically provided in the Confirmation Order, and the Reorganized Debtors shall receive the benefit of any and all discharges and injunctions under the Plan.

C. The Distribution Trust

1. Execution of Distribution Trust Agreement

On or prior to the Effective Date, the Debtors shall execute the Distribution Trust Agreement, and shall take all other necessary steps to establish the Distribution Trust, which shall be for the payment of Allowed Administrative Claims, Allowed Priority Claims, and Allowed Secured Claims not satisfied by Closing Date Plan Distributions, and for the benefit of the Distribution Trust Beneficiaries. In the event of any conflict between the terms of Section 6.3(a) of the Plan and the terms of the Distribution Trust Agreement as such conflict relates to the establishment of the Distribution Trust, the terms of Section 6.3(a) of the Plan shall govern. The Distribution Trust Agreement may provide powers, duties, and authorities in addition to those explicitly stated herein, but only to the extent that such powers, duties and authorities do not affect the status of the Distribution Trust as a "liquidating trust" for United States federal income tax purposes. The Distribution Trust Agreement shall be Filed with the Plan Supplement.

2. Purpose of the Distribution Trust

The Distribution Trust shall be established for the sole purpose of liquidating and distributing the assets of the Debtors contributed to such Distribution Trust in accordance with

Treas. Reg. § 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business.

3. Distribution Trust Assets and Other Property

The Distribution Trust shall consist of the Distribution Trust Assets, the Available Plan Distribution Funding Amount and the Distribution Trust Reserves. On the Effective Date, all of the Distribution Trust Assets. the Available Plan Distribution Funding Amount and the Distribution Trust Reserves shall transfer to and be vested in the Distribution Trust. All attorney-client privilege associated with the Retained Causes of Action remains with and vests in the Reorganized Debtors.

4. The Administration of the Distribution Trust and Authority and Powers of the Distribution Trustee

The Distribution Trust shall be administered by the Distribution Trustee pursuant to the Distribution Trust Agreement. The initial Distribution Trustee shall be a Person selected by the Committee and reasonably acceptable to the Debtors and the Purchaser. The identity of the initial Distribution Trustee will be disclosed in the Plan Supplement, and any successor Distribution Trustee shall be appointed in the manner set forth in the Distribution Trust Agreement. In the event of any inconsistency between the Plan and the Distribution Trust Agreement as such conflict relates to anything other than the establishment of the Distribution Trust, the Plan shall control. All compensation for the Distribution Trustee and other costs of administration for the Distribution Trust shall be paid from the Trust Administration Reserve in accordance with the Plan and the Distribution Trust Agreement. The Distribution Trustee shall be a representative of each Debtor's Estate in accordance with section 1123(b)(3)(B) of the Bankruptcy Code for the purposes of the DT Post-Closing Rights.

5. Mutual Cooperation

As the Reorganized Debtors or the Distribution Trustee may reasonably request, each shall use commercially reasonable efforts to cooperate with the other with respect to the implementation of the Plan (including, without limitation, the resolution of Disputed Claims, the determination of taxes and the preparation and filing of tax returns), with all reasonable out-of-pocket expenses incurred by the Reorganized Debtors in connection with a request by the Distribution Trustee being borne by the Distribution Trust; provided, however, that neither party shall be required to (i) provide information, records or employees or other personnel under circumstances which the providing party believes in its sole reasonable determination may waive privilege, confidentiality or a similar protection or expose it to material liability to any person or may prejudice any legal interest of the providing party, or (ii) take any action that in the providing party's reasonable determination unreasonably interferes with its business. For the avoidance of doubt, nothing herein is intended to limit the DT Post-Closing Rights of the Distribution Trust and the Distribution Trustee.

6. Establishment and Funding of Distribution Trust Reserves

On the Effective Date, the following Distribution Trust Reserves shall be established and funded from the Plan Funding Payment, each in accordance with the Allocation/Use Priorities:

(1) Disputed Claims Reserve. The Disputed Claims Reserve shall be established and funded with Cash (including an amount for the SFL Note Claim if the SFL Note Claim Allowance Conditions are not met as of the Effective Date) in an amount sufficient to cover pro rata distributions to each Disputed Claim that, as of the Effective Date, is neither an Allowed Claim nor a Disallowed Claim, and includes, without limitation, a Claim that is the subject of a timely objection or request for estimation with the Bankruptcy Court, which has not been withdrawn, settled or overruled by a Final Order; *provided, however,* that if the Disputed Claim is an Administrative Claim (other than a Professional Fee Claim), Priority Claim or Secured Claim, an amount sufficient to cover payment in full of the Face Amount of such Disputed Claim shall be funded to the Disputed Claims Reserve; *provided further,* that if any dispute arises regarding any increase or reduction of the Disputed Claims Reserve, the Distribution Trustee shall consult with the Purchaser and shall obtain approval of the Bankruptcy Court, which shall have jurisdiction and power to set the amount of the reserve applying the principals of section 502(c) of the Bankruptcy Code to estimate any Claim.

(2) Professional Fee Reserve. The Professional Fee Reserve shall be established and funded in an amount that the Debtors estimate in good faith, after consultation with the relevant Professionals, the Purchaser, and the Committee, to be necessary to pay in full all amounts then owing or that may later become owing to such Professionals for professional fees and expenses incurred through the Effective Date. For the avoidance of doubt, the estimated amount initially funded to the Professional Fee Reserve is not intended as and shall not be deemed to be a cap on the funds available to pay or satisfy Allowed Administrative Claims of Professionals for compensation or reimbursement of expenses. Following the Effective Date, the Distribution Trustee shall have the discretion to increase the Professional Fee Reserve as the Distribution Trustee deems necessary or appropriate to pay or satisfy Allowed Administrative Claims of Professionals for compensation or reimbursement of expenses.

For the avoidance of doubt, the KBW Reserved Funds will not be part of the Professional Fee Reserve. Subject to the Bankruptcy Court's entry of an Order approving its Contingent Fee (as defined in the KBW Retention Order), the KBW Reserved Funds shall be distributed directly to KBW. If a Final Order is entered denying KBW's final application for allowance and payment of compensation and reimbursement of expenses or reducing the amount otherwise payable to KBW to such a degree that KBW is not entitled to the KBW Reserved Funds, then the KBW Reserved Funds shall be disbursed to Reorganized SALIC

(3) Trust Administration Reserve. The Trust Administration Reserve shall be established and funded an amount, mutually agreed by the Debtors, the Committee, and the Purchaser, estimated in good faith to be necessary to cover the costs of administration of the

Distribution Trust, including to (a) fund the reasonable fees and expenses of the Distribution Trustee and any employees, attorneys, accountants, financial advisors, consultants, other professional persons or independent contractors that the Distribution Trustee may engage to assist him, her or it in the discharge of the Distribution Trustee's duties under the Plan and the Distribution Trust Agreement, including, without limitation, fees and expenses related to prosecution and resolution of Causes of Action and objections to Claims; (b) fund premium payments for an errors and omissions insurance policy for the benefit of the Distribution Trust, the Distribution Trustee and the Distribution Trustee's agents and representatives, (c) meet contingent liabilities and to maintain the value of the Distribution Trust Assets during liquidation, (d) pay other reasonably incurred or anticipated expenses (including, without limitation, any taxes imposed on or payable by the Distribution Trust or in respect of the Distribution Trust Assets, including with respect to such assets as are allocable to Disputed Claims), and (e) satisfy other liabilities incurred or anticipated by such Distribution Trust in accordance with the Plan or Distribution Trust Agreement.

7. Establishment and Funding of the Indenture Trustee Fee Reserve

The Indenture Trustee Fee Reserve shall have two accounts for each of (a) the Pre-Effective Date Indenture Trustee Fee Estimate and (b) the Post-Effective Date Indenture Trustee Fee Estimate. The Indenture Trustee Fee Reserve shall be established and funded, in the following manner:

(A) For the Pre-Effective Date Indenture Trustee Fee Estimate, first, from the unrestricted Cash available to SALIC and SHI, and to the extent not fully funded from the unrestricted Cash of SALIC and SHI, then from the Plan Funding Payment, in an amount that the Debtors estimate in good faith, after consultation with the Purchaser and the relevant TruPS Indenture Trustees, to be necessary to pay in full, but subject to the relevant Indenture Trustee Fee Caps, and

(B) For the Post-Effective Date Indenture Trustee Fees, from the Plan Funding Payment. For the avoidance of doubt, the Distribution Trustee shall be under no obligation to reserve any amount in the Indenture Trustee Fees Reserve on account of post-Effective Date Indenture Trustee Fees that may be incurred by the TruPS Indenture Trustees for the SHST II Debentures or the GPIC Debentures.

The Indenture Trustee Fee Reserve shall be held by the Distribution Trust and administered by the Distribution Trustee, but shall not constitute a Distribution Trust Reserve.

Any remaining funds in the Indenture Trustee Fee Reserve after payment and satisfaction of all Indenture Trustee Fees, shall be released in accordance with Section 6.1(b) of the Plan.

8. Cash Investments

The Distribution Trustee may invest Cash (including any earnings thereon or proceeds therefrom); *provided, however*, that such investments are investments permitted to be made by a "liquidating trust" within the meaning of Treas. Reg. § 301.7701-4(d), as reflected therein, or under applicable IRS guidelines, rulings or other controlling authorities.

9. Distributions to Holders of Claims and Distribution Trust Beneficiaries

The Distribution Trustee shall be responsible for making all Distributions to Holders of Allowed Claims required to be made on or after the Effective Date pursuant to the Plan; *provided*, that the Reorganized Debtors or the Disbursing Agent (as applicable) shall make the Distributions to Holders of Allowed Claims on the Effective Date on behalf of the Distribution Trustee. The Distribution Trustee will make all distributions to Holders of Allowed Claims as required by this Plan at: (i) the address of any such Holder on the books and records of the Debtors or their agents; or (ii) at the address in any written notice of address change delivered to the Debtors or the Disbursing Agent, including any addresses included on any transfer of Claim filed pursuant to Bankruptcy Rule 3001.

10. DT Initial Distribution

As soon as reasonably practicable after (i) funding of all Distribution Trust Reserves, (ii) the Indenture Trustee Reserve (as applicable) and (ii) payment in full (or reserving for payment in full) of all Allowed Administrative Claims, Allowed Priority Claims, and Allowed Secured Claims, the Distribution Trustee shall distribute to the Holders of Allowed Claims in Classes 4, 5, 6 and 7 on account of their Allowed Claims their pro rata share of the Available Plan Distribution Funding Amount and Distribution Trust Asset Proceeds, as applicable to Allowed Claims.

11. DT Subsequent Distribution

After completion of the DT Initial Distribution, the Distribution Trustee shall make the DT Subsequent Distribution(s) in a reasonably timely manner after Distribution Trust Assets Proceeds become available. Such DT Subsequent Distributions shall be made no less frequently than every twelve (12) months; *provided, however,* that the Distribution Trustee shall not be required to make a Distribution pursuant to this Section 6.3(h)(ii) of the Plan if the Distribution Trustee determines that the expense associated with making the Distribution would likely utilize a substantial portion of the amount to be distributed, thus making the Distribution impracticable.

12. Federal Income Tax Treatment of Distribution Trust

Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary (including the receipt of an adverse determination by the IRS upon audit if not contested by such Distribution Trustee), for all U.S. federal income tax purposes, all parties (including, without limitation, the Debtors, the Distribution Trustee and Distribution Trust Beneficiaries) shall treat the transfer of Distribution Trust Assets, the Available Plan Distribution Funding Amount and the Distribution Trust Reserves to the Distribution Trust as (1) a transfer of property (subject to any and all Allowed Administrative Claims, Allowed Priority Claims, and Allowed Secured Claims to the extent not satisfied by the Debtors on or prior to the Effective Date, that are payable by the Distribution Trust pursuant to the Plan), followed by (2) the transfer by such beneficiaries to the Distribution Trust of Distribution Trust Assets, the Available Plan Distribution Funding Amount and the Distribution Trust Reserves. Accordingly, except in the event of contrary definitive guidance, Distribution Trust Beneficiaries shall be treated for U.S. federal income tax purposes as the grantors and owners of their respective share of Distribution Trust Assets, the Available Plan Distribution Funding Amount and the Distribution Trust Reserves (other than which is allocable to Disputed Claims). The foregoing treatment shall also apply, to the extent permitted by Applicable Law, for state and local income tax purposes. For the avoidance of doubt, the term "party" as herein used shall not include the United States or any agency or department thereof, or any officer or employee thereof acting in such capacity. The Distribution Trustee shall not take any action inconsistent with the purposes of the Distribution Trust and the qualification of the Distribution Trust as a "liquidating trust" for U.S. federal income tax purposes.

13. Tax Reporting

The Distribution Trustee shall file tax returns for the Distribution Trust treating such Distribution Trust as a grantor trust pursuant to Treas. Reg. § 1.671-4(a) and in accordance with Section 6.3 of the Plan. The Distribution Trustee also shall annually send or otherwise provide to each Holder of the Distribution Trust Interest a separate statement regarding the receipts and expenditures of the Distribution Trust as relevant for U.S. federal income tax purposes.

Allocations of Distribution Trust taxable income among Distribution Trust Beneficiaries (other than taxable income allocable to any assets allocable to, or retained on account of, Disputed Claims, if such income is otherwise taxable at the Distribution Trust) shall be determined by reference to the manner in which an amount of Cash representing such taxable income would be distributed (were such Cash permitted to be distributed at such time) if, immediately prior to such deemed Distribution, the Distribution Trust had distributed all its assets (valued at their tax book value, other than, if applicable, assets allocable to Disputed Claims) to the Holders of Distribution Trust Interests, adjusted for prior taxable income and loss and taking into account all prior and concurrent Distributions from the Distribution Trust. Similarly, taxable loss of the Distribution Trust shall be allocated by reference to the manner in which an economic loss would be borne immediately after a hypothetical liquidating distribution

of the remaining Distribution Trust Assets, Available Plan Distribution Funding Amount and Distribution Trust Reserves. The tax book value of the Distribution Trust Assets, Available Plan Distribution Funding Amount and Distribution Trust Reserves for purpose of this paragraph shall equal their fair market value on the date such assets are transferred to the Distribution Trust, adjusted in accordance with tax accounting principles prescribed by the IRC, the applicable Treasury Regulations, and other applicable administrative and judicial authorities and pronouncements.

As soon as reasonably practicable after the Distribution Trust Assets, Available Plan Distribution Funding Amount and Distribution Trust Reserves are transferred to the Distribution Trust, the Distribution Trustee shall make a good faith valuation of Distribution Trust Assets, Available Plan Distribution Funding Amount and Distribution Trust Reserves. Such valuation shall be made available from time to time to all parties to the Distribution Trust (including, without limitation, the Debtors (or, as the case may be, the Reorganized Debtors), and the Distribution Trust Beneficiaries), to the extent relevant to such parties for tax purposes, and shall be used consistently by such parties for all U.S. federal income tax purposes.

Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary (including the receipt by the Distribution Trustee of a private letter ruling if the Distribution Trustee so requests one, or the receipt of an adverse determination by the IRS upon audit if not contested by such Distribution Trustee), the Distribution Trustee (i) shall treat any Distribution Trust Reserves allocable to Disputed Claims as a "disputed ownership fund" governed by Treas. Reg. § 1.468B-9 (and make any necessary elections with respect thereto) and (ii) to the extent permitted by Applicable Law, shall report consistently for state and local income tax purposes. All parties (including the Distribution Trustee, the Debtors and Distribution Trust Beneficiaries) shall report for U.S. federal, state and local income tax purposes consistently with the foregoing.

The Distribution Trustee shall be responsible for payment, out of the Distribution Trust Assets, Available Plan Distribution Funding Amount and Distribution Trust Reserves, of any taxes imposed on the Distribution Trust or its assets (including with respect to assets allocable to Disputed Claims).

The Distribution Trustee may request an expedited determination of taxes of the Distribution Trust, including any reserve for Disputed Claims, or of the Debtors as to whom the Distribution Trust was established, under section 505(b) of the Bankruptcy Code for all tax returns filed for, or on behalf of, such Distribution Trust or the Debtors for all taxable periods through the dissolution of such Distribution Trust.

14. Dissolution

The Distribution Trustee and Distribution Trust shall be discharged or dissolved, as the case may be, at such time as (i) all of the Distribution Trust Assets, Available Plan Distribution Funding Amount and Distribution Trust Reserves have been expended or distributed pursuant to the Plan and the Distribution Trust Agreement, (ii) the Distribution Trustee

determines, in its sole discretion, that the administration of any remaining Distribution Trust Assets, Available Plan Distribution Funding Amount or Distribution Trust Reserves is not likely to yield sufficient additional Distribution Trust proceeds to justify further pursuit, or (iii) all Distributions required to be made by the Distribution Trustee under the Plan and the Distribution Trust Agreement have been made; provided, however, that in no event shall the Distribution Trust be dissolved later than three (3) years from the creation of such Distribution Trust pursuant to Section 6.3 of the Plan, unless the Bankruptcy Court, upon motion within the six-month period prior to the third (3rd) anniversary (or within the six-month period prior to the end of an extension period), determines that a fixed period extension (not to exceed three (3) years, together with any prior extensions, without a favorable private letter ruling from the IRS or an opinion of counsel in form and substance satisfactory to the Distribution Trustee that any further extension would not adversely affect the status of the trust as the Distribution Trust for U.S. federal income tax purposes) is necessary to facilitate or complete the recovery and liquidation of the Distribution Trust Assets.

If at any time the Distribution Trustee determines, in reliance upon such professionals as the Distribution Trustee may retain, that the expense of administering the Distribution Trust so as to make a final Distribution to Distribution Trust Beneficiaries is likely to exceed the value of the assets remaining in such Distribution Trust, such Distribution Trustee may apply to the Bankruptcy Court for authority to (i) reserve any amount necessary to dissolve such Distribution Trust, (ii) donate any balance to a charitable organization (A) described in section 501(c)(3) of the IRC, (B) exempt from U.S. federal income tax under section 501(a) of the IRC, (C) not a "private foundation", as defined in section 509(a) of the IRC, and (D) that is unrelated to the Debtors, such Distribution Trust, and any insider of such Distribution Trustee, and (iii) dissolve such Distribution Trust.

D. The Reorganized Debtors

1. Continued Corporate Existence

Except as otherwise provided in the Plan, each of the Debtors, as Reorganized Debtors, shall continue to exist after the Effective Date as a corporate entity, with all of the powers of a corporation or limited company, as the case may be, under Applicable Law in the jurisdiction in which such Debtor is incorporated or organized and pursuant to the New Corporate Governance Documents. After the Effective Date, the Reorganized Debtors may operate their business and use, acquire, and dispose of property without the supervision of the Bankruptcy Court, free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

The New Corporate Governance Documents shall be consistent with section 1123(a)(6) of the Bankruptcy Code, to the extent applicable, and in form and substance acceptable to the Purchaser.

2. Directors and Officers of the Reorganized Debtors

The officers and the members of each board of directors of each of the Reorganized Debtors shall be selected and appointed in the sole discretion of the Purchaser. To the extent required by section 1129(a)(5) of the Bankruptcy Code, the identity of such officers and members shall be disclosed prior to the Confirmation Hearing.

Except to the extent that a member of the board of directors of a Debtor continues to serve as a director of such Debtor following the Effective Date, the members of the board of directors of each Debtor prior to the Effective Date, in their capacities as such, shall have no continuing obligations to the Reorganized Debtors on or after the Effective Date and each such member will be deemed to have resigned or shall otherwise cease to be a director of the applicable Debtor on the Effective Date without any further action required on the part of any such Debtor or member. Commencing on the Effective Date, each of the directors of each of the Reorganized Debtors shall serve pursuant to the terms of the applicable organizational documents of such Reorganized Debtor and may be replaced or removed in accordance with such organizational documents.

Except as otherwise provided in the Stock Purchase Agreement with respect to the Employment Agreements (as defined therein), subject to the discretion of the Reorganized Debtors' boards of directors, the Reorganized Debtors shall enter into new employment agreements with key executives on a case-by-case basis.

3. Corporate Action

On the Effective Date, the adoption and filing of the New Corporate Governance Documents, the appointment of officers of the Reorganized Debtors, and all actions contemplated by the Plan will be authorized and approved in all respects pursuant to the Plan. On the Effective Date, pursuant to section 1142(b) of the Bankruptcy Code and section 303 of the Delaware General Corporation Law (to the extent applicable) and any comparable provision of other Applicable Law, the appropriate officers or directors of each Reorganized Debtor shall be authorized and directed to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated by the Plan with like effect as if exercised and taken by unanimous action of the directors and stockholders of each Debtor.

4. Effectuating Documents; Further Transactions

On the Effective Date or as soon as reasonably practicable thereafter, the Reorganized Debtors and/or the Purchaser may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, or necessary or appropriate to effectuate the Plan, including: (1) the execution and delivery of appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution or liquidation to the extent consistent with the terms of the Plan and the Plan Documents; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption or

delegation of any asset, property, right, liability, debt or obligation on terms consistent with the terms of the Plan and Plan Documents or having other terms to which the Debtors, the Reorganized Debtors, the Purchaser, and other applicable parties may agree; (3) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion or dissolution pursuant to applicable state law; and (4) all other actions that the Purchaser and any other applicable Entities determine to be necessary or appropriate, including making filings or recordings that may be required by Applicable Law.

E. Retained Causes of Action

Except to the extent any Claim against an Entity is expressly waived, relinquished, exculpated, released, compromised or settled in the Plan or by a Final Order or is a Distribution Trust Asset, all Causes of Action of the Debtors (the "Retained Causes of Action") shall, in accordance with section 1123(b) of the Bankruptcy Code, vest in and be retained by the Reorganized Debtors. The applicable Reorganized Debtors (with respect to the Retained Causes of Action and any Causes of Action arising after the Petition Date), in accordance with section 1123(b) of the Bankruptcy Code, shall retain and may enforce, sue on, settle, or compromise (or decline to do any of the foregoing) all Claims, rights, Causes of Action, suits, and proceedings, whether in law or in equity, whether known or unknown, that they each may respectively hold against any Person without the approval of the Bankruptcy Court and the Reorganized Debtors' rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. For the avoidance of doubt, all Causes of Action against the SRGL Equity Holders shall not be Retained Causes of Action, and shall be transferred to and vest in the Distribution Trust. On the Effective Date, all Causes of Action that are Distribution Trust Assets shall, in accordance with Section 1123(b) of the Bankruptcy Code, vest in the Distribution Trust, and the Distribution Trust may enforce, sue on, settle, or compromise (or decline to do any of the foregoing) all such Claims, rights, Causes of Action, suits, and proceedings, whether in law or in equity, known or unknown, without approval of the Bankruptcy Court, and the Distribution Trust's rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date.

F. The Closing

The Closing as defined in the Stock Purchase Agreement shall be subject to the conditions in the Stock Purchase Agreement, including, without limitation, the conditions to closing set out in Article VII of the Stock Purchase Agreement and the actions and deliveries set out in section 2.4 of the Stock Purchase Agreement, unless waived in accordance with the Stock Purchase Agreement. The Closing shall occur simultaneously with the Effective Date of the Plan.

G. Cancellation of Agreements, Securities and Other Documents Relating to TruPS Transactions & SFL Note; Surrender of Instruments

Except for purposes of evidencing a right to a Distribution under the Plan or otherwise as provided in the Plan, the Confirmation Order or the Distribution Trust Agreement, on the Effective Date, the TruPS Indentures, the TruPS Debentures, the TruPS Declarations, the TruPS Sponsor Guarantees, the TruPS Parent Guarantees, all other TruPS Documents, the SFL Note and all corresponding documents issued in connection with such documents shall be deemed automatically cancelled, terminated and of no further force or effect, without further act or action under any applicable agreement, law, regulation, order, or rule and the obligations of the Debtors, the TruPS Indenture Trustees, and the TruPS Institutional Trustees, as applicable, thereunder shall be deemed terminated; *provided, however,* that TruPS Indentures and TruPS Declarations shall continue in effect only as follows: (1) for the TruPS Indenture Trustees and the TruPS Institutional Trustees to discharge any responsibilities they have under the Plan, the Confirmation Order, the Distribution Trust Agreement, the TruPS Indentures, the TruPS Parent Guarantees, the TruPS Sponsor Guarantees and the TruPS Declarations in connection with Distributions to be made to be made to the Holders of the TruPS Debentures, the Beneficial Holders of TruPS and SRGL in accordance with the terms of the Plan (including Sections 4.3(a), and 4.3(c) thereof), the Confirmation Order, the Distribution Trust Agreement, the TruPS Indentures, the TruPS Declarations and, as to SRGL only, the Restructuring Implementation Agreement and RIA Order, it being understood that the TruPS Indentures, the TruPS Parent Guarantees, the TruPS Sponsor Guarantees and the TruPS Declarations shall continue in effect only so long as is necessary to permit such Distributions to be made; (2) to allow each TruPS Indenture Trustee and any predecessor trustee under any of the TruPS Indentures to exercise its Charging Lien for the payment of its fees and expenses incurred post-Closing and for indemnification as provided in the applicable TruPS Indentures; (3) to preserve any rights of the TruPS Indenture Trustees pursuant to any direction provided by Holders of the TruPS pursuant to the terms of the TruPS documents; and (4) solely with respect to the SFLST I TruPS Indenture, the SFLST I TruPS Debentures, the SFLST I Trust Declaration, the SFLST I TruPS Sponsor Guarantee, and any other SFLST I TruPS Documents (except the SFLST I TruPS Parent Guarantee), the foregoing SFLST I TruPS Documents shall not be deemed cancelled, terminated or of no force or effect as against SFL. For the avoidance of doubt, nothing in Section 6.7 of the Plan is intended to or shall extinguish or impair any liability or obligation of SFL under any SFLST I TruPS Document.

As a condition to receiving any Distribution, on or before the DT Initial Distribution Date, the Holder of a TruPS Claim evidenced by a Certificate, instrument, note or debenture shall (a) surrender such Certificate, instrument, note or debenture representing such Claim, including, without limitation, any guarantees, and (b) execute and deliver such other documents as may be necessary to effectuate the Plan. Notwithstanding the foregoing, to the extent, if any, that SRGL is a Holder of a TruPS Claim evidenced by a Certificate, instrument, note or debenture, SRGL shall be deemed to have surrendered such Certificate, instrument, note or debenture representing such Claim as of the Effective Date and shall not be subject to such

condition. If the record holder of a Certificate, instrument, note or debenture is a Securities Depository or Custodian, and such Certificate, instrument, note or debenture is represented by a global security held by or on behalf of a Securities Depository or Custodian, then the beneficial holder of such Certificate, instrument, note or debenture shall be deemed to have surrendered such holder's Certificate, instrument, note, debenture or other evidence of indebtedness upon surrender of such global security by the Securities Depository or Custodian.

The Distribution Trustee shall have the right to withhold any Distribution to be made to or on behalf of Holder of a TruPS Claim evidenced by a Certificate, instrument, note or debenture that is required to be surrendered by the terms of this Plan but is not timely surrendered (or deemed surrendered) unless and until (a) such Certificates, instruments, notes or debentures, including any such guarantees, are surrendered, or (b) any relevant holder provides to the Distribution Trustee an affidavit of loss or such other documents as may be required by the Distribution Trustee together with an appropriate indemnity in the customary form. Any such holder who fails to surrender such Certificates, instruments, notes or debentures, including any such guarantees, or otherwise fails to deliver an affidavit of loss and indemnity within three (3) months of the Effective Date, shall be deemed to have no further Claim against the Debtors, the Distribution Trust, their respective property or any TruPS Indenture Trustee or TruPS Institutional Trustee in respect of such Claim and shall not participate in any Distribution, and the Distribution that would otherwise have been made to such holder shall be distributed *pro-rata* to all Holders who held a Claim pursuant to the applicable TruPS Indenture and either (a) surrendered (or were deemed to surrender) the Certificate, instrument, note or debenture representing such Claim, including, without limitation, any guarantees or (b) satisfactorily provided the Distribution Trustee with an affidavit of loss or such other documents as may be required by the Distribution Trustee, together with an appropriate indemnity in the customary form.

H. Comprehensive Settlement of Claims and Controversies

Pursuant to sections 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good faith compromise of all Claims, Interests and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim may have with respect to any Allowed Claim, or any distribution to be made on account of such Allowed Claim, as well as the allocation of the Plan Funding Payment among the Debtors' Estates and Creditors. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Court that such compromise or settlement is in the best interests of the Debtors, their Estates, and Holders of Claims and Interests and is fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Court, after the Effective Date, the Reorganized Debtors or the Distribution Trustee, as applicable, may compromise and settle Claims against, and Interests in, the Debtors and their Estates and Causes of Action against other entities.

I. Disposition of Executory Contracts and Unexpired Leases

1. Assumption of Executory Contracts

Except as may be otherwise set forth in the Plan, all Executory Contracts not identified on the Rejection Schedule (or previously assumed or rejected by a Debtor) shall be deemed assumed on the Effective Date. Entry of the Confirmation Order shall constitute approval of such assumptions under sections 365 and 1123 of the Bankruptcy Code.

For the avoidance of doubt, unless otherwise agreed by the Debtors and the Purchaser in accordance with the Stock Purchase Agreement, all Reinsurance Contracts (including SRUS Retrocession Agreements, Third-Party Reinsurance Agreements, Trust Agreements) and all Reserve Financing Contracts will be assumed by SALIC upon the Effective Date.

2. Rejection of Executory Contracts

On the Effective Date, all Executory Contracts identified on the Rejection Schedule shall be deemed rejected. The Rejection Schedule shall be filed with, and as a part of, the Plan Supplement, and may be amended by the Purchaser (i) to remove any Executory Contract no later than the Effective Date, and (ii) to add any Executory Contract, with the consent of such counterparty, no later than the Effective Date. Entry of the Confirmation Order shall constitute approval of the rejection of such Executory Contracts under sections 365 and 1123 of the Bankruptcy Code.

3. Procedures Related to Assumption of Executory Contracts

a. Establishment of Cure Amounts

The Cure Amounts associated with the assumption of the Executory Contracts pursuant to Section 8.1 of the Plan are specified in the Assumption Schedule (as may be amended), and each such amount shall conclusively be deemed to be the full and total monetary and nonmonetary performance, if any, required to be rendered in order to assume such Executory Contract pursuant to section 365(b)(1) of the Bankruptcy Code, unless the counterparty to an Executory Contract identified on the Assumption Schedule Files and serves a timely Contract Objection consistent with the procedures in Section 8.3(b) of the Plan. If a Contract Objection is timely Filed and served in accordance with such procedures, the Cure Amount for such Executory Contract shall be the amount agreed to among the objecting counterparty and the Debtors, with the consent of the Purchaser, or as determined by Final Order of the Bankruptcy Court.

b. Counterparty Objections

Any counterparty to an Executory Contract identified on the Assumption Schedule that objects to assumption of such Executory Contract must File an objection (a "Contract Objection") within twenty-one (21) days (the "Contract Objection Deadline") of the Assumption Schedule being Filed with the Bankruptcy Court. A Contract Objection must, at a minimum: (i) identify all bases for the objection, including, without limitation, by specifying whether and on what bases the counterparty objects to (a) the Cure Amount specified in the Assumption Schedule, and (b) the provision of adequate assurance of future performance under the Executory Contract; (ii) if objecting to the Cure Amount, identify with specificity the Cure Amount the counterparty believes is required, and include all appropriate documentation in support thereof; and (iii) if objecting to the provision of adequate assurance of future performance under the Executory Contract, identify with specificity what the counterparty believes is necessary to provide adequate assurance of future performance under the Executory Contract.

The Purchaser shall be a party in interest with respect to, and shall have the right to examine, respond to, and contest, any Contract Objection.

If an objection concerning an Executory Contract listed on the Assumption Schedule pertaining solely to the Cure Amount has not been resolved by the Bankruptcy Court by the Effective Date, such Executory Contract may, in the Reorganized Debtors' discretion (and with the consent of the Purchaser), be deemed assumed by the Reorganized Debtors effective as of the Effective Date; provided, however, the Reorganized Debtors may revoke an assumption of any such Executory Contract within fourteen (14) days after entry of an order by the Bankruptcy Court adjudicating the Contract Objection for such Executory Contract by Filing a notice of such revocation with the Bankruptcy Court and serving a copy on the counterparty(ies) to such Executory Contract. Any Executory Contract identified in a revocation notice shall be deemed rejected retroactively as of the Effective Date.

c. Effect of Failure to Timely File a Contract Objection

Unless a Contract Objection is timely Filed and served by the counterparty to an Executory Contract by the Contract Objection Deadline, such counterparty shall be: (i) deemed to have waived and released any right to assert an objection to the Cure Amount and to have otherwise consented to the assumption of such Executory Contract; (ii) forever barred from objecting to the assumption of such Executory Contract or the failure of the Purchaser or the Reorganized Debtors to provide adequate assurance of future performance; and (iii) forever barred and estopped from asserting or claiming any Cure Amount, other than the Cure Amount listed on the Assumption Schedule.

d. Payment of Cure Amounts

Within thirty (30) days after the Effective Date, the Reorganized Debtors shall pay, in Cash (or as otherwise agreed or ordered by the Bankruptcy Court), all Cure Amounts related to Executory Contracts listed on the Assumption Schedule that are assumed pursuant to Section 8.3 of the Plan, other than Cure Amounts that are subject to a Contract Objection pending on the Effective Date; provided, that subject to the revocation rights described in Section 8.3(b) of the Plan, the Reorganized Debtors shall pay all Cure Amounts that are subject to a Contract Objection on the Effective Date within fourteen (14) days after entry of an order by the Bankruptcy Court resolving the objection or approving an agreement between the parties concerning the Cure Amount. For the avoidance of doubt, funding of Cure Amounts shall be subject to sections 2.2(b), 2.3(f) and 2.4(e) of the Stock Purchase Agreement; in particular, the amount contributed by the Purchaser for payment of the Cure Amounts shall not exceed $100,000 and the Recapitalization Funding Payment shall be used by the Reorganized Debtors to pay any amounts in respect of the Cure Amounts in excess of $100,000.

e. No Admission of Liability

Neither the inclusion nor exclusion of any Executory Contract by the Debtors on the Assumption Schedule, nor anything contained in the Plan, shall constitute an admission by the Debtors that any such contract or lease is in fact an Executory Contract or that the Debtors, the Reorganized Debtors, the Purchaser or Distribution Trust has any liability thereunder.

f. Reservation of Rights

Nothing in the Plan shall waive, excuse, limit, diminish, or otherwise alter any of the defenses, claims, causes of action, or other rights of the Debtors, the Reorganized Debtors or Distribution Trust under any executory or non-executory contract or any unexpired or expired lease, nor shall any provision of the Plan increase, augment, or add to any of the duties, obligations, responsibilities, or liabilities of the Debtors or the Reorganized Debtors under any such contract or lease.

g. Rejection Claim Bar Date

Each Claim resulting from the rejection of an Executory Contract pursuant to Section 8.2 of the Plan shall be Filed with the Bankruptcy Court no later than the Rejection Claim Bar Date; provided, however, any party whose Executory Contract is rejected pursuant to a revocation notice pursuant to Section 8.3(b) of the Plan may file a rejection damage Claim arising out of such rejection within thirty (30) days after the Filing of the revocation notice with the Bankruptcy Court. Any Claim resulting from the rejection of an Executory Contract not Filed by the applicable deadline shall be discharged and forever barred, and shall not be entitled to any Distributions under the Plan. The Distribution Trustee shall have the right to object to any rejection damage Claim. All rejection damage Claims shall be treated in Class 5 or 7, respectively, and shall be paid out of the Distribution Trust.

h. Continuing Obligations Owed to the Debtors

Any continuing obligations of third parties to the Debtors under insurance policies, contracts, or leases that have otherwise ceased to be executory or have otherwise expired on or prior to the Effective Date, including, without limitation, continuing obligations to pay insured claims, to defend against and process claims, to refund premiums or overpayments, to provide indemnification, contribution or reimbursement, to grant rights of first refusal, to maintain confidentiality, or to honor releases, will continue and will be binding on such third parties, notwithstanding any provision to the contrary in the Plan, unless otherwise specifically terminated by the Debtors or the Reorganized Debtors, or by order of the Bankruptcy Court.

To the extent any insurance policy under which the insurer has a continuing obligation to pay the Debtors or a third party on behalf of the Debtors is held by the Bankruptcy Court to be an Executory Contract, such insurance policy will be treated as though it is an Executory Contract that is assumed by the Reorganized Debtors pursuant to section 365 of the Bankruptcy Code and Sections 8.1 and 8.3 of the Plan.

i. Postpetition Contracts

The Debtors will not be required to assume or reject any contract or lease entered into by the Debtors after the Petition Date. Any such contract or lease will continue in effect in accordance with its terms after the Effective Date, unless the Reorganized Debtors have obtained a Final Order of the Bankruptcy Court approving rejection of such contract or lease. Contracts or leases entered into after the Petition Date will be performed by the Reorganized Debtors in the ordinary course of their business.

J. Provisions for Claims Resolution & Distributions

1. Right to Object to Claims

The Distribution Trustee shall have the authority, but not the obligation, to object to, litigate, and settle, the amount, priority or the extent of any Administrative Claim, Secured Claim, Priority Claim, SHI General Unsecured Claim, SALIC General Unsecured Claim, SFL Claim (if not settled before the Effective Date) or Subordinated Claim (including, with respect to any other of the foregoing, to argue that such Claim constitutes a Subordinated Claim). Notwithstanding anything to the contrary herein, subject to the terms and conditions set forth in the Distribution Trust Agreement, and notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, except insofar as a Claim is Allowed under the Plan on and after the Effective Date, the Distribution Trustee shall have the authority, but not the obligation, to: (1) file, withdraw or litigate to judgment objections to and requests for estimation of Claims; (2) settle or compromise any Disputed Claim without any further notice to or action, order or approval by the Bankruptcy Court; and (3) administer and adjust the Claims register to reflect any such settlements or compromises without any further notice to or action, order or approval by the Bankruptcy Court. The Distribution Trustee shall succeed to any pending objections to

Claims filed by the Debtors prior to the Effective Date, and, at the Distribution Trustee's election, any other pending objections to Claims filed by any other party, and shall have and retain any and all rights and defenses the Debtors had immediately prior to the Effective Date with respect to any Disputed Claim, including pursuant to the DT Post-Closing Rights. The Reorganized Debtors shall provide commercially reasonable assistance and cooperation to the Distribution Trustee in connection with the Distribution Trustee's prosecution of objections to Claims, including, without limitation, access to the books and records of the Debtors or the Reorganized Debtors (as the case may be) and other information reasonably requested by the Distribution Trustee to enable the Distribution Trustee to perform its obligations under the Distribution Trust Agreement, including pursuant to the DT Post-Closing Rights.

2. Deadline for Objecting to Claims

Objections to Claims must be Filed with the Bankruptcy Court, and a copy of the objection must be served on the subject Creditor, before the expiration of the Claims Objection Deadline (unless such period is further extended by subsequent orders of the Bankruptcy Court); otherwise such Claims shall be deemed Allowed in accordance with section 502 of the Bankruptcy Code. The objection shall notify the Creditor of the deadline for responding to such objection.

3. Deadline for Responding to Claim Objections

Within twenty-one (21) days after service of an objection, or such other date as is indicated on such objection or the accompanying notice thereof, the Creditor whose Claim was objected to must File a written response to the objection with the Bankruptcy Court and serve a copy on the Distribution Trustee. Failure to file a written response within such time period shall constitute a waiver and release of that portion of the subject Claim that was subject to the objection, and shall constitute cause for the Bankruptcy Court to enter a default judgment against the non-responding Creditor or grant the relief requested in the Claim objection.

4. Right to Request Estimation of Claims

Pursuant to section 502(c) of the Bankruptcy Code, the Debtors, the Reorganized Debtors, and the Distribution Trustee may request estimation or liquidation of any Disputed Claim that is contingent or unliquidated or any Disputed Claim arising from a right to an equitable remedy or breach of performance.

5. Distributions for Allowed Claims

a. In General

Other than Closing Date Plan Distributions and initial distributions of New Equity to New Equity Eligible Holders that make the New Equity Election, the Distribution Trustee shall make all Distributions required to be made under the Plan, including Distributions from the Distribution Trust. Each Creditor or Holder receiving any Distribution from the Distribution

Trust shall be deemed to have ratified and become bound by the terms and conditions of the Distribution Trust Agreement.

b. Distributions on Allowed Claims Only

Distributions from the Distribution Trust shall be made only to the Holders of Allowed Claims. Until a Disputed Claim becomes an Allowed Claim, the Holder of that Disputed Claim shall not receive a Distribution. Other than as specifically set forth in section 6.1(b)(i) of the Plan, Allowed Claims shall not be entitled to Distributions from any source other than the Plan Funding Payment or the Distribution Trust.

c. Method of Distributions

Use of Distribution Agent. The Reorganized Debtors with respect to Closing Date Plan Distributions and initial Distributions of Offered New Equity and the Distribution Trustee with respect to Distributions from the Distribution Trust shall have the authority, in their respective sole discretion, to enter into agreements with a third-party Distribution Agent to facilitate the Distributions required hereunder. For the avoidance of doubt, Prime Clerk, LLC, which was previously engaged to serve as the Debtors' Voting Agent, is an acceptable choice to serve as the Distribution Agent and shall be engaged as the shared Distribution Agent in the event that Reorganized Debtors and Distribution Trustee both want to use the services of a Distribution Agent and cannot agree to an alternate choice. The Distribution Trustee shall be authorized, but not directed, to pay to any third-party Distribution Agent all reasonable and documented fees and expenses of such Distribution Agent without the need for any approvals, authorizations, actions, or consents. The Distribution Agent shall be authorized, but not directed, to submit detailed invoices to the Debtors or the Reorganized Debtors, as applicable, for all fees and expenses for which the Distribution Agent seeks reimbursement and the Distribution Trustee shall pay those amounts from the Trust Administration Reserve that it, in its sole discretion, deems reasonable, and shall object in writing to those fees and expenses, if any, that the Distribution Trustee deems to be unreasonable. In the event that the Distribution Trustee objects to all or any portion of the amounts requested to be reimbursed in a Distribution Agent's invoice, the Distribution Trustee and such Distribution Agent shall endeavor, in good faith, to reach mutual agreement on the amount of the appropriate payment of such disputed fees or expenses. In the event that the Distribution Trustee and a Distribution Agent are unable to resolve any differences regarding disputed fees or expenses, either party shall be authorized to move to have such dispute heard by the Bankruptcy Court.

Cash Distributions. Except as otherwise specified in the Plan or the Distribution Trust Agreement (with respect to Distributions other than Closing Date Plan Distributions), any Distribution of Cash made by the Reorganized Debtors as a Closing Date Plan Distribution or made by the Distribution Trustee from the Available Plan Funding Distribution Amount shall be made by mailing such Distribution to the Creditor or Holder, as applicable, at the address listed in any Proof of Claim filed by such Entity or at such other address as such Entity shall have specified for payment purposes in a written notice received by the Reorganized Debtors or Distribution Trustee, as applicable, at least twenty-one (21) days before a Distribution Date. If a

Creditor or Holder has not filed a Proof of Claim or sent the Distribution Trustee a written notice of payment address, then the Distribution(s) for such Entity will be mailed to the address identified in the Schedules. Notwithstanding the foregoing, any Cash may be distributed by wire, check, or such other method as the Distribution Trustee or Reorganized Debtors, as applicable, deem appropriate under the circumstances. Any Cash Distribution to be made to SRGL under the Plan shall be made by wire transfer unless otherwise agreed by SRGL.

Offered New Equity Distributions. On or as soon as practicable after the Effective Date, the Reorganized Debtors shall distribute to the New Equity Eligible Holders that have made the New Equity Election a Distribution of each such holder's TruPS Claims Equity Distribution Amount.

Tax Information Required for Distributions. Before receiving any Distributions, all Creditors and Holders, at the request of the Reorganized Debtors or Distribution Trustee, as applicable, must provide written notification of their respective Federal Tax Identification Numbers or Social Security Numbers to the requesting Entity; otherwise, the Reorganized Debtors or Distribution Trustee, as applicable, may suspend Distributions to any Creditors or Holders who have not provided their Federal Tax Identification Numbers or Social Security Numbers.

d. Undeliverable Distributions

If a Distribution is returned as undeliverable, the Distribution Trustee shall use reasonable efforts to determine such Creditor's or Holder's then current address. If the Distribution Trustee cannot determine, or is not notified of, a Creditor's or Holder's then current address within six (6) months after the Effective Date, the Distribution reserved for such Creditor or Holder shall be deemed an unclaimed Distribution, and Section 7.5(e) of the Plan shall be applicable thereto.

e. Unclaimed Distributions

If the current address for a Creditor or Holder entitled to a Distribution (whether in the form of Cash or Offered New Equity) under the Plan has not been determined within six (6) months after the Effective Date or such Entity has otherwise not been located, or if such Entity has not submitted a valid Federal Tax Identification Number or Social Security Number to the Distribution Trustee within six (6) months after the Effective Date, then such Creditor or Holder, as applicable, (i) shall no longer be a Creditor or Holder and (ii) shall be deemed to have released such Claim and Interest, if any. If such Unclaimed Distribution consists of Cash, then the Cash shall remain property of the Distribution Trust and be used or distributed in accordance with the terms of this Plan and the Distribution Trust Agreement. If such Unclaimed Distribution consists of New Equity, then such New Equity shall not be issued to the forfeiting Claim Holder and shall instead be issued to the Purchaser.

f. Taxes; Withholding

In connection with the Plan, any party issuing any instrument or making any Distribution described in the Plan shall comply with all applicable withholding and reporting requirements imposed by any federal, state, or local taxing authority, and all Distributions and all related agreements shall be subject to any such withholding or reporting requirements. Notwithstanding the foregoing, each Holder of an Allowed Claim or any other Person that receives a Distribution shall have responsibility for any taxes imposed by any Governmental Unit, including, without limitation, income, withholding, and other taxes, on account of such Distribution. Any party issuing any instrument or making any Distribution has the right, but not the obligation, to not make a Distribution until such Holder has made arrangements satisfactory to such issuing or disbursing party for payment of any such tax obligations. The Distribution Trustee, in the exercise of its sole discretion and judgment, may enter into agreements with taxing or other authorities for the payment of such amounts that may be withheld in accordance with the provisions of this section. Any party entitled to receive any property as an issuance or Distribution under the Plan shall, upon request, by the Debtors or Distribution Trustee, as applicable, provide an appropriate Form W-9 or (if the payee is a foreign Person, as applicable) Form W-8. If such request is made and such party fails to comply before the date that is 180 days after the request is made, the amount of such Distribution shall irrevocably revert to the Distribution Trust, and any Claim in respect of such Distribution shall be discharged and forever barred from assertion against the Debtors, the Reorganized Debtors, the Distribution Trust and their respective property.

6. Claims Paid or Payable by Third Parties

a. Claims Paid by Third Parties

To the extent a Holder has received a Distribution on account of a Claim and also receives payment from a party that is not a Debtor or the Distribution Trustee on account of such Claim, such Holder shall, within 30 calendar days of receipt thereof, repay and/or return the Distribution to the Distribution Trustee to the extent the recipient-Holder's total recovery on account of such Claim from the third party and under this Plan exceeds the amount of the Holder's Allowed Claim as of the date of any such distribution under this Plan.

Any such Claim shall be expunged from the official claims register without a claims objection having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court, to the extent that the Holder receives payment in full on account of such Claim; *provided, however,* that to the extent the non-Debtor party making the payment is subrogated to such Holder's Claim, the non-Debtor party shall have a 30-calendar-day grace period to notify the Distribution Trustee of such subrogation rights and, if they are valid and enforceable, the expungement will be reversed to the extent of such subrogation rights.

b. Claims Payable by Third Parties

To the extent that one or more of the Debtors' insurers agrees to satisfy a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, such Claim may be expunged on the official claims register (in each case to the extent of any agreed-upon satisfaction) by the Clerk of Court or Distribution Trustee, as applicable, without a claims objection having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

7. Foreign Currency Exchange Rate

As of the Effective Date, any Claim asserted in a currency other than U.S. dollars shall be automatically deemed converted to the equivalent U.S. dollar value using the exchange rate on the Petition Date, as quoted at 4:00 p.m., mid-range spot rate of exchange for the applicable currency as published in The Wall Street Journal, Eastern Edition, on the day after the Petition Date.

8. Setoff

Except as otherwise provided in this Plan, the Restructuring Implementation Agreement, the RIA Order or another Final Order of the Bankruptcy Court, (a) nothing contained in this Plan shall constitute a waiver or release by the Debtors, the Reorganized Debtors, the Distribution Trustee or the Distribution Trust of any right of setoff or recoupment that any of the foregoing Entities may have against any Entity, and (b) to the extent permitted by Applicable Law, the Distribution Trustee or Reorganized Debtors, as applicable, may setoff or recoup (but shall not be required to do so) against any Claim (and any Interest) and the payments or other Distributions to be made under the Plan in respect of such Claim (or Interest), claims of any nature whatsoever that the Debtors may have against the Holder of such Claim or Interest.

9. De Minimis Distributions

If any interim Distribution under the Plan to the holder of an Allowed Claim or Interest would be less than $100.00 or a fractional number of Offered New Equity, the Distribution Trustee or Reorganized Debtors, as applicable, may withhold such Distribution until the next Subsequent Distribution Date or the date of a final Distribution, as applicable, is made to such Holder. If any final Distribution under the Plan to the holder of an Allowed Claim or Interest would be less than $25.00 or a fractional number of Offered New Equity, then such Distribution may be canceled in its entirety. Any unclaimed Distributions pursuant to Section 7.9 shall be treated as an Unclaimed Distribution under Section 7.5(e) of the Plan.

10. Fractional Shares

No fractional shares or number of the Offered New Equity shall be issued or distributed under the Plan. The actual Distribution of shares or number of the Offered New Equity shall be rounded to the next higher or lower whole number as follows: (i) fractions less

than one-half (½) shall be rounded to the next lower whole number and (ii) fractions equal to or greater than one-half (½) shall be rounded to the next higher whole number. The total amount of shares or number of Offered New Equity to be distributed hereunder shall be adjusted as necessary to account for such rounding. No consideration shall be provided in lieu of fractional shares or numbers that are rounded down.

11. No Interest

Other than as provided by section 506(b) of the Bankruptcy Code or as specifically provided for in the Plan, the Confirmation Order, or another Final Order of the Bankruptcy Court, postpetition interest shall not accrue or be paid on Claims and no Holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim or right. Additionally, and without limiting the foregoing, interest shall not accrue or be paid on any Claim or Disputed Claim with respect to the period from and after the Effective Date; provided, however, that nothing in this Section 7.11 shall limit any rights of any governmental unit (as defined in section 101(27) of the Bankruptcy Code) to interest under sections 503, 506(b), 1129(a)(9)(A), or 1129(a)(9)(C) of the Bankruptcy Code or as otherwise provided for under Applicable Law.

12. Special Distribution Provisions for TruPS Claims

a. Service of TruPS Indenture Trustees; In General

Except with respect to SRGL Exclusively Held TruPS Claims, Distributions on account of the TruPS Claims shall be made by the Distribution Trustee to (i) the applicable TruPS Indenture Trustee or (ii) with the prior written consent of such TruPS Indenture Trustee, through the facilities of a Securities Depository or Custodian, by means of book-entry exchange through the facilities of a Securities Depository or Custodian in accordance with the customary practices of such Securities Depository or Custodian, as applicable. If a Distribution is made to the TruPS Indenture Trustee, the TruPS Indenture Trustee, in its capacity as a disbursing agent, shall administer the Distributions in accordance with the terms of this Plan, the relevant TruPS Indenture, the relevant TruPS Declaration and any other applicable TruPS Documents.

b. Distributions Relating to SRGL Exclusively Held TruPS

Distributions on account of the SRGL Exclusively Held TruPS Claims shall be made by the Distribution Trustee directly to SRGL in accordance with the Netting Protocol. The Debtors, in consultation with the Committee and the Purchaser, will use reasonable best efforts to agree with the Joint Liquidators on a mechanism (such mechanism, the "Netting Protocol") that will, first, provide for SRGL to receive its Distribution on the SRGL Exclusively Held TruPS Claims; second, allow the Joint Liquidators to establish applicable reserves; and third, ensure that any distribution from the SRGL estate to the Distribution Trust in respect of the

SALIC Claims will be distributed pro rata to all Holders of Allowed Claims in Classes 4, 5, 6 and 7, except for SRGL, in order to prevent an endless series of payments from the Distribution Trust to SRGL on account of the SRGL TruPS Claims and from SRGL back to the Distribution Trust in respect of the SALIC Claims. Any subsequent distributions made on the SALIC Claims shall also follow the Netting Protocol. The Debtors will disclose the proposed Netting Protocol on or before the date fixed for the filing of the Plan Supplement. For the avoidance of doubt, nothing in this Section 7.6(b) is intended to or shall prejudice any rights of SRGL, the Debtors, the Distribution Trustee or any other Entity as to whether such a Netting Protocol is necessary in connection with Distributions to be made on account of the SRGL TruPS Claims or what Netting Protocol is appropriate. Notwithstanding anything to the contrary in this Section 7.5(g)(ii) or in any Netting Protocol, the Cayman Islands Court shall retain subject matter jurisdiction and authority over all matters in the SRGL Winding Up Proceeding, including, but not limited to, any matters relating to reserves to be established by the Joint Liquidators and the timing of distributions to be made to claim holders in connection with the SRGL Winding Up Proceeding.

13. Additional Procedures Regarding Distributions from the Distribution Trust

Additional procedures regarding Distributions from the Distribution Trust to Holders of Allowed Claims shall be governed by the Distribution Trust Agreement.

14. Allocation of Distributions between Principal and Interest

Except as otherwise provided in the Plan, to the extent that any Claim entitled to a Distribution under the Plan is comprised of indebtedness and accrued but unpaid interest thereon, such Distribution shall be allocated first to the principal amount (as determined for U.S. federal income tax purposes) of the Claim, and then to accrued but unpaid interest.

15. Manner of Making New Equity or Cash Election

The Plan affords New Equity Eligible Holders the opportunity to make the New Equity Election or the Cash Election. Each New Equity Eligible Beneficial Holder must elect to take its entire Distribution (other than for its applicable percentage of the Distribution Trust Assets Proceeds) either exclusively in the form of Offered New Equity (by making the New Equity Election) or exclusively in the form of Cash (by making the Cash Election). Notwithstanding the foregoing, the Holder of the Allowed SFL Note Claim, if the SFL Note Clam Allowance Conditions have been satisfied, shall be entitled to: (a) apply its Allowed SFL Note Claim amount entirely to the New Equity Election; (b) apply its Allowed SFL Note Claim amount entirely to the Cash Election; or (c) allocate its Allowed SFL Note Claim Amount between the New Equity Election and the Cash Election.

A New Equity Election will be recognized as valid only if the electing New Equity Eligible Holder checks the box for the "New Equity Election" on its Ballot and such Ballot is otherwise properly completed and timely received by the Voting Agent in accordance with the requirements of the Disclosure Statement Order. Any New Equity election that is not

properly made as set forth herein shall be disregarded and such New Equity Eligible Holder shall be deemed to have made the Cash Election. Except as otherwise agreed in writing by (a) if prior to the Effective Date, by the Debtors, the Committee and the Purchaser or (b) if on or after the Effective Date, the Distribution Trustee and the Reorganized Debtors, all New Equity Elections and Cash Elections (including any deemed Cash Elections) will be final and irrevocable after the Voting Deadline.

K. Settlement, Discharge, Release, Injunction and Related Provisions

1. Compromise and Settlement of Claims, Interests, and Controversies

Pursuant to sections 105(a), 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the Distributions and other benefits provided pursuant to the Plan, which Distributions and other benefits shall be irrevocable and not subject to challenge upon the Effective Date, the provisions of the Plan, and the Distributions and other benefits provided hereunder, shall constitute a good-faith compromise and settlement of all Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim or Interest may have with respect to any Allowed Claim or Interest, or any Distribution to be made on account of such Allowed Claim or Interest. Without limiting the foregoing, the Plan incorporates and is predicated upon the good-faith compromise and settlement of (i) any disputes regarding the appropriate allocation of general and administrative costs across the Debtors' assets, (ii) any disputes regarding the allocation of the Plan Funding Payment and any other value received by the Debtors under the Stock Purchase Agreement between the Debtors' Estates, and (iii) any disputes regarding whether and, if so, to what extent the Debtors' assets and liabilities should be pooled for voting, distribution and other purposes into a single, substantively consolidated estate.

The Debtors acknowledge that litigation over these matters likely would be expensive and protracted, thereby jeopardizing the Debtors' ability to successfully reorganize and substantially reducing any prospect of meaningful distributions for the Debtors' Creditors. Further, the Debtors acknowledge the existence of colorable arguments that could be made by parties in interest to support differing positions with respect to the foregoing matters. Although such arguments each have various factual and legal strengths and weaknesses, the timing and outcome of any attempt to litigate such disputes is not free from doubt.

By way of example, allocating asset value between the Debtors' Estates is a complex and difficult task that, in the absence of the proposed settlements embodied in the Plan, would put the Debtors' reorganization at risk. On the one hand, arguments exist that significant value from the restructuring transactions should be allocated to SHI's estate because SHI is the direct holder of 100% of the Interests in SRUS, a Delaware chartered reinsurance company. On the other hand, arguments exist that the existing Interests in SRUS have value only because of the existence of SALIC and the retrocession arrangements that exist between SALIC and SRUS.

As discussed in Section III.C.2.b. hereof, SALIC is a Cayman Islands chartered reinsurance company to which SRUS has retroceded a significant portion of its reinsurance obligations pursuant to the SRUS Retrocession Agreements. Because SRUS, as retrocedent, has retroceded a portion of its reinsurance liabilities to SALIC, as retrocessionaire, pursuant to the SRUS Retrocession Agreements, SRUS's capital and reserve requirements are materially less than they would otherwise be. Although SALIC in turn must hold capital and reserves in respect of the business it assumes from SRUS, the amount of capital held by SALIC under its jurisdictional requirements is less than would be required to be held at SRUS under SRUS's jurisdictional requirements. As such, were SRUS to not have the benefit of the SRUS Reinsurance Agreements with SALIC, SRUS would be required to hold substantially more capital than it currently holds, which requirement could cause the insolvency of SRUS. Additional historical benefits of this arrangement between SALIC and SRUS include favorable tax treatment and increased investment latitude at SALIC. SALIC, therefore, contributes in important, value-maximizing ways to Scottish Re's overall business. Given the financial setbacks that Scottish Re has experienced in recent years, it is far from clear that SRUS, as a stand-alone Delaware chartered reinsurer, would be viable as a going concern without the ability to continue its retrocession relationship with SALIC.

Assuming that SALIC contributes value to the overall Scottish Re enterprise through its performance under the SRUS Retrocession Agreements and other means, the extent of that contribution is not readily quantifiable. Without SALIC, SRUS—and by extension SHI—might have little or no value and become subject to adverse regulatory action. On the other hand, it is conceivable that SHI might have independent value to a transaction partner that already has the offshore reinsurance platform in place to supplant SALIC in the role it currently occupies.

After due deliberation and consideration of various alternatives for implementing Distributions to Holders of Allowed Claims under the Plan, the Debtors have determined in the exercise of their sound business judgment that it would be prohibitively difficult and expensive to attempt an allocation of the Plan Funding Payment and other available assets between the Debtors' Estates. Taking into account the time constraints under which these Chapter 11 Cases are being conducted, the relatively small amount of funds relative to the size of the overall pools of Claims subject to compromise under the Plan and the aforementioned expense and difficulty of attempting an allocation of distributable value between the Debtors' Estates, the Debtors propose the following Plan settlement as in the best interests of their respective Estates, Creditors and other parties in interest:

- For purposes of voting on and confirmation of the Plan, the Debtors' Chapter 11 Cases and Estates shall be deemed entirely separate, with each Debtor continuing to have separate classes of Claims and Interests, consisting of only Claims against or Interests in, as applicable, that specific Debtor. For the avoidance of doubt, pursuant to Section 5.8 of the Plan, each Debtor does reserve the right to collapse separate classes of Claims against that particular Debtor, and the Debtors reserve the right to

seek Confirmation on a "per plan" basis as set out in Section 5.5 of the Plan.

- For purposes of Distribution under the Plan, Holders of Allowed SHI TruPS Claims (Class 4), Allowed SHI General Unsecured Claims (Class 5), Allowed SALIC TruPS Claims (Class 6) and Allowed SALIC General Unsecured Claims (Class 7), in full and final satisfaction, discharge and release of such Claims, will receive Distribution Trust Assets on a ratable basis without regard to whether such Claims originated against SHI or SALIC. As such, eventual Distributions of the Distribution Trust Assets or proceeds thereof likewise will not take into account whether a given Distribution Trust Asset was received on account of an Allowed Claim against SHI or SALIC.

- Under this settlement construct, any guarantees by SALIC of the payment, performance or collection of obligations of SHI (e.g., any TruPS Parent Guarantees provided by SALIC) shall not be disregarded and shall be treated as separate obligations of SALIC that give rise to separate and distinct Claims against SALIC. For the avoidance of doubt, under the terms of the Plan, the Holders of such Claims are entitled only to receive Distribution Trust Assets and, from and after the Effective Date, shall have no rights or claims against the Reorganized Debtors or their respective property or interests in property.

- For the avoidance of doubt, the Plan provides that Intercompany Claims shall not receive a Distribution of Distribution Trust Assets and shall not otherwise be entitled to any of the Distribution Trust Assets. Instead, Intercompany Claims shall be paid, adjusted, continued, settled, reinstated, discharged, eliminated, or otherwise managed, in each case to the extent determined to be appropriate by the applicable Debtor(s) or Reorganized Debtor(s) and certain of their non-debtor Affiliates.

The Plan shall be deemed a motion to approve the good-faith compromise and settlement of all such Claims, Interests, and controversies pursuant to Bankruptcy Rule 9019, and the entry of the Confirmation Order shall constitute the Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Court that such compromise or settlement is in the best interests of the Debtors, their Estates, and Holders of Claims and Interests and is fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Court, after the Effective Date, the Distribution Trustee may compromise and settle Claims against, and Interests in, the Debtors and their Estates and Causes of Action against other Entities.

Under section l123(b)(3)(A) of the Bankruptcy Code and Rule 9019 of the Bankruptcy Rules, a settlement should be approved if it represents a reasonable compromise that

is in the collective best interests of all constituencies in light of the risks of continued litigation. The settlement need not afford the best possible recovery to any particular constituency, but instead need only represent a recovery that falls within a reasonable range of litigation possibilities. The Debtors believe that the foregoing settlement, which does not allow either SALIC or SHI Creditors to receive all that they would like to receive, falls within a reasonable range of litigation outcomes and is in the collective best interest of all stakeholders in light of the costs, delay, and risks of litigation.

2. Releases by the Debtors in Favor of Third Parties

As of the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, the Debtors, the Reorganized Debtors, and any Person or Entity seeking to exercise the rights of the Estates, including, without limitation the Distribution Trust, the Distribution Trustee, any successor to the Debtors or any Estate representative appointed or selected pursuant to section 1123(b)(3) of the Bankruptcy Code, hereby forever release, waive and discharge, and shall be deemed to forever release, waive, and discharge each of the Released Parties from any and all Claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities whatsoever, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, at equity, or otherwise, that are based in whole or in part on any act, omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the conduct of the Debtors' business, the Chapter 11 Cases, the Disclosure Statement, the Plan, or other documents implementing the Plan, provided, however, that nothing in Section 10.2 of the Plan shall be deemed to release, or otherwise to prohibit the Reorganized Debtors or the Distribution Trustee from asserting and enforcing, any Claims, obligations, suits, judgments, demands, debts, rights, causes of action, or liabilities any of them may hold related to, or arising out of, the Plan, the DT Post-Closing Rights, the SALIC Claims, the Retained Causes of Action (solely as to the Reorganized Debtors), Causes of Action that are Distribution Trust Assets (solely as to the Distribution Trustee), the Stock Purchase Agreement, the Restructuring Implementation Agreement, the Distribution Trust Agreement, and the other documents implementing the Plan, provided, further, that nothing in Section 10.2 of the Plan (i) shall be deemed to release, or otherwise to prohibit the Reorganized Debtors or the Distribution Trustee, or anyone claiming through them from enforcing any confidentiality or non-disclosure agreement or any Claim, right or cause of action related thereto, (ii) shall be deemed to release, impair, or otherwise affect any parties' rights or interests under any Executory Contract or Unexpired Lease that is assumed by the Reorganized Debtors, and all such rights and interests shall be unaffected by the Plan and Section 10.2 (subject, however, to the effects of Section 8.3(a), (c), and (h) of the Plan); (iii) shall be deemed to release any Intercompany Claims; (iv) shall be deemed to release any Causes of Action specifically identified in the Plan as Distribution Trust Assets; or (v) shall be deemed to release any Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful

misconduct, actual fraud, or gross negligence as determined by a Final Order; or (vi) shall be deemed to release any Person's rights under the Plan.

Entry of the Confirmation Order shall constitute the Court's approval, pursuant to Bankruptcy Rule 9019, of the Releases by the Debtors described in this Article VI.H.2, which includes by reference each of the related provisions and definitions contained herein, and, further, shall constitute the Court's finding that such releases are: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims released by such releases; (3) in the best interests of the Debtors and all holders of Claims and Interests; (4) fair, equitable and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Debtors, the Estates or the Distribution Trust asserting any Claim or Cause of Action released pursuant to such releases.

3. Releases by Holders of Claims and Interests

In furtherance of the release provisions of the Plan, **to the fullest extent permitted by law and except as otherwise specifically provided in the Plan, for good and valuable consideration, including the contributions of the Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, effective as of the Effective Date, (i) Holders of Claims who vote to accept the Plan, (ii) Holders of Claims who are Unimpaired under the Plan, (iii) Holders of Claims entitled to vote on the Plan who do not submit a ballot and do not timely object to or opt-out of the releases, and (iv) each of the Purchaser, the Joint Liquidators, SRGL, and for each of the foregoing, their respective Representatives (other than with respect to SRGL and the SRGL Equity Holders), hereby release, waive and discharge, and shall be deemed to forever release, waive, and discharge the Released Parties of any and all Claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities whatsoever in connection with or related to the Debtors, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, at equity, or otherwise, including those that any of the Debtors, the Reorganized Debtors, the Estates, or their Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Interest or other Entity based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the conduct of the Debtors' business, the Chapter 11 Cases, the Disclosure Statement, the Plan or the documents implementing the Plan, and the negotiation, formulation, or preparation thereof, the solicitation of votes with respect to the Plan, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any of the Debtors and any Released Party, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, or upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct, actual fraud, or gross negligence as determined by a Final Order.**

Each Person or Entity providing releases under the Plan, including the Debtors, the Estates, and the Holders of Claims (regardless of whether such Holder is a Released Party), shall be deemed to have granted the releases set forth above notwithstanding that such Person or Entity may hereafter discover facts in addition to, or different from, those which it now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and such Person or Entity expressly waives any and all rights that it may have under any statute or common law principle which would limit the effect of such releases to those Claims or Causes of Action actually known or suspected to exist at the time of execution of such release.

Under the Plan, the "Released Parties" means each of: (a) the Debtors; (b) the Reorganized Debtors; (c) the Official Committee (including the current and former Official Committee members in their capacities as such); (d) the Purchaser; (e) the Stalking Horse; (f) the Joint Liquidators; (g) SRGL; (h) the Voting Agent; and (i) for each of the foregoing, all of their respective Representatives; *provided, however,* that "Released Parties" specifically excludes the SRGL Equity Holders, and their respective Representatives, in their capacity as such.

Entry of the Confirmation Order shall constitute the Court's approval, pursuant to Bankruptcy Rule 9019, of the Releases by Holders of Claims and Interests described in this Article VI.H.3, which includes by reference each of the related provisions and definitions contained herein, and, further, shall constitute the Court's finding that such releases are: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims released by such releases; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Releasing Parties asserting any Claim or Cause of cation released pursuant to such releases.

4. Discharge and Discharge Injunction

a. Discharge of Claims

On and after the Effective Date: (a) the rights afforded in the Plan and the treatment of all Claims and Interests shall be in exchange for and in complete satisfaction, discharge, and release of all Claims and Interests of any nature whatsoever, including any interest accrued on such Claims from and after the Petition Date, against the Debtors, the Reorganized Debtors or any of their assets, property, or estate; (b) the Plan shall bind all Holders of Claims and Interests, notwithstanding whether any such Holders failed to vote to accept or reject the Plan or voted to reject the Plan; (c) all Claims and Interests shall be satisfied, discharged, and released, and the Debtors' and Reorganized Debtors' liability with respect thereto shall be extinguished completely, including any liability of the kind specified under Bankruptcy Code section 502(g); and (d) all entities shall be precluded from asserting against the Debtors, the Reorganized Debtors, the Estates, the Distribution Trust, the Distribution Trustee their successors and assigns, and their assets and properties

any other Claims or Interests based upon any documents, instruments, or any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date, provided, however, that the foregoing discharge shall not apply to ability of Holders of Allowed Claims to recover from the Distribution Trust on account of such Allowed Claims and/or Interests, all in accordance with the terms of the Plan and Distribution Trust Agreement.

b. Discharge and Plan Injunctions

Except as provided in the Plan, to the fullest extent permitted by law, or the Confirmation Order, as of the Effective Date, all Persons that have held, currently hold, may hold, or allege that they hold, a Claim, Interest, or other debt or liability that is satisfied, released and discharged pursuant to the terms of the Plan are permanently enjoined from taking any of the following actions against the Debtors, the Reorganized Debtors, the Distribution Trust, the Distribution Trustee and their respective subsidiaries or their property on account of any such discharged Claims, debts, liabilities or rights: (i) commencing or continuing, in any manner or in any place, any action or other proceeding; (ii) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order; (iii) creating, perfecting, or enforcing any Lien or encumbrance; (iv) asserting a setoff, right of subrogation, or recoupment of any kind against any debt, liability, or obligation due to the Debtors or the Reorganized Debtors; or (v) commencing or continuing any action or other proceeding of any kind, in each such case in any manner, in any place, or against any Person that does not comply with or is inconsistent with the provisions of the Plan.

Except as provided in the Plan or the Confirmation Order, as of the Effective Date, all Persons that have held, currently hold, or may hold, a Claim, Interest, obligation, suit, judgment, damage, demand, debt, right, cause of action, or liability that is released pursuant to Article X of the Plan are permanently enjoined from taking any of the following actions on account of such released Claims, Interests, obligations, suits, judgments, damages, demands, debts, rights, causes of action, or liabilities or rights: (i) commencing or continuing, in any manner or in any place, any action or other proceeding; (ii) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order; (iii) creating, perfecting, or enforcing any Lien or encumbrance; (iv) asserting a setoff against any debt, liability, or obligation due to any Released Party; or (v) commencing or continuing any action, in any manner, in any place, or against any Person or Entity that does not comply with or is inconsistent with the provisions of the Plan.

Without limiting the effect of the foregoing provisions of Section 10.4 of the Plan upon any Person or Entity, by accepting distributions pursuant to the Plan, each Holder of an Allowed Claim shall be deemed to have specifically consented to the injunctions set forth in Section 10.4 of the Plan.

5. Exculpation

The Plan contains standard exculpation provisions applicable to the key parties in interest with respect to their conduct in the Chapter 11 Cases. Specifically, the Plan provides that, **to the fullest extent permitted by law and except as otherwise specifically provided in the Plan, each of the Exculpated Parties will not have or incur any liability for any act or omission in connection with, or arising out of, the formulation, negotiation, preparation, dissemination, implementation or pursuit of approval of the Plan, the Disclosure Statement, the Restructuring Implementation Agreement, the Stock Purchase Agreement, the Plan Supplement or any documents, instruments or agreements implementing or related to the foregoing, or the solicitation of votes for or Confirmation of the Plan, or the consummation of the Plan, the Restructuring Implementation Agreement, the Stock Purchase Agreement, the Plan Supplement, or the transactions contemplated, implemented and effectuated thereby or the administration of the Plan or the property to be distributed under the Plan, or any other act or omission during the administration of the Debtors' Estates or in contemplation of the Chapter 11 Cases, except for willful misconduct, actual fraud or gross negligence as determined by a Final Order, and in all respects, will be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan.**

The exculpations contained in the Plan are appropriate and are standard in a Chapter 11 Cases. The exculpations are appropriately limited in scope, applying only to acts and omissions occurring after the Petition Date and in connection with the Chapter 11 Cases or the Plan and conferring only a qualified immunity by excluding acts or omissions which are the result of fraud, gross negligence or willful misconduct. Moreover, these exculpations have, in the Debtors' view, been earned. The beneficiaries of the exculpations have made significant contributions to the Debtors' reorganization, which contributions have allowed for the formulation of the Plan which resolves many complicated issues between the Debtors and other interested parties and which, in the Debtors' view, provides for the best possible recoveries for Claims against the Debtors. In the Debtors' view, the beneficiaries of the exculpations would not have contributed as they did without the prospect of the limited immunity reflected in the exculpations. The Debtors are also unaware of any valid Causes of Action against any of the beneficiaries of the exculpations. In view of the foregoing, the exculpations are appropriate and in the best interests of the Estates.

6. Post-Effective Date Indemnification

The Plan provides that Indemnification Obligations of the Debtors that are owed to Indemnified D&O Parties will be deemed to be, and will be treated as though they are, Executory Contracts that are assumed by the Reorganized Debtors pursuant to section 365 of the Bankruptcy Code, and such Indemnification Obligations shall not be discharged or otherwise impaired by Confirmation of the Plan.

From and after the Closing Date, to the extent permitted by Applicable Law, the certificate of incorporation, certificate of formation, bylaws or limited liability company

operating agreement (or similar organizational documents) of each SALIC Group Company shall continue to contain provisions no less favorable with respect to indemnification, advancement of expenses and exculpation of each Indemnified D&O Party than are set forth in the organizational documents of the SALIC Group Companies as of the date hereof, which provisions shall not be amended, repealed or otherwise modified for a period of six (6) years after the Closing Date in any manner that would adversely affect the rights thereunder of any such individual.

For a period of six (6) years from and after the Closing Date, to the extent that the Indemnified D&O Parties are not otherwise covered as insureds under an existing policy of directors' and officers' liability insurance in accordance with the requirements set forth in Section 5.8(b) of the Stock Purchase Agreement, Purchaser shall cause the SALIC Group Companies to maintain in effect policies of directors' and officers' liability insurance comparable to those maintained by the SALIC Group Companies or SRGL with respect to matters existing or occurring at or prior to the Closing Date; provided, that Purchaser or the SALIC Group Companies may substitute therefor policies of at least the same coverage containing terms and conditions that are not less advantageous than the existing policies (including with respect to the period covered); provided, further, that in lieu of maintaining the current policies of directors' and officers' liability insurance, Purchaser may (or may cause the SALIC Group Companies to) purchase "tail" coverage or otherwise replace such policies with coverage with a scope, policy limits and retained coverage not less favorable than the scope, policy limits and retained coverage currently provided. Notwithstanding the foregoing, at Purchaser's direction and in satisfaction of Purchaser's obligations under Section 5.8(b) of the Stock Purchase Agreement, SALIC shall obtain such "tail" coverage in respect of SALIC's existing policy of directors' and officers' liability insurance identified in Section 3.15 of the SALIC Disclosure Schedules (Policy No. ELU154535-18) on terms acceptable to Purchaser, to be effective as of the Closing Date, provided that the cost of such coverage shall be funded from unrestricted Cash.

L. Conditions Precedent to Confirmation of the Plan and Occurrence of the Effective Date

1. Conditions to Confirmation

The Confirmation Order will not be effective unless the final version of the Plan, Plan Supplement, and any other documents, or schedules thereto, including the filed Confirmation Order, shall have been filed in form and substance acceptable to the Purchaser in its reasonable discretion, and the Restructuring Implementation Agreement shall not have been terminated and shall be in full force and effect.

2. Conditions to Effectiveness

Unless the following conditions (except with respect to the Distribution Trust Agreement and the Restructuring Implementation Agreement) are waived by the Purchaser, the Plan will not be effective unless: (a) the conditions to Confirmation above have either been satisfied, or (except with respect to the Restructuring Implementation Agreement) waived by the

Purchaser; (b) the Confirmation Order has been entered by the Bankruptcy Court, is not subject to appeal, and no stay or injunction is in effect with respect thereto; (c) the Closing shall have occurred or shall occur simultaneously with the Effective Date; (d) the Purchaser shall acquire the New Equity (subject to the New Equity Election), directly or indirectly, free and clear of all Liens, Claims, and Interests and in accordance with the Plan; (e) the Distribution Trust Agreement shall have been executed by all parties thereto; (f) the Restructuring Implementation Agreement shall not have been terminated and shall be in full force and effect; and (g) the Purchaser shall have demonstrated to the reasonable satisfaction of the Debtors and the Committee that all actions have occurred or will occur on or before the Effective Date necessary to fund the Plan Funding Payment to the Distribution Trust and the Recapitalization Funding Payment to Reorganized SALIC, each as provided in the Plan and the Stock Purchase Agreement; and (h) all governmental, judicial, and third party approvals and consents that are required in connection with the transactions contemplated by the Plan shall have been obtained, not subject to unfulfilled conditions, and shall be in full force and effect.

M. Modification, Revocation or Withdrawal of the Plan

The Plan may be amended, modified, or supplemented by the Debtors, subject to the terms of the Stock Purchase Agreement and the Restructuring Implementation Agreement, in the manner provided for by section 1127 of the Bankruptcy Code or as otherwise permitted by law, without additional disclosure pursuant to section 1125 of the Bankruptcy Code, except as otherwise ordered by the Bankruptcy Court. In addition, after the Confirmation Date, so long as such action does not materially and adversely affect the treatment of Holders of Allowed Claims pursuant to the Plan, the Debtors, subject to the terms of the Stock Purchase Agreement and the Restructuring Implementation Agreement, may remedy any defect or omission or reconcile any inconsistencies in the Plan or the Confirmation Order with respect to such matters as may be necessary to carry out the purposes or effects of the Plan, and any Holder of a Claim that has accepted the Plan shall be deemed to have accepted the Plan as amended, modified, or supplemented. Subject to the terms of the Stock Purchase Agreement and the Restructuring Implementation Agreement, prior to the Effective Date, the Debtors may make appropriate technical adjustments and modifications to the Plan without further order or approval of the Bankruptcy Court; provided, that such technical adjustments and modifications do not adversely affect in a material way the treatment of Holders of Claims under the Plan.

N. Retention of Jurisdiction

The Plan provides that under sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding entry of the Confirmation Order and occurrence of the Effective Date, except as otherwise ordered by the Bankruptcy Court, or contemplated by the RIA Order or Restructuring Implementation Agreement, the Bankruptcy Court will retain jurisdiction over all matters arising out of, and related to, the Chapter 11 Cases and the Plan to the fullest extent permitted by law, including, among other things, jurisdiction to:

(a) allow, disallow, determine, liquidate, classify, estimate, or establish the priority, secured, unsecured, or subordinated status of any Claim or Interest not otherwise

Allowed under the Plan (other than personal injury or wrongful death Claims, unless agreed by the Holder), including the resolution of any request for payment of any Administrative Claim and the resolution of any objections to the Allowance or priority of Claims;

(b) hear and determine all applications for compensation and reimbursement of expenses of Professionals under the Plan or under sections 327, 328, 330, 331, 503(b), 1103, and 1129(a)(4) of the Bankruptcy Code; provided, however, that from and after the Effective Date, the payment of the fees and expenses of the professionals of the Reorganized Debtors or the Distribution Trust shall be made in the ordinary course of business and shall not be subject to the approval of the Bankruptcy Court;

(c) hear and determine all matters with respect to the assumption or rejection of any Executory Contract or Unexpired Lease to which a Debtor is a party or with respect to which a Debtor may be liable, including, if necessary, the nature or amount of any required Cure or the liquidation or Allowance of any Claims arising therefrom;

(d) effectuate performance of and payments under the provisions of the Plan and enforce remedies upon any default under the Plan;

(e) hear and determine any and all adversary proceedings, motions, applications, and contested or litigated matters arising out of, under, or related to, the Chapter 11 Cases or the Plan;

(f) enter such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, and other agreements or documents created in connection with the Plan, the Disclosure Statement or the Confirmation Order;

(g) hear and determine disputes arising in connection with the interpretation, implementation, consummation, or enforcement of the Plan, including disputes arising under agreements, documents, or instruments executed in connection with the Plan;

(h) consider any modifications of the Plan, cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

(i) issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Person or Entity with the implementation, consummation, or enforcement of the Plan or the Confirmation Order;

(j) enter and implement such orders as may be necessary or appropriate if the Confirmation Order is for any reason reversed, stayed, revoked, modified, or vacated;

(k) hear and determine any matters arising in connection with or relating to the Plan, the Plan Supplement, the schedules to the Plan, the Disclosure Statement, the

Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with the Plan, the Plan Supplement, the Schedules to the Plan, the Disclosure Statement, or the Confirmation Order;

(l) hear and determine any matters arising in connection with or relating to the Distribution Trust, the interpretation, implementation or operation of the Distribution Trust Agreement or the consummation of the transactions contemplated thereby;

(m) enforce, interpret, and determine any disputes arising in connection with any stipulations, orders, judgments, injunctions, releases, exculpations, indemnifications, and rulings entered in connection with the Chapter 11 Cases (whether or not the Chapter 11 Cases have been closed);

(n) except as otherwise limited in the Plan, recover all assets of the Debtors and property of the Estates, wherever located;

(o) hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

(p) hear and determine all disputes involving the existence, nature, or scope of the Debtors' discharge;

(q) hear and determine such other matters as may be provided in the Confirmation Order or as may be authorized under, or not inconsistent with, provisions of the Bankruptcy Code;

(r) hear and determine matters relating to the Stock Purchase Agreement and the Restructuring Implementation Agreement, to the extent provided for in such documents; and

(s) enter a final decree closing the Chapter 11 Cases.

If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising in, arising under, or related to the Chapter 11 Cases, including the matters set forth in Section 11.1 of the Plan, the provisions of Article XI of the Plan will have no effect upon and will not control, prohibit, or limit the exercise of jurisdiction by any other court having jurisdiction with respect to such matter.

O. Miscellaneous Provisions

1. Legally Binding Effect

The provisions of the Plan shall bind all Creditors and Interest Holders, whether or not they accept the Plan and wherever located. On and after the Effective Date, all Holders of Claims and Interests shall be precluded and enjoined from asserting any Claim against or Interest

in the Debtors or their assets or properties based on any transaction or other activity of any kind that occurred prior to the Effective Date except as may be expressly provided for by the Plan.

2. Exemption from Transfer Taxes

Pursuant to section 1146 of the Bankruptcy Code and the Plan, any of the following acts or any similar act otherwise contemplated in the Plan will not be subject to any stamp tax, transfer tax, filing or recording tax, or other similar tax: (a) the issuance, transfer or exchange of notes, debt instruments and equity securities under or in connection with the Plan; (b) the creation, assignment, recordation or perfection of any lien, pledge, other security interest or other instruments of transfer; (c) the making or assignment of any lease; (d) the creation, execution and delivery of any agreements or other documents creating or evidencing the formation of the Reorganized Debtors or the issuance or ownership of any interest in the Reorganized Debtors; or (e) the making or delivery of any deed or other instrument of transfer under the Plan in connection with the vesting of the Debtors' assets in the Reorganized Debtors or the Distribution Trust or Distribution Trustee pursuant to or in connection with the Plan, including, without limitation, merger agreements, stock purchase agreement, agreements of consolidation, restructuring, disposition, liquidation or dissolution, and transfers of tangible property.

3. Securities Exemption

Any rights issued under, pursuant to or in effecting the Plan, including, without limitation, the New Equity, the New SHI Equity and any beneficial interests in the Distribution Trust, and the offering and issuance thereof by any party, including without limitation the Debtors, the Estates, or New Holdco (if applicable), shall be exempt from Section 5 of the Securities Act of 1933, if applicable, and from any state or federal securities laws requiring registration for offer or sale of a security or registration or licensing of an issuer of, underwriter of, or broker or dealer in, a security, and shall otherwise enjoy all exemptions available for Distributions of securities under a plan of reorganization in accordance with all Applicable Law, including without limitation section 1145 of the Bankruptcy Code. If the issuance of the New Equity and the New SHI Equity does not qualify for an exemption under section 1145 of the Bankruptcy Code, the New Equity and the New SHI Equity shall be issued in a manner that qualifies for any other available exemption from registration, whether as a private placement under Section 4(a)(2) of the Securities Act and/or the safe harbor provisions promulgated thereunder, Regulation D of 1993, or otherwise.

4. Defects, Omissions and Amendments of the Plan

The Plan may be amended, modified, or supplemented by the Debtors, subject to the terms of the Stock Purchase Agreement and the Restructuring Implementation Agreement, in the manner provided for by section 1127 of the Bankruptcy Code or as otherwise permitted by law, without additional disclosure pursuant to section 1125 of the Bankruptcy Code, except as otherwise ordered by the Bankruptcy Court. In addition, after the Confirmation Date, so long as such action does not materially and adversely affect the treatment of Holders of Allowed Claims

pursuant to the Plan, the Debtors, subject to the terms of the Stock Purchase Agreement and the Restructuring Implementation Agreement, may remedy any defect or omission or reconcile any inconsistencies in the Plan or the Confirmation Order with respect to such matters as may be necessary to carry out the purposes or effects of the Plan, and any Holder of a Claim that has accepted the Plan shall be deemed to have accepted the Plan as amended, modified, or supplemented. Subject to the terms of the Stock Purchase Agreement and the Restructuring Implementation Agreement, prior to the Effective Date, the Debtors may make appropriate technical adjustments and modifications to the Plan without further order or approval of the Bankruptcy Court; provided, that such technical adjustments and modifications do not adversely affect in a material way the treatment of Holders of Claims under the Plan.

5. Due Authorization by Creditors

Each and every Creditor who elects to participate in the Distributions provided for herein warrants that the Creditor is authorized to accept in consideration of its Claim against the Debtors the Distributions provided for in the Plan, and that there are no outstanding commitments, agreements, or understandings, express or implied, that may or can in any way defeat or modify the rights conveyed or obligations undertaken by the Creditor under the Plan.

6. Filing of Additional Documentation

No later than seven (7) calendar days prior to the Voting Deadline, subject to the terms of the Stock Purchase Agreement and the Restructuring Implementation Agreement and subject to approval in form and substance by the Purchaser, the Debtors may file with the Bankruptcy Court such Plan Supplement, agreements and other documents as may be reasonably necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan or any Plan Document, which shall also constitute "Plan Documents."

7. Dissolution of the Official Committee

On the Effective Date, the Official Committee shall dissolve and all members, employees, or agents thereof shall be released and discharged from all rights and duties arising from or related to the Chapter 11 Cases, provided, however, that (a) the Official Committee and its respective Professionals shall be retained with respect to applications Filed or to be Filed by Professionals pursuant to sections 330 and 331 of the Bankruptcy Code and (b) the Distribution Trust shall be deemed the successor of the Official Committee with respect to any motions seeking to enforce the Plan and the transactions contemplated hereunder or the Confirmation Order and any pending appeals and related proceedings.

8. Governing Law

Except to the extent the Bankruptcy Code or the Bankruptcy Rules are applicable, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with the laws of the State of Delaware, without giving effect to the principles of conflicts of law thereof.

9. Successors and Assigns

The rights, benefits and obligations of any Entity named or referred to in the Plan or any Plan Document shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such Entity.

10. Transfer of Claims

Any transfer of a Claim shall be in accordance with Bankruptcy Rule 3001(e) and the terms of Section 12.10 of the Plan. Notice of any such transfer shall be forwarded to the Debtors by registered or certified mail, as set forth in Section 12.11 of the Plan. Both the transferee and transferor shall execute any notice, and the signatures of the parties shall be acknowledged before a notary public. The notice must clearly describe the interest in the Claim to be transferred. No transfer of a partial Claim shall be allowed. All transfers must be of one hundred percent (100%) of the transferor's interest in the Claim.

11. Notices

All notices, requests, and demands required or permitted to be provided to the Debtors, the Purchaser, the Reorganized Debtors, the Official Committee, or the Distribution Trust under the Plan shall be in writing and shall be deemed to have been duly given or made (a) when actually delivered (i) by certified mail, return receipt requested, (ii) by hand delivery or (iii) by mail, postage prepaid or, (b) in the case of notice by facsimile transmission, when received and confirmed, addressed (in all instances, with a simultaneous copy by electronic mail, which shall not independently constitute notice) as follows:

(a) If to the Debtors, at:

Scottish Holdings, Inc.
Scottish Annuity & Life Insurance Company (Cayman) Ltd.
14120 Ballantyne Corporate Place, Suite 300
Charlotte, NC 28277
Facsimile: (704) 752-7736
Attn: Gregg Klingenberg, Chief Executive Officer
Gregg.Klingenberg@scottishre.com

with copies to:

Hogan Lovells US LLP
875 Third Avenue
New York, NY 10022
Facsimile: (212) 918-3100
Attn: Peter Ivanick, Esq.
Lynn W. Holbert, Esq.
John D. Beck, Esq.

Email: peter.ivanick@hoganlovells.com
lynn.holbert@hoganlovells.com
john.beck@hoganlovells.com

-and-

Morris, Nichols, Arsht & Tunnell LLP
1201 N. Market St., 16th Floor
PO Box 1347
Wilmington, DE 19899-1347
Facsimile: (302) 658-3989
Attn: Eric D. Schwartz, Esq.
Gregory W. Werkheiser, Esq.
Matthew B. Harvey, Esq.
Email: eschwartz@mnat.com
gwerkheiser@mnat.com
mharvey@mnat.com

-and-

Mayer Brown LLP
1221 Avenue of the Americas
New York, New York 10020
Telephone: (212) 506-2227
Facsimile: (212) 262-1910
Email: fmonaco@mayerbrown.com
srooney@mayerbrown.com
Attn: Stephen G. Rooney, Esq.
Francis R. Monaco, Esq.

(b) If to the Purchaser or the Reorganized Debtors, at:

Hildene Re Holdings, LLC
c/o Hildene Capital Management, LLC
700 Canal Street, Suite 12C
Stamford, CT 06902
Telephone: (203) 517-2500
Email: dhoffman@hildenecap.com
jnam@hildenecap.com
Attention: David Hoffman, General Counsel
Jennifer Nam, Deputy General Counsel

with a copy to:

Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, New York 10036
Telephone: (212) 715-9100
Facsimile: (212) 715-8000
Email: szide@kramerlevin.com
ewechsler@kramerlevin.com
ayerramalli@kramerlevin.com
smerl@kramerlevin.com
Attention: Stephen Zide, Esq.
Ernest S. Wechsler, Esq.
Anupama Yerramalli, Esq.
Seth R. Merl, Esq.

(c) If to the Official Committee, at:

Pepper Hamilton LLP
Hercules Plaza, Suite 5100
1313 Market Street
P.O. Box 1709
Wilmington, DE 19899-1709 (Courier Deliveries: 19801-1151)
Facsimile: (302) 421-8390
Attn: David M. Fournier, Esq.
H. Peter Haveles Jr., Esq.
John Henry Schanne II, Esq.
Email: fournierd@pepperlaw.com
havelesp@pepperlaw.com
schannej@pepperlaw.com

(d) If to the Distribution Trustee, at the contact information to be supplied in the notice of the occurrence of the Effective Date.

12. U.S. Trustee Fees and Reports

The Debtors will pay pre-confirmation fees owed to the U.S. Trustee on or before the Effective Date of the Plan. After Confirmation, the Distribution Trustee will file with the court and serve on the U.S. Trustee quarterly financial reports in a format prescribed by the U.S. Trustee, and the Distribution Trustee will pay from the Distribution Trust post-confirmation quarterly fees to the U.S. Trustee until a final decree is entered or the case is converted or dismissed as provided in 28 U.S.C. § 1930(a)(6).

13. Implementation

The Debtors, the Reorganized Debtors, the Purchaser, and the Distribution Trustee shall be authorized to perform all reasonable, necessary and authorized acts to consummate the terms and conditions of the Plan and the Plan Documents.

14. No Admissions

Notwithstanding anything herein to the contrary, nothing contained in the Plan shall be deemed an admission by the Debtors with respect to any matter set forth herein, including, without limitation, liability on any Claim or Interest or the propriety of the classification of any Claim or Interest.

15. SRGL Consent Rights Reserved

For the avoidance of doubt, all SRGL Consent Rights relating to Specified Restructuring Documents are reserved in their entirety. Nothing herein shall affect SRGL's rights under the Restructuring Implementation Agreement, all of which are incorporated herein by reference, including in respect of the Restructuring Documents and the Specified Restructuring Documents. Without limiting the generality of the foregoing, (a) the Restructuring Documents shall, unless otherwise expressly indicated in the Restructuring Implementation Agreement, be consistent in all material respects with the Restructuring Implementation Agreement, and (b) the Specified Restructuring Documents shall be consistent in all material respects with the Restructuring Implementation Agreement and subject to the SRGL Consent Rights. Notwithstanding anything to the contrary in the Restructuring Implementation Agreement, nothing set forth in the Restructuring Implementation Agreement or this Plan shall operate as a waiver or release of (i) the Admitted SALIC/SRGL Revolver Claim; (ii) SALIC/SRGL Claims; or (iii) any Causes of Action against the SRGL Equity Holders.

16. Substantial Consummation

The Plan shall be deemed substantially consummated on the Effective Date.

17. Final Decree

On full consummation and performance of the Plan and Plan Documents, the Distribution Trustee may request the Bankruptcy Court to enter a final decree closing the Chapter 11 Cases and such other orders that may be necessary and appropriate.

VIII. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

The Debtors believe that the sale and restructuring contemplated by the Plan maximizes value for Holders of Allowed Claims. Prior to filing these Chapter 11 Cases, the Debtors considered (a) whether they could borrow enough funds to meet deferred TruPS interest

charges due in the first quarter of 2018 and still have enough capital to operate; (b) a complete equitization plan whereby SALIC would simply distribute 100% of the equity of the Reorganized Debtors to Holders of Allowed Claims; and (c) liquidation.

If the Plan is not confirmed, there are no available alternatives to the Plan that will prevent conversion of these Chapter 11 Cases to liquidation cases under chapter 7 of the Bankruptcy Code. This is because, if the transaction contemplated by the Plan does not occur as a result of the Plan failing to receive the requisite votes and, thus, failing to be confirmed, or as the result of the Plan failing for other reasons, the Debtors are unlikely to have enough available cash or assets to persist through a second effort to devise another chapter 11 plan and to take the action necessary to confirm such an alternative chapter 11 plan. In addition, even if the Debtors were able to fund the afore-mentioned actions with respect to a second effort to confirm a chapter 11 plan, the Debtors are unlikely to have the cash or assets necessary to continue operating in chapter 11 through the period of time, which could be several months, that would be necessary to obtain regulatory approval of an alternative plan. Moreover, as explained herein, the Debtors have considered a variety of options for restructuring and do not believe that any alternative to the Plan is viable, other than liquidation, as described below.

In respect of (a), the Debtors concluded they did not have sufficient projected cash flow to borrow the requisite amount feasible. In connection with (b), the Debtors concluded (i) that the reorganized company would require a significant infusion of capital; and (ii) that whoever provided that capital would do so only in return for the vast majority of the voting stock of Reorganized Debtors, thereby leaving the Holders of Allowed Claims only a *de minimis* and potentially illusory recovery. Notwithstanding those conclusions, in connection with the Auction, the Debtors remained open to receiving alternative proposals in the nature of loans or capital infusions that might make equitization possible.

Liquidation, either piecemeal or of the entire company, would trigger a significant increase in Claims against the Debtors. As a result of the increase in Claims that would be asserted in a liquidation of the Debtors, the *pro rata* distribution of the Debtors' assets in payment of all Claims in a liquidation would be significantly less than the Distribution the Debtors anticipate paying to Holders of Allowed Claims under the Plan.

Claims against SALIC would proliferate in a liquidation of the Debtors because, *inter alia*, liquidation would result in rejection and breach by SALIC of its reinsurance obligations to its cedents, including SRUS. Rejection of SALIC's Reinsurance Treaties would result in large and difficult to quantify rejection damages claims by third party cedents and SRUS. Moreover, SRUS would be forced to recapture the risks previously transferred to SALIC under the SRUS Retrocession Agreements. As a result of this recapture, the capital requirements imposed on SRUS by relevant insurance laws and regulations would substantially increase. Because SRUS lacks the capital necessary to meet such increased capital requirements, seizure of SRUS by the Delaware DOI would be virtually inevitable for the reasons discussed below.

The Delaware Insurance Code and Delaware insurance regulations require that insurers maintain adequate capital and surplus, and as a monitoring tool, require that these

insurers calculate and report their "risk based capital" ("RBC") levels to the Delaware DOI. The Delaware Insurance Code defines RBC as the amount of capital that each insurer is required to calculate and report, and defines certain RBC "levels" to monitor the financial safety of an insurer. Each RBC level implicates a corresponding level of intervention statutorily required by the Delaware DOI. The Delaware Insurance Code defines "authorized control level RBC" as the amount that each insurer is required to calculate based upon its existing liabilities and to report to the Delaware DOI, and defines other "levels" that are based on multiples of authorized control level RBC. SRUS's authorized control level RBC for year end 2017 was 382%. If the SRUS Retrocession Agreements with SALIC were rejected, as would be the case in a liquidation of the Debtors, it is anticipated that SRUS's RBC would fall below "mandatory control level" RBC, which is 70% or less of authorized control level RBC (defined as a "mandatory control level event"). Upon the occurrence of such mandatory control level event, the Delaware DOI is statutorily required to seize SRUS for purposes of rehabilitation or liquidation.

Seizure of SRUS in either a rehabilitation or liquidation proceeding by the Delaware DOI would in turn trigger another substantial increase in claims against SALIC because the seizure of SRUS would trigger claims under the SALIC-SRUS Net Worth Maintenance Agreement by SRUS's creditors, including the Delaware DOI as receiver for SRUS, for the inevitable shortfall in payments to creditors in the SRUS insolvency proceedings.

Prior to filing, the Debtors performed projections to compare anticipated distributions to Holders of Allowed Claims under the proposed plan with projected distributions to Holders of Allowed Claims in a liquidation that occurred at or about the filing date using corporate liquidity as the hypothetical source of liquidation distributions. The Debtors projected that Holders of Allowed Claims would receive one-third to one-half of the distributions projected under the Plan due to the increase in reinsurance and net worth maintenance claims described above. As set forth below, a hypothetical chapter 7 liquidation in the near future would result in even lower recoveries for Holders of Allowed Claims because Available Cash has been and will continue to be consumed as a result of costs of operation, professional fees and the cost of meeting SALIC reinsurance obligations during the pendency of the Chapter 11 Cases.

IX. RISK FACTORS

THE IMPLEMENTATION OF THE PLAN IS SUBJECT TO A NUMBER OF MATERIAL RISKS, INCLUDING THOSE ENUMERATED BELOW. IN EVALUATING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN, HOLDERS OF ALLOWED CLAIMS AGAINST THE DEBTORS SHOULD READ AND CAREFULLY CONSIDER THE RISK FACTORS SET FORTH BELOW, AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT (AND THE DOCUMENTS DELIVERED TOGETHER HEREWITH AND/OR INCORPORATED BY REFERENCE HEREIN), BEFORE DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN. THESE RISK FACTORS SHOULD NOT, HOWEVER, BE REGARDED AS CONSTITUTING THE ONLY RISKS ASSOCIATED WITH THE PLAN AND ITS IMPLEMENTATION, OR ALTERNATIVES TO THE PLAN.

A. Certain Bankruptcy Law Considerations

1. Non-Confirmation of the Plan and Non-Occurrence of the Effective Date

The Distributions to Holders of Allowed Claims are dependent upon the successful Confirmation and consummation of the Plan. Failure of either event to occur in a timely manner could adversely affect the Distributions to Holders of Allowed Claims, as the Debtors' ability to fund their operations may be harmed by protracted bankruptcy proceedings and such delays may reduce the amount of net Cash available to fund Distributions to Holders of Allowed Claims. As noted below, failure to confirm and consummate the Plan on or before the Outside Closing Date (as defined in the Stock Purchase Agreement and currently projected to be December 9, 2018) gives the Purchaser the right to terminate the Stock Purchase Agreement and walk away from the transaction.

Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation and requires, among other things, that Confirmation of the Plan not be followed by a need for further financial reorganization and that the value of Distributions to dissenting creditors and shareholders not be less than the value of distributions such creditors and shareholders would receive if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code.

Although the Debtors believe that the Plan will satisfy all requirements for Confirmation under the Bankruptcy Code, there can be no assurance that the Bankruptcy Court will reach the same conclusion. Moreover, there can be no assurance that modifications to the Plan will not be required for Confirmation or that such modifications will not be sufficiently material as to necessitate the re-solicitation of votes on the Plan.

In the event that any Class of Claims entitled to vote fails to accept the Plan in accordance with section 1126(c) and 1129(a)(8) of the Bankruptcy Code, the Debtors, subject to the terms of the Plan and the Stock Purchase Agreement reserve the rights: (a) to request that the Bankruptcy Court confirm the Plan in accordance with section 1129(b) of the Bankruptcy Code; and/or (b) to modify the Plan in accordance with Sections 5.5 and 12.4 thereof. While the Debtors believe that the Plan satisfies the requirements for non-consensual Confirmation under section 1129(b) of the Bankruptcy Code, because it does not "discriminate unfairly" and is "fair and equitable" with respect to the Classes that reject or are deemed to reject the Plan, there can be no assurance that the Bankruptcy Court will reach the same conclusion. There can be no assurance that any such challenge to the requirements for non-consensual Confirmation will not delay the Debtors' emergence from Chapter 11 or prevent Confirmation of the Plan.

Moreover, there can be no assurance with respect to timing of the Effective Date. The occurrence of the Effective Date is subject to certain conditions precedent as described in Section 9.2 of the Plan and in the Stock Purchase Agreement. In particular, the Plan and the Stock Purchase Agreement make regulatory approvals of the transaction in Delaware by the Delaware DOI in accordance with Chapter 101 of Title 29 and Chapter 50 of Title 18 of the Delaware Code Annotated, the Cayman Islands, Bermuda and Ireland conditions precedent to the

Purchaser's obligation to close and to consummation of the Plan. There can be no assurances that such regulatory approvals will be granted or that such approvals will be timely. Under the Stock Purchase Agreement, the Purchaser has the right to walk away if all conditions precedent, including Confirmation of the Plan and all regulatory approvals, do not occur on or before the Outside Closing Date (as defined in the Stock Purchase Agreement).

If the Confirmation Order is vacated, (a) the Plan shall be null and void in all respects; (b) any settlement of Claims provided for in the Plan shall be null and void without further order of the Bankruptcy Court; and (c) the time within which the Debtors may assume and assign or reject all Executory Contracts and Unexpired Leases shall be extended for a period of one hundred twenty (120) days after the date the Confirmation Order is vacated.

If the Effective Date of the Plan does not occur, there can be no assurance that the Bankruptcy Case will continue rather than be converted to a Chapter 7 liquidation case or that any alternative plan of reorganization would be on terms as favorable to the Holders of Claims against the Debtors as the terms of the Plan.

If the Plan is not confirmed, SALIC would have to be liquidated either in chapter 11 or chapter 7. Such liquidation would result in the immediate termination of SALIC's reinsurance agreements and would cause all cedents, including SRUS, to "recapture" all of the business previously ceded to SALIC. Once the recaptured business is returned to the books of SRUS, SRUS would be required to maintain increased reserves to support those liabilities. As a result of the increased reserves coupled with the increase in required capital, SRUS's RBC level would plummet to a level mandating an immediate and irreversible seizure of SRUS by the Delaware DOI.

If such a seizure of SRUS by the Delaware DOI were to occur, there would be a substantial increase in claims against SALIC because: (i) the seizure of SRUS would trigger claims under the SALIC-SRUS Net Worth Maintenance Agreement by SRUS's creditors, including the Delaware DOI as receiver for SRUS and SRUS's ceding company creditors; and (ii) liquidation of SALIC would result in the termination and recapture of all SRUS and third party reinsurance treaties with SALIC. As SALIC would no longer be able to perform under such treaties, all of SALIC's cedents, including SRUS through its receiver (and separate from the SALIC-SRUS Net Worth Maintenance Agreement claims described above), would be able to assert substantial termination claims for the loss of coverage under the terminated treaties.

The Debtors have calculated the percentage of distributions to the TruPS if the restructuring and sale moves forward, as compared to the distribution percentage that would be paid equally and ratably to the TruPS and SALIC's reinsurance creditors if SALIC is not sold and instead was to liquidate. If the sale does not occur, claims against SALIC would increase dramatically because of the seizure of SRUS, which would trigger the increase in claims (as described above). As a result of this increase in claims, *pari passu* distributions to all creditors would be substantially lower than the Plan will provide to TruPS Holders, as evidenced by the Liquidation Analysis annexed hereto.

1. Non-Consensual Confirmation

In the event that any impaired class of claims or equity interests does not accept or is deemed not to accept a plan of reorganization, a bankruptcy court may nevertheless confirm such plan at the proponent's request if at least one impaired class has voted to accept the plan (with such acceptance being determined without including the vote of any "insider" in such class), and as to each impaired class that has not accepted the plan, the bankruptcy court determines that the plan "does not discriminate unfairly" and is "fair and equitable." Should any Class vote to reject the Plan, then these requirements must be satisfied with respect to such rejecting Classes. The Debtors believe that the Plan satisfies these requirements.

2. Parties in Interest May Object to the Debtors' Classification of Claims and Interests

Section 1122 of the Bankruptcy Code provides that a debtor may place a claim or an equity interest in a particular class under a plan only if such claim or equity interest is substantially similar to the other claims or equity interests in such class. The Debtors believe that the classification of Claims and Interests in the Plan complies with the Bankruptcy Code requirements because the Debtors classified Claims and Interests, each encompassing Claims or Interests, as applicable, that are substantially similar to the other Claims and Interests in each such Class. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

3. Claims Could Be More Than Projected

There can be no assurance that the estimated Allowed amount of Claims in certain Classes will not be significantly more than projected, which in turn, could cause the value of distributions to creditors to be reduced substantially. Inevitably, some assumptions will not materialize, and unanticipated events and circumstances may affect the ultimate results. Certain Claims asserted against the Debtors are contingent and unliquidated and are the subject of potential litigation against the Debtors and/or non-Debtors. These potential litigations involve contingencies and uncertainties, such as the apportionment of liability among the Debtors and the co-defendants. The resolution and/or estimation of these claims for distribution purposes could have a material effect on the estimated recoveries set forth herein. Therefore, the actual amount of Allowed Claims may vary from the Debtors' projections and feasibility analysis, and the variation may be material.

4. Amounts Available for Distribution Could Differ

The recovery on account of general unsecured claims depends on the amount of funds in the Available Plan Funding Payment. The estimate of available funds relies on numerous estimates and assumptions, including estimates of the total amount of the Debtors Administrative Claims and the assumptions regarding the ongoing performance of the Debtors' businesses and operating expenses. While the Debtors believe that their assumptions and

estimates are reasonable, unanticipated or unforeseen events could occur which could result in such estimates materially increasing or decreasing.

B. Risks Relating to Necessary Regulatory and Foreign Approvals

The Stock Purchase Agreement provides that the Purchaser may terminate the Stock Purchase Agreement if any governmental authority enjoins or otherwise prohibits the consummation of transaction or any material portion thereof. In addition, the Stock Purchase Agreement further provides that receipt of (i) of necessary approvals from the Cayman Islands Court and the Bermuda Court and (ii) all regulatory approvals from the relevant insurance regulators and other governmental authorities will be conditions precedent to the obligations of the Purchaser to consummate the Stock Purchase Agreement. Any delay in consummating the transactions embodied therein due to governmental or regulatory approvals processes, or failure to obtain such approvals, could prolong the chapter 11 cases (or result in a liquidation of the Debtors), and reduce recoveries available to creditors.

C. Additional Factors to be Considered

1. No Duty to Update

The statements contained in this Disclosure Statement are made by the Debtors as of the date hereof, unless otherwise specified herein, and the delivery of this Disclosure Statement after that date does not imply that there has been no change in the information set forth herein since that date. The Debtors have no duty to update this Disclosure Statement unless otherwise ordered to do so by the Bankruptcy Court.

2. No Representations Outside this Disclosure Statement Are Authorized

No representations concerning or related to the Debtors, or the chapter 11 cases, once commenced, or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your acceptance or rejection of the Plan that are other than as contained in, or included with, this Disclosure Statement should not be relied upon by you in arriving at your decision.

3. Forward-Looking Statements Are Not Assured, and Actual Results May Vary

This Disclosure Statement contains forward-looking statements. These forward-looking statements are based on the current expectations and observations of the Debtors' management, and include factors that could cause actual results to differ materially such as: the Debtors' ability to meet current operating needs; the effects of the Bankruptcy Court rulings in the chapter 11 cases and the outcome of the case in general; the length of time the Debtors will operate under the chapter 11 cases; the pursuit by the Debtors' various creditors, equity holders

and other constituents of its interests in the chapter 11 cases; risks associated with third party motions in the chapter 11 cases, which may interfere with the ability to consummate the Plan; the increased administrative and restructuring costs related to the chapter 11 cases; the Debtors' ability to arrange and consummate financing or sale transactions or to access capital; the timing and realization of the recoveries of assets and the payments of Claims and the amount of expenses projected to recognize such recoveries and reconcile such Claims; the occurrence of any event, change or other circumstance that could give rise to the termination of the Stock Purchase Agreement; and the other factors described in this Section IX.

4. No Legal or Tax Advice Is Provided to You by This Disclosure Statement

The contents of this Disclosure Statement should not be construed as legal, business or tax advice. Each Holder of Claims against the Debtors should consult his, her or its own legal counsel and accountants as to legal, tax and other matters concerning such Holder's Claims. This Disclosure Statement is not legal or tax advice to you and may not be relied upon for any purpose other than to determine how to vote on the Plan or object to confirmation of the Plan.

5. No Admission Made

Nothing contained herein or in the Plan will constitute an admission of, or will be deemed evidence of, the tax or other legal effects of the Plan on the Debtors or holders of Claims or Interests.

X. CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

A. Disclaimers

THE FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. ALL HOLDERS OF CLAIMS AGAINST AND INTERESTS IN THE DEBTORS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE TRANSACTIONS CONTEMPLATED BY THE PLAN, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL OR FOREIGN TAX LAWS AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

This discussion is provided for information purposes only, and is based on provisions of the Internal Revenue Code of 1986, as amended (the "IRC"), Treasury Regulations promulgated thereunder, judicial authorities, and current administrative rulings and practice, all as in effect on the date hereof. Legislative, judicial, or administrative changes or interpretations enacted or promulgated after the date hereof could alter or modify the analyses set forth below with respect to the U.S. federal income tax consequences of the Plan. Any such changes or

interpretations may be retroactive and could significantly, and adversely, affect the U.S. federal income tax consequences of the Plan.

The following summary does not address the U.S. federal income tax consequences to holders of Claims not entitled to vote to accept or reject the Plan or to holders of Interests in the Debtors. In addition, to the extent that the following discussion relates to the consequences to holders of Claims entitled to vote to accept or reject the Plan, it is limited to holders that are United States persons within the meaning of the IRC.

This discussion does not address all aspects of U.S. federal income taxation that may be relevant to a particular holder in light of its particular facts and circumstances, or to certain types of holders subject to special treatment under the IRC. Examples of holders subject to special treatment under the IRC are governmental entities and entities exercising governmental authority, foreign companies, persons who are not citizens or residents of the United States, banks and certain other financial institutions, broker-dealers, insurance companies, tax-exempt organizations, real estate investment trusts, small business investment companies, regulated investment companies, holders that are or hold their Claims through a partnership or other pass-through entity, dealers in securities or foreign currency, persons that have a functional currency other than the U.S. dollar, and persons holding Claims that are a hedge against, or that are hedged against, currency risk or that are part of a straddle, constructive sale, or conversion transaction. This discussion does not address the state, local or foreign tax consequences of the Plan.

The tax treatment of Holders of Claims and the character, amount and timing of income, gain or loss recognized as a consequence of the Plan and the Distributions provided for by the Plan may vary, depending upon the following factors, among others: (i) whether the Claim or portion thereof constitutes a Claim for principal or interest; (ii) the type of consideration, if any, received by the holder in exchange for the Claim, and whether the holder receives Distributions under the Plan in more than one taxable year; (iii) whether the holder is a citizen or resident of the United States for tax purposes, is otherwise subject to U.S. federal income tax on a net basis, or falls into any special class of taxpayers, such as those that are excluded from this discussion as noted above; (iv) the manner in which the holder acquired the Claim; (v) the length of time that the Claim has been held; (vi) whether the Claim was acquired at a discount; (vii) whether the holder has taken a bad debt deduction or a worthless securities deduction (as applicable) with respect to the Claim or any portion thereof in the current or prior taxable years; (viii) whether the holder has previously included in gross income accrued but unpaid interest with respect to the Claim; (ix) the method of tax accounting of the holder; (x) whether the Claim is an installment obligation for U.S. federal income tax purposes; (xi) whether the Claim is considered a "security" for U.S. federal income tax purposes; and/or (xii) whether the "market discount" rules apply to the holder. Therefore, each holder should consult such holder's own tax advisor for tax advice with respect to that holder's particular situation and circumstances, and the particular tax consequences to such holder of the transactions contemplated by the Plan.

A significant amount of time may elapse between the date of the Disclosure Statement and the receipt of a final Distribution under the Plan. Events occurring after the date of the Disclosure Statement, such as new or additional tax legislation, court decisions, or administrative changes, could affect the U.S. federal income tax consequences of the Plan and the transactions contemplated thereunder. No ruling has been or will be sought from the U.S. Internal Revenue Service (the "IRS") with respect to any of the tax aspects of the Plan, and no opinion of counsel has been or will be obtained by the Debtors with respect thereto. No representations are being made regarding the particular tax consequences of the confirmation or implementation of the Plan as to any holder of a Claim. This discussion is not binding upon the IRS or other taxing authorities. No assurance can be given that the IRS or another authority would not assert, or that a court would not sustain, a different position from any discussed herein.

THE FOLLOWING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN, AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE FOLLOWING DISCUSSION IS FOR INFORMATION PURPOSES ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A HOLDER'S PARTICULAR CIRCUMSTANCES. ACCORDINGLY, EACH HOLDER OF A CLAIM AGAINST OR INTEREST IN THE DEBTORS IS STRONGLY URGED TO CONSULT SUCH HOLDER'S TAX ADVISOR REGARDING THE FEDERAL, STATE, LOCAL AND FOREIGN INCOME TAX CONSEQUENCES OF THE PLAN.

B. Certain U.S. Federal Income Tax Consequences to Holders of Claims in Classes 4, 5, 6 and 7

Pursuant to the Plan, Holders of Allowed Claims in Classes 4, 5, 6 and 7 will receive interests in the Distribution Trust (from which such Holders may be entitled to distributions from time to time).

The following discussion is generally limited to U.S. Holders of Allowed Claims in Classes 4, 5, 6 and 7. As used in this discussion, the term "U.S. Holder" means a beneficial owner of such Claims that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

- a trust, if a court within the United States is able to exercise primary jurisdiction over its administration and one or more U.S. persons have authority to control all of its substantial decisions, or if the trust has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

If a partnership or other entity taxable as a partnership for U.S. federal income tax purposes holds Claims, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. If you are a partner in a partnership holding any of such instruments, you should consult your own tax advisor.

1. Gain or Loss

In general, a U.S. Holder will recognize gain or loss with respect to its Allowed Claim in an amount equal to the difference between (i) the sum of the amount of any cash and the fair market value of any other property received by such holder, including, as discussed below, its Distribution Trust Assets (other than any consideration attributable to a Claim for accrued but unpaid interest and (ii) the adjusted tax basis of the Allowed Claims in Classes 4, 5, 6 and 7 exchanged therefor (other than basis attributable to accrued but unpaid interest previously included in such holder's taxable income). *See also* Section X.B.2.—"Character of Gain or Loss." As discussed below, the amount of cash or other property received in respect of Allowed Claims in Classes 4, 5, 6 and 7 for accrued but unpaid interest will be taxed as ordinary income, except to the extent previously included in income by a U.S. Holder under its method of accounting. *See* Section X.B.3.— "Distributions in Respect of Accrued But Unpaid Interest."

As discussed below (*see* Section X.B.4.— "Tax Treatment of a Distribution Trust and Holders of Distribution Trust Assets"), each U.S. Holder that receives Distribution Trust Assets will be treated for U.S. federal income tax purposes as directly receiving, and as a direct owner of, its respective share of the Distribution Trust Assets (both cash and other property) consistent with its economic rights in the Distribution Trust, subject to the liabilities for which the Distribution Trust has responsibility for payment. Pursuant to the Plan, the Distribution Trustee will in good faith value the assets transferred to the Distribution Trust, and all parties to the Distribution Trust (including Holders of Claims receiving Distribution Trust Assets) must consistently use such valuation for all U.S. federal income tax purposes.

A U.S. Holder's share of any proceeds received by a Distribution Trust upon the sale or other disposition of the assets of the Distribution Trust (other than any such amounts received as a result of the subsequent disallowance of Disputed Claims) should not be included, for U.S. federal income tax purposes, in the holder's amount realized in respect of its Allowed General Claim in Class 4, 5, 6 or 7 but should be separately treated as amounts realized in respect of such holder's ownership interest in the underlying assets of the Distribution Trust. *See* Section X.B.4.— "Tax Treatment of a Distribution Trust and Holders of Distribution Trust Assets," below.

A U.S. Holder may become entitled to an increased share of the Distribution Trust Assets in the event of a subsequent disallowance of a Disputed Claim. It is possible that a U.S. Holder may be taxed on such increased share as Disputed Claims are resolved. The imputed interest provisions of the Tax Code may apply to treat a portion of such increased share as imputed interest. In addition, it is possible that any loss realized by a U.S. Holder in satisfaction of its Allowed Claim in Class 4, 5, 6 or 7 may be deferred until all Disputed Claims are determined.

A U.S. Holder's aggregate tax basis in its respective share of the Distribution Trust Assets will equal the fair market value of its interest in the Distribution Trust increased by its share of the Debtors' liabilities to which the underlying assets remain subject upon transfer to the Distribution Trust, and the U.S. Holder's holding period generally will begin the day following establishment of the Distribution Trust.

2. Character of Gain or Loss

Where gain or loss is recognized by a U.S. Holder, the character of such gain or loss as long-term or short-term capital gain or loss or as ordinary income or loss will be determined by a number of factors, including the tax status of the holder, whether the Allowed Claim in Class 4, 5, 6 or 7 constitutes a capital asset in the hands of the holder and how long it has been held, whether the Allowed Claim in Class 4, 5, 6 or 7 was acquired at a market discount, and whether and to what extent the holder previously claimed a bad debt deduction.

A U.S. Holder that purchased its Allowed Claim in Class 4, 5, 6 or 7 from a prior holder at a "market discount" (relative to the principal amount of the Claims at the time of acquisition) may be subject to the market discount rules of the Tax Code. In general, a debt instrument is considered to have been acquired with "market discount" if its holder's adjusted tax basis in such debt instrument is less than its stated principal amount. The *de minimis* amount is equal to 0.25% of the sum of all remaining payments to be made on the debt instrument, excluding qualified stated interest, multiplied by the number of remaining whole years to maturity. Generally, qualified stated interest is a stated amount of interest payable in cash at least annually.

Under these rules, any gain recognized on the exchange of Allowed Claims in Classes 4, 5, 6 and 7 (other than in respect of a Claim for accrued but unpaid interest) generally will be treated as ordinary income to the extent of the market discount accrued (on a straight line basis or, at the election of the U.S. Holder, on a constant yield basis) during the U.S. Holder's period of ownership, unless the U.S. Holder elected to include the market discount in income as it accrued. If a U.S. Holder of Allowed Claims in Class 4, 5, 6 or 7 did not elect to include market discount in income as it accrued and, thus, under the market discount rules, was required to defer all or a portion of any deductions for interest on debt incurred or maintained to purchase or carry its Allowed Claims in Class 4, 5, 6 or 7, such deferred amounts would become deductible at the time of the exchange.

3. Distributions in Respect of Accrued but Unpaid Interest

In general, to the extent that any consideration received pursuant to the Plan by a U.S. Holder is received in satisfaction of accrued interest during its holding period, such amount will be taxable to the U.S. Holder as interest income (if not previously included in the U.S. Holder's gross income). Conversely, a U.S. Holder generally recognizes a deductible loss to the extent any accrued interest claimed was previously included in its gross income and is not paid in full.

The Plan provides that consideration received in respect of any Claim is allocable first to the principal amount of the Claim (as determined for U.S. federal income tax purposes) and then, to the extent of any excess, to the remainder of the Claim, including any Claim for accrued but unpaid interest (in contrast, for example, to a *pro rata* allocation of a portion of the exchange consideration received between principal and interest, or an allocation first to accrued but unpaid interest). *See* Section 7.14 of the Plan. There is no assurance that the IRS will respect such allocation for U.S. federal income tax purposes. You are urged to consult your own tax advisor regarding the allocation of consideration and the inclusion and deductibility of accrued but unpaid interest for U.S. federal income tax purposes.

4. Tax Treatment of Distribution Trust and Holders of Distribution Trust Assets

As indicated above, the Debtors will transfer the Distribution Trust Assets, subject to certain liabilities as provided by the Plan, to the Distribution Trust for the benefit of Holders of Allowed Claims in Classes 4, 5, 6 and 7 (whether Allowed as of or after the Effective Date).

a. Classification of a Distribution Trust

The Distribution Trust is intended to qualify as a "liquidating trust" for U.S. federal income tax purposes (other than in respect of any portion of the Distribution Trust Assets allocable to, or retained on account of, Disputed Claims, as discussed below). In general, a liquidating trust is not a separate taxable entity but rather is treated for U.S. federal income tax purposes as a "grantor trust" (i.e., a pass-through entity). The IRS, in Revenue Procedure 94-45, 1994-2 C.B. 684, sets forth the general criteria for obtaining an IRS ruling as to the grantor trust status of a liquidating trust under a chapter 11 plan. Any liquidating trust will be structured with the intention of complying with such general criteria. Pursuant to the Plan, and in conformity with Revenue Procedure 94-45, all parties (including, without limitation, the Debtors, the Distribution Trustee and Distribution Trust Beneficiaries) shall treat the transfer of Distribution Trust Assets to a Distribution Trust as (1) a transfer of Distribution Trust Assets (subject to any obligations relating to those assets) directly to Distribution Trust Beneficiaries (other than to the extent Distribution Trust Assets are allocable to Disputed Claims), followed by (2) the transfer by such beneficiaries to a Distribution Trust of Distribution Trust Assets in exchange for beneficial interests therein. Accordingly, except in the event of contrary definitive guidance,

Distribution Trust Beneficiaries shall be treated for U.S. federal income tax purposes as the grantors and owners of their respective share of Distribution Trust Assets (other than any Distribution Trust Assets allocable to Disputed Claims).

While the following discussion assumes that the Distribution Trust will be so treated for U.S. federal income tax purposes, no ruling is being requested from the IRS concerning the tax status of the Distribution Trust as a grantor trust in connection with the confirmation of the Plan. Accordingly, there can be no assurance that the IRS would not take a contrary position to the classification of the Distribution Trust as a grantor trust. If the IRS were to challenge successfully such classification, the U.S. federal income tax consequences to the Distribution Trust and the Holders of Allowed Claims in Classes 4, 5, 6 and 7 could vary from those discussed herein.

b. General Tax Reporting by a Distribution Trust and Beneficiaries

For all U.S. federal income tax purposes, all parties must treat the Distribution Trust as a grantor trust of which the holders of Distribution Trust Assets are the owners and grantors, and treat the Distribution Trust Beneficiaries as the direct owners of an undivided interest in the Distribution Trust Assets (other than any assets allocable to Disputed Claims), consistent with their economic interests therein. The Distribution Trustee will file tax returns for the Distribution Trust treating such Distribution Trust as a grantor trust pursuant to section 1.671- 4(a) of the Treasury Regulations. The Distribution Trustee also shall annually send to each holder of Distribution Trust Assets a separate statement regarding the receipts and expenditures of the Distribution Trust as relevant for U.S. federal income tax purposes.

Allocations of taxable income of the Distribution Trust (other than taxable income allocable to any assets allocable to, or retained on account of, Disputed Claims, if such income is otherwise taxable to the Distribution Trust) among the Distribution Trust Beneficiaries shall be determined by reference to the manner in which an amount of cash equal to such taxable income would be distributed (were such cash permitted to be distributed at such time) if, immediately prior to such deemed distribution, the Distribution Trust had distributed all its assets (valued at their tax book value, and, if applicable, other than assets allocable to Disputed Claims) to the Distribution Trust Beneficiaries, adjusted for prior taxable income and loss and taking into account all prior and concurrent distributions from the Distribution Trust. Similarly, taxable loss of the Distribution Trust shall be allocated by reference to the manner in which an economic loss would be borne immediately after a liquidating distribution of the remaining Distribution Trust Assets. The tax book value of the Distribution Trust Assets for purposes of allocating taxable income and loss shall equal their fair market value on the date of the transfer of the Distribution Trust Assets to the Distribution Trust, adjusted in accordance with tax accounting principles prescribed by the Tax Code, applicable Treasury Regulations, and other applicable administrative and judicial authorities and pronouncements.

As soon as reasonably practicable after the transfer of Distribution Trust Assets to the Distribution Trust, the Distribution Trustee shall make a good faith valuation of the

Distribution Trust Assets. All parties to the Distribution Trust (including, without limitation, the Debtors and the Distribution Trust Beneficiaries) must consistently use such valuation for all U.S. federal income tax purposes. The valuation will be made available, from time to time, as relevant for tax reporting purposes.

Taxable income or loss allocated to a Distribution Trust Beneficiary will be treated as income or loss with respect to such Distribution Trust Beneficiary's undivided interest in the Distribution Trust Assets, and not as income or loss with respect to its prior Claim. The character of any income and the character and ability to use any loss will depend on the particular situation of the Distribution Trust Beneficiary. It is currently unknown whether and to what extent the Distribution Trust Assets will be transferable.

The U.S. federal income tax obligations of a U.S. Holder with respect to its Distribution Trust Assets are not dependent on the Distribution Trust distributing any cash or other proceeds. Thus, a U.S. Holder may incur a U.S. federal income tax liability with respect to its allocable share of Distribution Trust income even if the Distribution Trust does not make a concurrent distribution to the holder. In general, other than in respect of cash retained on account of Disputed Claims, a distribution of cash by the Distribution Trust will not be separately taxable to a Distribution Trust Beneficiary since the beneficiary is already regarded for U.S. federal income tax purposes as owning the underlying assets (and was taxed at the time the cash was earned or received by the Distribution Trust). Holders are urged to consult their tax advisors regarding the appropriate U.S. federal income tax treatment of any subsequent distributions of cash originally retained by the Distribution Trust on account of Disputed Claims.

The Distribution Trustee will comply with all applicable governmental withholding requirements (*see* Section 7.5(f) of the Plan). Thus, in the case of any Distribution Trust Beneficiaries that are not U.S. persons, the Distribution Trustee may be required to withhold up to 30% of the income or proceeds allocable to such persons, depending on the circumstances (including whether the type of income is subject to a lower treaty rate). As indicated above, the foregoing discussion of the U.S. federal income tax consequences of the Plan does not generally address the consequences to non-U.S. Holders; accordingly, such Holders should consult their tax advisors with respect to the U.S. federal income tax consequences of the Plan, including owning an interest in the Distribution Trust.

c. Tax Reporting for Assets Allocable to Disputed Claims

Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary (including the receipt by the Distribution Trustee of an IRS private letter ruling if the Distribution Trustee so requests one, or the receipt of an adverse determination by the IRS upon audit if not contested by the Distribution Trustee), the Distribution Trustee (A) will elect to treat any Distribution Trust Assets allocable to, or retained on account of, Disputed Claims as a "disputed ownership fund" governed by section 1.468B-9 of the Treasury Regulations, and (B) to the extent permitted by applicable law, will report consistently for state and local income tax purposes.

Accordingly, so treated, any amounts allocable to, or retained on account of, Disputed Claims will be subject to tax annually on a separate entity basis on any net income earned with respect to the Distribution Trust Assets in such reserves (including any gain recognized upon the disposition of such assets). All Distributions from such assets (which Distributions will be net of the expenses, including taxes, relating to the retention or disposition of such assets) will be treated as received by Holders in respect of their Allowed Claims in Classes 4, 5, 6 and 7 as if distributed by the Debtors. All parties (including, without limitation, the Debtors, the Distribution Trustee and the Distribution Trust Beneficiaries) will be required to report for tax purposes consistently with the foregoing.

5. Information Reporting and Backup Withholding

Payments of interest and any other reportable payments, possibly including amounts received pursuant to the Plan and payments of proceeds from the sale, retirement or other disposition of the exchange consideration, may be subject to "backup withholding" [(currently at a rate of 24%)] if a recipient of those payments fails to furnish to the payor certain identifying information and, in some cases, a certification that the recipient is not subject to backup withholding. Backup withholding is not an additional tax. Any amounts deducted and withheld generally should be allowed as a credit against that recipient's U.S. federal income tax, provided that appropriate proof is timely provided under rules established by the IRS. Furthermore, certain penalties may be imposed by the IRS on a recipient of payments who is required to supply information but who does not do so in the proper manner. Backup withholding generally should not apply with respect to payments made to certain exempt recipients, such as corporations and financial institutions. Information may also be required to be provided to the IRS concerning payments, unless an exemption applies. You should consult your own tax advisor regarding your qualification for exemption from backup withholding and information reporting and the procedures for obtaining such an exemption.

Treasury Regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer's claiming a loss in excess of certain thresholds. You are urged to consult your own tax advisor regarding these regulations and whether the contemplated transactions under the Plan would be subject to these regulations and require disclosure on your tax return.

XI. CONFIRMATION OF THE PLAN

A. The Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing on Confirmation of the Plan. Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to Confirmation of the Plan.

The Bankruptcy Court has scheduled a Confirmation Hearing to commence on [August 22,] 2018 at [10:00 a.m.] (Eastern Time), before the Honorable Laurie Selber

Silverstein, United States Bankruptcy Judge, in the United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, 6th Floor, Courtroom No. 2, Wilmington, Delaware 19801. The Confirmation Hearing may be adjourned from time to time without further notice except for an announcement of the adjourned date made at the Confirmation Hearing or any adjournment thereof or in a notice of hearing agenda filed in connection therewith.

Objections to Confirmation of the Plan must be Filed and served so that they are actually received by no later than [August 10,] 2018 at [4:00 p.m.] (Eastern Time). Unless objections to Confirmation of the Plan are timely served and filed in compliance with the procedures approved by the Bankruptcy Court, they may not be considered by the Bankruptcy Court.

B. Requirements for Confirmation of the Plan

At the Confirmation Hearing, the Bankruptcy Court must determine that the requirements for Confirmation as set forth in section 1129 of the Bankruptcy Code have been satisfied, including among others the following:

- The Plan complies with the applicable provisions of the Bankruptcy Code.
- The Debtors have complied with the applicable provisions of the Bankruptcy Code.
- The Plan has been proposed in good faith and not by any means forbidden by law.
- To the extent applicable, any payment made or promised by the Debtors or by a Person issuing securities or acquiring property under the Plan for services or for costs and expenses in, or in connection with, the Chapter 11 Cases, or in connection with the Plan and incident to the Chapter 11 Cases, has been disclosed to the Bankruptcy Court, and any such payment made before Confirmation of the Plan is reasonable, or if such payment is to be fixed after Confirmation of the Plan, such payment is subject to the approval of the Bankruptcy Court as reasonable.
- To the extent applicable, the Debtors have disclosed or will disclose in the Plan Supplement (a) the identity and affiliations of (i) any individual proposed to serve, after Confirmation of the Plan, as a director, officer, or voting trustee of the Reorganized Debtors, (ii) any affiliate of the Debtors participating in a joint plan with the Debtors, or (iii) any successor to the Debtors under the Plan (and the appointment to, or continuance in, such office of such individual(s) is consistent with the interests of Holders of Claims or Interests and with public policy), and (b) the identity of any insider that will be employed or retained by the Debtors and the nature of any compensation for such insider.

- With respect to each Class of Claims or Interests, each Holder of an Impaired Claim or Impaired Interest either has accepted the Plan or will receive or retain under the Plan, on account of the Claims or Interests held by such Holder, property of a value, as of the Effective Date, that is not less than the amount that such Holder would receive or retain if the Debtor were liquidated on such date under chapter 7 of the Bankruptcy Code.

- The Plan provides that Administrative Claims and Priority Non-Tax Claims will be paid in full on the Effective Date, except to the extent that the Holder of any such Claim has agreed to another less favorable treatment.

- If any Class is Impaired under the Plan, at least one Class that is Impaired has accepted the Plan, determined without including any acceptance of the Plan by insiders holding Claims in such Class.

- Confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successor to the Debtors under the Plan, unless such liquidation or reorganization is proposed in the Plan.

The Debtors believe that, upon receipt of the votes required to confirm the Plan, the Plan will satisfy the statutory requirements of chapter 11 of the Bankruptcy Code, that the Debtors have complied or will have complied with all of the requirements of chapter 11 and of section 1129, and that the Plan has been proposed and submitted to the Bankruptcy Court in good faith.

C. Feasibility of the Plan

In connection with Confirmation of the Plan, the Bankruptcy Court will be required to determine that the Plan is feasible pursuant to section 1129(a)(11) of the Bankruptcy Code, which means that the Confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtors.

The Debtors and the Purchaser believe that the Plan meets the feasibility requirement set forth in section 1129(a)(11) of the Bankruptcy Code, as Confirmation is not likely to be followed by liquidation or the need for further financial reorganization of the Reorganized Debtors. In connection with the development of the Plan and for the purposes of determining whether the Plan satisfies this feasibility standard, the ability of the Reorganized Debtors to satisfy its financial obligations while maintaining sufficient liquidity and capital resources has been examined.

D. Acceptance of the Plan

As a condition to Confirmation, the Bankruptcy Code requires that each Class of Impaired Claims vote to accept the Plan, except under certain circumstances.

Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a class of impaired claims as acceptance by holders of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of claims in that class, but for that purpose counts only those who actually timely and properly vote to accept or to reject the Plan. Thus, Holders of Claims in each of Classes 4, 5, 6 and 7 will have voted to accept the Plan only if two-thirds (2/3) in amount and a majority in number of the Claims actually voting in each Class cast their ballots in favor of acceptance. Holders of Claims who fail to vote are not counted as either accepting or rejecting the Plan, except as provided in Section 5.7 of the Plan.

A vote may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that acceptance or rejection was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

E. Best Interests Test

Even if a plan is accepted by each class of claims and interests, the Bankruptcy Code requires a bankruptcy court to determine that the plan is in the best interests of all holders of claims or interests that are impaired by the plan and that have not accepted the plan. The "best interests" test, as set forth in section 1129(a)(7) of the Bankruptcy Code, requires a bankruptcy court to find either that all members of an impaired class of claims or interests have accepted the plan or that the plan will provide a member who has not accepted the plan with a recovery of property of a value, as of the effective date of the plan, that is not less than the amount that such Holder would recover if the debtor were liquidated under chapter 7 of the Bankruptcy Code.

To calculate the probable distribution to holders of each impaired class of claims and interests if a debtor were liquidated under chapter 7, a bankruptcy court must first determine the aggregate dollar amount that would be generated from the debtor's assets if its chapter 11 case was converted to a chapter 7 case under the Bankruptcy Code. This "liquidation value" would consist primarily of the proceeds from a forced sale of the debtor's assets by a chapter 7 trustee and available liquid assets on hand.

The amount of liquidation value available to unsecured creditors would be reduced by, first, the claims of secured creditors to the extent of the value of their collateral and, second, by the costs and expenses of liquidation, as well as by other administrative expenses and costs of both the chapter 7 case and the chapter 11 case. Costs of liquidation under chapter 7 of the Bankruptcy Code would include the compensation of a trustee, as well as of counsel and other professionals retained by the trustee, asset disposition expenses, all unpaid expenses incurred by the debtor in its chapter 11 case (such as compensation of attorneys, financial advisors, and accountants) that are allowed in the chapter 7 cases, litigation costs, and claims arising from the operations of the debtor during the pendency of the chapter 11 case. The

liquidation itself would trigger certain priority payments that otherwise would be due in the ordinary course of business. Those priority claims would be paid in full from the liquidation proceeds before the balance would be made available to pay general unsecured claims or to make any distribution in respect of equity security interests. The liquidation would also prompt the rejection of a large number of executory contracts and unexpired leases and thereby significantly enlarge the total pool of unsecured claims by reason of resulting rejection damages claims. The Debtors submit that reorganization under chapter 11 of the Bankruptcy Code would result in superior recoveries for creditors than a liquidation under chapter 7 of the Bankruptcy Code.

Once the bankruptcy court ascertains the recoveries in liquidation of secured creditors and priority claimants, it must determine the probable distribution to general unsecured creditors and equity security holders from the remaining available proceeds in liquidation. If such probable distribution has a value greater than the distributions to be received by such creditors and equity security holders under the plan, then the plan is not in the best interests of creditors and equity security holders.

For purposes of the best interests test, in order to determine the amount of liquidation value available to Creditors, the Debtors have prepared a liquidation analysis (the "Liquidation Analysis"), a copy of which is annexed as **Exhibit 2** to this Disclosure Statement. Based on the Liquidation Analysis, the Debtors believe that Holders of Allowed General Unsecured Claims would recover less in a liquidation than under the Plan.

The Debtors note that any liquidation analysis with respect to the Debtors is inherently speculative. The Debtors' assets, on a going concern basis or on a standalone basis, are subject to significant valuation uncertainties. The Liquidation Analysis necessarily contains estimates of the net proceeds that would be received from a sale of such assets conducted on an expedited timeframe. Further, the Liquidation Analysis necessarily contains estimates of the amount of Claims that will ultimately become Allowed Claims. As the Debtors have not yet reviewed and fully analyzed all Claims and Interests, the estimates of Claims underlying the Liquidation Analysis are based upon the Debtors' review of its books and records and of certain Proofs of Claim, and include estimates of a number of Claims that are contingent, disputed, and/or unliquidated. The estimate of the amount of Allowed Claims set forth in the Liquidation Analysis should not be relied on for any other purpose, including, without limitation, any determination of the value of any Distribution to be made on account of Allowed Claims under the Plan.

Notwithstanding the difficulty in quantifying recoveries on Allowed Claims with precision, the Debtors believe that Holders of Claims that are Impaired will receive equal or greater value as of the Effective Date than such Holders would receive in a chapter 7 liquidation. Accordingly, the Debtors believe that the Plan satisfies the "best interests" test of section 1129 of the Bankruptcy Code.

F. Confirmation without Acceptance of All Impaired Classes: The "Cramdown" Alternative

In the event that one of Classes 4, 5, 6 and 7 does not vote to accept the Plan, the Debtors will seek Confirmation of the Plan pursuant to the "cramdown" provisions of the Bankruptcy Code. Specifically, section 1129(b) of the Bankruptcy Code provides that a plan can be confirmed even if the plan is not accepted by all impaired classes, as long as at least one impaired class of claims has accepted it. The Bankruptcy Court may confirm a plan at the request of the debtors if the plan "does not discriminate unfairly" and is "fair and equitable" as to each impaired class that has not accepted the plan. A plan does not discriminate unfairly within the meaning of the Bankruptcy Code if a dissenting class is treated equally with respect to other classes of equal rank.

The Debtors believe the Plan does not discriminate unfairly with respect to the Claims and Interests in Classes 4, 5, 6 and 7.

A plan is fair and equitable as to a class of unsecured claims that rejects a plan if the plan provides (i) for each holder of a claim included in the rejecting class to receive or retain on account of that claim property that has a value, as of the effective date of the plan, equal to the allowed amount of such claim or (ii) that the holder of any claim or interest that is junior to the claims of such class will not receive or retain on account of such junior claim or interest any property at all.

A plan is fair and equitable as to a class of equity interests that rejects a plan if the plan provides (i) that each holder of an interest included in the rejecting class receive or retain on account of that interest property that has a value, as of the effective date of the plan, equal to the greatest of the allowed amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled or the value of such interest or (ii) that the holder of any interest that is junior to the interests of such class will not receive or retain under the plan on account of such junior interest any property at all.

The Debtors believe that the Plan meets the "fair and equitable" requirements of section 1129(b) of the Bankruptcy Code with respect to Holders of Claims in Classes 4, 5, 6, 7 and 8, and Holders of Interests in Class 9 and that the Plan satisfies the foregoing requirements for nonconsensual confirmation of the Plan.

XII. CONCLUSION AND RECOMMENDATION

For all of the reasons set forth in this Disclosure Statement, the Debtors and the Purchaser believe that Confirmation and consummation of the Plan is preferable to all other alternatives. Accordingly, the Debtors and the Purchaser urge all Holders of Claims in Classes 4, 5, 6 and 7 to vote to **ACCEPT** the Plan, and to complete and return their ballots so that they will be **RECEIVED** on or before 4:00 (Eastern Time) on [August 13], 2018

Scottish Holdings, Inc.
Scottish Annuity & Life Insurance Company (Cayman) Ltd.

/s/ Gregg Klingenberg
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Chief Executive Officer

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Exhibit B

Amended Plan

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
SCOTTISH HOLDINGS, INC., *et al.*,	Case No. 18-10160 (LSS)
Debtors.[1]	Jointly Administered

FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF SCOTTISH HOLDINGS, INC., AND SCOTTISH ANNUITY & LIFE INSURANCE COMPANY (CAYMAN) LTD.

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Dated: June 15, 2018
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[1]The Debtors, along with the last four digits of their federal tax identification numbers, are as follows: Scottish Holdings, Inc. (4408) and Scottish Annuity & Life Insurance Company (Cayman) Ltd. (3285). The Debtors' mailing address for purposes of these Chapter 11 Cases is 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277.

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THIS IS NOT A SOLICITATION OF VOTES TO ACCEPT OR REJECT THE PLAN IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND WITHIN THE MEANING OF SECTION 1126 OF THE BANKRUPTCY CODE. 11 U.S.C. §§ 1125, 1126. A DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT. THE INFORMATION IN THE PLAN AND THE DISCLOSURE STATEMENT IS SUBJECT TO WITHDRAWAL, CHANGE AND MAY BE SUPPLEMENTED. THE FILING OF THE DISCLOSURE STATEMENT AND PLAN IS WITHOUT PREJUDICE TO ANY CONSENT RIGHTS THAT THE PURCHASER MAY HAVE PURSUANT TO THE STOCK PURCHASE AGREEMENT AND ANY CONSENT RIGHTS THAT SRGL MAY HAVE UNDER THE TERMS OF THE RESTRUCTURING IMPLEMENTATION AGREEMENT OR THE RIA ORDER. THE PLAN AND THE DISCLOSURE STATEMENT ARE NOT AN OFFER TO SELL ANY SECURITIES AND ARE NOT SOLICITING AN OFFER TO BUY ANY SECURITIES.

Scottish Holdings, Inc. ("SHI") and Scottish Annuity & Life Insurance Company (Cayman) Ltd. ("SALIC"), debtors and debtors in possession (the "Debtors") in these Chapter 11 Cases, jointly propose this Plan. Reference is made to the Disclosure Statement in support of the Plan for a discussion of the Debtors' history, business, property and results of operations, and for a summary of the Plan and certain related matters.

Before voting to accept or reject the Plan, all Creditors are encouraged to read the Plan and the Disclosure Statement in their entirety, as well as the Stock Purchase Agreement and Restructuring Implementation Agreement, the terms of which are incorporated into the Plan by reference and form integral parts of the Plan. No materials, other than the Disclosure Statement and any exhibits and schedules thereto or referenced therein, have been approved by the Debtors or the Bankruptcy Court for use in soliciting acceptances or rejections of the Plan.

I. SUMMARY OF THE PLAN

An overview of the Plan is set forth in the Disclosure Statement. Generally, the Plan provides for, among other things, the following: (1) the reorganization and recapitalization of the Debtors and certain of their non-debtor Affiliates through a new money contribution of $12,500,000 by the Purchaser in the form of the Recapitalization Funding Payment; (2) the funding of distributions to the Debtors' creditors through an additional new money contribution of $21,500,000 by the Purchaser in the form of the Plan Funding Payment subject to reduction by the amount of the TruPS Returned Cash; (3) in exchange for the foregoing payments and other consideration, the issuance or assignment to the Purchaser of one hundred percent (100%) of the New Equity, subject to downward adjustment to no less than seventy percent (70%), to the extent that eligible unsecured creditors elect to receive their pro rata share of up to thirty percent (30%) of the New Equity, in lieu of a cash distribution under the Plan; (4) the assumption by the Reorganized Debtors of all or substantially all reinsurance treaties for which SALIC acts as reinsurer or retrocessionaire; (5) creation of the Distribution Trust (a) for payment of all Secured Claims, Administrative Claims, and Priority Claims to the extent Allowed and not paid or

otherwise satisfied prior to the Effective Date, and (b) for the benefit of Holders of SHI TruPS Claims, SHI General Unsecured Claims, SALIC TruPS Claims and SALIC General Unsecured Claims, all to the extent Allowed; and (6) funding of the Distribution Trust with the Distribution Trust Assets, the Available Plan Distribution Funding Amount and the Distribution Trust Reserves.

Pursuant to sections 105(a), 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good faith compromise of all Claims, Interests and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim may have with respect to any Allowed Claim, or any distribution to be made on account of such Allowed Claim, as well as the allocation of the Plan Funding Payment among the Debtors' Estates and Creditors. In addition, the Plan contains certain, release, injunction and exculpation provisions all as set forth in Article X of the Plan.

II. DEFINITIONS AND INTERPRETATION

2.1 All capitalized terms used but not defined elsewhere in the Plan have the meanings assigned to them in the Glossary of Defined Terms attached as **Exhibit A** to the Plan. Any capitalized term used and not otherwise defined by the Plan has the meaning ascribed to that term in the Bankruptcy Code and/or Bankruptcy Rules.

2.2 For purposes of the Plan, any reference in the Plan to an existing document or exhibit Filed or to be Filed means that document or exhibit as it may have been or may be amended, supplemented, or otherwise modified.

2.3 The words "herein," "hereof" and "hereunder" and other words of similar import refer to the Plan as a whole and not to any particular section, subsection or clause contained in the Plan, unless the context requires otherwise. Whenever from the context it appears appropriate, each term stated in either the singular or the plural includes the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender include the masculine, feminine and the neuter.

2.4 Captions and headings to articles, sections and exhibits are inserted for convenience of reference only and are not intended to be part of or to affect the interpretation of the Plan.

2.5 The rules of construction set forth in section 102 of the Bankruptcy Code shall apply.

2.6 In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

III. CLASSIFICATION OF CLAIMS AND INTERESTS

3.1. Introduction

All Claims and Interests, except Administrative Claims and Priority Tax Claims, are placed in the Classes set forth below. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims have not been classified, and the treatment of such unclassified Claims is set forth below in Section 4.1 of the Plan.

A Claim or Interest is placed in a particular Class only to the extent that the Claim or Interest falls within the description of that Class, and is classified in other Classes to the extent that any portion of the Claim or Interest falls within the description of such other Classes. A Claim is also placed in a particular Class for the purpose of receiving Distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that Class and such Claim has not been paid, released, or otherwise settled prior to the Effective Date.

3.2. Unclassified Claims

(a) Administrative Claims

(b) Priority Tax Claims

3.3. Classification of Claims and Interests

The following table designates the Classes of Claims against and Interests in the Debtors and specifies which Classes are: (a) Impaired and Unimpaired under the Plan; (b) entitled to vote to accept or reject the Plan in accordance with section 1126 of the Bankruptcy Code; and (c) deemed to accept or reject the Plan:

Class	Type of Claim or Interest	Impairment	Entitled to Vote
Class 1	Secured Claims	Unimpaired	No (deemed to accept)
Class 2	Priority Non-Tax Claims	Unimpaired	No (deemed to accept)
Class 3	Intercompany Claims	Unimpaired	No (deemed to accept)
Class 4	SHI TruPS Claims	Impaired	Yes
Class 5	SHI General Unsecured Claims	Impaired	Yes
Class 6	SALIC TruPS Claims & SFL Claims	Impaired	Yes
Class 7	SALIC General Unsecured Claims	Impaired	Yes
Class 8	Subordinated Claims	Impaired	No (deemed to reject)
Class 9	SHI Existing Equity Interests	Impaired	No (deemed to reject)
Class 10	SALIC Existing Equity Interests	Unimpaired	No (deemed to accept)

IV. TREATMENT OF CLAIMS AND INTERESTS

4.1. Unclassified Claims

(a) Administrative Claims

Except to the extent that an Allowed Administrative Claim has been satisfied prior to the Effective Date, and except as otherwise provided for herein (including Section 4.1(c)(ii) with respect to Professional Fee Claims), each Holder of an Allowed Administrative Claim shall be entitled to receive in full, final and complete settlement, release, and discharge of such Claim, either (i) to the extent such Administrative Claim is Allowed as of the Effective Date, payment in full in Cash of the unpaid portion of such Allowed Administrative Claim as a Closing Date Plan Distribution on the Effective Date, or as soon as reasonably practicable thereafter, or (ii) to the extent such Administrative Claim is Allowed after the Effective Date, payment in full in Cash of the unpaid portion of such Allowed Administrative Claim from the Distribution Trust, in an amount equal to the unpaid portion of such claim, at such time as such Administrative Claim is Allowed, or as soon as reasonably practicable thereafter.

(b) Priority Tax Claims

Except to the extent that an Allowed Priority Tax Claim has been satisfied prior to the Effective Date, each Holder of an Allowed Priority Tax Claim shall be entitled to receive, in full, final and complete settlement, release, and discharge of such Claim, at the election of the Debtors or the Distribution Trustee, one of the following treatments: (i) to the extent such Priority Tax Claim is Allowed as of the Effective Date, payment in full in Cash of the unpaid portion of such Allowed Priority Tax Claim as a Closing Date Plan Distribution on the Effective Date, or as soon as reasonably practicable thereafter; (ii) to the extent such Priority Tax Claim is Allowed after the Effective Date, payment in full in Cash of the unpaid portion of such Allowed Priority Tax Claim from the Distribution Trust, in an amount equal to the unpaid portion of such claim, at such time as such Priority Tax Claim is Allowed, or as soon as reasonably practicable thereafter; or (iii) or such other treatment or payment from the Distribution Trust as permitted under section 1129(a)(9)(C) of the Bankruptcy Code.

(c) Other Provisions Governing Administrative Claims

i. *General Provisions.* Except as otherwise provided in this Article IV, requests for payment of Administrative Claims must be included within an application (setting forth the amount of, and basis for, such Administrative Claims, together with documentary evidence) and Filed and served on respective counsel for the Debtors, the Reorganized Debtors, the Purchaser, and the Distribution Trustee no later than the applicable Administrative Claims Bar Date. Holders of Administrative Claims (including, without limitation, Holders of any Claims for federal, state or local taxes) that are required to File a request for payment of such Claims and that do not File such requests by the applicable Administrative Claims Bar Date shall be forever barred from asserting such Claims against the Debtors, Reorganized Debtors, the Purchaser, the Distribution Trust or any of their respective property. Requests for payments of Administrative Claims included within a Proof of Claim are of no force and effect, and are deemed disallowed in their entirety as of the Effective Date, and

shall be satisfied only to the extent such Administrative Claim is subsequently Filed in a timely fashion as provided by this subsection and subsequently becomes an Allowed Claim.

ii. *Professionals.* All Professionals or other entities requesting compensation or reimbursement of expenses pursuant to sections 327, 328, 330, 331, 503(b) and 1103 of the Bankruptcy Code for services rendered before the Effective Date (including, without limitation, any compensation requested by any Professional or any other Entity for making a substantial contribution in the Chapter 11 Cases) shall File an application for final allowance of compensation and reimbursement of expenses no later than thirty (30) days after the Effective Date and simultaneously serve such application on counsel for the following entities: the Reorganized Debtors, the Purchaser, the Official Committee, the Distribution Trustee, and the U.S. Trustee.

Objections, if any, to a Professional's application for compensation or reimbursement of expenses must be filed no later than twenty-one (21) days after the date the application is filed, and simultaneously served on the applicant (and its counsel, if any) and counsel for the following entities: the Reorganized Debtors, the Purchaser, the Official Committee, the Distribution Trustee, and the U.S. Trustee. If no objections are received, the Bankruptcy Court may enter a final order approving the applications and authorizing final Allowance and payment of compensation and reimbursement of expenses without a hearing. If any objection cannot be resolved consensually, the Bankruptcy Court will hold a hearing on the affected application(s).

The amount of compensation and reimbursement of expenses Allowed by the Bankruptcy Court (less (i) amounts previously received by the Professional in respect of interim compensation and (ii) any unapplied retainer or advance held by the Professional) shall be paid by the Distribution Trustee from the Professional Fee Reserve.

Any professional fees and reimbursements or expenses incurred by the Distribution Trust subsequent to the Effective Date may be paid in accordance with the Distribution Trust Agreement. Any professional fees and reimbursements or expenses incurred by the Reorganized Debtors subsequent to the Effective Date may be paid without further order of, or application to, the Bankruptcy Court.

(d) Indenture Trustee Fees

i. *Indenture Trustee Fees Incurred through the Confirmation Date.* On the Effective Date, the Debtors shall pay all undisputed Indenture Trustee Fees of the TruPS Indenture Trustees incurred through the Confirmation Date as set forth in section 6.1(b)(1). For a TruPS Indenture Trustee to be eligible to have its Indenture Trustee Fees incurred through the Confirmation Date paid on the Effective Date or as soon as reasonably practicable after the Effective Date, on or before the thirtieth (30th) day after the Confirmation Date, such TruPS Indenture Trustee must serve the Debtors, the Committee and the Purchaser with invoices setting forth in reasonable detail (but subject to appropriate redactions to preserve confidentiality or any applicable privileges or protections) the Indenture Trustee Fees for which such TruPS Indenture

Trustee seeks payment. If none of the Debtors, the Committee or the Purchaser has served the applicable TruPS Indenture Trustee with a written objection to the TruPS Indenture Trustee Fees set forth in such invoices within ten (10) Business Days after the date of service of such invoices, then the subject Indenture Trustee Fees shall be paid to the applicable TruPS Indenture Trustee on or as soon as reasonably practicable after the Effective Date as set forth in Section 6.1(b)(1), without the need for application to, or approval by, any court. Each Indenture Trustee will not assert its Charging Lien to the extent that it receives payment of its Indenture Trustee Fees.

ii. *Indenture Trustee Fees Incurred During the Period from the Confirmation Date through the Effective Date.*

A. Prior to the Effective Date, the Debtors, in consultation with the Purchaser, the Committee and each of the TruPS Indenture Trustees, will make a good faith estimate of the Indenture Trustee Fees incurred and expected to be incurred during the period from the Confirmation Date through the Effective Date. On the Effective Date, the Indenture Trustee Fee Reserve shall be funded with such estimated amount in accordance with section 6.3(g) of the Plan.

B. For a TruPS Indenture Trustee to be eligible to have its Indenture Trustee Fees incurred during the period commencing from the Confirmation Date through the Effective Date paid from the Indenture Trustee Fee Reserve (and if such Indenture Trustee Fee Reserve proves to be inadequate, the Available Plan Distribution Funding Amount), on or before the thirtieth (30th) day after the Effective Date, such TruPS Indenture Trustee must serve the Distribution Trustee and the Purchaser with invoices setting forth in reasonable detail (but subject to appropriate redactions to preserve confidentiality or any applicable privileges or protections) the Indenture Trustee Fees for which such TruPS Indenture Trustee seeks payment. If the Distribution Trustee or the Purchaser has not served the applicable TruPS Indenture Trustee with a written objection to the TruPS Indenture Trustee Fees set forth in such invoices within ten (10) Business Days after the date of service of such invoices, then the subject Indenture Trustee Fees shall be paid from the Indenture Trustee Fee Reserve (or the Available Plan Distribution Funding Amount if the Indenture Trustee Fee Reserve is inadequate) to the applicable TruPS Indenture Trustee within ten (10) Business Days after the expiration of such objection period, without the need for application to, or approval by, any court.

iii. *Indenture Trustee Fees Incurred Following the Effective Date.* Prior to the Effective Date, the Debtors, in consultation with the Purchaser, the Committee and each of the TruPS Indenture Trustees, will make a good faith estimate of the Indenture Trustee Fees expected to be incurred following the Effective Date and the Indenture Trustee Fee Reserve shall be funded with such estimated amount in accordance with section 6.3(g) of the Plan. No TruPS Indenture Trustee shall be eligible to receive payment from the Distribution Trust or SRGL or to maintain a Charging Lien, for Indenture Trustee Fees incurred after the Effective Date for fees or expenses relating to the SHST II TruPS, the SHST II TruPS Documents, the GPIC TruPS, the GPIC TruPS Documents or any Distributions made on account of Claims arising from the SHST II TruPS, the SHST II Debentures, the GPIC TruPS, the GPIC Debentures or any other TruPS Document related to the foregoing TruPS transactions.

iv. *Indenture Trustee Fee Cap.* The aggregate amount of Indenture Trustee Fees recoverable from the Debtors and the Distribution Trust by the TruPS Indenture Trustees shall not exceed [$_____] (the "Indenture Trustee Fee Cap"). The Indenture Trustee Fee Cap may be increased upon the consent of the Debtors, the Committee and the Purchaser at any time prior to the Effective Date and upon the consent of the Distribution Trustee and the Purchaser on or after the Effective Date.

v. *Disputes Regarding Indenture Trustee Fees.* If the Debtors or Reorganized Debtors (as applicable), the Committee, the Purchaser or the Distribution Trustee disputes any requested Indenture Trustee Fees, such party shall notify the applicable TruPS Indenture Trustee, and, upon such notification, the applicable TruPS Indenture Trustee may (a) assert its Charging Lien to pay the disputed portion of the Indenture Trustee Fees and/or (b) submit such dispute for resolution to the Bankruptcy Court. If the dispute is not resolved in the TruPS Indenture Trustee's favor, any amounts for which the TruPS Indenture Trustee asserted its charging lien on account of such disputed Indenture Trustee Fees must be returned. Notwithstanding the pendency of an objection to a portion of a TruPS Indenture Trustee's Indenture Trustee Fees, the Debtors or Distribution Trust, as applicable, shall pay any undisputed portion of Indenture Trustee. Nothing herein shall be deemed to impair, waive, discharge, or negatively affect any Charging Lien for any fees, costs and expenses not paid by the Debtors or the Distribution Trustee and otherwise claimed by a TruPS Indenture Trustee pursuant to the procedures set forth in this Section 4.1(d) of the Plan; provided, however, that no TruPS Indenture Trustee shall be eligible to receive payment from the Distribution Trust or maintain a Charging Lien for Indenture Trustee Fees incurred after the Effective Date for services related to Distributions to SRGL on account of its holdings of SHST II TruPS, GPIC TruPS or any corresponding SRGL TruPS Claims.

4.2. Unimpaired Classes of Claims and Interests

(a) Class 1 – Secured Claims

i. *Classification.* Class 1 consists of all Secured Claims, to the extent such Claims have not already been satisfied during the Chapter 11 Cases.

ii. *Treatment.* Unless a Holder of an Allowed Secured Claim agrees to lesser treatment, on the Effective Date, or as soon as reasonably practicable thereafter, each Holder of an Allowed Secured Claim shall receive one of the following treatments on account of such Allowed Secured Claim, at the option of the Debtors or the Distribution Trustee, as applicable: (a) reinstatement of the Allowed Secured Claim as against any collateral or proceeds thereof held by the Distribution Trust; (b) with the consent of the Purchaser, reinstatement of the Allowed Secured Claim as against any collateral or proceeds thereof held by the Reorganized Debtors; (c) in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Allowed Secured Claim, Cash equal to the full Allowed amount of such Secured Claim, with such Cash to be paid (i) as a Closing Date Plan Distribution to the extent that such Secured Claim is Allowed as of the Effective Date or (ii) from the assets of the Distribution Trust to the extent that such Secured Claim is allowed after the Effective Date; or

(d) with the consent of the Purchaser as to any asset that is not a Distribution Trust Asset, delivery of the collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code.

iii. *Voting.* Class 1 is Unimpaired and the Holders of Claims in Class 1 will be conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Claims in Class 1 will not be entitled to vote to accept or reject the Plan.

(b) Class 2 – Priority Non-Tax Claims

i. *Classification.* Class 2 consists of all Priority Non-Tax Claims, to the extent such Claims have not already been satisfied during the Chapter 11 Cases.

ii. *Treatment.* Unless a Holder of an Allowed Priority Non-Tax Claim agrees to lesser treatment, on the Effective Date, or as soon as reasonably practicable thereafter, each Holder of an Allowed Priority Non-Tax Claim shall receive in full, final and complete satisfaction, settlement, release, and discharge of such Allowed Priority Non-Tax Claim, either: (i) to the extent such Priority Non-Tax Claim is Allowed as of the Effective Date, payment in full in Cash of the unpaid portion of such Allowed Priority Non-Tax Claim as a Closing Date Plan Distribution on the Effective Date, or as soon as reasonably practicable thereafter, or (ii) to the extent such Priority Non-Tax Claim is Allowed after the Effective Date, payment in full in Cash of the unpaid portion of such Allowed Priority Non-Tax Claim from the Distribution Trust at such time as such Priority Non-Tax Claim is Allowed, or as soon as reasonably practicable thereafter.

iii. *Voting.* Class 2 is Unimpaired and the Holders of Claims in Class 2 will be conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Claims in Class 2 will not be entitled to vote to accept or reject the Plan.

(c) Class 3 – Intercompany Claims

i. *Classification.* Class 3 consists of all Intercompany Claims, to the extent such Claims have not already been satisfied during the Chapter 11 Cases.

ii. *Treatment.* Intercompany Claims shall be paid, adjusted, continued, settled, reinstated, discharged, eliminated, or otherwise managed, in each case to the extent determined to be appropriate by the applicable Debtor(s) or Reorganized Debtor(s) and certain of their non-debtor Affiliates with the consent of the Purchaser. For the avoidance of doubt, Intercompany Claims shall not receive a Distribution and shall not otherwise be entitled to any of the assets of the Distribution Trust.

iii. *Voting.* Class 3 is Unimpaired and the Holders of Claims in Class 3 will be conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Claims in Class 3 will not be entitled to vote to

accept or reject the Plan.

(d) Class 10 – SALIC Existing Equity Interests

i. *Classification.* Class 10 consists of all SALIC Existing Equity Interests.

ii. *Treatment.* SALIC Existing Equity Interests are Unimpaired by the Plan and will be treated in accordance with the Stock Purchase Agreement, the New SALIC Shares Issuance Documents, the Share Surrender Documents, and the Restructuring Implementation Agreement, as provided in Section 6.1 of the Plan.

iii. *Voting.* Class 10 is Unimpaired and the Holders of Interests in Class 10 will be conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Interests in Class 10 will not be entitled to vote to accept or reject the Plan.

4.3. Impaired Voting Classes of Claims

(a) Class 4 – SHI TruPS Claims

i. *Classification.* Class 4 consists of all SHI TruPS Claims.

ii. *Allowance.* The SHI TruPS Claims shall be allowed as follows (inclusive of all principal amount issued pursuant to the applicable TruPS Indentures and related documents and accrued but unpaid interest as of the Petition Date at the applicable rates specified in the applicable TruPS Indentures and related documents, other than Indenture Trustee Fees), and shall not be subject to objection, challenge, reduction, offset, avoidance, setoff, recharacterization, impairment, subordination (whether equitable, contractual or otherwise) except as provided herein, counterclaim, cross-claim, defense or disallowance under Applicable Law:

TruPS Debenture Issuance	TruPS Indenture Trustee	Holder of Allowed SHI TruPS Claim	Principal	Interest through Petition Date	Total Allowed SHI TruPS Claim
SHST I TruPS Debentures	U.S. Bank, as Indenture Trustee	U.S. Bank, as Indenture Trustee, on behalf of Beneficial Holders	$18,042,000.00	$4,805,863.87	$22,847,863.87
SHST II TruPS Debentures	U.S. Bank, as Indenture Trustee	U.S. Bank, as Indenture Trustee, exclusively for	$20,619,000.00	$5,528,239.88	$26,147,239.88

TruPS Debenture Issuance	TruPS Indenture Trustee	Holder of Allowed SHI TruPS Claim	Principal	Interest through Petition Date	Total Allowed SHI TruPS Claim
		SRGL			
GPIC TruPS Debentures	BNYM, as Indenture Trustee	BNYM, as Indenture Trustee, exclusively for SRGL	$10,310,000.00	$2,561,006.29	$12,873,506.29
SHST III TruPS Debentures	U.S. Bank, as Indenture Trustee	U.S. Bank, as Indenture Trustee, on behalf of Beneficial Holders	$32,990,000.00	$8,310,979.84	$41,300,979.84
TOTAL			**$81,961,000.00**	**$21,206,089.88**	**$99,870,213.87**

iii. *Treatment.*

A. With respect to Eligible SHI TruPS Claims, on or as soon as reasonably practicable after the DT Initial Distribution Date and the DT Subsequent Distribution Dates (as applicable), in full and final satisfaction of and in exchange for all Eligible SHI TruPS Claims, each Beneficial Holder of TruPS on account of its Allocated Portion of SHI TruPS Claim will receive (to be distributed in accordance with the procedures set forth in Sections 6.1(f) & (g), 6.3(i), 7.5 and 7.6 of this Plan):

(1) If such Beneficial Holder is a New Equity Eligible Beneficial Holder, the following:

(a) Either (x) if the Beneficial Holder makes the New Equity Election, then the Beneficial Holder's TruPS Claims Equity Distribution Amount; or (y) if the Beneficial Holder makes the Cash Election, the Beneficial Holder's TruPS/GUC Claims Cash Distribution Amount; and

(b) The Beneficial Holder's applicable percentage of the Distribution Trust Asset Proceeds, calculated as the amount of such New Equity Eligible Beneficial Holder's Allocated Portion of the Allowed Eligible SHI TruPS Claim divided by the TruPS/GUC Claims Aggregate Amount.

(2) If such Beneficial Holder is SRGL, the following:

(a) SRGL's TruPS/GUC Claims Cash Distribution Amount; and

(b) SRGL's applicable percentage of the Distribution Trust Assets Proceeds, calculated as the amount of SRGL's Allocated Portion of the Allowed Eligible SHI TruPS Claim divided by the TruPS/GUC Claims Aggregate Amount.

B. With respect to SRGL Exclusively Held SHI TruPS Claims, on or as soon as reasonably practicable after the DT Initial Distribution Date and the DT Subsequent Distribution Dates (as applicable), in full and final satisfaction of and in exchange for all SRGL Exclusively Held SHI TruPS Claims, SRGL shall receive (to be distributed in accordance with the procedures set forth in Sections 6.1(f) & (g), 6.3(i), 7.5 and 7.6 of this Plan):

(1) SRGL's TruPS/GUC Claims Cash Distribution Amount; and

(2) SRGL's applicable percentage of the Distribution Trust Assets Proceeds, calculated as the amount of the Allowed SRGL Exclusively Held SHI TruPS Claims divided by TruPS/GUC Claims Aggregate Amount.

iv. *Voting*. Class 4 is Impaired, and the Holders of Allowed Class 4 Claims will be entitled to vote to accept or reject the Plan.

(b) Class 5 – SHI General Unsecured Claims

i. *Classification.* Class 5 consists of all SHI General Unsecured Claims.

ii. *Treatment.*

A. On or as soon as reasonably practicable after the DT Initial Distribution Date and the DT Subsequent Distribution Dates (as applicable), in full and final satisfaction of and in exchange for all SHI General Unsecured Claims, each Holder of an Allowed SHI General Unsecured Claim shall receive:

(1) The Holder's TruPS/GUC Claims Cash Distribution Amount; and

(2) The Holder's applicable percentage of the Distribution Trust Assets Proceeds, calculated as the amount of the Allowed Amount of the Holder's SHI General Unsecured Claims divided by the TruPS/GUC Claims Aggregate Amount.

iii. *Voting.* Class 5 is Impaired, and the Holders of Allowed Class 5 Claims will be entitled to vote to accept or reject the Plan.

(c) Class 6 – SALIC TruPS Claims & SFL Note Claim

i. *Classification.* Class 6 consists of all SALIC TruPS Claims and the SFL Note Claim.

ii. *Allowance.*

A. SALIC TruPS Claims: The SALIC TruPS Claims shall be allowed as follows (inclusive of all principal amount issued pursuant to the applicable TruPS Indentures and related documents and accrued but unpaid interest as of the Petition Date at the applicable rates specified in the applicable TruPS Indentures and related documents, other than Indenture Trustee Fees), and shall not be subject to objection, challenge, reduction, offset, avoidance, setoff, recharacterization, impairment, subordination (whether equitable, contractual or otherwise) except as provided herein, counterclaim, cross-claim, defense or disallowance under Applicable Law:

TruPS Debenture Issuance	TruPS Indenture Trustee	Holder of Allowed SALIC TruPS Claim	Principal	Interest through Petition Date	Total Allowed SALIC TruPS Claim
SHST I Debentures	U.S. Bank, as Indenture Trustee	U.S. Bank, as Indenture Trustee, on behalf of Beneficial Holders	$18,042,000.00	$4,805,863.87	$22,847,863.87
SHST II Debentures	U.S. Bank, as Indenture Trustee	U.S. Bank, as Indenture Trustee, exclusively for SRGL	$20,619,000.00	$5,528,239.88	$26,147,239.88
GPIC Debentures	BNYM, as Indenture Trustee	BNYM, as Indenture Trustee, exclusively for SRGL	$10,310,000.00	$2,561,006.29	$12,873,506.29
SHST III Debentures	U.S. Bank, as Indenture Trustee	U.S. Bank, as Indenture Trustee, on behalf of Beneficial Holders	$32,990,000.00	$8,310,979.84	$41,300,979.84
SFLST I Debentures	WTC, as Indenture Trustee	Wilmington Trust Company, as Indenture Trustee, on	$51,547,000.00	$11,989,041.32	$63,536,041.32

TruPS Debenture Issuance	TruPS Indenture Trustee	Holder of Allowed SALIC TruPS Claim	Principal	Interest through Petition Date	Total Allowed SALIC TruPS Claim
		behalf of Beneficial Holders			
TOTAL			**$133,508,000.00**	**$33,195,131.20**	**$166,705,631.20**

B. SFL Note Claim: If the Holder of the SFL Note Claim (1) votes the SFL Note Claim to accept the Plan, (2) does not object to confirmation of the Plan, and (3) does not opt out of the "Releases by Holders of Claims and Interests" set forth in Section 10.3 of the Plan (together, the "SFL Note Claim Allowance Conditions"), then upon the occurrence of the Effective Date, the SFL Note Claim shall be deemed Allowed as a Class 6 Claim in the amount of $63,536,014.32, and shall not be subject to objection, challenge, reduction, offset, avoidance, setoff, recharacterization, impairment, subordination (whether equitable, contractual or otherwise) except as provided herein, counterclaim, cross-claim, defense or disallowance under Applicable Law, and shall be entitled, at such Holder's option to make (i) the New Equity Election; (ii) the Cash Election; or (iii) elect to allocate its Claim between the New Equity Election or the Cash Election. If the Holder of the SFL Note Claim fails to satisfy one or more of the SFL Note Claim Allowance Conditions, then, unless otherwise agreed in a writing signed by an authorized representative of the Debtors (or, if on or after the Effective Date, the Distribution Trustee) and consented to by the Purchaser (which consent shall not be unreasonably withheld) or adjudicated by a Final Order of the Bankruptcy Court, the SFL Note Claim shall (a) remain fully subject to objection, challenge, reduction, offset, avoidance, setoff, recharacterization, impairment, subordination (whether equitable, contractual or otherwise), counterclaim, cross-claim, defense or disallowance under Applicable Law and treated as a Disputed Claim and (b) be deemed to have made the Cash Election and will be reserved for in Cash as a Disputed Claim. For the avoidance of doubt, after the Effective Date, the Distribution Trustee shall have the sole right and authority, but not the obligation, to object to, litigate, and settle the amount, priority or extent of the SFL Note Claim and to make a Cash Distribution thereon to the extent Allowed.

iii. *Treatment:*

A. With respect to Eligible SALIC TruPS Claims, on or as soon as reasonably practicable after the DT Initial Distribution Date and the DT Subsequent Distribution Dates (as applicable), in full and final satisfaction of and in exchange for all Eligible SALIC TruPS Claims, each Beneficial Holder of TruPS on account of its Allocated Portion of SALIC TruPS Claim arising from or relating to the TruPS issuance for which it is a Beneficial Holder shall receive (to be distributed in accordance with the procedures set forth in Sections 6.1(f) & (g), 6.3(i), 7.5 and 7.6 of this Plan):

(1) If such Beneficial Holder is a New Equity Eligible Beneficial Holder, the following:

(a) Either (x) if the Beneficial Holder makes the New Equity Election, then the Beneficial Holder's TruPS Claims Equity Distribution Amount; or (y) if the Beneficial Holder makes the Cash Election, the Beneficial Holder's TruPS/GUC Claims Cash Distribution Amount; and

(b) The Beneficial Holder's applicable percentage of the Distribution Trust Asset Proceeds, calculated as the amount of such New Equity Eligible Beneficial Holder's Allocated Portion of the Allowed Eligible SALIC TruPS Claim divided by the TruPS/GUC Claims Aggregate Amount.

(2) If such Beneficial Holder is SRGL, the following:

(a) SRGL's TruPS/GUC Claims Cash Distribution Amount; and

(b) SRGL's applicable percentage of the Distribution Trust Assets Proceeds, calculated as the amount of SRGL's Allocated Portion of the Allowed Eligible SALIC TruPS Claim divided by the TruPS/GUC Claims Aggregate Amount.

B. With respect to SRGL Exclusively Held SALIC TruPS Claims, on or as soon as reasonably practicable after the DT Initial Distribution Date and the DT Subsequent Distribution Date(s) (as applicable), in full and final satisfaction of and in exchange for all SRGL Exclusively Held SALIC TruPS Claims, SRGL shall receive (to be distributed in accordance with the procedures set forth in Sections 6.1(f) & (g), 6.3(i), 7.5 and 7.6 of this Plan):

(1) SRGL's TruPS/GUC Claims Cash Distribution Amount; and

(2) SRGL's applicable percentage of the Distribution Trust Assets Proceeds, calculated as the amount of the Allowed SRGL Exclusively Held SALIC TruPS Claims divided by the TruPS/GUC Claims Aggregate Amount.

C. With respect to the SFL Note Claim, on or as soon as reasonably practicable after the DT Initial Distribution Date and the DT Subsequent Distribution Dates (as applicable), in full and final satisfaction of and in exchange for all SFL Claims, the Holder of the SFL Note Claim shall receive (to be distributed in accordance with the procedures set forth in Sections 6.1(f) & (g), 6.3(i), 7.5 and 7.6 of this Plan) the following:

(1) If the SFL Note Claim Allowance Conditions are satisfied, then

(a) Either (a) if the Holder of the Allowed SFL Note Claim makes the New Equity Election, such Holder's TruPS Claims Equity Distribution Amount; or (b) if the Holder of the Allowed SFL Note Claim makes

the Cash Election, such Holder's TruPS/GUC Claims Cash Distribution Amount; and

(b) SFL's applicable percentage of the Distribution Trust Assets Proceeds, calculated as the amount of such New Equity Eligible Beneficial Holder's Allocated Portion of the Allowed SFL Claim divided by the TruPS/GUC Claims Aggregate Amount.

(2) If the SFL Note Claim Allowance Conditions are not satisfied, then subject to and upon the Allowance of the SFL Claim post-Effective Date:

(a) The Holder of the Allowed SFL Note Claim's TruPS/GUC Claims Cash Distribution Amount; and

(b) The Holder of the Allowed SFL Note Claim's applicable percentage of the Distribution Trust Assets Proceeds, calculated as the amount of the Allowed SFL Claim divided by the TruPS/GUC Claims Aggregate Amount.

D. Voting. Class 6 is Impaired, and the Holders of Allowed Class 6 Claims will be entitled to vote to accept or reject the Plan.

(d) Class 7 – SALIC General Unsecured Claims

i. *Classification.* Class 7 consists of all SALIC General Unsecured Claims.

ii. *Treatment.*

A. On or as soon as reasonably practicable after the DT Initial Distribution Date and the DT Subsequent Distribution Dates (as applicable), in full and final satisfaction of and in exchange for all Allowed SALIC General Unsecured Claims, each Holder of an Allowed SALIC General Unsecured Claim shall receive:

(1) The Holder's TruPS/GUC Claims Cash Distribution Amount; and

(2) The Holder's applicable percentage of the Distribution Trust Assets Proceeds, calculated as the amount of the Allowed Amount of the Holder's SALIC General Unsecured Claims divided by the TruPS/GUC Claims Aggregate Amount.

iii. *Voting.* Class 7 is Impaired, and the Holders of Allowed Class 7 Claims will be entitled to vote to accept or reject the Plan.

4.4. Impaired Non-Voting Classes of Claims and Interests

(a) Class 8 – Subordinated Claims

i. *Classification.* Class 8 consists of all Subordinated Claims.

ii. *Treatment.* Holders of Subordinated Claims will not receive or retain any property on account of such Claims. On the Effective Date, Subordinated Claims shall be deemed automatically cancelled, released, and extinguished without further action by any Debtor, any Reorganized Debtor or the Distribution Trustee, and the obligations of the Debtors thereunder shall be forever discharged.

iii. *Voting.* Class 8 is Impaired, and each Holder of a Subordinated Claim will be conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Subordinated Claims shall not be entitled to vote on the Plan.

(b) Class 9 – SHI Existing Equity Interests

i. *Classification.* Class 9 consists of all SHI Existing Equity Interests.

ii. *Treatment.* All SHI Existing Equity Interests will be cancelled and reissued at the direction of the Purchaser as described in Section 6.1 of the Plan.

iii. *Voting.* Class 9 is Impaired, and each Holder of an SHI Existing Equity Interest will be conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of SHI Existing Equity Interests shall not be entitled to vote on the Plan.

V. ACCEPTANCE REQUIREMENTS

5.1. Impaired Classes of Claims Entitled to Vote

Holders of Allowed Claims in each Impaired Class that will receive a Distribution are entitled to vote as a Class to accept or reject the Plan. Accordingly, only the votes of Holders of Claims in Classes 4, 5, 6 and 7 shall be solicited with respect to the Plan. A Holder of a Disputed Claim which has not been temporarily allowed for purposes of voting on the Plan may vote only such Disputed Claim in an amount equal to the portion, if any, of such Claim shown as fixed, liquidated, and undisputed in the Schedules.

5.2. Acceptance by an Impaired Class

In accordance with section 1126(c) of the Bankruptcy Code, and except as provided in section 1126(e) of the Bankruptcy Code, an Impaired Class shall have accepted the Plan if the Plan is accepted by the Holders of at least two-thirds (2/3) in dollar amount and more

than one-half (1/2) in number of the Allowed Claims in such Class that have timely and properly voted to accept or reject the Plan.

5.3. Presumed Acceptance by Unimpaired Classes

Classes 1, 2, 3, and 10 are Unimpaired under the Plan. Under section 1126(f) of the Bankruptcy Code, Holders of such Unimpaired Claims and Interests are conclusively presumed to have accepted the Plan, and the votes of Holders of such Claims and Interests shall not be solicited.

5.4. Presumed Rejection by Impaired Classes Not Receiving Any Distribution under the Plan

Classes 8 and 9 are Impaired under the Plan, and Holders of Claims and Interests in such Classes will not receive or retain any property under the Plan on account of such Claims or Interests. Under section 1126(f) of the Bankruptcy Code, Holders of such Claims and Interests are conclusively presumed to have rejected the Plan, and the votes of Holders of such Claims and Interests shall not be solicited.

5.5. Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code

To the extent that any Impaired Class rejects the Plan or is deemed to have rejected the Plan, the Debtors shall request Confirmation of the Plan under section 1129(b) of the Bankruptcy Code. The Debtors, subject to the terms of the Plan, the Stock Purchase Agreement, and the Restructuring Implementation Agreement, reserve the right to alter, amend, modify, revoke, or withdraw the Plan, the Plan Supplement, or any schedule or exhibit, including to amend or modify it to satisfy the requirements of section 1129(b) of the Bankruptcy Code, if necessary.

In connection with requesting Confirmation of the Plan under section 1129(b) of the Bankruptcy Code, the Debtors, with the consent of the Purchaser, reserve the right to seek Confirmation of the Plan on a "per plan" basis (as opposed to a "per debtor" basis) consistent with *In re Matter of Transwest Resort Properties, Inc.*, 881 F.3d 724 (9th Cir. 2018).

5.6. Elimination of Vacant Classes

Any Class that, as of the date of commencement of the Confirmation Hearing, does not contain any Allowed Claim or Interest, or any Claim temporarily allowed under Bankruptcy Rule 3018, shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan, and disregarded for purposes of determining whether the Plan satisfies section 1129(a)(8) of the Bankruptcy Code with respect to such Class.

5.7. Presumed Acceptance by Voting Classes in Which No Votes Are Cast

If a Class contains Claims eligible to vote and no Holder of a Claim eligible to vote in such Class votes to accept or reject the Plan, the Plan shall be presumed accepted by the Holders of such Claims in such Class.

5.8. Consolidation of Classes

To the extent permitted under section 1122 of the Bankruptcy Code, and subject to the terms of the Stock Purchase Agreement and the Restructuring Implementation Agreement, the Debtors reserve the right to consolidate one or more Classes of Claims, including for purposes of sections 1126, 1129(a)(8), 1129(a)(10) or 1129(b) of the Bankruptcy Code.

5.9. Separate Classes of Secured Claims

Although all Secured Claims have been placed in one Class for purposes of nomenclature within the Plan, each Secured Claim, to the extent secured by a Lien on Collateral different from the Collateral securing another Secured Claim, shall be treated as being in a separate sub-Class for the purposes of receiving Distributions.

VI. MEANS FOR IMPLEMENTATION OF THE PLAN

6.1. Plan Transactions

(a) Stock Purchase Agreement Closing

On or prior to the Effective Date, and as a condition to the Effective Date, each of the actions, transactions, and deliveries described in the Stock Purchase Agreement shall occur and shall have occurred, including, without limitation, the actions, transactions, and deliveries described in section 2.4 of the Stock Purchase Agreement.

(b) Funding, Allocation and Use of Plan Funding Payment; Allocation and Use of Debtors' Unrestricted Cash

On the Effective Date, the Plan Funding Payment shall be funded by the Purchaser in accordance with the terms of the Stock Purchase Agreement and this Plan and allocated and used as follows (such waterfall, the "Allocation/Use Priorities"):

(1) First, to fund (a) all Closing Date Plan Distributions, (b) the Indenture Trustee Fees payable as set forth in section 4.1(d)(i), and (c) the Indenture Trustee Fee Reserve on account of the Pre-Effective Date Indenture Trustee Fee Estimate, to the extent such amounts in (a)-(c) are not fully funded from the unrestricted Cash of SALIC and SHI; provided however that such amounts shall be funded on or before the Effective Date from the unrestricted Cash of SALIC and SHI to the extent of such unrestricted Cash;

(2) Second, to fund the Professional Fee Reserve;

(3) Third, to fund the Trust Administration Reserve;

(4) Fourth, to fund the Disputed Claims Reserve to be maintained by the Distribution Trust;

(5) Fifth, to fund the Indenture Trustee Fee Reserve on account of the Post-Effective Date Indenture Trustee Fee Estimate;

(6) Sixth, to fund Distributions to the Holders of Allowed SHI General Unsecured Claims, Allowed SALIC General Unsecured Claims, Allowed SHI TruPS Claims (that make the Cash Election), Allowed SALIC TruPS Claims (that make the Cash Election), and Allowed SFL Note Claim (if the Cash Election is made or deemed to have been made) with such Distributions to be made on the DT Initial Distribution Date or DT Subsequent Distribution Dates, as applicable.

The Plan Funding Payment shall be adjusted downward by the TruPS Returned Cash on account of any amount of the Available Plan Funding Distribution Amount allocable to Allowed TruPS Claims that elect to receive the New Equity. For the avoidance of doubt, the Purchaser shall not fund the TruPS Returned Cash. Any portion of the Plan Funding Payment that is subsequently released from the Disputed Claims Reserve, the Professional Fee Reserve, the Trustee Administration Reserve, or the Indenture Trustee Fee Reserve on account of the Post-Effective Date Indenture Trustee Fee Estimate, shall be released by the Distribution Trustee pro rata to (x) the Purchaser on account of the TruPS Returned Cash and (y) Holders of Allowed SHI General Unsecured Claims, Allowed SALIC General Unsecured Claims, Allowed SHI TruPS Claims (that make the Cash Election), Allowed SALIC TruPS Claims (that make the Cash Election), and Allowed SFL Note Claim (if the Cash Election is made or deemed to have been made). Any portion of the Indenture Trustee Fee Reserve on account of the Pre-Effective Date Indenture Trustee Fee Estimate that has not been paid to satisfy Indenture Trustee Fees shall be returned to the Reorganized Debtors to the extent that such amount was funded with unrestricted cash of SALIC and SHI. Except as stated in Section 6.1(b)(1) of the Plan, the unrestricted Cash of SALIC and SHI shall remain with the Reorganized Debtors.

(c) Funding of Recapitalization Funding Payment

On the Effective Date, the Recapitalization Funding Payment shall be funded to Reorganized SALIC by the Purchaser in accordance with the terms of the Stock Purchase Agreement and this Plan. The Recapitalization Funding Payment shall not be used to make Distributions.

(d) Cancellation of SHI Existing Equity Interests; Issuance of New SHI Equity

On the Effective Date, all SHI Existing Equity Interests shall be cancelled and New SHI Equity shall be issued to the Purchaser or to another entity at the direction of the Purchaser in its sole discretion. Unless the Purchaser determines otherwise in its sole discretion,

the New SHI Equity shall be deemed immediately contributed by the Purchaser to Reorganized SALIC.

(e) Final Share Surrender

On the Effective Date and immediately following the New SALIC Equity issuance to Purchaser, in accordance with the terms and conditions of the Restructuring Implementation Agreement, the Stock Purchase Agreement and this Plan, SRGL shall complete the Final Share Surrender (as defined in the Restructuring Implementation Agreement). For the avoidance of doubt, as a result of the Plan, SRGL as the holder of the SALIC Existing Equity Interests shall not receive or retain any property under the Plan on account of such SALIC Existing Equity Interests.

(f) New Equity Issuance and Distribution

On the Effective Date, without further act or action under Applicable Law (other than as required by Applicable Law of the Cayman Islands with respect to SRGL and SALIC and provided for in the Restructuring Implementation Agreement and the RIA Order), in accordance with the terms and conditions of the Stock Purchase Agreement, the Restructuring Implementation Agreement, the RIA Order and this Plan, the New Equity shall be issued and distributed by Reorganized SALIC or New Holdco, as applicable. Such New Equity shall be issued and distributed free and clear of all Liens, Claims and other Interests, except as expressly provided in this Plan.

On or before the deadline established by the Disclosure Statement Order for the filing of the Plan Supplement, the Purchaser shall File a notice stating whether the New Equity will be issued by Reorganized SALIC or New Holdco, which notice may be Filed as part of the Plan Supplement. Any recipient or subsequent holder of shares of New Equity shall be required to enter into the Stockholders Agreement, whether such recipient or holder acquires such shares as of the Effective Date or subsequent thereto. The New Corporate Governance Documents (including the Stockholders Agreement) will include certain restrictions on transfers of the New Equity, which shall be reasonably acceptable to the Purchaser in consultation with the Committee and the Debtors, and disclosed in the Plan Supplement.

The New Equity when issued or distributed as provided in the Plan, will be duly authorized, validly issued and, if applicable, fully paid and nonassessable. Each Distribution and issuance of such New Equity shall be governed by the terms and conditions set forth in the Plan applicable to such Distribution or issuance and by the terms and conditions of the instruments evidencing or relating to such Distribution or issuance, which terms and conditions shall bind each Person receiving such Distribution or issuance.

The Debtors, the Purchaser, the Indenture Trustees, the Committee, SRGL, the Voting Agent, and each of their respective Representatives have, and upon Confirmation of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code and Applicable Law with regard to the distribution of the New Equity under the Plan, and therefore are not, and on account of such distributions will not

be, liable at any time for the violation of any Applicable Law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan. Upon entry of the Confirmation Order, all provisions of the Plan addressing distribution of the New Equity shall be deemed necessary and proper.

(g) Distribution of Offered New Equity

On the Effective Date as soon as practicable thereafter, the Offered New Equity shall be distributed to all New Equity Eligible Holders that make the New Equity Election.

On the Effective Date, all New Equity, other than the Offered New Equity that is distributed to New Equity Eligible Holders that do make the New Equity Election, shall be distributed to the Purchaser.

Any shares of Offered New Equity that, as of the Effective Date, have not already been distributed to (or earmarked for distribution to) New Equity Eligible Holders or the Holder of the Allowed SFL Note Claim, shall be distributed to the Purchaser.

6.2. Vesting of Estate Property

On the Effective Date, all property of the Debtors and their Estates shall vest automatically in the Reorganized Debtors or the Distribution Trust as described in this section of the Plan.

On the Effective Date, except as otherwise expressly provided in the Confirmation Order, the Distribution Trust Assets, the Available Plan Distribution Funding Amount and the Distribution Trust Reserves shall automatically vest in the Distribution Trust free and clear of all Claims, Liens and Interests (other than the Purchaser and Reorganized Debtors' respective reversionary interests in the Distribution Trust Reserves).

Except for the Distribution Trust Assets, the Available Plan Distribution Funding Amount and the Distribution Trust Reserves, or as otherwise expressly provided in the Confirmation Order, pursuant to sections 1123(b)(3) and 1141(b)–(c) of the Bankruptcy Code, on the Effective Date, all of the property and assets of each Debtor shall automatically vest in the respective Reorganized Debtor, free and clear of all Claims, Liens and Interests. The Reorganized Debtors may operate their business and may use, acquire, and dispose of such property free of any restrictions of the Bankruptcy Code, the Bankruptcy Rules, and the Bankruptcy Court. As of the Effective Date, all such property of the Reorganized Debtors shall be free and clear of all Claims, Liens and Interests, except as specifically provided in the Confirmation Order, and the Reorganized Debtors shall receive the benefit of any and all discharges and injunctions under the Plan.

6.3. The Distribution Trust

(a) Execution of Distribution Trust Agreement

On or prior to the Effective Date, the Debtors shall execute the Distribution Trust Agreement, and shall take all other necessary steps to establish the Distribution Trust, which shall be for the payment of Allowed Administrative Claims, Allowed Priority Claims, and Allowed Secured Claims not satisfied by Closing Date Plan Distributions, and for the benefit of the Distribution Trust Beneficiaries. In the event of any conflict between the terms of this Section 6.3(a) and the terms of the Distribution Trust Agreement as such conflict relates to the establishment of the Distribution Trust, the terms of this Section 6.3(a) shall govern. The Distribution Trust Agreement may provide powers, duties and authorities in addition to those explicitly stated herein, but only to the extent that such powers, duties, and authorities do not affect the status of the Distribution Trust as a "liquidating trust" for United States federal income tax purposes. The Distribution Trust Agreement shall be Filed with the Plan Supplement.

(b) Purpose of the Distribution Trust

The Distribution Trust shall be established for the sole purpose of liquidating and distributing the assets of the Debtors contributed to such Distribution Trust in accordance with Treas. Reg. § 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business.

(c) Distribution Trust Assets and Other Property

The Distribution Trust shall consist of the Distribution Trust Assets, the Available Plan Distribution Funding Amount and the Distribution Trust Reserves. On the Effective Date, all of the Distribution Trust Assets, the Available Plan Distribution Funding Amount and the Distribution Trust Reserves shall transfer to and be vested in the Distribution Trust. All attorney-client privilege associated with the Retained Causes of Action remains with and vests in the Reorganized Debtors.

(d) The Administration of the Distribution Trust and Authority and Powers of the Distribution Trustee

The Distribution Trust shall be administered by the Distribution Trustee pursuant to the Distribution Trust Agreement. The initial Distribution Trustee shall be a Person selected by the Committee and reasonably acceptable to the Debtors and the Purchaser. The identity of the initial Distribution Trustee will be disclosed in the Plan Supplement, and any successor Distribution Trustee shall be appointed in the manner set forth in the Distribution Trust Agreement. In the event of any inconsistency between the Plan and the Distribution Trust Agreement as such conflict relates to anything other than the establishment of the Distribution Trust, the Plan shall control. All compensation for the Distribution Trustee and other costs of administration for the Distribution Trust shall be paid from the Trust Administration Reserve in accordance with this Plan and the Distribution Trust Agreement. The Distribution Trustee shall be a representative of each Debtor's Estate in accordance with section 1123(b)(3)(B) of the Bankruptcy Code for the purposes of the DT Post-Closing Rights.

(e) Mutual Cooperation

As the Reorganized Debtors or the Distribution Trustee may reasonably request, each shall use commercially reasonable efforts to cooperate with the other with respect to the implementation of the Plan (including, without limitation, the resolution of Disputed Claims, the determination of taxes and the preparation and filing of tax returns), with all reasonable out-of-pocket expenses incurred by the (i) Reorganized Debtors in connection with a request by the Distribution Trustee made pursuant to this paragraph being borne by the Distribution Trustee and (ii) Distribution Trustee in connection with a request by the Reorganized Debtors made pursuant to this paragraph being borne by the Reorganized Debtors; *provided, however,* that neither party shall be required to (i) provide information, records or employees or other personnel under circumstances which the providing party believes in its sole reasonable determination may waive privilege, confidentiality or a similar protection or expose it to material liability to any person or may prejudice any legal interest of the providing party, or (ii) take any action that in the providing party's reasonable determination unreasonably interferes with its business. For the avoidance of doubt, nothing herein is intended to limit the DT Post-Closing Rights of the Distribution Trust and the Distribution Trustee.

(f) Establishment and Funding of Distribution Trust Reserves

On the Effective Date, the following Distribution Trust Reserves shall be established and funded from the Plan Funding Payment, each in accordance with the Allocation/Use Priorities:

i. *Disputed Claims Reserve.* The Disputed Claims Reserve shall be established and funded with Cash (including an amount for the SFL Note Claim if the SFL Note Claim Allowance Conditions are not met as of the Effective Date) in an amount sufficient to cover pro rata distributions to each Disputed Claim that, as of the Effective Date, is neither an Allowed Claim nor a Disallowed Claim, and includes, without limitation, a Claim that is the subject of a timely objection or request for estimation with the Bankruptcy Court, which has not been withdrawn, settled or overruled by a Final Order; *provided, however,* that if the Disputed Claim is an Administrative Claim (other than a Professional Fee Claim), Priority Claim or Secured Claim, an amount sufficient to cover payment in full of the Face Amount of such Disputed Claim shall be funded to the Disputed Claims Reserve; provided further, that if any dispute arises regarding any increase or reduction of the Disputed Claims Reserve, the Distribution Trustee shall consult with the Purchaser and shall obtain approval of the Bankruptcy Court, which shall have jurisdiction and power to set the amount of the reserve applying the principals of section 502(c) of the Bankruptcy Code to estimate any Claim.

ii. *Professional Fee Reserve.* The Professional Fee Reserve shall be established and funded in an amount that the Debtors estimate in good faith, after consultation with the relevant Professionals, the Purchaser, and the Committee, to be necessary to pay in full all amounts then owing or that may later become owing to such Professionals for professional fees and expenses incurred through the Effective Date. For the avoidance of doubt, the estimated

amount initially funded to the Professional Fee Reserve is not intended as and shall not be deemed to be a cap on the funds available to pay or satisfy Allowed Administrative Claims of Professionals for compensation or reimbursement of expenses. Following the Effective Date, the Distribution Trustee shall have the discretion to increase the Professional Fee Reserve as the Distribution Trustee deems necessary or appropriate to pay or satisfy Allowed Administrative Claims of Professionals for compensation or reimbursement of expenses.

For the avoidance of doubt, the KBW Reserved Funds will not be part of the Professional Fee Reserve. Subject to the Bankruptcy Court's entry of an Order approving its Contingent Fee (as defined in the KBW Retention Order), the KBW Reserved Funds shall be distributed directly to KBW. If a Final Order is entered denying KBW's final application for allowance and payment of compensation and reimbursement of expenses or reducing the amount otherwise payable to KBW to such a degree that KBW is not entitled to the KBW Reserved Funds, then the KBW Reserved Funds shall be disbursed to Reorganized SALIC.

iii. *Trust Administration Reserve.* The Trust Administration Reserve shall be established and funded an amount, mutually agreed by the Debtors, the Committee, and the Purchaser, estimated in good faith to be necessary to cover the costs of administration of the Distribution Trust, including to (a) fund the reasonable fees and expenses of the Distribution Trustee and any employees, attorneys, accountants, financial advisors, consultants, other professional persons or independent contractors that the Distribution Trustee may engage to assist him, her or it in the discharge of the Distribution Trustee's duties under the Plan and the Distribution Trust Agreement, including, without limitation, fees and expenses related to prosecution and resolution of Causes of Action and objections to Claims; (b) fund premium payments for an errors and omissions insurance policy for the benefit of the Distribution Trust, the Distribution Trustee and the Distribution Trustee's agents and representatives, (c) meet contingent liabilities and to maintain the value of the Distribution Trust Assets during liquidation, (d) pay other reasonably incurred or anticipated expenses (including, without limitation, any taxes imposed on or payable by the Distribution Trust or in respect of the Distribution Trust Assets, including with respect to such assets as are allocable to Disputed Claims), and (e) satisfy other liabilities incurred or anticipated by such Distribution Trust in accordance with the Plan or Distribution Trust Agreement.

(g) Establishment and Funding of the Indenture Trustee Fee Reserve.

i. The Indenture Trustee Fee Reserve shall have two accounts for each of (a) the Pre-Effective Date Indenture Trustee Fee Estimate and (b) the Post-Effective Date Indenture Trustee Fee Estimate. The Indenture Trustee Fee Reserve shall be established and funded, in the following manner:

A. For the Pre-Effective Date Indenture Trustee Fee Estimate, first, from the unrestricted Cash available to SALIC and SHI, and to the extent not fully funded from the unrestricted Cash of SALIC and SHI, then from the Plan Funding Payment, in an amount that the Debtors estimate in good faith, after consultation with the Purchaser and the

relevant TruPS Indenture Trustees, to be necessary to pay in full, but subject to the relevant Indenture Trustee Fee Caps, and

B. For the Post-Effective Date Indenture Trustee Fees, from the Plan Funding Payment. For the avoidance of doubt, the Distribution Trustee shall be under no obligation to reserve any amount in the Indenture Trustee Fees Reserve on account of post-Effective Date Indenture Trustee Fees that may be incurred by the TruPS Indenture Trustees for the SHST II Debentures or the GPIC Debentures.

ii. The Indenture Trustee Fee Reserve shall be held by the Distribution Trust and administered by the Distribution Trustee, but shall not constitute a Distribution Trust Reserve.

iii. Any remaining funds in the Indenture Trustee Fee Reserve after payment and satisfaction of all Indenture Trustee Fees, shall be released in accordance with Section 6.1(b) of the Plan.

(h) Cash Investments

The Distribution Trustee may invest Cash (including any earnings thereon or proceeds therefrom); *provided, however,* that such investments are investments permitted to be made by a "liquidating trust" within the meaning of Treas. Reg. § 301.7701-4(d), as reflected therein, or under applicable IRS guidelines, rulings or other controlling authorities.

(i) Distributions to Holders of Claims and Distribution Trust Beneficiaries

The Distribution Trustee shall be responsible for making all Distributions to Holders of Allowed Claims required to be made on or after the Effective Date pursuant to the Plan; *provided,* that the Reorganized Debtors or the Disbursing Agent (as applicable) shall make the Distributions to Holders of Allowed Claims on the Effective Date on behalf of the Distribution Trustee. The Distribution Trustee will make all distributions to Holders of Allowed Claims as required by this Plan at: (i) the address of any such Holder on the books and records of the Debtors or their agents; or (ii) at the address in any written notice of address change delivered to the Debtors or the Disbursing Agent, including any addresses included on any transfer of Claim filed pursuant to Bankruptcy Rule 3001.

i. *DT Initial Distribution*

As soon as reasonably practicable after (i) funding of all Distribution Trust Reserves, (ii) the Indenture Trustee Reserve (as applicable) and (ii) payment in full (or reserving for payment in full) of all Allowed Administrative Claims, Allowed Priority Claims, and Allowed Secured Claims, the Distribution Trustee shall distribute to the Holders of Allowed Claims in Classes 4, 5, 6 and 7 on account of their Allowed Claims their pro rata share of the Available Plan Distribution Funding Amount and Distribution Trust Asset Proceeds, as applicable to Allowed Claims.

ii. *DT Subsequent Distribution*

After completion of the DT Initial Distribution, the Distribution Trustee shall make the DT Subsequent Distribution(s) in a reasonably timely manner after Distribution Trust Assets Proceeds become available. Such DT Subsequent Distributions shall be made no less frequently than every twelve (12) months; *provided, however,* that the Distribution Trustee shall not be required to make a Distribution pursuant to this Section 6.3(h)(ii) of the Plan if the Distribution Trustee determines that the expense associated with making the Distribution would likely utilize a substantial portion of the amount to be distributed, thus making the Distribution impracticable.

(j) Federal Income Tax Treatment of Distribution Trust

Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary (including the receipt of an adverse determination by the IRS upon audit if not contested by such Distribution Trustee), for all U.S. federal income tax purposes, all parties (including, without limitation, the Debtors, the Distribution Trustee and Distribution Trust Beneficiaries) shall treat the transfer of Distribution Trust Assets, the Available Plan Distribution Funding Amount and the Distribution Trust Reserves to the Distribution Trust as (1) a transfer of property (subject to any and all Allowed Administrative Claims, Allowed Priority Claims, and Allowed Secured Claims to the extent not satisfied by the Debtors on or prior to the Effective Date, that are payable by the Distribution Trust pursuant to the Plan), followed by (2) the transfer by such beneficiaries to the Distribution Trust of Distribution Trust Assets, the Available Plan Distribution Funding Amount and the Distribution Trust Reserves. Accordingly, except in the event of contrary definitive guidance, Distribution Trust Beneficiaries shall be treated for U.S. federal income tax purposes as the grantors and owners of their respective share of Distribution Trust Assets, the Available Plan Distribution Funding Amount and the Distribution Trust Reserves (other than that which is allocable to Disputed Claims). The foregoing treatment shall also apply, to the extent permitted by Applicable Law, for state and local income tax purposes. For the avoidance of doubt, the term "party" as herein used shall not include the United States or any agency or department thereof, or any officer or employee thereof acting in such capacity. The Distribution Trustee shall not take any action inconsistent with the purposes of the Distribution Trust and the qualification of the Distribution Trust as a "liquidating trust" for U.S. federal income tax purposes.

(k) Tax Reporting

i. The Distribution Trustee shall file tax returns for the Distribution Trust treating such Distribution Trust as a grantor trust pursuant to Treas. Reg. § 1.671-4(a) and in accordance with this Section 6.3. The Distribution Trustee also shall annually send or otherwise provide to each Holder of the Distribution Trust Interest a separate statement regarding the receipts and expenditures of the Distribution Trust as relevant for U.S. federal income tax purposes.

ii. Allocations of Distribution Trust taxable income among

Distribution Trust Beneficiaries (other than taxable income allocable to any assets allocable to, or retained on account of, Disputed Claims, if such income is otherwise taxable at the Distribution Trust) shall be determined by reference to the manner in which an amount of Cash representing such taxable income would be distributed (were such Cash permitted to be distributed at such time) if, immediately prior to such deemed Distribution, the Distribution Trust had distributed all its assets (valued at their tax book value, other than, if applicable, assets allocable to Disputed Claims) to the Holders of Distribution Trust Interests, adjusted for prior taxable income and loss and taking into account all prior and concurrent Distributions from the Distribution Trust. Similarly, taxable loss of the Distribution Trust shall be allocated by reference to the manner in which an economic loss would be borne immediately after a hypothetical liquidating distribution of the remaining Distribution Trust Assets, Available Plan Distribution Funding Amount and Distribution Trust Reserves. The tax book value of the Distribution Trust Assets, the Available Plan Distribution Funding Amount and the Distribution Trust Reserves for purpose of this paragraph shall equal their fair market value on the date such assets are transferred to the Distribution Trust, adjusted in accordance with tax accounting principles prescribed by the IRC, the applicable Treasury Regulations, and other applicable administrative and judicial authorities and pronouncements.

iii. As soon as reasonably practicable after the Distribution Trust Assets, the Available Plan Distribution Funding Amount and the Distribution Trust Reserves are transferred to the Distribution Trust, the Distribution Trustee shall make a good faith valuation of the Distribution Trust Assets, the Available Plan Distribution Funding Amount and the Distribution Trust Reserves. Such valuation shall be made available from time to time to all parties to the Distribution Trust (including, without limitation, the Debtors (or, as the case may be, the Reorganized Debtors), and the Distribution Trust Beneficiaries), to the extent relevant to such parties for tax purposes, and shall be used consistently by such parties for all U.S. federal income tax purposes.

iv. Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary (including the receipt by the Distribution Trustee of a private letter ruling if the Distribution Trustee so requests one, or the receipt of an adverse determination by the IRS upon audit if not contested by such Distribution Trustee), the Distribution Trustee (i) shall treat any Distribution Trust Reserves allocable to Disputed Claims as a "disputed ownership fund" governed by Treas. Reg. § 1.468B-9 (and make any necessary elections with respect thereto) and (ii) to the extent permitted by Applicable Law, shall report consistently for state and local income tax purposes. All parties (including the Distribution Trustee, the Debtors and Distribution Trust Beneficiaries) shall report for U.S. federal, state and local income tax purposes consistently with the foregoing.

v. The Distribution Trustee shall be responsible for payment, out of the Distribution Trust Assets, the Available Plan Distribution Funding Amount and the Distribution Trust Reserves, of any taxes imposed on the Distribution Trust or its assets (including with respect to assets allocable to Disputed Claims).

vi. The Distribution Trustee may request an expedited determination

of taxes of the Distribution Trust, including any reserve for Disputed Claims, or of the Debtors as to whom the Distribution Trust was established, under section 505(b) of the Bankruptcy Code for all tax returns filed for, or on behalf of, such Distribution Trust or the Debtors for all taxable periods through the dissolution of such Distribution Trust.

(l) Dissolution

i. The Distribution Trustee and Distribution Trust shall be discharged or dissolved, as the case may be, at such time as (i) all of the Distribution Trust Assets, the Available Plan Distribution Funding Amount and the Distribution Trust Reserves have been expended or distributed pursuant to the Plan and the Distribution Trust Agreement, (ii) the Distribution Trustee determines, in its sole discretion, that the administration of any remaining Distribution Trust Assets, Available Plan Distribution Funding Amount or Distribution Trust Reserves is not likely to yield sufficient additional Distribution Trust proceeds to justify further pursuit, or (iii) all Distributions required to be made by the Distribution Trustee under the Plan and the Distribution Trust Agreement have been made; provided, however, that in no event shall the Distribution Trust be dissolved later than three (3) years from the creation of such Distribution Trust pursuant to this Section 6.3 of the Plan, unless the Bankruptcy Court, upon motion within the six-month period prior to the third (3rd) anniversary (or within the six-month period prior to the end of an extension period), determines that a fixed period extension (not to exceed three (3) years, together with any prior extensions, without a favorable private letter ruling from the IRS or an opinion of counsel in form and substance satisfactory to the Distribution Trustee that any further extension would not adversely affect the status of the trust as the Distribution Trust for U.S. federal income tax purposes) is necessary to facilitate or complete the recovery and liquidation of the Distribution Trust Assets.

ii. If at any time the Distribution Trustee determines, in reliance upon such professionals as the Distribution Trustee may retain, that the expense of administering the Distribution Trust so as to make a final Distribution to Distribution Trust Beneficiaries is likely to exceed the value of the assets remaining in such Distribution Trust, such Distribution Trustee may apply to the Bankruptcy Court for authority to (i) reserve any amount necessary to dissolve such Distribution Trust, (ii) donate any balance to a charitable organization (A) described in section 501(c)(3) of the IRC, (B) exempt from U.S. federal income tax under section 501(a) of the IRC, (C) not a "private foundation", as defined in section 509(a) of the IRC, and (D) that is unrelated to the Debtors, such Distribution Trust, and any insider of such Distribution Trustee, and (iii) dissolve such Distribution Trust.

6.4. The Reorganized Debtors

(a) Continued Corporate Existence

Except as otherwise provided in the Plan, each of the Debtors, as Reorganized Debtors, shall continue to exist after the Effective Date as a corporate entity, with all of the powers of a corporation or limited company, as the case may be, under Applicable Law in the jurisdiction in which such Debtor is incorporated or organized and pursuant to the New

Corporate Governance Documents. After the Effective Date, the Reorganized Debtors may operate their business and use, acquire, and dispose of property without the supervision of the Bankruptcy Court, free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

The New Corporate Governance Documents shall be consistent with section 1123(a)(6) of the Bankruptcy Code, to the extent applicable, and in form and substance acceptable to the Purchaser.

(b) Directors and Officers of the Reorganized Debtors

The officers and the members of each board of directors of each of the Reorganized Debtors shall be selected and appointed in the sole discretion of the Purchaser. To the extent required by section 1129(a)(5) of the Bankruptcy Code, the identity of such officers and members shall be disclosed prior to the Confirmation Hearing.

Except to the extent that a member of the board of directors of a Debtor continues to serve as a director of such Debtor following the Effective Date, the members of the board of directors of each Debtor prior to the Effective Date, in their capacities as such, shall have no continuing obligations to the Reorganized Debtors on or after the Effective Date and each such member will be deemed to have resigned or shall otherwise cease to be a director of the applicable Debtor on the Effective Date without any further action required on the part of any such Debtor or member. Commencing on the Effective Date, each of the directors of each of the Reorganized Debtors shall serve pursuant to the terms of the applicable organizational documents of such Reorganized Debtor and may be replaced or removed in accordance with such organizational documents.

Except as otherwise provided in the Stock Purchase Agreement with respect to the Employment Agreements (as defined therein), subject to the discretion of the Reorganized Debtors' boards of directors, the Reorganized Debtors shall enter into new employment agreements with key executives on a case-by-case basis.

(c) Corporate Action

On the Effective Date, the adoption and filing of the New Corporate Governance Documents, the appointment of officers of the Reorganized Debtors, and all actions contemplated by the Plan will be authorized and approved in all respects pursuant to the Plan. On the Effective Date, pursuant to section 1142(b) of the Bankruptcy Code and section 303 of the Delaware General Corporation Law (to the extent applicable) and any comparable provision of other Applicable Law, the appropriate officers or directors of each Reorganized Debtor shall be authorized and directed to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated by the Plan with like effect as if exercised and taken by unanimous action of the directors and stockholders of each Debtor.

(d) Effectuating Documents; Further Transactions

On the Effective Date or as soon as reasonably practicable thereafter, the Reorganized Debtors and/or the Purchaser may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, or necessary or appropriate to effectuate the Plan, including: (1) the execution and delivery of appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution or liquidation to the extent consistent with the terms of the Plan and the Plan Documents; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any asset, property, right, liability, debt or obligation on terms consistent with the terms of the Plan and Plan Documents or having other terms to which the Debtors, the Reorganized Debtors, the Purchaser, and other applicable parties may agree; (3) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion or dissolution pursuant to applicable state law; and (4) all other actions that the Purchaser and any other applicable Entities determine to be necessary or appropriate, including making filings or recordings that may be required by Applicable Law.

6.5. Retained Causes of Action

Except to the extent any Claim against an Entity is expressly waived, relinquished, exculpated, released, compromised or settled in the Plan or by a Final Order or is a Distribution Trust Asset, all Causes of Action of the Debtors (the "Retained Causes of Action") shall, in accordance with section 1123(b) of the Bankruptcy Code, vest in and be retained by the Reorganized Debtors. The applicable Reorganized Debtors (with respect to the Retained Causes of Action and any Causes of Action arising after the Petition Date), in accordance with section 1123(b) of the Bankruptcy Code, shall retain and may enforce, sue on, settle, or compromise (or decline to do any of the foregoing) all Claims, rights, Causes of Action, suits, and proceedings, whether in law or in equity, whether known or unknown, that they each may respectively hold against any Person without the approval of the Bankruptcy Court and the Reorganized Debtors' rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. For the avoidance of doubt, all Causes of Action against the SRGL Equity Holders shall not be Retained Causes of Action, and shall be transferred to and vest in the Distribution Trust. On the Effective Date, all Causes of Action that are Distribution Trust Assets shall, in accordance with Section 1123(b) of the Bankruptcy Code, vest in the Distribution Trust, and the Distribution Trust may enforce, sue on, settle, or compromise (or decline to do any of the foregoing) all such Claims, rights, Causes of Action, suits, and proceedings, whether in law or in equity, known or unknown, without approval of the Bankruptcy Court, and the Distribution Trust's rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date.

6.6. The Closing

The Closing as defined in the Stock Purchase Agreement shall be subject to the conditions in the Stock Purchase Agreement, including, without limitation, the conditions to closing set out in Article VII of the Stock Purchase Agreement and the actions and deliveries set

out in section 2.4 of the Stock Purchase Agreement, unless waived in accordance with the Stock Purchase Agreement. The Closing shall occur simultaneously with the Effective Date of the Plan.

6.7. Cancellation of Agreements, Securities and Other Documents Relating to TruPS Transactions & SFL Note; Surrender of Instruments

Except for purposes of evidencing a right to a Distribution under the Plan or otherwise as provided in the Plan, the Confirmation Order or the Distribution Trust Agreement, on the Effective Date, the TruPS Indentures, the TruPS Debentures, the TruPS Declarations, the TruPS Sponsor Guarantees, the TruPS Parent Guarantees, all other TruPS Documents, the SFL Note and all corresponding documents issued in connection with such documents shall be deemed automatically cancelled, terminated and of no further force or effect, without further act or action under any applicable agreement, law, regulation, order, or rule and the obligations of the Debtors, the TruPS Indenture Trustees, and the TruPS Institutional Trustees, as applicable, thereunder shall be deemed terminated; *provided, however*, that TruPS Indentures and TruPS Declarations shall continue in effect only as follows: (1) for the TruPS Indenture Trustees and the TruPS Institutional Trustees to discharge any responsibilities they have under the Plan, the Confirmation Order, the Distribution Trust Agreement, the TruPS Indentures, the TruPS Parent Guarantees, the TruPS Sponsor Guarantees and the TruPS Declarations in connection with Distributions to be made to be made to the Holders of the TruPS Debentures, the Beneficial Holders of TruPS and SRGL in accordance with the terms of the Plan (including Sections 4.3(a), and 4.3(c) thereof), the Confirmation Order, the Distribution Trust Agreement, the TruPS Indentures, the TruPS Declarations and, as to SRGL only, the Restructuring Implementation Agreement and RIA Order, it being understood that the TruPS Indentures, the TruPS Parent Guarantees, the TruPS Sponsor Guarantees and the TruPS Declarations shall continue in effect only so long as is necessary to permit such Distributions to be made; (2) to allow each TruPS Indenture Trustee and any predecessor trustee under any of the TruPS Indentures to exercise its Charging Lien for the payment of its fees and expenses incurred post-Closing and for indemnification as provided in the applicable TruPS Indentures; (3) to preserve any rights of the TruPS Indenture Trustees pursuant to any direction provided by Holders of the TruPS pursuant to the terms of the TruPS documents; and (4) solely with respect to the SFLST I TruPS Indenture, the SFLST I TruPS Debentures, the SFLST I Trust Declaration, the SFLST I TruPS Sponsor Guarantee, and any other SFLST I TruPS Documents (except the SFLST I TruPS Parent Guarantee), the foregoing SFLST I TruPS Documents shall not be deemed cancelled, terminated or of no force or effect as against SFL. For the avoidance of doubt, nothing in this Section 6.7 is intended to or shall extinguish or impair any liability or obligation of SFL under any SFLST I TruPS Document.

As a condition to receiving any Distribution, on or before the DT Initial Distribution Date, the Holder of a TruPS Claim evidenced by a Certificate, instrument, note or debenture shall (a) surrender such Certificate, instrument, note or debenture representing such Claim, including, without limitation, any guarantees, and (b) execute and deliver such other documents as may be necessary to effectuate the Plan. Notwithstanding the foregoing, to the

extent, if any, that SRGL is a Holder of a TruPS Claim evidenced by a Certificate, instrument, note or debenture, SRGL shall be deemed to have surrendered such Certificate, instrument, note or debenture representing such Claim as of the Effective Date and shall not be subject to such condition. If the record holder of a Certificate, instrument, note or debenture is a Securities Depository or Custodian, and such Certificate, instrument, note or debenture is represented by a global security held by or on behalf of a Securities Depository or Custodian, then the beneficial holder of such Certificate, instrument, note or debenture shall be deemed to have surrendered such holder's Certificate, instrument, note, debenture or other evidence of indebtedness upon surrender of such global security by the Securities Depository or Custodian.

The Distribution Trustee shall have the right to withhold any Distribution to be made to or on behalf of Holder of a TruPS Claim evidenced by a Certificate, instrument, note or debenture that is required to be surrendered by the terms of this Plan but is not timely surrendered (or deemed surrendered) unless and until (a) such Certificates, instruments, notes or debentures, including any such guarantees, are surrendered, or (b) any relevant holder provides to the Distribution Trustee an affidavit of loss or such other documents as may be required by the Distribution Trustee together with an appropriate indemnity in the customary form. Any such holder who fails to surrender such Certificates, instruments, notes or debentures, including any such guarantees, or otherwise fails to deliver an affidavit of loss and indemnity within three (3) months of the Effective Date, shall be deemed to have no further Claim against the Debtors, the Distribution Trust, their respective property or any TruPS Indenture Trustee or TruPS Institutional Trustee in respect of such Claim and shall not participate in any Distribution, and the Distribution that would otherwise have been made to such holder shall be distributed *pro-rata* to all Holders who held a Claim pursuant to the applicable TruPS Indenture and either (a) surrendered (or were deemed to surrender) the Certificate, instrument, note or debenture representing such Claim, including, without limitation, any guarantees or (b) satisfactorily provided the Distribution Trustee with an affidavit of loss or such other documents as may be required by the Distribution Trustee, together with an appropriate indemnity in the customary form.

6.8. Comprehensive Settlement of Claims and Controversies

Pursuant to sections 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good faith compromise of all Claims, Interests and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim may have with respect to any Allowed Claim, or any distribution to be made on account of such Allowed Claim, as well as the allocation of the Plan Funding Payment among the Debtors' Estates and Creditors. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Court that such compromise or settlement is in the best interests of the Debtors, their Estates, and Holders of Claims and Interests and is fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Court, after the Effective Date, the Reorganized Debtors or the Distribution Trustee, as applicable, may compromise and

settle Claims against, and Interests in, the Debtors and their Estates and Causes of Action against other entities.

VII. CLAIMS RESOLUTION & DISTRIBUTIONS

7.1. Right to Object to Claims

The Distribution Trustee shall have the authority, but not the obligation, to object to, litigate, and settle, the amount, priority or the extent of any Administrative Claim, Secured Claim, Priority Claim, SHI General Unsecured Claim, SALIC General Unsecured Claim, SFL Claim (if not settled before the Effective Date) or Subordinated Claim (including, with respect to any other of the foregoing, to argue that such Claim constitutes a Subordinated Claim). Notwithstanding anything to the contrary herein, subject to the terms and conditions set forth in the Distribution Trust Agreement, and notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, except insofar as a Claim is Allowed under the Plan on and after the Effective Date, the Distribution Trustee shall have the authority, but not the obligation, to: (1) file, withdraw or litigate to judgment objections to and requests for estimation of Claims; (2) settle or compromise any Disputed Claim without any further notice to or action, order or approval by the Bankruptcy Court; and (3) administer and adjust the Claims register to reflect any such settlements or compromises without any further notice to or action, order or approval by the Bankruptcy Court. The Distribution Trustee shall succeed to any pending objections to Claims filed by the Debtors prior to the Effective Date, and, at the Distribution Trustee's election, any other pending objections to Claims filed by any other party, and shall have and retain any and all rights and defenses the Debtors had immediately prior to the Effective Date with respect to any Disputed Claim, including pursuant to the DT Post-Closing Rights. The Reorganized Debtors shall provide commercially reasonable assistance and cooperation to the Distribution Trustee in connection with the Distribution Trustee's prosecution of objections to Claims, including, without limitation, access to the books and records of the Debtors or the Reorganized Debtors (as the case may be) and other information reasonably requested by the Distribution Trustee to enable the Distribution Trustee to perform its obligations under the Distribution Trust Agreement, including pursuant to the DT Post-Closing Rights.

7.2. Deadline for Objecting to Claims

Objections to Claims must be Filed with the Bankruptcy Court, and a copy of the objection must be served on the subject Creditor, before the expiration of the Claims Objection Deadline (unless such period is further extended by subsequent orders of the Bankruptcy Court); otherwise such Claims shall be deemed Allowed in accordance with section 502 of the Bankruptcy Code. The objection shall notify the Creditor of the deadline for responding to such objection.

7.3. Deadline for Responding to Claim Objections

Within twenty-one (21) days after service of an objection, or such other date as is indicated on such objection or the accompanying notice thereof, the Creditor whose Claim was objected to must File a written response to the objection with the Bankruptcy Court and serve a

copy on the Distribution Trustee. Failure to file a written response within such time period shall constitute a waiver and release of that portion of the subject Claim that was subject to the objection, and shall constitute cause for the Bankruptcy Court to enter a default judgment against the non-responding Creditor or grant the relief requested in the Claim objection.

7.4. Right to Request Estimation of Claims

Pursuant to section 502(c) of the Bankruptcy Code, the Debtors, the Reorganized Debtors, and the Distribution Trustee may request estimation or liquidation of any Disputed Claim that is contingent or unliquidated or any Disputed Claim arising from a right to an equitable remedy or breach of performance.

7.5. Distribution Procedures Regarding Allowed Claims

(a) In General

Other than Closing Date Plan Distributions and initial distributions of New Equity to New Equity Eligible Holders that make the New Equity Election, the Distribution Trustee shall make all Distributions required to be made under the Plan, including Distributions from the Distribution Trust. Each Creditor or Holder receiving any Distribution from the Distribution Trust shall be deemed to have ratified and become bound by the terms and conditions of the Distribution Trust Agreement.

(b) Distributions on Allowed Claims Only

Distributions from the Distribution Trust shall be made only to the Holders of Allowed Claims. Until a Disputed Claim becomes an Allowed Claim, the Holder of that Disputed Claim shall not receive a Distribution. Other than as specifically set forth in section 6.1(b)(i), Allowed Claims shall not be entitled to distributions from any source other than the Plan Funding Payment or the Distribution Trust.

(c) Method of Distributions

i. *Use of Distribution Agent.* The Reorganized Debtors with respect to Closing Date Plan Distributions and initial Distributions of Offered New Equity and the Distribution Trustee with respect to Distributions from the Distribution Trust shall have the authority, in their respective sole discretion, to enter into agreements with a third-party Distribution Agent to facilitate the Distributions required hereunder. For the avoidance of doubt, Prime Clerk, LLC, which was previously engaged to serve as the Debtors' Voting Agent, is an acceptable choice to serve as the Distribution Agent and shall be engaged as the shared Distribution Agent in the event that Reorganized Debtors and Distribution Trustee both want to use the services of a Distribution Agent and cannot agree to an alternate choice. The Distribution Trustee shall be authorized, but not directed, to pay to any third-party Distribution Agent all reasonable and documented fees and expenses of such Distribution Agent without the need for any approvals, authorizations, actions, or consents. The Distribution Agent shall be authorized,

but not directed, to submit detailed invoices to the Debtors or the Reorganized Debtors, as applicable, for all fees and expenses for which the Distribution Agent seeks reimbursement and the Distribution Trustee shall pay those amounts from the Trust Administration Reserve that it, in its sole discretion, deems reasonable, and shall object in writing to those fees and expenses, if any, that the Distribution Trustee deems to be unreasonable. In the event that the Distribution Trustee objects to all or any portion of the amounts requested to be reimbursed in a Distribution Agent's invoice, the Distribution Trustee and such Distribution Agent shall endeavor, in good faith, to reach mutual agreement on the amount of the appropriate payment of such disputed fees or expenses. In the event that the Distribution Trustee and a Distribution Agent are unable to resolve any differences regarding disputed fees or expenses, either party shall be authorized to move to have such dispute heard by the Bankruptcy Court.

ii. *Cash Distributions.* Except as otherwise specified in the Plan or the Distribution Trust Agreement (with respect to Distributions other than Closing Date Plan Distributions), any Distribution of Cash made by the Reorganized Debtors as a Closing Date Plan Distribution or made by the Distribution Trustee from the Available Plan Funding Distribution Amount shall be made by mailing such Distribution to the Creditor or Holder, as applicable, at the address listed in any Proof of Claim filed by such Entity or at such other address as such Entity shall have specified for payment purposes in a written notice received by the Reorganized Debtors or Distribution Trustee, as applicable, at least twenty-one (21) days before a Distribution Date. If a Creditor or Holder has not filed a Proof of Claim or sent the Distribution Trustee a written notice of payment address, then the Distribution(s) for such Entity will be mailed to the address identified in the Schedules. Notwithstanding the foregoing, any Cash may be distributed by wire, check, or such other method as the Distribution Trustee or Reorganized Debtors, as applicable, deem appropriate under the circumstances. An Cash Distribution to be made to SRGL under the Plan shall be made by wire transfer unless otherwise agreed by SRGL.

iii. *Offered New Equity Distributions.* On or as soon as practicable after the Effective Date, the Reorganized Debtors shall distribute to the New Equity Eligible Holders that have made the New Equity Election a Distribution of each such holder's TruPS Claims Equity Distribution Amount.

iv. *Tax Information Required for Distributions.* Before receiving any Distributions, all Creditors and Holders, at the request of the Reorganized Debtors or Distribution Trustee, as applicable, must provide written notification of their respective Federal Tax Identification Numbers or Social Security Numbers to the requesting Entity; otherwise, the Reorganized Debtors or Distribution Trustee, as applicable, may suspend Distributions to any Creditors or Holders who have not provided their Federal Tax Identification Numbers or Social Security Numbers.

(d) Undeliverable Distributions

If a Distribution is returned as undeliverable, the Distribution Trustee shall use reasonable efforts to determine such Creditor's or Holder's then current address. If the

Distribution Trustee cannot determine, or is not notified of, a Creditor's or Holder's then current address within six (6) months after the Effective Date, the Distribution reserved for such Creditor or Holder shall be deemed an unclaimed Distribution, and Section 7.5(e) of the Plan shall be applicable thereto.

(e) Unclaimed Distributions

If the current address for a Creditor or Holder entitled to a Distribution (whether in the form of Cash or Offered New Equity) under the Plan has not been determined within six (6) months after the Effective Date or such Entity has otherwise not been located, or if such Entity has not submitted a valid Federal Tax Identification Number or Social Security Number to the Distribution Trustee within six (6) months after the Effective Date, then such Creditor or Holder, as applicable, (i) shall no longer be a Creditor or Holder and (ii) shall be deemed to have released such Claim and Interest, if any. If such Unclaimed Distribution consists of Cash, then the Cash shall remain property of the Distribution Trust and be used or distributed in accordance with the terms of this Plan and the Distribution Trust Agreement. If such Unclaimed Distribution consists of New Equity, then such New Equity shall not be issued to the forfeiting Claim Holder and shall instead be issued to the Purchaser.

(f) Taxes; Withholding

In connection with the Plan, any party issuing any instrument or making any Distribution described in the Plan shall comply with all applicable withholding and reporting requirements imposed by any federal, state, or local taxing authority, and all Distributions and all related agreements shall be subject to any such withholding or reporting requirements. Notwithstanding the foregoing, each Holder of an Allowed Claim or any other Person that receives a Distribution shall have responsibility for any taxes imposed by any Governmental Unit, including, without limitation, income, withholding, and other taxes, on account of such Distribution. Any party issuing any instrument or making any Distribution has the right, but not the obligation, to not make a Distribution until such Holder has made arrangements satisfactory to such issuing or disbursing party for payment of any such tax obligations. The Distribution Trustee, in the exercise of its sole discretion and judgment, may enter into agreements with taxing or other authorities for the payment of such amounts that may be withheld in accordance with the provisions of this section. Any party entitled to receive any property as an issuance or distribution under the Plan shall, upon request, by the Debtors or Distribution Trustee, as applicable, provide an appropriate Form W-9 or (if the payee is a foreign Person, as applicable) Form W-8. If such request is made and such party fails to comply before the date that is 180 days after the request is made, the amount of such Distribution shall irrevocably revert to the Distribution Trust, and any Claim in respect of such Distribution shall be discharged and forever barred from assertion against the Debtors, the Reorganized Debtors, the Distribution Trust and their respective property.

(g) Special Distribution Provisions for TruPS Claims

i. *Service of TruPS Indenture Trustees; In General.*

Except with respect to SRGL Exclusively Held TruPS Claims, Distributions on account of the TruPS Claims shall be made by the Distribution Trustee to (i) the applicable TruPS Indenture Trustee or (ii) with the prior written consent of such TruPS Indenture Trustee, through the facilities of a Securities Depository or Custodian, by means of book-entry exchange through the facilities of a Securities Depository or Custodian in accordance with the customary practices of such Securities Depository or Custodian, as applicable. If a Distribution is made to the TruPS Indenture Trustee, the TruPS Indenture Trustee, in its capacity as a disbursing agent, shall administer the Distributions in accordance with the terms of this Plan, the relevant TruPS Indenture, the relevant TruPS Declaration and any other applicable TruPS Documents.

ii. *Distributions Relating to SRGL Exclusively Held TruPS*

Distributions on account of the SRGL Exclusively Held TruPS Claims shall be made by the Distribution Trustee directly to SRGL in accordance with the Netting Protocol. The Debtors, in consultation with the Committee and the Purchaser, will us reasonable best efforts to agree with the Joint Liquidators on a mechanism (such mechanism, the "Netting Protocol") that will, first, provide for SRGL to receive its Distribution on the SRGL Exclusively Held TruPS Claims; second, allow the Joint Liquidators to establish applicable reserves; and third, ensure that any distribution from the SRGL estate to the Distribution Trust in respect of the SALIC/SRGL Claims and Admitted SALIC/SRGL Revolver Claim, will be distributed pro rata to all Holders of Allowed Claims in Classes 4, 5, 6 and 7, except for SRGL, in order to prevent an endless series of payments from the Distribution Trust to SRGL on account of the SRGL TruPS Claims and from SRGL back to the Distribution Trust in respect of the SALIC/SRGL Claims and Admitted SALIC/SRGL Revolver Claim. Any subsequent distributions made on the SALIC/SRGL Claims, including the Admitted SALIC/SRGL Revolver Claim, shall also follow the Netting Protocol. The Debtors will disclose the proposed Netting Protocol on or before the date fixed for the filing of the Plan Supplement. For the avoidance of doubt, nothing in this Section 7.6(b) is intended to or shall prejudice any rights of SRGL, the Debtors, the Distribution Trustee or any other Entity as to whether such a Netting Protocol is necessary in connection with Distributions to be made on account of the SRGL TruPS Claims or what Netting Protocol is appropriate. Notwithstanding anything to the contrary in this Section 7.5(g)(ii) or in any Netting Protocol, the Cayman Islands Court shall retain subject matter jurisdiction and authority over all matters in the SRGL Winding Up Proceeding, including, but not limited to, any matters relating to reserves to be established by the Joint Liquidators and the timing of distributions to be made to claim holders in connection with the SRGL Winding Up Proceeding.

(h) Additional Procedures Regarding Distributions from the Distribution Trust

Additional procedures regarding Distributions from the Distribution Trust to Holders of Allowed Claims shall be governed by the Distribution Trust Agreement.

(i) Allocation of Distributions between Principal and Interest

Except as otherwise provided in the Plan, to the extent that any Claim entitled to a Distribution under the Plan is comprised of indebtedness and accrued but unpaid interest thereon, such Distribution shall be allocated first to the principal amount (as determined for U.S. federal income tax purposes) of the Claim, and then to accrued but unpaid interest.

7.6. Manner of Making New Equity or Cash Election

The Plan affords New Equity Eligible Holders the opportunity to make the New Equity Election or the Cash Election. Each New Equity Eligible Beneficial Holder must elect to take its entire Distribution (other than for its applicable percentage of the Distribution Trust Assets Proceeds) either exclusively in the form of Offered New Equity (by making the New Equity Election) or exclusively in the form of Cash (by making the Cash Election). Notwithstanding the foregoing, the Holder of the Allowed SFL Note Claim, if the SFL Note Clam Allowance Conditions have been satisfied, shall be entitled to: (a) apply its Allowed SFL Note Claim amount entirely to the New Equity Election; (b) apply its Allowed SFL Note Claim amount entirely to the Cash Election; or (c) allocate its Allowed SFL Note Claim Amount between the New Equity Election and the Cash Election.

A New Equity Election will be recognized as valid only if the electing New Equity Eligible Holder checks the box for the "New Equity Election" on its Ballot and such Ballot is otherwise properly completed and timely received by the Voting Agent in accordance with the requirements of the Disclosure Statement Order. Any New Equity election that is not properly made as set forth herein shall be disregarded and such New Equity Eligible Holder shall be deemed to have made the Cash Election. Except as otherwise agreed in writing by (a) if prior to the Effective Date, by the Debtors, the Committee and the Purchaser or (b) if on or after the Effective Date, the Distribution Trustee and the Reorganized Debtors, all New Equity Elections and Cash Elections (including any deemed Cash Elections) will be final and irrevocable after the Voting Deadline.

7.7. Claims Paid or Payable by Third Parties

(a) Claims Paid by Third Parties

To the extent a Holder has received a Distribution on account of a Claim and also receives payment from a party that is not a Debtor or the Distribution Trustee on account of such Claim, such Holder shall, within 30 calendar days of receipt thereof, repay and/or return the Distribution to the Distribution Trustee to the extent the recipient-Holder's total recovery on account of such Claim from the third party and under this Plan exceeds the amount of the Holder's Allowed Claim as of the date of any such distribution under this Plan.

Any such Claim shall be expunged from the official claims register without a claims objection having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court, to the extent that the Holder receives payment in full on account of

such Claim; *provided*, *however*, that to the extent the non-Debtor party making the payment is subrogated to such Holder's Claim, the non-Debtor party shall have a 30-calendar-day grace period to notify the Distribution Trustee of such subrogation rights and, if they are valid and enforceable, the expungement will be reversed to the extent of such subrogation rights.

(b) Claims Payable by Third Parties

To the extent that one or more of the Debtors' insurers agrees to satisfy a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, such Claim may be expunged on the official claims register (in each case to the extent of any agreed-upon satisfaction) by the Clerk of Court or Distribution Trustee, as applicable, without a claims objection having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

7.8. Foreign Currency Exchange Rate

As of the Effective Date, any Claim asserted in a currency other than U.S. dollars shall be automatically deemed converted to the equivalent U.S. dollar value using the exchange rate on the Petition Date, as quoted at 4:00 p.m., mid-range spot rate of exchange for the applicable currency as published in The Wall Street Journal, Eastern Edition, on the day after the Petition Date.

7.9. Setoff

Except as otherwise provided in this Plan, the Restructuring Implementation Agreement, the RIA Order or another Final Order of the Bankruptcy Court, (a) nothing contained in this Plan shall constitute a waiver or release by the Debtors, the Reorganized Debtors, the Distribution Trustee or the Distribution Trust of any right of setoff or recoupment that any of the foregoing Entities may have against any Entity, and (b) to the extent permitted by Applicable Law, the Distribution Trustee or Reorganized Debtors, as applicable, may setoff or recoup (but shall not be required to do so) against any Claim (and any Interest) and the payments or other Distributions to be made under the Plan in respect of such Claim (or Interest), claims of any nature whatsoever that the Debtors may have against the Holder of such Claim or Interest.

7.10. De Minimis Distributions

If any interim Distribution under the Plan to the holder of an Allowed Claim or Interest would be less than $100.00 or a fractional number of Offered New Equity, the Distribution Trustee or Reorganized Debtors, as applicable, may withhold such Distribution until the next Subsequent Distribution Date or the date of a final Distribution, as applicable, is made to such Holder. If any final Distribution under the Plan to the holder of an Allowed Claim or Interest would be less than $25.00 or a fractional number of Offered New Equity, then such Distribution may be canceled in its entirety. Any unclaimed Distributions pursuant to this Section 7.9 shall be treated as an Unclaimed Distribution under Section 7.5(e) of the Plan.

7.11. Fractional Shares

No fractional shares or number of the Offered New Equity shall be issued or distributed under the Plan. The actual Distribution of shares or number of the Offered New Equity shall be rounded to the next higher or lower whole number as follows: (i) fractions less than one-half (½) shall be rounded to the next lower whole number and (ii) fractions equal to or greater than one-half (½) shall be rounded to the next higher whole number. The total amount of shares or number of Offered New Equity to be distributed hereunder shall be adjusted as necessary to account for such rounding. No consideration shall be provided in lieu of fractional shares or numbers that are rounded down.

7.12. No Interest

Other than as provided by section 506(b) of the Bankruptcy Code or as specifically provided for in the Plan, the Confirmation Order, or another Final Order of the Bankruptcy Court, postpetition interest shall not accrue or be paid on Claims and no Holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim or right. Additionally, and without limiting the foregoing, interest shall not accrue or be paid on any Claim or Disputed Claim with respect to the period from and after the Effective Date; provided, however, that nothing in this Section 7.11 shall limit any rights of any governmental unit (as defined in section 101(27) of the Bankruptcy Code) to interest under sections 503, 506(b), 1129(a)(9)(A), or 1129(a)(9)(C) of the Bankruptcy Code or as otherwise provided for under Applicable Law.

VIII. EXECUTORY CONTRACTS AND UNEXPIRED LEASES

8.1. Assumption of Executory Contracts

Except as may be otherwise set forth in the Plan, all Executory Contracts not identified on the Rejection Schedule (or previously assumed or rejected by a Debtor) shall be deemed assumed on the Effective Date. Entry of the Confirmation Order shall constitute approval of such assumptions under sections 365 and 1123 of the Bankruptcy Code.

For the avoidance of doubt, unless otherwise expressly provided in the Plan, the Plan Supplement or the Confirmation Order, all SRUS Retrocession Agreements, Third-Party Reinsurance Agreements, Trust Agreements, and any and all other reinsurance treaties and trust agreements shall be deemed assumed by SALIC.

8.2. Rejection of Executory Contracts

On the Effective Date, all Executory Contracts identified on the Rejection Schedule shall be deemed rejected. The Rejection Schedule shall be filed with, and as a part of, the Plan Supplement, and may be amended by the Purchaser (i) to remove any Executory Contract no later than the Effective Date, and (ii) to add any Executory Contract, with the consent of such counterparty, no later than 45 days after the Confirmation Date. Entry of the

Confirmation Order shall constitute approval of the rejection of such Executory Contracts under sections 365 and 1123 of the Bankruptcy Code.

8.3. Procedures Related to Assumption of Executory Contracts

(a) Establishment of Cure Amounts

The Cure Amounts associated with the assumption of the Executory Contracts pursuant to Section 8.1 of the Plan are specified in the Assumption Schedule (as may be amended), and each such amount shall conclusively be deemed to be the full and total monetary and nonmonetary performance, if any, required to be rendered in order to assume such Executory Contract pursuant to section 365(b)(1) of the Bankruptcy Code, unless the counterparty to an Executory Contract identified on the Assumption Schedule Files and serves a timely Contract Objection consistent with the procedures in Section 8.3(b) of the Plan. If a Contract Objection is timely Filed and served in accordance with such procedures, the Cure Amount for such Executory Contract shall be the amount agreed to among the objecting counterparty and the Debtors, with the consent of the Purchaser, or as determined by Final Order of the Bankruptcy Court.

(b) Counterparty Objections

Any counterparty to an Executory Contract identified on the Assumption Schedule that objects to assumption of such Executory Contract must File an objection (a "Contract Objection") within twenty-one (21) days (the "Contract Objection Deadline") of the Assumption Schedule being Filed with the Bankruptcy Court. A Contract Objection must, at a minimum: (i) identify all bases for the objection, including, without limitation, by specifying whether and on what bases the counterparty objects to (a) the Cure Amount specified in the Assumption Schedule, and (b) the provision of adequate assurance of future performance under the Executory Contract; (ii) if objecting to the Cure Amount, identify with specificity the Cure Amount the counterparty believes is required, and include all appropriate documentation in support thereof; and (iii) if objecting to the provision of adequate assurance of future performance under the Executory Contract, identify with specificity what the counterparty believes is necessary to provide adequate assurance of future performance under the Executory Contract.

The Purchaser shall be a party in interest with respect to, and shall have the right to examine, respond to, and contest, any Contract Objection.

If an objection concerning an Executory Contract listed on the Assumption Schedule pertaining solely to the Cure Amount has not been resolved by the Bankruptcy Court by the Effective Date, such Executory Contract may, in the Reorganized Debtors' discretion (and with the consent of the Purchaser), be deemed assumed by the Reorganized Debtors effective as of the Effective Date; *provided, however*, the Reorganized Debtors may revoke an assumption of any such Executory Contract within fourteen (14) days after entry of an order by the Bankruptcy Court adjudicating the Contract Objection for such Executory Contract by Filing a notice of such revocation with the Bankruptcy Court and serving a copy on the counterparty(ies) to such

Executory Contract. Any Executory Contract identified in a revocation notice shall be deemed rejected retroactively as of the Effective Date.

(c) Effect of Failure to Timely File a Contract Objection

Unless a Contract Objection is timely Filed and served by the counterparty to an Executory Contract by the Contract Objection Deadline, such counterparty shall be: (i) deemed to have waived and released any right to assert an objection to the Cure Amount and to have otherwise consented to the assumption of such Executory Contract; (ii) forever barred from objecting to the assumption of such Executory Contract or the failure of the Purchaser or the Reorganized Debtors to provide adequate assurance of future performance; and (iii) forever barred and estopped from asserting or claiming any Cure Amount, other than the Cure Amount listed on the Assumption Schedule.

(d) Payment of Cure Amounts

Within thirty (30) days after the Effective Date, the Reorganized Debtors shall pay, in Cash (or as otherwise agreed or ordered by the Bankruptcy Court), all Cure Amounts related to Executory Contracts listed on the Assumption Schedule that are assumed pursuant to this Section 8.3, other than Cure Amounts that are subject to a Contract Objection pending on the Effective Date; *provided,* that subject to the revocation rights described in Section 8.3(b) above, the Reorganized Debtors shall pay all Cure Amounts that are subject to a Contract Objection on the Effective Date within fourteen (14) days after entry of an order by the Bankruptcy Court resolving the objection or approving an agreement between the parties concerning the Cure Amount. For the avoidance of doubt, funding of Cure Amounts shall be subject to sections 2.2(b), 2.3(f) and 2.4(e) of the Stock Purchase Agreement; in particular, the amount contributed by the Purchaser for payment of the Cure Amounts shall not exceed $100,000 and the Recapitalization Funding Payment shall be used by the Reorganized Debtors to pay any amounts in respect of the Cure Amounts in excess of $100,000.

(e) No Admission of Liability

Neither the inclusion nor exclusion of any Executory Contract by the Debtors on the Assumption Schedule, nor anything contained in the Plan, shall constitute an admission by the Debtors that any such contract or lease is in fact an Executory Contract or that the Debtors, the Reorganized Debtors, the Purchaser or Distribution Trust has any liability thereunder.

(f) Reservation of Rights

Nothing in the Plan shall waive, excuse, limit, diminish, or otherwise alter any of the defenses, claims, causes of action, or other rights of the Debtors, the Reorganized Debtors or Distribution Trust under any executory or non-executory contract or any unexpired or expired lease, nor shall any provision of the Plan increase, augment, or add to any of the duties, obligations, responsibilities, or liabilities of the Debtors or the Reorganized Debtors under any such contract or lease.

(g) Rejection Claim Bar Date

Each Claim resulting from the rejection of an Executory Contract pursuant to Section 8.2 of the Plan shall be Filed with the Bankruptcy Court no later than the Rejection Claim Bar Date; *provided, however*, any party whose Executory Contract is rejected pursuant to a revocation notice pursuant to Section 8.3(b) above may File a rejection damage Claim arising out of such rejection within thirty (30) days after the Filing of the revocation notice with the Bankruptcy Court. Any Claim resulting from the rejection of an Executory Contract not Filed by the applicable deadline shall be discharged and forever barred, and shall not be entitled to any Distributions under the Plan. The Distribution Trustee shall have the right to object to any rejection damage Claim. All rejection damage Claims shall be treated in Class 5 or 7, respectively, and shall be paid out of the Distribution Trust.

(h) Continuing Obligations Owed to the Debtors

Any continuing obligations of third parties to the Debtors under insurance policies, contracts, or leases that have otherwise ceased to be executory or have otherwise expired on or prior to the Effective Date, including, without limitation, continuing obligations to pay insured claims, to defend against and process claims, to refund premiums or overpayments, to provide indemnification, contribution or reimbursement, to grant rights of first refusal, to maintain confidentiality, or to honor releases, will continue and will be binding on such third parties, notwithstanding any provision to the contrary herein, unless otherwise specifically terminated by the Debtors or the Reorganized Debtors, or by order of the Bankruptcy Court.

To the extent any insurance policy under which the insurer has a continuing obligation to pay the Debtors or a third party on behalf of the Debtors is held by the Bankruptcy Court to be an Executory Contract, such insurance policy will be treated as though it is an Executory Contract that is assumed by the Reorganized Debtors pursuant to section 365 of the Bankruptcy Code and Sections 8.1 and 8.3 of the Plan.

(i) Postpetition Contracts

The Debtors will not be required to assume or reject any contract or lease entered into by the Debtors after the Petition Date. Any such contract or lease will continue in effect in accordance with its terms after the Effective Date, unless the Reorganized Debtors have obtained a Final Order of the Bankruptcy Court approving rejection of such contract or lease. Contracts or leases entered into after the Petition Date will be performed by the Reorganized Debtors in the ordinary course of their business.

IX. CONDITIONS PRECEDENT TO CONFIRMATION OF THE PLAN AND OCCURRENCE OF THE EFFECTIVE DATE

9.1. Conditions to Confirmation

The Confirmation Order will not be effective unless the final version of the Plan, Plan Supplement, and any other documents, or schedules thereto, including the filed

Confirmation Order, shall have been filed in form and substance acceptable to the Purchaser in its reasonable discretion, and the Restructuring Implementation Agreement shall not have been terminated and shall be in full force and effect.

9.2. Conditions to Effectiveness

Unless the following conditions (except with respect to the Distribution Trust Agreement and the Restructuring Implementation Agreement) are waived by the Purchaser, the Plan will not be effective unless: (a) the conditions to Confirmation above have either been satisfied, or (except with respect to the Restructuring Implementation Agreement) waived by the Purchaser; (b) the Confirmation Order has been entered by the Bankruptcy Court, is not subject to appeal, and no stay or injunction is in effect with respect thereto; (c) the Closing shall have occurred or shall occur simultaneously with the Effective Date; (d) the Purchaser shall acquire the New Equity (subject to the New Equity Election), directly or indirectly, free and clear of all Liens, Claims, and Interests and in accordance with the Plan; (e) the Distribution Trust Agreement shall have been executed by all parties thereto; (f) the Restructuring Implementation Agreement shall not have been terminated and shall be in full force and effect; and (g) the Purchaser shall have demonstrated to the reasonable satisfaction of the Debtors and the Committee that all actions have occurred or will occur on or before the Effective Date necessary to fund the Plan Funding Payment to the Distribution Trust and the Recapitalization Funding Payment to Reorganized SALIC, each as provided in the Plan and the Stock Purchase Agreement; and (h) all governmental, judicial, and third party approvals and consents that are required in connection with the transactions contemplated by the Plan shall have been obtained, not subject to unfulfilled conditions, and shall be in full force and effect.

X. SETTLEMENT, DISCHARGE, RELEASE, INJUNCTION AND RELATED PROVISIONS

10.1. Compromise and Settlement of Claims, Interests, and Controversies

As discussed in detail in the Disclosure Statement and as otherwise provided herein, pursuant to sections 105(a), 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to the Plan, which distributions and other benefits shall be irrevocable and not subject to challenge upon the Effective Date, the provisions of the Plan, and the distributions and other benefits provided hereunder, shall constitute a good-faith compromise and settlement of all Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that a holder of a Claim or Interest may have with respect to any Allowed Claim or Interest, or any distribution to be made on account of such Allowed Claim or Interest. Without limiting the foregoing, the Plan incorporates and is predicated upon the good-faith compromise and settlement of (i) any disputes regarding the appropriate allocation of general and administrative costs across the Debtors' assets, (ii) any disputes regarding the allocation of the Plan Funding Payment and any other value received by the Debtors under the Stock Purchase Agreement between the Debtors' Estates, and (iii) any disputes regarding whether and, if so, to what extent the Debtors' assets and

liabilities should be pooled for voting, distribution and other purposes into a single, substantively consolidated estate.

The Plan shall be deemed a motion to approve the good-faith compromise and settlement of all such Claims, Interests, and controversies pursuant to Bankruptcy Rule 9019, and the entry of the Confirmation Order shall constitute the Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Court that such compromise or settlement is in the best interests of the Debtors, their Estates, and holders of Claims and Interests and is fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Court, after the Effective Date, the Distribution Trustee may compromise and settle Claims against, and Interests in, the Debtors and their Estates and Causes of Action against other Entities.

10.2. Releases by the Debtors in Favor of Third Parties

As of the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, the Debtors, the Reorganized Debtors, and any Person or Entity seeking to exercise the rights of the Estates, including, without limitation the Distribution Trust, the Distribution Trustee, any successor to the Debtors or any Estate representative appointed or selected pursuant to section 1123(b)(3) of the Bankruptcy Code, hereby forever release, waive and discharge, and shall be deemed to forever release, waive, and discharge each of the Released Parties from any and all Claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities whatsoever, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, at equity, or otherwise, that are based in whole or in part on any act, omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the conduct of the Debtors' business, the Chapter 11 Cases, the Disclosure Statement, the Plan, or other documents implementing the Plan, *provided, however,* that nothing in this Section 10.2 of the Plan shall be deemed to release, or otherwise to prohibit the Reorganized Debtors or the Distribution Trustee from asserting and enforcing, any Claims, obligations, suits, judgments, demands, debts, rights, causes of action, or liabilities any of them may hold related to, or arising out of, the Plan, the DT Post-Closing Rights, the SALIC Claims, the Admitted SALIC/SRGL Revolver Claim, the Retained Causes of Action (solely as to the Reorganized Debtors), Causes of Action that are Distribution Trust Assets (solely as to the Distribution Trustee), the Stock Purchase Agreement, the Restructuring Implementation Agreement, the Distribution Trust Agreement, and the other documents implementing the Plan, *provided, further,* that nothing in this Section 10.2 of the Plan; (i) shall be deemed to release, or otherwise to prohibit the Reorganized Debtors or the Distribution Trustee, or anyone claiming through them from enforcing any confidentiality or non-disclosure agreement or any Claim, right or cause of action related thereto, (ii) shall be deemed to release, impair, or otherwise affect any parties' rights or interests under any Executory Contract or Unexpired Lease that is assumed by the Reorganized Debtors, and all such rights and interests shall be unaffected

by the Plan and this Section 10.2 (subject, however, to the effects of Section 8.3(a), (c), and (h) of the Plan); (iii) shall be deemed to release any Intercompany Claims; (iv) shall be deemed to release any Causes of Action specifically identified in this Plan as Distribution Trust Assets; (v) shall be deemed to release any Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct, actual fraud, or gross negligence as determined by a Final Order; or (vi) shall be deemed to release any Person's rights under the Plan.

Entry of the Confirmation Order shall constitute the Court's approval, pursuant to Bankruptcy Rule 9019, of the Releases by the Debtors described in this Section 10.2 which includes by reference each of the related provisions and definitions contained herein, and, further, shall constitute the Court's finding that such releases are: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims released by such releases; (3) in the best interests of the Debtors and all holders of Claims and Interests; (4) fair, equitable and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Debtors, the Estates or the Distribution Trust asserting any Claim or cause of action released pursuant to such releases.

10.3. Releases by Holders of Claims and Interests

To the fullest extent permitted by law and except as otherwise specifically provided in the Plan, for good and valuable consideration, including the contributions of the Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, effective as of the Effective Date, (i) Holders of Claims who vote to accept the Plan, (ii) Holders of Claims who are Unimpaired under the Plan, (iii) Holders of Claims entitled to vote on the Plan who do not submit a ballot and do not timely object to or opt-out of the releases, and (iv) each of the Purchaser, the Joint Liquidators, SRGL, and for each of the foregoing, their respective Representatives (other than with respect to SRGL, the SRGL Equity Holders), hereby release, waive and discharge, and shall be deemed to forever release, waive, and discharge the Released Parties of any and all Claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities whatsoever in connection with or related to the Debtors, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, at equity, or otherwise, including those that any of the Debtors, the Reorganized Debtors, the Estates, or their Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Interest or other Entity based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the conduct of the Debtors' business, the Chapter 11 Cases, the Disclosure Statement, the Plan or the documents implementing the Plan, and the negotiation, formulation, or preparation thereof, the solicitation of votes with respect to the Plan, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any of the Debtors and any Released Party, the restructuring of Claims and Interests prior to

or in the Chapter 11 Cases, or upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct, actual fraud, or gross negligence as determined by a Final Order.

Each Person or Entity providing releases under the Plan, including the Debtors, the Estates, and the Holders of Claims (regardless of whether such Holder is a Released Party), shall be deemed to have granted the releases set forth above notwithstanding that such Person or Entity may hereafter discover facts in addition to, or different from, those which it now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and such Person or Entity expressly waives any and all rights that it may have under any statute or common law principle which would limit the effect of such releases to those Claims or causes of action actually known or suspected to exist at the time of execution of such release.

Entry of the Confirmation Order shall constitute the Court's approval, pursuant to Bankruptcy Rule 9019, of the Releases by Holders of Claims and Interests described in this Section 10.3, which includes by reference each of the related provisions and definitions contained herein, and, further, shall constitute the Court's finding that such releases are: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims released by such releases; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Releasing Parties asserting any claim or cause of action released pursuant to such releases.

10.4. Discharge and Discharge Injunction

(a) Discharge of Claims

On and after the Effective Date: (a) the rights afforded in the Plan and the treatment of all Claims and Interests shall be in exchange for and in complete satisfaction, discharge, and release of all Claims and Interests of any nature whatsoever, including any interest accrued on such Claims from and after the Petition Date, against the Debtors, the Reorganized Debtors or any of their assets, property, or estate; (b) the Plan shall bind all Holders of Claims and Interests, notwithstanding whether any such Holders failed to vote to accept or reject the Plan or voted to reject the Plan; (c) all Claims and Interests shall be satisfied, discharged, and released, and the Debtors' and Reorganized Debtors' liability with respect thereto shall be extinguished completely, including any liability of the kind specified under Bankruptcy Code section 502(g); and (d) all entities shall be precluded from asserting against the Debtors, the Reorganized Debtors, the Estates, the Distribution Trust, the Distribution Trustee their successors and assigns, and their assets and properties any other Claims or Interests based upon any documents, instruments, or any act or omission, transaction, or other activity of any kind or nature that occurred prior to the

Effective Date, provided, however, that the foregoing discharge shall not apply to ability of Holders of Allowed Claims to recover from the Distribution Trust on account of such Allowed Claims and/or Interests, all in accordance with the terms of the Plan and Distribution Trust Agreement.

(b) Discharge Injunction

Except as provided in the Plan, to the fullest extent permitted by law, or the Confirmation Order, as of the Effective Date, all Persons that have held, currently hold, may hold, or allege that they hold, a Claim, Interest, or other debt or liability that is satisfied, released and discharged pursuant to the terms of the Plan are permanently enjoined from taking any of the following actions against the Debtors, the Reorganized Debtors, the Distribution Trust, the Distribution Trustee and their respective subsidiaries or their property on account of any such discharged Claims, debts, liabilities or rights: (i) commencing or continuing, in any manner or in any place, any action or other proceeding; (ii) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order; (iii) creating, perfecting, or enforcing any Lien or encumbrance; (iv) asserting a setoff, right of subrogation, or recoupment of any kind against any debt, liability, or obligation due to the Debtors or the Reorganized Debtors; or (v) commencing or continuing any action or other proceeding of any kind, in each such case in any manner, in any place, or against any Person that does not comply with or is inconsistent with the provisions of the Plan.

Except as provided in the Plan or the Confirmation Order, as of the Effective Date, all Persons that have held, currently hold, or may hold, a Claim, Interest, obligation, suit, judgment, damage, demand, debt, right, cause of action, or liability that is released pursuant to Article X of the Plan are permanently enjoined from taking any of the following actions on account of such released Claims, Interests, obligations, suits, judgments, damages, demands, debts, rights, causes of action, or liabilities or rights: (i) commencing or continuing, in any manner or in any place, any action or other proceeding; (ii) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order; (iii) creating, perfecting, or enforcing any Lien or encumbrance; (iv) asserting a setoff against any debt, liability, or obligation due to any Released Party; or (v) commencing or continuing any action, in any manner, in any place, or against any Person or Entity that does not comply with or is inconsistent with the provisions of the Plan.

Without limiting the effect of the foregoing provisions of this Section 10.4 of the Plan upon any Person or Entity, by accepting distributions pursuant to the Plan, each Holder of an Allowed Claim shall be deemed to have specifically consented to the injunctions set forth in this Section 10.4 of the Plan.

10.5. Exculpation

To the fullest extent permitted by law and except as otherwise specifically provided in the Plan, each of the Exculpated Parties will not have or incur any liability for any act or omission in connection with, or arising out of, the formulation, negotiation, preparation, dissemination, implementation or pursuit of approval of the Plan, the Disclosure Statement, the Restructuring Implementation Agreement, the Stock Purchase Agreement, the Plan Supplement or any documents, instruments or agreements implementing or related to the foregoing, or the solicitation of votes for or Confirmation of the Plan, or the consummation of the Plan, the Restructuring Implementation Agreement, the Stock Purchase Agreement, the Plan Supplement, or the transactions contemplated, implemented and effectuated thereby or the administration of the Plan or the property to be distributed under the Plan, or any other act or omission during the administration of the Debtors' Estates or in contemplation of the Chapter 11 Cases, except for willful misconduct, actual fraud or gross negligence as determined by a Final Order, and in all respects, will be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan.

10.6. Post-Effective Date Indemnification

Indemnification Obligations of the Debtors that are owed to Indemnified D&O Parties will be deemed to be, and will be treated as though they are, Executory Contracts that are assumed by the Reorganized Debtors pursuant to section 365 of the Bankruptcy Code, and such Indemnification Obligations shall not be discharged or otherwise impaired by Confirmation of the Plan.

From and after the Closing Date, to the extent permitted by Applicable Law, the certificate of incorporation, certificate of formation, bylaws or limited liability company operating agreement (or similar organizational documents) of each SALIC Group Company shall continue to contain provisions no less favorable with respect to indemnification, advancement of expenses and exculpation of each Indemnified D&O Party than are set forth in the organizational documents of the SALIC Group Companies as of the date hereof, which provisions shall not be amended, repealed or otherwise modified for a period of six (6) years after the Closing Date in any manner that would adversely affect the rights thereunder of any such individual.

For a period of six (6) years from and after the Closing Date, to the extent that the Indemnified D&O Parties are not otherwise covered as insureds under an existing policy of directors' and officers' liability insurance in accordance with the requirements set forth in Section 5.8(b) of the Stock Purchase Agreement, Purchaser shall cause the SALIC Group Companies to maintain in effect policies of directors' and officers' liability insurance comparable to those maintained by the SALIC Group Companies or SRGL with respect to matters existing or occurring at or prior to the Closing Date; *provided,* that Purchaser or the SALIC Group Companies may substitute therefor policies of at least the same coverage containing terms and conditions that are not less advantageous than the existing policies (including with respect to the period covered); *provided, further,* that in lieu of maintaining the

current policies of directors' and officers' liability insurance, Purchaser may (or may cause the SALIC Group Companies to) purchase "tail" coverage or otherwise replace such policies with coverage with a scope, policy limits and retained coverage not less favorable than the scope, policy limits and retained coverage currently provided. Notwithstanding the foregoing, at Purchaser's direction and in satisfaction of Purchaser's obligations under Section 5.8(b) of the Stock Purchase Agreement, SALIC shall obtain such "tail" coverage in respect of SALIC's existing policy of directors' and officers' liability insurance identified in Section 3.15 of the SALIC Disclosure Schedules (Policy No. ELU154535-18) on terms acceptable to Purchaser, to be effective as of the Closing Date, provided that the cost of such coverage shall be funded from unrestricted Cash of SALIC and SHI.

XI. RETENTION OF JURISDICTION

11.1. Retention of Jurisdiction

Pursuant to sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding entry of the Confirmation Order and occurrence of the Effective Date, except as otherwise ordered by the Bankruptcy Court, or contemplated by the RIA Order or Restructuring Implementation Agreement, the Bankruptcy Court will retain jurisdiction over all matters arising out of, and related to, the Chapter 11 Cases and the Plan to the fullest extent permitted by law, including, among other things, jurisdiction to:

(a) allow, disallow, determine, liquidate, classify, estimate, or establish the priority, secured, unsecured, or subordinated status of any Claim or Interest not otherwise Allowed under the Plan (other than personal injury or wrongful death Claims, unless agreed by the Holder), including the resolution of any request for payment of any Administrative Claim and the resolution of any objections to the Allowance or priority of Claims;

(b) hear and determine all applications for compensation and reimbursement of expenses of Professionals under the Plan or under sections 327, 328, 330, 331, 503(b), 1103, and 1129(a)(4) of the Bankruptcy Code; provided, however, that from and after the Effective Date, the payment of the fees and expenses of the professionals of the Reorganized Debtors or the Distribution Trust shall be made in the ordinary course of business and shall not be subject to the approval of the Bankruptcy Court;

(c) hear and determine all matters with respect to the assumption or rejection of any Executory Contract or Unexpired Lease to which a Debtor is a party or with respect to which a Debtor may be liable, including, if necessary, the nature or amount of any required Cure or the liquidation or Allowance of any Claims arising therefrom;

(d) effectuate performance of and payments under the provisions of the Plan and enforce remedies upon any default under the Plan;

(e) hear and determine any and all adversary proceedings, motions, applications, and contested or litigated matters arising out of, under, or related to, the Chapter 11 Cases or the Plan;

(f) enter such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, and other agreements or documents created in connection with the Plan, the Disclosure Statement or the Confirmation Order;

(g) hear and determine disputes arising in connection with the interpretation, implementation, consummation, or enforcement of the Plan, including disputes arising under agreements, documents, or instruments executed in connection with the Plan;

(h) consider any modifications of the Plan, cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

(i) issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Person or Entity with the implementation, consummation, or enforcement of the Plan or the Confirmation Order;

(j) enter and implement such orders as may be necessary or appropriate if the Confirmation Order is for any reason reversed, stayed, revoked, modified, or vacated;

(k) hear and determine any matters arising in connection with or relating to the Plan, the Plan Supplement, the schedules to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with the Plan, the Plan Supplement, the Schedules to the Plan, the Disclosure Statement, or the Confirmation Order;

(l) hear and determine any matters arising in connection with or relating to the Distribution Trust, the interpretation, implementation or operation of the Distribution Trust Agreement or the consummation of the transactions contemplated thereby;

(m) enforce, interpret, and determine any disputes arising in connection with any stipulations, orders, judgments, injunctions, releases, exculpations, indemnifications, and rulings entered in connection with the Chapter 11 Cases (whether or not the Chapter 11 Cases have been closed);

(n) except as otherwise limited in the Plan, recover all assets of the Debtors and property of the Estates, wherever located;

(o) hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

(p) hear and determine all disputes involving the existence, nature, or scope of the Debtors' discharge;

(q) hear and determine such other matters as may be provided in the Confirmation Order or as may be authorized under, or not inconsistent with, provisions of the Bankruptcy Code;

(r) hear and determine matters relating to the Stock Purchase Agreement and the Restructuring Implementation Agreement, to the extent provided for in such documents; and

(s) enter a final decree closing the Chapter 11 Cases.

If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising in, arising under, or related to the Chapter 11 Cases, including the matters set forth in Section 11.1 of the Plan, the provisions of Article XI of the Plan will have no effect upon and will not control, prohibit, or limit the exercise of jurisdiction by any other court having jurisdiction with respect to such matter.

11.2. Limitation on Jurisdiction

In no event shall the provisions of the Plan be deemed to confer in the Bankruptcy Court jurisdiction greater than that established by the provisions of 28 U.S.C. §§ 157 and 1334, as well as the applicable circumstances that continue jurisdiction for defense and enforcement of the Plan and Plan Documents. For the avoidance of doubt, however, such jurisdiction shall be deemed, by the entry of the Confirmation Order, to:

(a) Permit entry of a final judgment by the Bankruptcy Court in any core proceeding referenced in 28 U.S.C. § 157(b) and to hear and resolve such proceedings in accordance with 28 U.S.C. § 157(c) and any and all related proceedings, including, without limitation, (i) all proceedings concerning disputes with, or Causes of Action or Claims against, any Entity that the Distribution Trust, the Debtors or the Reorganized Debtors or their successors or assigns, may have, and (ii) any and all Causes of Action or other Claims against any Entity for harm to or with respect to (x) any property of the Estates, or (y) any property of the Estate liened or transferred by the Debtors to any other Entity;

(b) Include jurisdiction over the recovery of any property of the Estates (or property transferred by the Debtors with Bankruptcy Court approval) from any Entity wrongly asserting ownership, possession or control of the same, whether pursuant to sections 542, 543, 549, 550 of the Bankruptcy Code or otherwise, as well as to punish any violation of the automatic stay under section 362 of the Bankruptcy Code or any other legal rights of the Debtors under or related to the Bankruptcy Code; and

(c) Permit the taking of any default judgment against any Entity that has submitted itself to the jurisdiction of the Bankruptcy Court.

XII. MISCELLANEOUS PROVISIONS

12.1. Legally Binding Effect

The provisions of the Plan shall bind all Creditors and Interest Holders, whether or not they accept the Plan and wherever located. On and after the Effective Date, all Holders of Claims and Interests shall be precluded and enjoined from asserting any Claim against or Interest in the Debtors or their assets or properties based on any transaction or other activity of any kind that occurred prior to the Effective Date except as may be expressly provided for by the Plan.

12.2. Exemption from Transfer Taxes

Pursuant to section 1146 of the Bankruptcy Code and the Plan, any of the following acts or any similar act otherwise contemplated in the Plan will not be subject to any stamp tax, transfer tax, filing or recording tax, or other similar tax: (a) the issuance, transfer or exchange of notes, debt instruments and equity securities under or in connection with the Plan; (b) the creation, assignment, recordation or perfection of any lien, pledge, other security interest or other instruments of transfer; (c) the making or assignment of any lease; (d) the creation, execution and delivery of any agreements or other documents creating or evidencing the formation of the Reorganized Debtors or the issuance or ownership of any interest in the Reorganized Debtors; or (e) the making or delivery of any deed or other instrument of transfer under the Plan in connection with the vesting of the Debtors' assets in the Reorganized Debtors or the Distribution Trust or Distribution Trustee pursuant to or in connection with the Plan, including, without limitation, merger agreements, stock purchase agreement, agreements of consolidation, restructuring, disposition, liquidation or dissolution, and transfers of tangible property.

12.3. Securities Exemption

Any rights issued under, pursuant to or in effecting the Plan, including, without limitation, the New Equity, the New SHI Equity and any beneficial interests in the Distribution Trust, and the offering and issuance thereof by any party, including without limitation the Debtors, the Estates, or New Holdco (if applicable), shall be exempt from Section 5 of the Securities Act of 1933, if applicable, and from any state or federal securities laws requiring registration for offer or sale of a security or registration or licensing of an issuer of, underwriter of, or broker or dealer in, a security, and shall otherwise enjoy all exemptions available for Distributions of securities under a plan of reorganization in accordance with all Applicable Law, including without limitation section 1145 of the Bankruptcy Code. If the issuance of the New Equity and the New SHI Equity does not qualify for an exemption under section 1145 of the Bankruptcy Code, the New Equity and the New SHI Equity shall be issued in a manner that qualifies for any other available exemption from registration, whether as a private placement under Section 4(a)(2) of the Securities Act and/or the safe harbor provisions promulgated thereunder, Regulation D of 1993, or otherwise.

12.4. Defects, Omissions and Amendments of the Plan

The Plan may be amended, modified, or supplemented by the Debtors, subject to the terms of the Stock Purchase Agreement and the Restructuring Implementation Agreement, in

the manner provided for by section 1127 of the Bankruptcy Code or as otherwise permitted by law, without additional disclosure pursuant to section 1125 of the Bankruptcy Code, except as otherwise ordered by the Bankruptcy Court. In addition, after the Confirmation Date, so long as such action does not materially and adversely affect the treatment of Holders of Allowed Claims pursuant to the Plan, the Debtors, subject to the terms of the Stock Purchase Agreement and the Restructuring Implementation Agreement, may remedy any defect or omission or reconcile any inconsistencies in the Plan or the Confirmation Order with respect to such matters as may be necessary to carry out the purposes or effects of the Plan, and any Holder of a Claim that has accepted the Plan shall be deemed to have accepted the Plan as amended, modified, or supplemented. Subject to the terms of the Stock Purchase Agreement and the Restructuring Implementation Agreement, prior to the Effective Date, the Debtors may make appropriate technical adjustments and modifications to the Plan without further order or approval of the Bankruptcy Court; *provided*, that such technical adjustments and modifications do not adversely affect in a material way the treatment of Holders of Claims under the Plan.

12.5. Due Authorization by Creditors

Each and every Creditor who elects to participate in the Distributions provided for herein warrants that the Creditor is authorized to accept in consideration of its Claim against the Debtors the Distributions provided for in the Plan, and that there are no outstanding commitments, agreements, or understandings, express or implied, that may or can in any way defeat or modify the rights conveyed or obligations undertaken by the Creditor under the Plan.

12.6. Filing of Additional Documentation

No later than seven (7) calendar days prior to the Voting Deadline, subject to the terms of the Stock Purchase Agreement and the Restructuring Implementation Agreement and subject to approval in form and substance by the Purchaser, the Debtors may file with the Bankruptcy Court such Plan Supplement, agreements and other documents as may be reasonably necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan or any Plan Document, which shall also constitute "Plan Documents."

12.7. Dissolution of the Official Committee

On the Effective Date, the Official Committee shall dissolve and all members, employees, or agents thereof shall be released and discharged from all rights and duties arising from or related to the Chapter 11 Cases, provided, however, that (a) the Official Committee and its respective Professionals shall be retained with respect to applications Filed or to be Filed by Professionals pursuant to sections 330 and 331 of the Bankruptcy Code and (b) the Distribution Trust shall be deemed the successor of the Official Committee with respect to any motions seeking to enforce the Plan and the transactions contemplated hereunder or the Confirmation Order and any pending appeals and related proceedings.

12.8. Governing Law

Except to the extent the Bankruptcy Code or the Bankruptcy Rules are applicable, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with the laws of the State of Delaware, without giving effect to the principles of conflicts of law thereof.

12.9. Successors and Assigns

The rights, benefits and obligations of any Entity named or referred to in the Plan or any Plan Document shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such Entity.

12.10. Transfer of Claims

Any transfer of a Claim shall be in accordance with Bankruptcy Rule 3001(e) and the terms of this Section 12.10. Notice of any such transfer shall be forwarded to the Debtors by registered or certified mail, as set forth in Section 12.11 hereof. Both the transferee and transferor shall execute any notice, and the signatures of the parties shall be acknowledged before a notary public. The notice must clearly describe the interest in the Claim to be transferred. No transfer of a partial Claim shall be allowed. All transfers must be of one hundred percent (100%) of the transferor's interest in the Claim.

12.11. Notices

All notices, requests, and demands required or permitted to be provided to the Debtors, the Purchaser, the Reorganized Debtors, the Official Committee, or the Distribution Trust under the Plan shall be in writing and shall be deemed to have been duly given or made (a) when actually delivered (i) by certified mail, return receipt requested, (ii) by hand delivery or (iii) by mail, postage prepaid or, (b) in the case of notice by facsimile transmission, when received and confirmed, addressed (in all instances, with a simultaneous copy by electronic mail, which shall not independently constitute notice) as follows:

(a) If to the Debtors, at:

Scottish Holdings, Inc.
Scottish Annuity & Life Insurance Company (Cayman) Ltd.
14120 Ballantyne Corporate Place, Suite 300
Charlotte, NC 28277
Facsimile: (704) 752-7736
Attn: Gregg Klingenberg, Chief Executive Officer
Gregg.Klingenberg@scottishre.com

with copies to:

Hogan Lovells US LLP

875 Third Avenue
New York, NY 10022
Facsimile: (212) 918-3100
Attn: Peter Ivanick, Esq.
Lynn W. Holbert, Esq.
John D. Beck, Esq.
Email: peter.ivanick@hoganlovells.com
lynn.holbert@hoganlovells.com
john.beck@hoganlovells.com

-and-

Morris, Nichols, Arsht & Tunnell LLP
1201 N. Market St., 16th Floor
PO Box 1347
Wilmington, DE 19899-1347
Facsimile: (302) 658-3989
Attn: Eric D. Schwartz, Esq.
Gregory W. Werkheiser, Esq.
Matthew B. Harvey, Esq.
Email: eschwartz@mnat.com
gwerkheiser@mnat.com
mharvey@mnat.com

-and-

Mayer Brown LLP
1221 Avenue of the Americas
New York, New York 10020
Telephone: (212) 506-2227
Facsimile: (212) 262-1910
Email: fmonaco@mayerbrown.com
srooney@mayerbrown.com
Attn: Stephen G. Rooney, Esq.
Francis R. Monaco, Esq.

(b) If to the Purchaser or the Reorganized Debtors, at:

Hildene Re Holdings, LLC
c/o Hildene Capital Management, LLC
700 Canal Street, Suite 12C
Stamford, CT 06902
Telephone: (203) 517-2500
Email: dhoffman@hildenecap.com
jnam@hildenecap.com

Attention: David Hoffman, General Counsel
Jennifer Nam, Deputy General Counsel

with a copy to:

Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, New York 10036
Telephone: (212) 715-9100
Facsimile: (212) 715-8000
Email: szide@kramerlevin.com
ewechsler@kramerlevin.com
ayerramalli@kramerlevin.com
smerl@kramerlevin.com
Attention: Stephen Zide, Esq.
Ernest S. Wechsler, Esq.
Anupama Yerramalli, Esq.
Seth R. Merl, Esq.

(c) If to the Official Committee, at:

Pepper Hamilton LLP
Hercules Plaza, Suite 5100
1313 Market Street
P.O. Box 1709
Wilmington, DE 19899-1709 (Courier Deliveries: 19801-1151)
Facsimile: (302) 421-8390
Attn: David M. Fournier, Esq.
H. Peter Haveles Jr., Esq.
John Henry Schanne II, Esq.
Email: fournierd@pepperlaw.com
havelesp@pepperlaw.com
schannej@pepperlaw.com

(d) If to the Distribution Trustee, at the contact information to be supplied in the notice of the occurrence of the Effective Date.

12.12. U.S. Trustee Fees and Reports

The Debtors will pay pre-confirmation fees owed to the U.S. Trustee on or before the Effective Date of the Plan. After confirmation, the Distribution Trustee will file with the court and serve on the U.S. Trustee quarterly financial reports in a format prescribed by the U.S. Trustee, and the Distribution Trustee will pay from the Distribution Trust post-confirmation quarterly fees to the U.S. Trustee until a final decree is entered or the case is converted or dismissed as provided in 28 U.S.C. § 1930(a)(6).

12.13. Implementation

The Debtors, the Reorganized Debtors, the Purchaser, and the Distribution Trustee shall be authorized to perform all reasonable, necessary and authorized acts to consummate the terms and conditions of the Plan and the Plan Documents.

12.14. No Admissions

Notwithstanding anything herein to the contrary, nothing contained in the Plan shall be deemed an admission by the Debtors with respect to any matter set forth herein, including, without limitation, liability on any Claim or Interest or the propriety of the classification of any Claim or Interest.

12.15. SRGL Consent Rights Reserved

For the avoidance of doubt, all SRGL Consent Rights relating to Specified Restructuring Documents are reserved in their entirety. Nothing herein shall affect SRGL's rights under the Restructuring Implementation Agreement, all of which are incorporated herein by reference, including in respect of the Restructuring Documents and the Specified Restructuring Documents. Without limiting the generality of the foregoing, (a) the Restructuring Documents shall, unless otherwise expressly indicated in the Restructuring Implementation Agreement, be consistent in all material respects with the Restructuring Implementation Agreement, and (b) the Specified Restructuring Documents shall be consistent in all material respects with the Restructuring Implementation Agreement and subject to the SRGL Consent Rights. Notwithstanding anything to the contrary in the Restructuring Implementation Agreement, nothing set forth in the Restructuring Implementation Agreement or this Plan shall operate as a waiver or release of (i) the Admitted SALIC/SRGL Revolver Claim; (ii) SALIC/SRGL Claims; or (iii) any Causes of Action against the SRGL Equity Holders.

12.16. Substantial Consummation

The Plan shall be deemed substantially consummated on the Effective Date.

12.17. Final Decree

On full consummation and performance of the Plan and Plan Documents, the Distribution Trustee may request the Bankruptcy Court to enter a final decree closing the Chapter 11 Cases and such other orders that may be necessary and appropriate.

Scottish Holdings, Inc.
Scottish Annuity & Life Insurance Company (Cayman) Ltd.

/s/ Gregg Klingenberg
Gregg Klingenberg
Chief Executive Officer

Exhibit A

Glossary of Defined Terms

EXHIBIT A
Glossary of Defined Terms

1.1 "Administrative Claim" means a Claim for any costs or expenses of administration of the Estates under sections 503(b), 507(b) or 1114(e)(2) of the Bankruptcy Code, including, without limitation, for: (a) any actual and necessary costs and expenses incurred after the Petition Date of preserving the Estates and operating the businesses of the Debtors; (b) any payment to be made under the Plan to cure a default on an assumed Executory Contract or assumed Unexpired Lease; (c) any postpetition cost, indebtedness or contractual obligation duly and validly incurred or assumed by the Debtors in the ordinary course of its business or by order of the Bankruptcy Court; (d) any Allowed Claims that are entitled to be treated as Administrative Claims pursuant to a Final Order under section 546(c)(2)(A) of the Bankruptcy Code; (e) any Allowed Claims of Professionals in the Chapter 11 Cases; and (f) any fees and charges assessed against the Estate under chapter 123 of title 28 of the United States Code, 28 U.S.C. §§ 1911–1930.

1.2 "Administrative Claims Bar Date" means, (i) for any Administrative Claim (other than a Professional Fee Claim) incurred prior to the Confirmation Date, the date that is thirty (30) days after the Confirmation Date or such earlier deadline applicable to such Administrative Claim as established by order of the Bankruptcy Court entered before the Confirmation Date ; or (ii) for any Administrative Claim (other than a Professional Fee Claim) incurred between the Confirmation Date and the Effective Date, the date that is thirty (30) days after the Effective Date or such earlier deadline applicable to such Administrative Claim as established by order of the Bankruptcy Court entered before the Effective Date.

1.1 "Admitted SALIC/SRGL Revolver Claim" shall have the meaning set forth in paragraph 11 of the RIA Order.

1.2 "Affiliate" means "affiliate" as defined in section 101(2) of the Bankruptcy Code. With respect to any Person that is not a Debtor, the term "Affiliate" shall apply to such person as if the Person were a Debtor.

1.3 "Allocated Portion" means with respect to a particular issuance of TruPS, the portion of the TruPS Claim allocable on a pro rata basis to a Beneficial Holder on account of its beneficial ownership of such TruPS, as determined in accordance with the applicable TruPS Declaration.

1.4 "Allocation/Use Priorities" means the waterfall described in Section 6.1(b) of the Plan.

1.5 "Allowed" or "Allowance" means with respect to any Claim (including any Administrative Claim) or portion thereof (to the extent such Claim is not Disputed or Disallowed) or any Interest (a) any Claim or Interest, proof of which (i) was timely Filed with the Bankruptcy Court or its duly appointed claims agent, (ii) was deemed timely filed pursuant to section 1111(a) of the Bankruptcy Code, or (iii) by the Bar Date Order or other Final Order, was not required to be Filed; (b) any Claim or Interest that has been, or hereafter is, listed in the Schedules as liquidated in an amount other than zero or unknown and not Disputed or

Contingent (or as to which the applicable Proof of Claim has been withdrawn or Disallowed); and (c) any Claim or Interest which has been allowed (whether in whole or in part) by the Plan, the Restructuring Implementation Agreement or the RIA Order or other Final Order (but only to the extent so allowed), and, in (a) and (b) above, as to which no objection to the allowance thereof, or action to subordinate, avoid, classify, reclassify, expunge, estimate or otherwise limit recovery with respect thereto, has been Filed within the applicable period of limitation fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules or a Final Order; (d) any Claim or Interest allowed under or pursuant to the terms of the Plan; (e) any Claim arising from the recovery of property under sections 550 or 553 of the Bankruptcy Code which has been allowed in accordance with section 502(h) of the Bankruptcy Code; (f) a Claim relating to a rejected Executory Contract or Unexpired Lease that either (i) is not a Disputed Claim or (ii) has been allowed by a Final Order, in either case only if a Proof of Claim has been Filed by the applicable Bar Date or has otherwise been deemed timely Filed under applicable law; or (g) which is a Professional Claim for which a fee award amount has been approved by order of the Bankruptcy Court; provided, however, that Claims or Interests allowed solely for the purpose of voting to accept or reject the Plan pursuant to an order of the Bankruptcy Court shall not be considered "Allowed" hereunder. For the avoidance of doubt, a Proof of Claim Filed after the Bar Date or a request for payment of an Administrative Claim Filed after the Administrative Claims Bar Date, as applicable, shall not be Allowed for any purposes whatsoever absent entry of a Final Order allowing such late-filed Claim.

1.6 "Applicable Law" means any foreign, domestic, state, federal, national, international, multinational, regional or local law, statute, ordinance, rule, regulation, writ, directive, treaty, order, judgment, decree, injunction or other legally binding obligation imposed by or on behalf of a Governmental Unit.

1.7 "Available Plan Distribution Funding Amount" means all of the Plan Funding Payment *less* the amounts set forth in Sections 6.1(b)(1) through (5) of the Plan.

1.8 "Ballantyne" means Ballantyne Re II plc.

1.9 "Ballot" means each of the ballot forms distributed to each Holder of a Claim or Interest entitled to vote to accept or reject the Plan on which the Holder indicates either acceptance or rejection of the Plan and (when applicable) any election for treatment of such Claim under the Plan.

1.10 "Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as codified in title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as in effect on the Petition Date, together with all amendments and modifications thereto that were subsequently made applicable to the Chapter 11 Cases.

1.11 "Bankruptcy Court" means the United States Bankruptcy Court for the District of Delaware or such other court as may have jurisdiction over the Chapter 11 Cases.

1.12 "Bankruptcy Rules" means, when referenced generally, (i) the Federal Rules of Bankruptcy Procedure and the Official Bankruptcy Forms, as amended and promulgated under section 2075 of title 28 of the United States Code, (ii) the applicable Federal Rules of Civil

Procedure, as amended and promulgated under section 2072 of title 28 of the United States Code, (iii) the applicable Local Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court for the District of Delaware, and (iv) any standing orders governing practice and procedure issued by the Bankruptcy Court, each as in effect on the Petition Date, together with all amendments and modifications thereto that were subsequently made applicable to the Chapter 11 Cases or proceedings therein, as the case may be; provided, however, when a specific Bankruptcy Rule is referenced (e.g., Bankruptcy Rule 9019), such reference shall be to such Rule under the Federal Rules of Bankruptcy Procedure.

1.13 "Bar Date" means, for any Claim, the date set by the Bankruptcy Court by the Bar Date Order as the last day for Filing a Proof of Claim on account of such Claim against the Debtors in the Chapter 11 Cases.

1.14 "Bar Date Order" means the *Order (A) Establishing Bar Dates For Filing Proofs Of Claim, (B) Approving The Form And Manner For Filing Proofs Of Claim, (C) Approving Notice Thereof, And (D) Granting Related Relief* entered by the Bankruptcy Court on March 28, 2018, at Docket No. 189.

1.15 "Beneficial Holder" means, with respect to any TruPS, the person or entity having "beneficial ownership" of such TruPS (as determined pursuant to Rule 13d-3 of the Securities Exchange Act of 1934).

1.16 "BNYM" means The Bank of New York Mellon Trust Company, N.A., as trustee.

1.17 "Business Day" means any day, excluding Saturdays, Sundays, or "legal holidays" (as defined in Bankruptcy Rule 9006(a)), on which commercial banks are open for business in Wilmington, Delaware.

1.18 "Cash" or "$" means legal tender of the United States of America or the equivalent thereof, including bank deposits, checks and cash equivalents.

1.19 "Cash Election" means an election made by a New Equity Eligible Holder to take its Distribution from the Plan Funding Payment under the Plan in the form of Cash, which shall be made by checking the "Cash Distribution" box on its timely completed and submitted Ballot. In the event that a New Equity Eligible Holder fails to make an election or fails to submit a Ballot, then such New Equity Eligible Holder shall be deemed to have made the Cash Election.

1.20 "Causes of Action" means any and all Claims, causes of action, controversies, obligations, suits, judgments, damages, demands, debts, rights, preference actions, fraudulent conveyance actions and other claims or causes of action under sections 510, 544, 545, 546, 547, 548, 549, 550 and 553 of the Bankruptcy Code and other similar state law claims and causes of action, Liens, indemnities, guaranties, suits, liabilities, judgments, accounts, defenses, offsets, powers, privileges, licenses and franchises of any kind or character whatsoever, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, suspected or unsuspected, disputed or undisputed, secured or unsecured, assertable directly or derivatively, whether arising before, on, or after the Petition Date, in contract or in tort, arising in law, equity or pursuant to any other theory of law. For the avoidance of doubt, Causes of Action also includes: (a) any right of setoff, counterclaim or recoupment and

any claim on contracts or for breaches of duties imposed by law or in equity; (b) the right to object to Claims or Interests; (c) any claim pursuant to sections 362 or chapter 5 of the Bankruptcy Code; (d) any claim or defense including fraud, mistake, duress and usury, and any other defenses set forth in section 558 of the Bankruptcy Code; and (e) any state law fraudulent transfer claim.

1.21 "Cayman Islands Court" means the Grand Court of the Cayman Islands, Financial Services Division.

1.22 "Cayman Islands Winding Up Proceedings" means winding up proceedings of SRGL in the Cayman Islands Court.

1.23 "Cerberus" means Cerberus Capital Management, L.P., and SRGL Acquisition.

1.24 "Certificate" means any instrument evidencing a Claim or Interest.

1.25 "Chapter 11 Cases" mean the jointly administered chapter 11 cases of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd., Case No. 18-10160 (LSS) in the United States Bankruptcy Court for the District of Delaware.

1.26 "Charging Lien" means any Lien or other priority in payment to which a TruPS Indenture Trustee is entitled under the terms of a TruPS Indenture to assert against Distributions to be made to Holders of Claims under such TruPS Indenture.

1.27 "Claim" has same meaning as "claim" under section 101(5) of the Bankruptcy Code section.

1.28 "Claims Objection Deadline" means the date that is one hundred eighty (180) days after the Effective Date or such later date as may be extended by order of the Bankruptcy Court.

1.29 "Class" means a category of Holders of Claims or Interests pursuant to section 1122(a) of the Bankruptcy Code, as described in Articles III and IV of the Plan.

1.30 "Closing" has the meaning as defined in the Stock Purchase Agreement.

1.31 "Closing Date" has the meaning as defined in the Stock Purchase Agreement.

1.32 "Closing Date Plan Distributions" means Distributions, and the Cash to be distributed on account thereof, to the Holders of Secured Claims, Administrative Claims, Priority Claims, and Priority Non-Tax Claims all to the extent Allowed as of the Effective Date, provided that in no event shall the aggregate of Closing Date Plan Distributions exceed the Plan Funding Payment.

1.33 "Confirmation" means the entry of the Confirmation Order on the docket of the Chapter 11 Cases, subject to all conditions specified having been (a) satisfied, or (b) waived.

1.34 "Confirmation Date" means the date upon which the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Cases, within the meaning of Bankruptcy Rules 5003 and 9021.

1.35 "Confirmation Hearing" means the hearing held by the Bankruptcy Court pursuant to section 1128 of the Bankruptcy Code to consider Confirmation of the Plan, as such hearing may be adjourned or continued from time to time.

1.36 "Confirmation Order" means the order of the Bankruptcy Court confirming the Plan pursuant to, among others, section 1129 of the Bankruptcy Code, which shall be in form and substance reasonably acceptable to the Purchaser.

1.37 "Contract Objection" has the meaning set forth in Section 8.3(b) of the Plan.

1.38 "Contract Objection Deadline" has the meaning set forth in Section 8.3(b) of the Plan.

1.39 "Creditor" means any Holder of a Claim.

1.40 "Cure" means the Distribution of Cash, or such other property as may be agreed upon by the parties or ordered by the Bankruptcy Court, with respect to the assumption or assumption and assignment of an Executory Contract or Unexpired Lease, pursuant to Bankruptcy Code section 365(b), in an amount equal to all unpaid monetary obligations, without interest, or such other amount as may be agreed upon by the parties, under such Executory Contract or Unexpired Lease, to the extent such obligations are enforceable under the Bankruptcy Code and applicable bankruptcy law and as determined pursuant to Section 8.3 of the Plan.

1.41 "Cure Amount" means, for any Executory Contract or Unexpired Lease, the amount of the Cure asserted by the Debtors or the counterparty, as applicable.

1.42 "Debtors" means Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd., the debtors and debtors in possession in these Chapter 11 Cases.

1.43 "Delaware DOI" means the Delaware Department of Insurance.

1.44 "Disallowed" means, with respect to any Claim or Interest or portion thereof, any Claim against or Interest in a Debtor which is not Allowed and: (i) has been disallowed, in whole or part, by a Final Order; (ii) has been withdrawn by agreement of the Holder thereof and the applicable Debtor(s), in whole or in part; (iii) has been withdrawn, in whole or in part, by the Holder thereof; (iv) if listed in the Schedules as zero or as Disputed, contingent or unliquidated and in respect of which a Proof of Claim or a Proof of Interest, as applicable, has not been timely Filed or deemed timely Filed pursuant to the Plan, the Bankruptcy Code or any Final Order or other applicable law; (v) has been reclassified, expunged, subordinated or estimated to the extent that such reclassification, expungement, subordination or estimation results in a reduction in the Filed amount of any Proof of Claim or Proof of Interest; (vi) is evidenced by a Proof of Claim or a Proof of Interest which has been Filed, or which has been deemed to be Filed under applicable law or order of the Bankruptcy Court or which is required to be Filed by order of the Bankruptcy

Court but as to which such Proof of Claim or Proof of Interest was not timely or properly Filed; (vii) is unenforceable to the extent provided in section 502(b) of the Bankruptcy Code; (viii) where the holder of a Claim is a Person or Entity from which property is recoverable under sections 542, 543, 550, or 553 of the Bankruptcy Code or that is a transferee of a transfer avoidable under sections 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code, unless such Person, Entity or transferee has paid the amount, or turned over any such asset or property, for which such Person, Entity or transferee is liable under section 522(i), 542, 543, 550, or 553 of the Bankruptcy Code; or (ix) is for reimbursement or contribution that is contingent as of the time of allowance or disallowance of such claim. In each case a Disallowed Claim is disallowed only to the extent of disallowance, withdrawal, reclassification, expungement, subordination or estimation.

1.45 "Disallowed Claim" means a Claim, or any portion thereof, that is Disallowed.

1.46 "Disclosure Statement" means the disclosure statement for the Plan, as amended, supplemented or modified from time to time, describing the Plan, that is prepared and distributed in accordance with, among others, sections 1125, 1126(b) and 1145 of the Bankruptcy Code, Bankruptcy Rule 3018 and other applicable law.

1.47 "Disclosure Statement Order" means the order of the Bankruptcy Court approving the Disclosure Statement and solicitation procedures with respect to the Plan.

1.48 "Disputed" means, with respect to any Claim, including Priority Claims and Administrative Claims, that has not been Allowed, (a) if no Proof of Claim has been Filed by the applicable Bar Date or has otherwise been deemed timely Filed under applicable law: (i) a Claim that is listed on the Debtor's Schedules as other than disputed, contingent or unliquidated, but as to which the Debtors or Reorganized Debtors or, prior to the Effective Date, any other party in interest, has Filed an objection by the Claims Objection Deadline, and such objection has not been withdrawn or denied by a Final Order; or (ii) a Claim that is listed on the Debtors' Schedules as disputed, contingent or unliquidated; or (b) if a Proof of Claim or request for payment of an Administrative Claim has been Filed by the applicable Bar Date or has otherwise been deemed timely Filed under applicable law: (i) a Claim for which no corresponding Claim is listed on the Debtor's Schedules; (ii) a Claim for which a corresponding Claim is listed on the Debtor's Schedules as other than disputed, contingent or unliquidated, but the nature or amount of the Claim as asserted in the Proof of Claim varies from the nature and amount of such Claim as it is listed on the Schedules; (iii) a Claim for which a corresponding Claim is listed on the Debtor's Schedules as disputed, contingent or unliquidated; (iv) a Claim for which an objection has been Filed by the Debtors or Reorganized Debtors or, prior to the Effective Date, any other party in interest, by the Claims Objection Deadline, and such objection has not been withdrawn or denied by a Final Order; or (v) a tort claim.

1.49 "Disputed Claim Amount" means (a) if a liquidated amount is set forth in the Proof of Claim relating to a Disputed Claim that has not been Allowed, (i) the liquidated amount set forth in the Proof of Claim relating to the Disputed Claim; (ii) an amount agreed to by the Debtors or the Reorganized Debtors, as applicable, and the Holder of such Disputed Claim; or (iii) if a request for estimation is Filed by any party, the amount at which such Disputed Claim is estimated by the Bankruptcy Court; (b) if no liquidated amount is set forth in the Proof of Claim

relating to a Disputed Claim, (i) an amount agreed to by the Debtors or the Reorganized Debtors, as applicable, and the Holder of such Disputed Claim or (ii) the amount estimated by the Bankruptcy Court with respect to such Disputed Claim; or (c) zero, if the Disputed Claim was listed on the Schedules as unliquidated, contingent or disputed and no Proof of Claim was Filed, or deemed to have been Filed, by the applicable Bar Date and the Claim has not been resolved by written agreement of the parties or an order of the Court.

1.50 "Disputed Claims Reserve" means, Cash set aside by the Distribution Trustee in the amount required pursuant to Section 6.3(f)(i) of the Plan for each Disputed Claim that, as of the Effective Date, is neither an Allowed Claim nor a Disallowed Claim, and includes, without limitation, a Claim that is the subject of a timely objection or request for estimation with the Bankruptcy Court, which has not been withdrawn, settled or overruled by a Final Order; *provided, however,* if any dispute arises regarding any increase or reduction of the Disputed Claims Reserve, the Distribution Trustee shall consult with the Purchaser and the Reorganized Debtors, and obtain approval of the Bankruptcy Court, which shall have jurisdiction and power to set the amount of the reserve applying the principals of section 502(c) of the Bankruptcy Code to estimate any claim.

1.51 "Distribution" means any distribution pursuant to the Plan to the Holders of Allowed Claims or Interests.

1.52 "Distribution Date" means (a) with respect to Distributions made as Closing Date Plan Distributions, the Effective Date, (b) with respect to a DT Initial Distribution, the DT Initial Distribution Date, and (c) with respect to a DT Subsequent Distribution, the DT Subsequent Distribution Date.

1.53 "Distribution Trust" means the trust to be formed on or prior to the Effective Date in accordance with the provisions of Section 6.3 of the Plan and the Distribution Trust Agreement for the payment of Allowed Claims and for the benefit of the Distribution Trust Beneficiaries as set forth herein.

1.54 "Distribution Trust Agreement" means the trust agreement that establishes the Distribution Trust and governs the powers, duties, and responsibilities of the Distribution Trustee. The Distribution Trust Agreement shall be part of the Plan Supplement, and shall be in form and substance reasonably acceptable to the Committee, the Debtors and the Purchaser.

1.55 "Distribution Trust Assets" means: (a) the Admitted SALIC/SRGL Revolver Claim; (b) all DT Post-Closing Rights; (c) the SFL Shares; and (d) any and all Causes of Action against the SRGL Equity Holders.

1.56 "Distribution Trust Asset Proceeds" means the proceeds of the Distribution Trust Assets, net of expenses incurred in preserving and/or monetizing such Distribution Trust Assets.

1.57 "Distribution Trust Beneficiaries" means the Holders of Allowed Claims in Classes 4, 5, 6, and 7, whether Allowed on or after the Effective Date.

1.58 "Distribution Trust Reserves" means the Disputed Claims Reserve, the Professional Fee Reserve, the Trust Administration Reserve.

1.59 "Distribution Trustee" the Person appointed under the Plan and Distribution Trust Agreement to administer the Distribution Trust, which Person shall be selected by the Committee and reasonably acceptable to the Debtors and the Purchaser; *provided, however*, that the Distribution Trustee shall not take any action inconsistent with the purposes of the Distribution Trust and the qualification of the Distribution Trust as a "liquidating trust" for U.S. federal income tax purposes.

1.60 "DT Initial Distribution" means the Distribution set forth in section 6.3()(i).

1.61 "DT Initial Distribution Date" means, for Distributions of New Equity, the Effective Date, and for Distributions of Cash, the date that is as soon as reasonably practicable after the Administrative Claims Bar Date, when Distributions from the Distribution Trust shall commence to Holders of Allowed Claims.

1.62 "DT Subsequent Distribution" means after the completion of the DT Initial Distribution, the distributions to the Holders of Allowed Claims in Classes 4, 5, 6 and 7 on account of their Allowed Claims from Distribution Trust Asset Proceeds; *provided, however,* as set forth in the Plan, that the Distribution Trustee shall not be required to make a Distribution pursuant to this Section 6.3(i) of the Plan if the Distribution Trustee determines that the expense associated with making the Distribution would likely utilize a substantial portion of the amount to be distributed, thus making the Distribution impracticable.

1.63 "DT Subsequent Distribution Date" means any later date that a Distribution not made on the DT Initial Distribution Date is made.

1.64 "DT Post-Closing Rights" has meaning as defined in the Stock Purchase Agreement.

1.65 "Effective Date" means any Business Day following the date on which all conditions to consummation set forth in Section 9.1 of the Plan have been satisfied or, if capable of being duly and expressly waived, as provided in Section 9.2 of the Plan, any conditions to the occurrence of consummation set forth in the Plan have been satisfied or waived.

1.66 "Eligible SALIC TruPS Claims" means all TruPS Claim against SALIC arising from or relating to the SHST I TruPS, the SHST III TruPS or the SFLST I TruPS.

1.67 "Eligible SHI TruPS Claims" means all TruPS Claim against SHI arising from or relating to the SHST I TruPS or the SHST III TruPS.

1.68 "Entity" means a Person, estate, trust, Governmental Unit, and U.S. Trustee, within the meaning of Bankruptcy Code section 101(15).

1.69 "Estates" means the estates of the Debtors in the Chapter 11 Cases created pursuant to section 541 of the Bankruptcy Code.

1.70 "Exculpated Parties" means (a) the Debtors, (b) the Reorganized Debtors, (c) the Official Committee (including the current and former Official Committee members in their capacities as such); (d) the Voting Agent; and (e) for each of the foregoing, their respective

Representatives, each to the extent that they held such office or capacity during the pendency of the Chapter 11 Cases; *provided*, *however*, that, the SRGL Equity Holders shall not be an Exculpated Party or a Representative of an Exculpated Party.

1.71 "Executory Contract" means any contract or Unexpired Lease to which the Debtor is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

1.72 "Face Amount" means the outstanding amount of any Certificate or Claim.

1.73 "File," "Filed" or "Filing," means, respectively, file, filed or filing with the Bankruptcy Court in the Chapter 11 Cases; provided, however, that with respect to Proofs of Claim and Proofs of Interest only, "Filed" shall mean delivered and received in the manner provided by the Bar Date Order or as otherwise established by order of the Bankruptcy Court.

1.74 "Final Order" means an order, ruling, judgment, the operation or effect of a judgment or other decree issued and entered by the Bankruptcy Court or by any state or other federal court or other court of competent jurisdiction which has not been reversed, vacated, stayed, modified or amended and as to which (i) the time to appeal or petition for review, rehearing, certiorari, reargument or retrial has expired and as to which no appeal or petition for review, rehearing, certiorari, reargument or retrial is pending or (ii) any appeal or petition for review, rehearing, certiorari, reargument or retrial has been finally decided and no further appeal or petition for review, rehearing, certiorari, reargument or retrial can be taken or granted; provided, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed with respect to such order or judgment shall not cause such order or judgment not to be a Final Order.

1.75 "General Unsecured Claim" means any unsecured Claim that is not an Administrative Claim, Priority Claim, Priority Tax Claim, Professional Fee Claim, Secured Claim, a claim for U.S. Trustee Fees, Intercompany Claim, or Subordinated Claim.

1.76 "General Unsecured Creditor" means any Holder of a General Unsecured Claim.

1.77 "Governmental Unit" has the meaning of such term under Bankruptcy Code section 101(27).

1.78 "GPIC TruPS" has the meaning ascribed to such term in the definition of "TruPS".

1.79 "GPIC TruPS Debentures" has the meaning ascribed to such term in the definition of "TruPS Debentures".

1.80 "Holder" means the legal or beneficial holder of a Claim or Interest (and, when used in conjunction with a Class or type of Claim or Interest, means a Holder of a Claim or Interest in such Class or of such type). Additionally, in reference to the Distribution Trust, the term "Holder" means the legal or beneficial holder of an Allowed Claim.

1.81 "Impaired" means, when used with reference to a Claim or Interest, a Claim or Interest that is impaired within the meaning of section 1124 of the Bankruptcy Code.

1.82 "Impaired Class" means a Class of Claims or Interests that are Impaired.

1.83 "Indemnified D&O Parties" means each present and former director and officer of each of the SALIC Group Companies, as set forth in Section 5.8(a) of the Stock Purchase Agreement.

1.84 "Indemnification Obligation" means any Claim against or obligation of the Debtors to indemnify, reimburse, advance expenses or provide contribution to or with respect to any present or former officers, directors or employees pursuant to by-laws, articles of incorporation, agreements, contracts, common law or otherwise as may be in existence immediately prior to the Effective Date.

1.85 "Indenture Trustee Fee Reserve" means the reserve to be established at the Distribution Trust and funded on or before the Effective Date in an amount that the Debtors estimate in good faith, after consultation with the Purchaser, the Committee, and the relevant TruPS Indenture Trustees, to be necessary to pay in full, but subject to the relevant Indenture Trustee Fee Caps, (a) any amounts payable to the TruPS Indenture Trustees for Indenture Trustee Fees incurred prior to the Effective Date but not paid to the relevant Indenture Trustees as Closing Date Plan Distributions and (b) any amounts reasonably estimated to be incurred after the Effective Date for TruPS Indenture Trustees for the SHST I Debentures, the SHST III Debentures and the SFLST I Debentures. For the avoidance of doubt, the Distribution Trustee shall be under no obligation to reserve any amount in the Indenture Trustee Fees Reserve on account of post-Effective Date Indenture Trustee Fees that may be incurred by the TruPS Indenture Trustees for the SHST II Debentures or the GPIC Debentures.

1.86 "Indenture Trustee Fees" means the reasonable and documented fees and out-of-pocket expenses of the TruPS Indenture Trustees that are recoverable by such TruPS Indenture Trustees in accordance with the terms of their respective TruPS Indentures. For the avoidance of doubt, the Indenture Trustee Fees are subject in all respects to the applicable Indenture Trustee Fee Cap.

1.87 "Indenture Trustee Fee Cap" is defined in Section 4.1(d)(iv) of this Plan.

1.88 "Insider" has the meaning set forth in section 101(31) of the Bankruptcy Code.

1.89 "Intercompany Claims" means all Claims between or among any Debtors and any other SALIC Group Company. For the avoidance of doubt, Claims by or against SFL and SRGL are not Intercompany Claims for purpose of the Plan.

1.90 "Interest" means the legal, equitable, contractual interests, equity interests or ownership interests, or other rights of any Person in the Debtors including all capital stock, stock certificates, common stock, preferred stock, partnership interests, limited liability company or membership interests, rights, treasury stock, options, warrants, contingent warrants, convertible or exchangeable securities, investment securities, subscriptions or other agreements and contractual rights to acquire or obtain such an interest or share in the Debtors, partnership

interests in the Debtors' stock appreciation rights, conversion rights, repurchase rights, redemption rights, dividend rights, preemptive rights, subscription rights and liquidation preferences, puts, calls, awards or commitments of any character whatsoever relating to any such equity, common stock, preferred stock, ownership interests or other shares of capital stock of the Debtors or obligating the Debtors to issue, transfer or sell any shares of capital stock whether or not certificated, transferable, voting or denominated "stock" or a similar security.

1.91 "Joint Liquidators" has the meaning set forth in the Restructuring Implementation Agreement.

1.92 "KBW" means Keefe, Bruyette & Woods, Inc., the Debtors' investment banker.

1.93 "KBW Reserved Funds" means, as contemplated by Paragraph 3 of the KBW Retention Order, Cash set aside in the amount of $300,000 by the Debtors in the client trust account of their bankruptcy counsel on account of Monthly Service Fees otherwise due KBW for March, April and May, 2018.

1.94 "KBW Retention Order" means that certain *Order under Sections 327(a), 328(a) and 1107(b) of the Bankruptcy Code, Bankruptcy Rules 2014 and 2016, and Local Rules 2014-1 and 2016-2(h) Authorizing Retention and Employment of Keefe, Bruyette & Woods, Inc. as Debtors' Investment Banker nunc pro tunc to the Petition Date,* entered in the Chapter 11 Cases on March 12, 2018 (D.I. 155).

1.95 "Lien" means, with respect to any asset or property (or the rents, revenues, income, profits or proceeds therefrom), and in each case, whether the same is consensual or nonconsensual or arises by contract, operation of law, legal process or otherwise: (a) any and all mortgages or hypothecation to secure payment of a debt or performance of an obligation, liens, pledges, attachments, charges, leases evidencing a capitalizable lease obligation, conditional sale or other title retention agreement, or other security interest or encumbrance or other legally cognizable security devices of any kind in respect of any asset or property, or upon the rents, revenues, income, profits or proceeds therefrom; or (b) any arrangement, express or implied, under which any asset or property is transferred, sequestered or otherwise identified for the purpose of subjecting or making available the same for the payment of debt or performance of any other obligation in priority to the payment of general unsecured Creditors.

1.96 "Mass Mutual" means Massachusetts Mutual Life Insurance Company, MassMutual Capital Partners LLC, Benton Street Partners I, L.P., Benton Street Partner II, L.P., and Benton Street Partners III, L.P.

1.97 "New Corporate Governance Documents" means the corporate governance documents for the Reorganized Debtors and New Holdco (if applicable), including charters, bylaws, memoranda and article of association, operating agreements, or other organization or formation documents, as applicable, including, but not limited to, the Stockholders Agreement. For the avoidance of doubt, all New Corporate Governance Documents shall be in form and substance acceptable to the Purchaser in the Purchaser's sole discretion (other than that such New Corporate Governance Documents must not be materially inconsistent with the terms of the Plan).

1.98 "New Equity" means (i) if the Purchaser elects for SALIC to issue New SALIC Equity pursuant to the Plan, the New SALIC Equity; or (ii) if the Purchaser elects in accordance with Section 6.1(f) of this Plan to form New Holdco and for New Holdco to issue its voting capital stock or membership interests, the voting capital stock of or membership interests in New Holdco, as applicable.

1.99 "New Equity Election" means an election made by a New Equity Eligible Holder to take its Distribution in the form of Offered New Equity, which shall be made by checking the "New Equity Distribution" box on its timely completed and submitted Ballot. In the event that a New Equity Eligible Holder fails to make a New Equity Election or fails to submit a Ballot, then such New Equity Eligible Holder shall be deemed to have made the Cash Election.

1.100 "New Equity Eligible Beneficial Holder" means a Beneficial Holder of TruPS other than SRGL.

1.101 "New Equity Eligible Holders" means (i) all New Equity Eligible Beneficial Holders and (ii) the SFL Receiver with respect to the SFL Note Claim, the extent that the SFL Note Claim has become an Allowed Class 6 Claim.

1.102 "New Holdco" means a newly organized Entity, which, if organized by the Purchaser, shall have 100% of the New SALIC Equity as its primary asset and shall engage in no business other than to act as a holding company for such New SALIC Equity.

1.103 "New SALIC Equity" means 19,999,999,999 Ordinary Shares of SALIC to be issued under the terms of the Plan, the Restructuring Implementation Agreement, the Share Surrender Documents, the New SALIC Shares Issuance Documents, and the Stock Purchase Agreement.

1.104 "New SHI Equity" means 100% of the new common stock of SHI to be issued to, or at the direction of, the Purchaser.

1.105 "New SALIC Shares Issuance Documents" means each of the documents, directions and resolutions reasonably required of SALIC to effectuate the New SALIC Shares Issuance. The New SALIC Shares Issuance Documents shall be in form and substance reasonably satisfactory to the Purchaser, and otherwise subject to the SRGL Consent Rights.

1.106 "Offered New Equity" refers to the thirty percent (30%) of New Equity to be offered to New Equity Eligible Holders pursuant to the Plan.

1.107 "Official Committee" means the Official Committee of Unsecured Creditors appointed by the U.S. Trustee in the Chapter 11 Cases pursuant to section 1102(a) of the Bankruptcy Code, as the membership of such committee is constituted and reconstituted from time to time.

1.108 "Ordinary Shares" shall have the meaning ascribed to such term in the Stock Purchase Agreement.

1.109 "Orkney Re II" means Orkney Re II plc.

1.110 "Person" means and includes a natural person, individual, partnership, corporation (as defined in section 101(a) of the Bankruptcy Code), or organization including, without limitation, corporations, limited partnerships, limited liability companies, general partnerships, joint ventures, joint stock companies, trusts, land trusts, business trusts, unincorporated organizations or associations, Official Committee, or ad hoc committee, or other organizations, irrespective of whether they are legal entities, governmental bodies (or any agency, instrumentality or political subdivision thereof), or any other form of legal entities; provided, however, the term "Person" does not include Governmental Units, except that a Governmental Unit that (a) acquires an asset from a Person (i) as a result of the operation of a loan guarantee agreement or (ii) as receiver or liquidating agent of a Person; (b) is a guarantor of a pension benefit payable by or on behalf of a Debtor or an Affiliate of a Debtor; or (c) is the legal or beneficial owner of an asset of (i) an employee pension benefit plan that is a governmental plan, as defined in section 414(d) of the Internal Revenue Code of 1986 or (ii) an eligible deferred compensation plan, as defined in section 457(b) of the Internal Revenue Code of 1986, shall be considered for purposes of section 1102 of the Bankruptcy Code to be a Person with respect to such asset or such benefit.

1.111 "Petition Date" means January 28, 2018, the date on which each Debtor Filed its petition for relief commencing the Chapter 11 Cases.

1.112 "Plan" means the Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd., as it may be altered, amended, modified or supplemented from time to time including in accordance with its terms, any Plan Supplement, the Bankruptcy Code or the Bankruptcy Rules.

1.113 "Plan Documents" means, collectively, those material documents executed or to be executed in order to consummate the transactions contemplated under the Plan, including without limitation the Plan Supplement, which shall be Filed with the Bankruptcy Court in advance of the Confirmation Hearing, which shall be in form and substance reasonably acceptable to the Purchaser.

1.114 "Plan Funding Payment" means an amount equal to twenty-one million five hundred thousand dollars ($21,500,000), subject to downward adjustment in an amount equal to the TruPS Returned Cash, which shall be funded by Purchaser to the Distribution Trust (subject to the payments and reserves provided for in Sections 6.1(b)(1) through (5) of the Plan on the Effective Date as provided in the SPA and as a condition to occurrence of the Effective Date.

1.115 "Plan Sponsorship Agreement" means that certain Plan Sponsorship Agreement among the Stalking Horse and the Debtors, dated as of January 28, 2018, and approved by order of the Bankruptcy Court entered on February 27, 2018, at Docket No. 115.

1.116 "Plan Supplement" means the supplement to the Plan to be Filed hereafter to supplement or clarify aspects of the Plan, and which shall include, among others: (a) the following documents, each of which shall be in form and substance acceptable to the Purchaser, (i) the Rejection Schedule, (ii) the New Corporate Governance Documents, (iii) the identity of any individual proposed to serve, after Confirmation of the Plan, as a director, officer, or voting trustee of the Reorganized Debtors, (iv) the identity of any insider that will be employed or

retained by the Reorganized Debtors and the nature of any compensation for such insider, and (v) a notice stating whether the New Equity will be issued by Reorganized SALIC or New Holdco; and (vi) the Stockholders Agreement; and (b) the Distribution Trust Agreement, which shall be in form and substance reasonably acceptable to the Debtors, the Committee and the Purchaser; and (c) the identity of the Distribution Trustee (who shall be a Person selected by the Committee that is reasonably acceptable to the Debtors and the Purchaser) and the material terms of the Distribution Trustee's proposed compensation if not already set forth in the Distribution Trust Agreement.

1.117 "Pre-Effective Date Indenture Trustee Fee Estimate" means any amounts reasonably estimated to be incurred after the Confirmation Date for the TruPS Indenture Trustees for Indenture Trustee Fees incurred prior to the Effecive Date but not paid to the relevant Indenture Trustees on the Effective Date.

1.118 "Post-Effective Date Indenture Trustee Fee Estimate" means any amounts reasonably estimated to be incurred after the Effective Date for TruPS Indenture Trustees for the SHST I Debentures, the SHST III Debentures and the SFLST I Debentures ("Post-Effective Date Indenture Trustee Fees").

1.119 "Priority Claims" means any and all Priority Tax Claims and Priority Non-Tax Claims.

1.120 "Priority Non-Tax Claim" means any and all Allowed Claims accorded priority in right of payment under section 507(a) of the Bankruptcy Code, other than a Priority Tax Claim.

1.121 "Priority Tax Claim" means any and all Claims of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

1.122 "Professional" means any professional employed in these Chapter 11 Cases pursuant to Bankruptcy Code sections 327, 328, or 1103, or for which compensation and reimbursement has been Allowed by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code.

1.123 "Professional Fee Claim" means a Claim of a Professional for compensation for services rendered or reimbursement of costs, expenses, or other charges incurred after the Petition Date and on or before the Effective Date.

1.124 "Professional Fee Reserve" means a professional fee reserve to be maintained by the Distribution Trust in an amount mutually agreed by the Debtors, the Committee, and the Purchaser, and estimated in good faith, after consultation with the relevant Professionals, to be necessary to pay in full all amounts then owing or that may later become owing to such Professionals for professional fees and expenses incurred through the Effective Date.

1.125 "Proof of Claim" means a proof of claim Filed with the Bankruptcy Court or its duly appointed claims agent in connection with the Chapter 11 Cases pursuant to section 501 of the Bankruptcy Code.

1.126 "Purchaser" means Hildene Re Holdings, LLC, and its permitted designees, successors and assigns.

1.127 "Recapitalization Funding Payment" means an amount equal to twelve million five hundred thousand dollars ($12,500,000), which shall be utilized by Reorganized SALIC to recapitalize the SALIC Group Companies after Closing, as such amount is reduced on a dollar-for-dollar basis by any Cure Amounts paid by the Debtors on behalf of the Purchaser in excess of $100,000 in accordance with Section 2.2(b) of the Stock Purchase Agreement.

1.128 "Reinstate," "Reinstated" or "Reinstatement" means with respect to Claims and Interests, that the Claim or Interest shall be rendered unimpaired in accordance with section 1124 of the Bankruptcy Code.

1.129 "Rejection Schedule" means that certain schedule annexed to the Plan Supplement and identifying any Executory Contract or Unexpired Lease to be rejected by the Reorganized Debtors effective as of the Effective Date, as well as the corresponding Cure Amount, if any.

1.130 "Rejection Claim Bar Date" means the date that is thirty (30) days after the Effective Date.

1.131 "Released Parties" means: (a) the Debtors; (b) the Reorganized Debtors; (c) the Official Committee (including the current and former Official Committee members in their capacities as such); (d) the Purchaser; (e) the Stalking Horse; (f) the Joint Liquidators; (g) SRGL; (h) the Voting Agent; and (i) for each of the foregoing, all of their respective Representatives; *provided*, *however*, that "Released Parties" specifically excludes the SRGL Equity Holders, and their respective Representatives, in their capacity as such.

1.132 "Reorganized Debtors" means Reorganized SALIC and Reorganized SHI, and for the avoidance of doubt, includes New Holdco.

1.133 "Reorganized SALIC" means SALIC as reorganized upon the Effective Date pursuant to the Plan.

1.134 "Reorganized SHI" means SHI as reorganized upon the Effective Date pursuant to the Plan.

1.135 "Representatives" means, with respect to an Entity, all of that Entity's current and former managed and controlled affiliates, subsidiaries, officers, directors, managers, managing members, principals, shareholders, members, partners, employees, agents, advisors, attorneys, professionals, accountants, investment bankers, consultants and other representatives and such persons' respective heirs, executors, estates, servants and nominees, in each case in their capacity as such.

1.136 "Restructuring Documents" has the meaning set forth in the Restructuring Implementation Agreement.

1.137 "Restructuring Implementation Agreement" means that certain Restructuring Implementation Agreement among the Debtors and SRGL, made January 28, 2018, and approved by the RIA Order, as such Restructuring Implementation Agreement may be amended from time to time and as confirmed by SRGL in accordance with section 6.1(c) of the Stock Purchase Agreement. A copy of the Restructuring Implementation Agreement is annexed to the Plan as **Exhibit C-1** and the evidence of such confirmation is annexed to the Plan as **Exhibit C-2**.

1.138 "Retained Causes of Action" shall have the meaning set forth in Section 6.5 of the Plan.

1.139 "RIA Order" means the *Order Authorizing Debtors To Assume Restructuring Implementation Agreement And Related Relief* entered by the Bankruptcy Court on March 19, 2018, at Docket No. 170 (as may be amended).

1.140 "SALIC" means Scottish Annuity & Life Insurance Company (Cayman) Ltd.

1.141 "SALIC Existing Equity Interests" means all issued and outstanding Ordinary Shares of SALIC existing prior to the Effective Date.

1.142 "SALIC General Unsecured Claim" means any Claim against SALIC that is not an Administrative Claim, Secured Claim, Priority Claim, Intercompany Claim, TruPS Claim, SFL Claim, SFL Note Claim, or Subordinated Claim.

1.143 "SALIC Group Companies" means SALIC, SHI, SRD, SRUS and SRLB.

1.144 "SALIC TruPS Claim" means, other than any Subordinated Claim, any and all TruPS Claims related to the TruPS Parent Guarantees, but does not include Indenture Trustee Fees.

1.145 "SALIC Claims" has the meaning as set forth in the Restructuring Implementation Agreement.

1.146 "Schedules" means the schedules of assets and liabilities, schedules of Executory Contracts and Unexpired Leases and statements of financial affairs Filed by the Debtors pursuant to section 521 of the Bankruptcy Code and in substantial accordance with the Official Bankruptcy Forms, as the same may have been amended, modified or supplemented from time to time.

1.147 "Scottish Re" means the Debtors collectively with their non-debtor affiliates.

1.148 "Secured Claim" means a Claim that is secured by a Lien which is not subject to avoidance under the Bankruptcy Code or otherwise invalid under the Bankruptcy Code or applicable state law, on property in which the Estate has an interest, or a Claim that is subject to setoff under section 553 of the Bankruptcy Code; to the extent of the value of the Holder's interest in the Estate's interest in such property or to the extent of the amount subject to setoff, as applicable; as determined by a Final Order pursuant to section 506(a) of the Bankruptcy Code, or in the case of setoff, pursuant to section 553 of the Bankruptcy Code, or in either case as

otherwise agreed upon in writing by the Debtors or the Reorganized Debtors and the Holder of such Claim. The amount of any Claim that exceeds the value of the Holder's interest in the Estate's interest in property or the amount subject to setoff shall be treated as an SHI General Unsecured Claim or SALIC General Unsecured Claim, as applicable.

1.149 "Security Depository or Custodian" means a securities depository or custodian or any nominee for such a securities depository or custodian, *e.g.*, Depository Trust Company and its nominee Cede & Co.

1.150 "SFL" means Scottish Financial (Luxembourg) S.á r.l.

1.151 "SFL Claims" any and all Claims and Causes of Action owned or held by SFL or the SFL Receiver on SFL's behalf against SALIC or SHI, including, but not limited, to the SFL Note Claim.

1.152 "SFL Note" means that certain Floating Rate Junior Subordinated Deferrable Interest Debenture of Scottish Re (Dublin) Limited, dated December 15, 2004, as amended, in the original principal amount of fifty-one million five hundred and forty-seven thousand dollars ($51,547,000) issued by SRD, as obligor, to SFL, as obligee, and subsequently assigned to, and assumed by, SALIC, as obligor, as such note may have been amended from time to time.

1.153 "SFL Note Claim" mean any and all Claims and Causes of Action against any of the Debtors arising out of or relating to the SFL Note, including, but not limited to, any amendment to the SFL Note or any payment made or not made on account of the SFL Note.

1.154 "SFL Note Claim Allowance Conditions" has the meaning ascribed to such term in Section 4.3(c)(ii)(B) of this Plan.

1.155 "SFL Receiver" means Max Mailliet, as insolvency receiver for SFL in its bankruptcy proceeding in Luxembourg or any successor thereto.

1.156 "SFL Shares" means the 47,046 shares of SFL, representing all of the issued and outstanding equity interest in SFL.

1.157 "SFLST I TruPS" has the meaning ascribed to such term in the definition of "TruPS".

1.158 "SFLST I TruPS Debentures" has the meaning ascribed to such term in the definition of "TruPS Debentures".

1.159 "Share Surrender Documents" has the meaning set forth in the Restructuring Implementation Agreement.

1.160 "SHI" means Scottish Holdings, Inc.

1.161 "SHI Existing Equity Interests" means all issued and outstanding common shares of SHI existing prior to the Effective Date.

1.162 "SHI General Unsecured Claim" means any Claim against SHI that is not an Administrative Claim, Secured Claim, Priority Claim, Intercompany Claim, TruPS Claim, SFL Claim, SFL Note Claim, or Subordinated Claim.

1.163 "SHI TruPS Claim" means, other than any Subordinated Claim, any and all TruPS Claims related to the SHST I TruPS, the SHST II TruPS, the GPIC TruPS, and the SHST III TruPS but does not include Indenture Trustee Fees.

1.164 "SHST I TruPS" has the meaning ascribed to such term in the definition of "TruPS"

1.165 "SHST I TruPS Debentures" has the meaning ascribed to such term in the definition of "TruPS Debentures".

1.166 "SHST II TruPS" has the meaning ascribed to such term in the definition of "TruPS".

1.167 "SHST II TruPS Debentures" has the meaning ascribed to such term in the definition of "TruPS Debentures".

1.168 "SHST III TruPS" has the meaning ascribed to such term in the definition of "TruPS".

1.169 "SHST III TruPS Debentures" has the meaning ascribed to such term in the definition of "TruPS Debentures".

1.170 "SLD" means Security Life of Denver Insurance Company, a claimant in these Chapter 11 Cases.

1.171 "Specified Restructuring Documents" has the meaning set forth in the Restructuring Implementation Agreement.

1.172 "SRD" means Scottish Re (Dublin) dac.

1.173 "SRGL" means Scottish Re Group Limited.

1.174 "SRGL Consent Rights" has the meaning set forth in the Restructuring Implementation Agreement.

1.175 "SRGL Equity Holders" means each person that (i) holds or at any time held any direct or indirect equity interest of any kind in SRGL, including without limitation Cerberus, MassMutual and their current and former affiliates and subsidiaries and assigns holding or having held a direct or indirect equity interest of any kind in SRGL, or (ii) at any time received directly or indirectly any Transfer (or proceeds thereof) from any Debtors pursuant to, or on account of any such direct or equity interest in SRGL, including without limitation any transferee of a kind reference in Section 550 of the Bankruptcy Code.

1.176 "SRGL Exclusively Held SALIC TruPS Claims" means all SALIC TruPS Claim arising from or relating to the SHST II TruPS or the GPIC TruPS, of which SRGL is the sole Beneficial Holder.

1.177 "SRGL Exclusively Held SHI TruPS Claims" means all SHI TruPS Claim arising from or relating to the SHST II TruPS or the GPIC TruPS, of which SRGL is the sole Beneficial Holder.

1.178 "SRGL Exclusively Held TruPS Claims" means all SRGL Exclusively Held SHI TruPS Claims and all SRGL Exclusively Held SALIC TruPS Claims.

1.179 "SRGL Revolving Credit Agreement" means that certain Revolving Credit Agreement, dated as of September 20, 2009, by and between SALIC, as lender, and SRGL, as borrower, as amended, novated, supplemented, extended, or restated from time to time.

1.180 "SRGL Revolver Facility" means the credit facility provided for under the SRGL Revolving Credit Agreement.

1.181 "SRGL Revolver Facility Documents" means the SRGL Revolving Credit Agreement, together with any related agreement, instrument, report or other document executed in connection therewith or otherwise evidencing Claims or other obligations arising thereunder, each as amended, novated, supplemented, extended, or restated from time to time.

1.182 "SRGL TruPS Claims" has the meaning set forth in the Restructuring Implementation Agreement.

1.183 "SRLB" means Scottish Re Life (Bermuda) Limited.

1.184 "SRUS" means Scottish Re (U.S.), Inc.

1.185 "Stalking Horse" means HSCM Bermuda Fund Ltd.

1.186 "Stock Purchase Agreement" means that certain Stock Purchase Agreement by and among SALIC, SHI and the Purchaser, dated as of June [ ], 2018, and Filed with the Bankruptcy Court on June [], 2018, at Docket No. [ ], as such Stock Purchase Agreement may be amended from time to time. A copy of the Stock Purchase Agreement is annexed to the Plan as **Exhibit B**.

1.1 "Stockholders Agreement" means the agreement among (x) Reorganized SALIC or New Holdco, on the one hand, and (y) each holder of New Equity, on the other hand, whether as of the Effective Date or subsequent thereto, to be set forth in the Plan Supplement.

1.2 "Subordinated Claims" means any Claims arising under section 510(b) of the Bankruptcy Code or other Claims that are subordinated to general unsecured claims under the Bankruptcy Code; *provided, however,* for the avoidance of doubt, that the SHI TruPS Claims, the SALIC TruPS Claims and the SFL Note Claim shall not be classified or treated as Subordinated Claims for purposes of the Plan.

1.3 "Transfer" means to sell, resell, reallocate, use, pledge, assign, transfer, hypothecate, participate, donate, or otherwise encumber or dispose of, directly or indirectly (including through derivatives, options, swaps, pledges, forward sales, or other transactions); provided, however, that holding Certificates in an account with a broker-dealer where the brokerdealer holds a security interest or other encumbrance over property in the account generally, which security interest or other encumbrance is released upon transfer of such securities, shall not constitute a "Transfer" under the Plan.

1.4 "TruPS" means:

(i) the undivided beneficial interests, having an aggregate liquidation amount of $17,500,000.00, in Scottish Holdings Statutory Trust I, a Connecticut statutory trust ("SHST I"), issued pursuant to that certain Amended and Restated Declaration of Trust, dated as of December 4, 2002, among State Street Bank and Trust Company of Connecticut, National Association, as institutional trustee, the administrators of the issuer named therein, SHI as the sponsor of the issuer, and the holders from time to time of undivided beneficial interests in the assets of the issuer (the "SHST I TruPS");

(ii) the undivided beneficial interests, having an aggregate liquidation amount of $20,000,000.00, in Scottish Holdings, Inc. Statutory Trust II, a Connecticut statutory trust ("SHST II"), issued pursuant to that certain Amended and Restated Declaration of Trust, dated as of October 29, 2003, among U.S. Bank National Association, as institutional trustee, the administrators of the issuer named therein, SHI as the sponsor of the issuer, and the holders from time to time of undivided beneficial interests in the assets of the issuer (the "SHST II TruPS");

(iii) the undivided preferred beneficial interests, having an aggregate liquidation amount of $10,000,000.00, in GPIC Holdings Inc. Statutory Trust, a Delaware statutory trust ("GPIC"), issued pursuant to that certain Amended and Restated Trust Agreement dated as of November 14, 2003, among JPMorgan Chase Bank as property trustee, Chase Manhattan Bank USA, National Association as Delaware trustee, the administrators of the issuer named therein, SHI as the sponsor of the issuer, and the holders from time to time of undivided beneficial interests in the assets of the issuer (the "GPIC TruPS");

(iv) the undivided beneficial interests, having an aggregate liquidation amount of $32,000,000.00, in Scottish Holdings, Inc. Statutory Trust III, a Connecticut statutory trust ("SHST III"), issued pursuant to that certain Amended and Restated Declaration of Trust, dated as of May 12, 2004, among U.S. Bank National Association, as institutional trustee, the administrators of the issuer named therein, SHI as the sponsor of the issuer, and the holders from time to time of undivided beneficial interests in the assets of the issuer (the "SHST III TruPS"); and

(v) the undivided beneficial interests, having an aggregate liquidation amount of $50,000,000.00, in SFL Statutory Trust I, a Delaware statutory trust ("SFLST I," and collectively with SHST I, SHST II, GPIC, and SHST III, the "TruPS Trusts"), issued pursuant to that certain Amended and Restated Declaration of Trust, dated as of December 15, 2004, among Wilmington Trust Company, as institutional trustee, the administrators of the issuer

named therein, SFL as the sponsor of the issuer, and the holders from time to time of undivided beneficial interests in the assets of the issuer (the "SFLST I TruPS").

1.5 "TruPS Claims" means Claims of any Person relating to or arising out of any TruPS, TruPS Junior Subordinated Debentures or TruPS Documents, including any Claims relating to or arising out of any TruPS Documents. For the avoidance of doubt, TruPS Claims shall include all of the Claims set forth in the preceding sentence that could be asserted by one or more of the several parties thereto without duplication. When referring to TruPS Claims arising out of a particular TruPS issuance, the words "TruPS Claims" will be preceded by the name of the applicable TruPS issuance (*e.g.*, "SHST I TruPS Claims").

1.6 "TruPS Claims Aggregate Amount" means (i) all Allowed SHI TruPS Claims, (ii) all Allowed SALIC TruPS Claims, and (iii) $63,536,014.32 on account of the SFL Note Claim.

1.7 "TruPS Claims Equity Distribution Amount" means (i) with respect to a Beneficial Holder of TruPS, the amount of the Offered New Equity to be distributed to a Beneficial Holder that elects to receive New Equity under Section 4.3 of the Plan, calculated based on such Beneficial Holder's Allocated Portion of the Allowed TruPS Claim in respect of which it is a Beneficial Holder divided by the TruPS Claims Aggregate Amount; and (ii) with respect to the Holder of the SFL Note Claim, for which the SFL Claims Allowance Conditions have been satisfied, the amount of the Offered New Equity to be distributed on account of the Allowed SFL Note Claim, if the Holder thereof elects to receive New Equity under Section 4.3 of the Plan, calculated based on the portion of the Allowed SFL Note Claim for which the New Equity Election has been made divided by the TruPS Claims Aggregate Amount.

1.8 "TruPS Debentures" means:

(i) with respect to the SHST I TruPS, that certain Floating Rate Junior Subordinated Deferrable Interest Debenture between Scottish Holdings, Inc., and State Street Bank and Trust Company of Connecticut, National Association, due 2032 (the "SHST I TruPS Debentures");

(ii) with respect to the SHST II TruPS, that certain Floating Rate Junior Subordinated Deferrable Interest Debenture between Scottish Holdings, Inc., and U.S. Bank National Association, due 2033 (the "SHST II TruPS Debentures");

(iii) with respect to the GPIC TruPS, that certain Floating Rate Junior Subordinated Note Due 2033 between Scottish Holdings, Inc., and JPMorgan Chase Bank (the "GPIC TruPS Debentures");

(iv) with respect to the SHST III TruPS, that certain Floating Rate Junior Subordinated Deferrable Interest Debenture between Scottish Holdings, Inc., and U.S. Bank National Association, due 2034 (the "SHST III TruPS Debentures"); and

(v) with respect to the SFLST I TruPS, that certain Floating Rate Junior Subordinated Deferrable Interest Debenture between Scottish Financial (Luxembourg) S.à r.l. and Wilmington Trust Company, due 2034 (the "SFLST I TruPS Debentures").

1.9 "TruPS Declarations" means:

(i) with respect to the SHST I TruPS, that certain Amended and Restated Declaration of Trust by and among State Street Bank and Trust Company of Connecticut, National Association, as Institutional Trustee, Scottish Holdings, Inc., as Sponsor, and Paul Goldean and Oscar R. Scofield, as Administrators, dated as of December 4, 2002 (the "SHST I Trust Declaration").

(ii) with respect to the SHST II TruPS, that certain Amended and Restated Declaration of Trust by and among U.S. Bank National Association, as Institutional Trustee, Scottish Holdings, Inc., as Sponsor, and Paul Goldean and Oscar R. Scofield, as Administrators, dated as of October 29, 2003 (the "SHST II Trust Declaration").

(iii) with respect to the GPIC TruPS, that certain Amended and Restated Declaration of Trust by and among Scottish Holdings, Inc., as Depositor, JPMorgan Chase Bank, as Property Trustee, Chase Manhattan Bank USA, National Association, as Delaware Trustee, and The Administrative Trustees Named [T]Herein, as Administrative Trustees, dated as of November 14, 2003 (the "GPIC Trust Declaration").

(iv) with respect to the SHST III TruPS, that certain Amended and Restated Declaration of Trust by and among U.S. Bank National Association, as Institutional Trustee, Scottish Holdings, Inc., as Sponsor, and Paul Goldean and Oscar R. Scofield, as Administrators, dated as of May 12, 2004 (the "SHST III Trust Declaration").

(v) with respect to the SFLST I TruPS, that certain Amended and Restated Declaration of Trust by and among Wilmington Trust Company, as Institutional Trustee, Wilmington Trust Company, as Delaware Trustee, Scottish Financial (Luxembourg) S.à r.l., as Sponsor, and Paul Goldean and George Scott, as Administrators, dated as of December 15, 2004 (the "SFLST Trust Declaration").

1.10 "TruPS Documents" means collectively all TruPS Indentures, all documents evidencing TruPS Debentures, all TruPS Declarations, all TruPS Sponsor Guarantees, all TruPS Parent Guarantees and all related and ancillary documents and instruments, each as altered, amended, modified or supplemented from time to time and including all exhibits and schedules thereto.

1.11 "TruPS/GUC Claims Aggregate Amount" means (i) all Allowed SHI TruPS Claims, (ii) all Allowed SALIC TruPS Claims, (iii) $63,536,014.32 on account of the SFL Note Claim. (iv) all Allowed SHI General Unsecured Claims, (v) all Allowed SALIC General Unsecured Claims, and (vi) the Disputed Claim Reserve Amount on account of all Disputed General Unsecured Claims.

1.12 "TruPS/GUC Claims Cash Distribution Amount" means the pro rata amount of the Available Plan Distribution Funding Amount to be distributed to a Beneficial Holder, Holder of the SFL Note Claim or Holder of a General Unsecured Claim, as applicable, calculated based on: (i) with respect to a Beneficial Holder of TruPS, such Beneficial Holder's Allocated Portion of the Allowed TruPS Claim in respect of which it is a Beneficial Holder, divided by the TruPS/GUC Claims Aggregate Amount; (ii) with respect to the Allowed SFL Note Claim, the

portion of such Holder's Allowed SFL Note Claim for which the Cash Election has been made (or deemed made), divided by the TruPS/GUC Claims Aggregate Amount; and (iii) with respect to an Allowed General Unsecured Claim, the Allowed amount of such General Unsecured Claim, divided by the TruPS/GUC Claims Aggregate Amount.

1.13 "TruPS Indentures" means:

(i) with respect to the SHST I TruPS, that certain Indenture for the Floating Rate Junior Subordinated Deferrable Interest Debentures, due 2032, between Scottish Holdings, Inc. as Issuer, and State Street Bank and Trust Company of Connecticut, National Association, as Trustee, dated as of December 4, 2002;

(ii) with respect to the SHST II TruPS, that certain Indenture for the Floating Rate Junior Subordinated Deferrable Interest Debentures, due 2033, between Scottish Holdings, Inc., as Issuer, and U.S. Bank National Association, as Trustee, dated as of October 29, 2003;

(iii) with respect to the GPIC TruPS, that certain Junior Subordinated Indenture, due 2033, between Scottish Holdings, Inc., as Issuer, and JPMorgan Chase Bank, as Trustee, dated as of November 14, 2003;

(iv) with respect to the SHST III TruPS, that certain Indenture for the Floating Rate Junior Subordinated Deferrable Interest Debentures, due 2034, between Scottish Holdings, Inc., as Issuer, and U.S. Bank National Association, as Trustee, dated as of May 12, 2004; and

(v) with respect to the SFLST I TruPS, that certain Indenture for the Floating Rate Junior Subordinated Deferrable Interest Debentures, due 2034, between Scottish Financial (Luxembourg) S.à r.l., as Issuer, and Wilmington Trust Company, as Trustee, dated as of December 15, 2004.

1.14 "TruPS Indenture Trustee" means an Entity serving as an indenture trustee under a TruPS Indenture during the period from the Petition Date through the Effective Date.

1.15 "TruPS Institutional Trustee" means an Entity serving as the trustee pursuant to a TruPS Declaration, a TruPS Parent Guarantee or a TruPS Sponsor Guarantee.

1.16 "TruPS Parent Guarantees" means:

(i) with respect to the SHST I TruPS, that certain Parent Guarantee Agreement by and between Scottish Annuity & Life Insurance Company (Cayman) Ltd. and State Street Bank and Trust Company of Connecticut, National Association, dated as of December 4, 2002;

(ii) with respect to the SHST II TruPS, that certain Parent Guarantee Agreement by and between Scottish Annuity & Life Insurance Company (Cayman) Ltd. and U.S. Bank National Association, dated as of October 29, 2003;

(iii) with respect to the GPIC TruPS, that certain Parent Guarantee Agreement

by and between Scottish Annuity & Life Insurance Company (Cayman) Ltd. and JPMorgan Chase Bank, dated as of November 14, 2003;

(iv) with respect to the SHST III TruPS, that certain Parent Guarantee Agreement by and between Scottish Annuity & Life Insurance Company (Cayman) Ltd. and U.S. Bank National Association, dated as of May 12, 2004; and

(v) with respect to the SFLST I TruPS, that certain Parent Guarantee Agreement by and between Scottish Annuity & Life Insurance Company (Cayman) Ltd. and Wilmington Trust Company, dated as of December 15, 2004.

1.17 "TruPS Returned Cash" means the amount of the Available Plan Distribution Funding Amount that is not required to be funded by the Purchaser on account of the Beneficial Holders of TruPS that make the New Equity Election, calculated based on the aggregate Beneficial Holders who made, or are deemed to make, the New Equity Election, divided by the TruPS/GUC Claims Aggregate Amount.

1.18 "TruPS Shares" means the Offered New Equity. Any reference to the TruPS Shares in the Stock Purchase Agreement shall mean the Offered New Equity.

1.19 "TruPS Sponsor Guarantees" means:

(i) with respect to the SHST I TruPS, that certain Guarantee Agreement by and between Scottish Holdings, Inc., and State Street Bank and Trust Company of Connecticut, National Association, dated as of December 4, 2002;

(ii) with respect to the SHST II TruPS, that certain Guarantee Agreement by and between Scottish Holdings, Inc., and U.S. Bank National Association, dated as of October 29, 2003;

(iii) with respect to the GPIC TruPS, that certain Guarantee Agreement by and between Scottish Holdings, Inc., and JPMorgan Chase Bank, dated as of November 14, 2003;

(iv) with respect to SHST III TruPS, that certain Guarantee Agreement by and between Scottish Holdings, Inc., and U.S. Bank National Association, dated as of May 12, 2004; and

(v) with respect to the SFLST I TruPS, that certain Guarantee Agreement by and between Scottish Financial (Luxembourg) S.à r.l and Wilmington Trust Company, dated as of December 15, 2004.

1.20 "Trust Administration Reserve" means a reserve to be maintained by the Distribution Trust in an amount, mutually agreed by the Debtors, the Committee, and the Purchaser, estimated in good faith to be necessary to cover the costs of administration of the Distribution Trust, as further defined in Section 6.3(f)(iii) of the Plan.

1.21 "Unexpired Lease" means a lease of non-residential real property to which any Debtor is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

1.22 "Unimpaired" means, when used with reference to a Claim or Interest, a Claim or Interest that is not impaired within the meaning of section 1124 of the Bankruptcy Code.

1.23 "Unimpaired Class" means a Class of Claims that are not impaired within the meaning of section 1124 of the Bankruptcy Code.

1.24 "U.S. Bank" means U.S. Bank National Association, as trustee.

1.25 "U.S. Trustee" means the Office of the United States Trustee for the District of Delaware.

1.26 "Voting Agent" means Prime Clerk, LLC, the Entity the Bankruptcy Court has authorized to serve as the "Voting Agent" pursuant to the Disclosure Statement Order.

1.27 "Voting Deadline" means [August 13], 2018 at 4:00 p.m. (Eastern Time), which date and time has been established by the Bankruptcy Court pursuant to the Disclosure Statement Order as the deadline by which all Ballots to accept or reject the Plan must be received in order to be counted for purposes of section 1126 of the Bankruptcy Code.

1.28 "WTC" means Wilmington Trust Company, as trustee.

Exhibit B

Stock Purchase Agreement

[Intentionally Omitted]

Exhibit C

Restructuring Implementation Agreement

[Intentionally Omitted]

EXHIBIT C

Revised Proposed Disclosure Statement Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
SCOTTISH HOLDINGS, INC., *et al.*,	Case No. 18-10160 (LSS)
Debtors.[1]	Jointly Administered
	Re: D.I. 242, ___ & ____

ORDER: (I) APPROVING DISCLOSURE STATEMENT; (II) SCHEDULING CONFIRMATION HEARING AND RELATED DEADLINES; (III) ESTABLISHING PROCEDURES FOR SOLICITATION, TEMPORARY ALLOWANCE OF CLAIMS AND VOTE TABULATION; (IV) APPROVING FORMS OF BALLOTS; (V) APPROVING FORM, MANNER AND SUFFICIENCY OF NOTICE OF CONFIRMATION HEARING AND RELATED DEADLINES; AND (VI) GRANTING RELATED RELIEF

Upon the motion, dated May 4, 2018 (D.I. 242) (the "Original Motion"),[2] of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd., debtors and debtors in possession (together, the "Debtors"), as such Original Motion was supplemented and modified by the Debtors' filing made on June 15, 2018 (D.I. __) (as supplemented and modified, the "Motion"), for (i) approval of the *Disclosure Statement for First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.*, filed on June 15, 2018 (D.I. ___) (as may be further amended, modified or supplemented from time to time and together with all exhibits and schedules thereto, the "Disclosure Statement"), (ii) the scheduling of a hearing (the "Confirmation Hearing") for confirmation of the *First Amended Joint Chapter 11 Plan of*

[1] The Debtors, along with the last four digits of their federal tax identification numbers, are as follows: Scottish Holdings, Inc. (4408) and Scottish Annuity & Life Insurance Company (Cayman) Ltd. (3285). The Debtors' mailing address for purposes of these Chapter 11 Cases is 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277.

[2] Capitalized terms not otherwise defined herein have the meanings ascribed to such terms in the Original Motion.

Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd., filed on [June 15, 2018] (D.I. ___) (as may be further amended, modified or supplemented from time to time and together with all exhibits, schedules and supplements thereto, the "Plan") and related deadlines; (iii) the establishment of procedures for (a) the solicitation of votes on the Plan (the "Solicitation Procedures"), (b) the temporary allowance of claims for voting purposes (the "Temporary Allowance Procedures") and (c) the tabulation of votes (the "Vote Tabulation Procedures"), (iv) approval of the forms of ballots (the "Ballots"), (v) approval of the form, manner and sufficiency of notice (the "Notice Procedures") of the Confirmation Hearing and all related deadlines, and (vi) granting related relief; and the statutory predicates for the relief requested in the Motion including sections 105, 502, 1125, 1126, and 1128 of title 11 of the United States Code (as amended, the "Bankruptcy Code"), as supplemented by Rules 2002, 3017, 3018, 3020, and 9006 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rules 2002-1, 3017-1, and 9006-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), all as more fully set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated February 29, 2012; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409*;* and due and proper notice of the Motion having been provided to the parties listed therein, and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion; and the Court having held a hearing on the Motion on June 28, 2018, at 10:00 a.m. prevailing Eastern Time

(the "Hearing"); and all objections to the Motion having been withdrawn, resolved or overruled as set forth in this Order or on the transcript of the Hearing if not set forth herein; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interests of the Debtors and their estates and creditors; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

IT IS FOUND AND DETERMINED THAT:

A. *Notice of the Disclosure Statement Hearing and Disclosure Statement Objection Deadline.* The procedures proposed in the Motion providing notice to all parties of the time, date, and place of the hearing to consider approval of the Disclosure Statement and the deadline for filing objections to the Disclosure Statement, provide due, proper, and adequate notice, comport with due process and comply with Bankruptcy Rules 2002 and 3017 and Local Rules 2002-1, 3017-1, and 9006-1. No further notice is required.

B. *The Disclosure Statement.* The Disclosure Statement contains adequate information within the meaning of section 1125 of the Bankruptcy Code. No further information is necessary.

C. *Solicitation Procedures, Temporary Allowance Procedures and Vote Tabulation Procedures.* The Solicitation Procedures, the Temporary Allowance Procedures and the Vote Tabulation Procedures as set forth in the Motion and this Order provide for a fair and equitable voting process and are consistent with section 1126 of the Bankruptcy Code.

D. *Ballots.* The ballots, substantially in the forms attached hereto as **Exhibits 1(a)** through **1(i)** (collectively, the "Ballots"), including all voting instructions provided therein, are consistent with Official Bankruptcy Form No. B 314, address the particular needs of these

Chapter 11 Cases, and provide adequate information and instructions for each individual entitled to vote to accept or reject the Plan. No further information or instructions are necessary.

E. *Parties Entitled to Vote.* Pursuant to the Plan, holders of Claims in Class 4 (SHI TruPS Claims), Class 5 (SHI General Unsecured Claims), Class 6 (SALIC TruPS Claims & SFL Note Claim) and Class 7 (SALIC General Unsecured Claims) are impaired and are entitled to receive distributions under the Plan. Accordingly, holders of Allowed Claims in such classes are entitled to vote on account of such Claims.

F. *Parties Not Entitled to Vote.* Pursuant to the Plan, holders of Claims in Class 1 (Secured Claims), Class 2 (Priority Non-Tax Claims), and Class 10 (SALIC Existing Equity Interests) are unimpaired and, accordingly, pursuant to section 1126(f) of the Bankruptcy Code, are conclusively presumed to accept the Plan and are not entitled to vote on account of such Claims. Holders of Claims in Class 3 (Intercompany Claims) and Class 8 (Subordinated Claims) are not entitled to receive a distribution under the Plan on account of their Claims and, therefore, are deemed to reject pursuant to section 1126(g) of the Bankruptcy Code and are not entitled to vote on account of such Claims. In addition, holders of Interests in Class 9 (SHI Existing Equity Interests) are deemed to reject and are not entitled to vote on account of such Interests.

G. *Notices of Non-Voting Status.* The Notices of Non-Voting Status, substantially in the forms attached hereto as **Exhibit 3-1** and **Exhibit 3-2**, comply with the Bankruptcy Code, applicable Bankruptcy Rules, and applicable Local Rules and, together with the Confirmation Hearing Notice, substantially in the form attached hereto as **Exhibit 2**, provides adequate notice to Non-Voting Creditors and Interest Holders of their non-voting status. No further notice is necessary.

H. *Solicitation.* The proposed distribution and contents of the Solicitation Packages comply with Bankruptcy Rules 2002 and 3017 and Local Rule 9006-1 and constitute sufficient notice to all interested parties of the Voting Record Date, Voting Deadline, Confirmation Objection Deadline, Confirmation Hearing, and other related matters.

I. The period proposed by the Debtors in the Motion during which the Debtors may solicit votes to accept or reject the Plan is a reasonable and sufficient period of time for the Voting Classes to make informed decisions regarding whether to accept or reject the Plan and timely return Ballots evidencing such decision.

J. *Notice of Confirmation Hearing and Confirmation Objection Deadline.* The procedures set forth in the Motion regarding notice to all parties of the time, date, and place of the hearing to consider confirmation of the Proposed Plan (the "Confirmation Hearing") and for filing objections or responses to the Plan, provide due, proper, and adequate notice, comport with due process, and comply with Bankruptcy Rules 2002 and 3017 and Local Rule 9006-1. No further notice is required.

K. All other notices to be provided pursuant to the procedures set forth in the Motion are good and sufficient notice to all parties in interest of all matters pertinent hereto and of all matters pertinent to the Confirmation Hearing. No further notice is required.

L. The legal and factual bases set forth in the Motion establish just and sufficient cause to grant the relief requested therein.

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. The Motion is GRANTED as set forth herein.

2. *Disclosure Statement.* The Disclosure Statement contains adequate information in accordance with section 1125 of the Bankruptcy Code and is APPROVED.

3. All objections, if any, to the Disclosure Statement that have not been withdrawn or resolved are overruled.

4. *Temporary Allowance for Voting Purposes.* Solely for purposes of voting to accept or reject the Plan and not for the purpose of the allowance of, or distribution on account of, a Claim (except as otherwise provided in the Plan, subject to the occurrence of the Effective Date), and without prejudice to the rights of the Debtors, Reorganized Debtors or Distribution Trustee in any other context (except as otherwise provided in the Plan, subject to the occurrence of the Effective Date), each Claim within the Voting Classes is temporarily Allowed in an amount equal to the amount of such Claim as set forth in the Schedules or the Debtors' records, as applicable, ***except as follows***:

(a) As contemplated by the Restructuring Implementation Agreement and RIA Order, for voting purposes, on account of SRGL's holdings of SHST II TruPS and related Claims, SRGL shall have (i) an allowed Class 4 Claim (SHI TruPS Claims) in the amount of $26,147,239.88, and (ii) an allowed Class 6 Claim (SALIC TruPS Claims) in the amount of $26,147,239.88 (such Claims, the "SRGL-SHST II TruPS Claims"). The SRGL-SHST II TruPS Claims are allowed to SRGL for voting purposes in lieu of any other Claims of any person or entity arising out of or relating to the SHST II TruPS transaction or related CDO transaction, including any Claim scheduled for or filed by any Indenture Trustee, any Institutional Trustee, any Record Holder (as defined below), any other purported beneficial holder, any CDO Trustee or any CDO note holder;

(b) As contemplated by the Restructuring Implementation Agreement and RIA Order, for voting purposes, on account of SRGL's holdings of GPIC TruPS and related Claims, SRGL shall have (i) an allowed Class 4 Claim (SHI TruPS Claims) in the amount of $12,873,506.29, and (ii) an allowed Class 6 Claim (SALIC TruPS Claims) in the amount of $12,873,506.29 (such Claims, the "SRGL-GPIC TruPS Claims"). The SRGL-GPIC TruPS Claims are allowed to SRGL for voting purposes in lieu of any other Claims of any person or entity arising out of or relating to the GPIC TruPS transaction or any related CDO transaction, including any Claim scheduled for or filed by any Indenture Trustee, any Institutional Trustee, any Record Holder, any other purported beneficial holder, any CDO Trustee or any CDO note holder;

(c) U.S. Bank, as Indenture Trustee for the SHST I TruPS Debentures, for voting purposes, shall have (i) an allowed Class 4 Claim (SHI TruPS Claims) in the amount of $22,847,863.87 and (ii) an allowed Class 6 Claim (SALIC TruPS Claims) in the amount of $22,847,863.87 such Claims, the "SHST I TruPS Claims"). The SHST I TruPS Claims are allowed for voting purposes to U.S. Bank in its capacity as Indenture

Trustee for the SHST I TruPS in lieu of any other Claims of any person or entity arising out of or relating to the SHST I TruPS transactions, including any Claim scheduled for or filed by any Record Holder, any purported beneficial holder, any CDO Trustee or any CDO note holder;

(d) U.S. Bank, as Indenture Trustee for the SHST III TruPS, for voting purposes, shall have (i) an allowed Class 4 Claim (SHI TruPS Claims) in the amount of $41,300,979.84, and (ii) an allowed Class 6 Claim (SALIC TruPS Claims) in the amount of $41,300,979.84 (such Claims, the "SHST III TruPS Claims"). The SHST III TruPS Claims are allowed for voting purposes to U.S. Bank in its capacity as Institutional Trustee for the SHST III TruPS in lieu of any other Claims of any person or entity arising out of or relating to the SHST III TruPS transactions, including any Claim scheduled for or filed by any Record Holder, any purported beneficial holder, any CDO Trustee or any CDO note holder;

(e) Wilmington Trust Corporation ("WTC"), as Indenture Trustee for the SFLST I TruPS, for voting purposes, shall have an allowed Class 6 Claim (SALIC TruPS Claims) in the amount of $63,536,041.32 (such Claims, the "SFLST I TruPS Claims"). The SFLST I TruPS Claims are allowed for voting purposes to WTC in its capacity as Indenture Trustee for the SFLST I TruPS in lieu of any other Claims of any person or entity arising out of or relating to the SFLST I TruPS transactions, including any Claim scheduled for or filed by any Record Holder, any purported beneficial holder, any CDO Trustee or any CDO note holder;

(f) if a proof of claim is timely filed in an amount that is liquidated, noncontingent, and undisputed, such claim is temporarily allowed in the amount set forth on the proof of claim, unless such Claim is disputed as set forth in subparagraph (k) below;

(g) if a Claim for which a proof of claim is timely filed is wholly contingent, unliquidated, or disputed, such Claim is accorded one vote and valued at one dollar ($1.00) for voting purposes only, and not for purposes of allowance or distribution, unless such Claim is disputed as set forth in subparagraph (k) below;

(h) if a Claim is listed in the Schedules or on a timely filed proof of claim as partially contingent, unliquidated, or disputed, such Claim is temporarily allowed in the amount that is liquidated, non-contingent, and undisputed for voting purposes only, and not for purposes of allowance or distribution, unless such Claim is disputed as set forth in subparagraph (k) below;

(i) if a Claim is estimated or otherwise allowed for voting purposes by order of the Court, such Claim is temporarily allowed in the amount so estimated or allowed by the Court for voting purposes only, and not for purposes of allowance or distribution, or as otherwise provided in such order;

(j) if a Claim is listed in the Schedules as contingent, unliquidated, or disputed or in a zero or an unknown amount, and a proof of claim is not (i) filed by the

applicable Bar Date or (ii) deemed timely filed by an order of the Court prior to the Voting Deadline, such Claim shall be disallowed for voting purposes; and

(k) if the Debtors or a party in interest have filed an objection or request for estimation of a Claim on or before **August 1, 2018 at 4:00 p.m. (prevailing Eastern Time)** (the "Deadline to Object to Claims for Voting Purposes"), such Claim is temporarily disallowed except as agreed to by the parties or ordered by the Court at or prior to the Voting Deadline; *provided, however,* that if such objection seeks to reclassify or reduce the allowed amount of such Claim then such Claim is temporarily allowed for voting purposes in the reduced amount and/or as reclassified, except as agreed to by the parties or ordered by the Court at or prior to the Voting Deadline.

5. *Rule 3018(a) Motions and Deadline for Filing.* If any creditor seeks to challenge the allowance or disallowance of its claim for voting purposes, the creditor must file with the Court a motion for an order pursuant to Bankruptcy Rule 3018(a) temporarily allowing such claim for voting purposes in a different amount (each, a "Rule 3018(a) Motion"). Upon the filing of any such motion, the creditor's Ballot shall be counted in accordance with the above-designated guidelines unless temporarily allowed in a different amount by an order of the Court entered at or prior to the Voting Deadline. All Rule 3018(a) Motions must be filed with the Court and served so as to be actually received by the Notice Parties by no later than **August 10, 2018 at 4:00 p.m. (prevailing Eastern Time)** (the "Rule 3018(a) Motion Deadline").

6. Nothing in this Order shall affect or limit any party's rights to object to any proof of claim or Rule 3018 Motion.

7. Each creditor that votes to accept or reject the Plan is deemed to have voted the full amount of its Claim therefor

8. *The Voting Record Date.* The Voting Record Date shall be set as **June 28, 2018**. Only holders of Claims as of the Voting Record Date shall be entitled to vote to accept or reject the Plan.

9. The record holders of Claims and Interests shall be determined, as of the Voting Record Date, based upon the records of the Debtors and the Clerk of the Bankruptcy

Court. Any documentation evidencing a transfer of a claim pursuant to Bankruptcy Rule 3001 not received and docketed by the Court prior to the Voting Record Date shall not be recognized for purposes of voting or receipt of the Plan confirmation materials.

10. With respect to transfers of Claims filed pursuant to Bankruptcy Rule 3001(e), the transferee shall be entitled to receive a Solicitation Package and, if the holder of such Claim is entitled to vote with respect to the Plan, cast a Ballot on account of such Claim only if: (a) all actions necessary to transfer such Claim are completed by the Voting Record Date or (b) the transferee files by the Voting Record Date (i) all documentation required by Bankruptcy Rule 3001(e) to evidence the transfer and (ii) a sworn statement of the transferor supporting the validity of the transfer. In the event a Claim is transferred after the Voting Record Date, the transferee of such Claim shall be bound by any vote on the Plan made by the holder of such Claim as of the Voting Record Date.

11. *Solicitation Packages.* The Solicitation Packages are APPROVED.

12. The Solicitation Package shall be distributed by first-class mail directly to each member of the Voting Classes (or their authorized agent(s) as more fully described herein), and shall be mailed on or before the earlier of (x) two (2) Business Days following entry of the Disclosure Statement Order and (y) July 3, 2018 (the "Solicitation Date").

13. The Debtors shall not be required to send Solicitation Packages to creditors that have Claims that have already been paid in full; *provided, however,* that if any such creditor would be entitled to receive a Solicitation Package for any other reason, then the Debtors shall send such creditor a Solicitation Package in accordance with the procedures set forth herein.

14. Any creditor may request an additional copy of the Disclosure Statement (and attachments) by telephone or by written request. Upon receipt of a telephonic or written request, the Debtors will provide such creditor with a paper copy of the Plan and the Disclosure Statement at no cost to the creditor within five (5) days thereafter.

15. *Confirmation Hearing Notice.* The Confirmation Hearing Notice, substantially in the form attached hereto as **Exhibit 2**, is approved.

16. *Notices of Non-Voting Status.* The Notices of Non-Voting Status, substantially in the forms attached hereto as **Exhibit 3-1** and **Exhibit 3-2,** are approved.

17. *Voting Solicitation Packages.* The Voting Solicitation Packages are approved and shall contain the following materials:

(a) the Confirmation Hearing Notice;

(b) the Disclosure Statement, which will include the Plan (attached as Exhibit A to the Disclosure Statement);

(c) a statement from the Committee, in form and substance reasonably acceptable to the Debtors and the Purchaser, conveying the Committee's recommendation to creditors with respect to voting to accept or reject the Plan (solely to the extent the Committee determines, in its sole discretion, to include such a statement);

(d) this Disclosure Statement Order (excluding any exhibits thereto); and

(e) an Individual Ballot or Master Ballot, as applicable, conforming to Official Form No. 314, in the applicable form attached hereto as **Exhibit 1(a)** through **1(i)**, and a postage- prepaid return envelope.

18. *Non-Voting Packages.* The Non-Voting Packages are approved, shall be distributed to each member of the Non-Voting Classes and shall contain the following materials:

(a) a Notice of Non-Voting Status, in substantially the form as attached hereto as **Exhibit 3-1** or **Exhibit 3-2**; and

(b) the Confirmation Hearing Notice.

19. *Notice Packages.* The Notice Packages are approved.

20. The Debtors shall distribute the Notice Packages to: (i) the U.S. Trustee, (ii) counsel to the Committee; (iii) the U.S. Attorney's Office for the District of Delaware, (iv) the IRS, (v) the SEC, (vi) the Delaware DOI, (vii) the CIMA, (viii) the CBI, (ix) the BMA, (x) those parties requesting notice pursuant to Bankruptcy Rule 2002, and (xi) all parties to executory contracts and unexpired leases that have not been assumed or rejected prior to entry of the proposed Disclosure Statement Order and who are not already receiving the Solicitation Packages.

21. The Notice Package shall contain the following materials:

(a) the Confirmation Hearing Notice; and

(b) the Disclosure Statement, which will include the Plan (attached as Exhibit A to the Disclosure Statement); and

(c) this Disclosure Statement Order (excluding any exhibits thereto).

22. Debtors are authorized to distribute the Plan, the Disclosure Statement, and the Disclosure Statement Order (without exhibits) to holders of Claims entitled to vote on the Plan in electronic format (flash drive or CD-ROM). The Ballots and the Confirmation Hearing Notice will be provided in paper format.

23. *Special Transmittal Procedures with Respect to Holders of TruPS Claims in Classes 4 (SHI TruPS Claims) and 6 (SALIC TruPS Claims).* The transmittal procedures set forth in Paragraphs 23 through 31 of this Order apply to holders of TruPS Claims in Class 4 (SHI TruPS Claims) and Class 6 (SALIC TruPS Claims), other than SRGL with respect to its SHI TruPS Claims and SALIC TruPS Claims on account of its holdings of SHST II TruPS and GPIC TruPS (together, the "SRGL Exclusively Held TruPS"). Transmittal procedures for SRGL's Class 4 (SHI TruPS Claims) and Class 6 (SALIC TruPS Claims) on account of its holdings of

the SRGL Exclusively Held TruPS are addressed in Paragraph 32 of this Order.

24. Solicitation Packages shall be transmitted to Beneficial Owners (as defined below) with respect to voting in Classes 4 (SHI TruPS Claims) and 6 (SALIC TruPS Claims) by mailing or causing to be mailed such materials by the Solicitation Date to (a) the respective ultimate economic stakeholders of interests in the TruPS (the "Beneficial Owners") and (b) the Master Ballot Agents. For the avoidance of doubt, the Solicitation Packages shall not be transmitted to the TruPS Indenture Trustees.

25. To facilitate the mailing of Ballots and notices, (a) Cede & Co. (as nominee for the Depository Trust Company), (b) Hare & Co. (as nominee for Bank of New York), (c) Embassy & Co. (as nominee for U.S. Bank), (d) Citigroup Global Markets Inc., and (e) any other entities holding records of the identities of the Master Ballot Agents (collectively, the "Record Holders") shall do the following: (y) provide the Voting Agent (as defined below) with electronic files containing the names, addresses, and holdings of the respective ultimate economic stakeholders of interests in the TruPS (the "Beneficial Owners") and/or Master Ballot Agents as of a date not earlier than ten (10) Business Days prior to the Voting Record Date (such files, the "Preliminary Holders Reports"), with such Preliminary Holders Reports to be provided to the Voting Agent by the first (1st) Business Day after the Voting Record Date; and (z) provide the Voting Agent with electronic files containing the names, addresses, and holdings of the respective Beneficial Owners and/or Master Ballot Agents as of the Voting Record Date (such files, the "Final Holders Reports"), within seven (7) Business Days after the Voting Record Date. If the Record Holders are unable to provide an electronic file, the Record Holders shall provide two sets of mailing labels and a list containing the same information. The Debtors shall serve a copy of the Disclosure Statement Order on each Master Ballot Agent identified for the Debtors

and each of the Record Holders, initially on the basis of the information contained in the Preliminary Holders Reports, with such service to be supplemented, as necessary, based on the new or conflicting information contained in the Final Holders Reports.

26. Upon receipt of the identities of the Master Ballot Agents from the Record Holders, the Voting Agent will (i) contact each Master Ballot Agent to determine the number of Voting Solicitation Packages needed by the Master Ballot Agent for distribution to the Beneficial Owners for whom the Master Ballot Agent acts as agent and (ii) deliver to each Master Ballot Agent a Master Ballot and the requisite number of Voting Solicitation Packages.

27. The Master Ballot Agents shall distribute Voting Solicitation Packages and notices to the Beneficial Owners for whom they act as agent within seven (7) calendar days of receiving the Voting Solicitation Packages.

28. The Master Ballot Agents are authorized to obtain the votes of the Beneficial Owners as follows: First, the Master Ballot Agents shall forward the Voting Solicitation Packages to the Beneficial Owners for voting, which Voting Solicitation Package shall include an Individual Ballot, substantially in the form attached hereto as **Exhibit 1(c)** or **Exhibit 1(d)**, as applicable, and a return envelope provided by, and addressed to, the Master Ballot Agent. Upon receipt of the completed Individual Ballots, the Master Ballot Agents shall summarize, on a Master Ballot, in substantially the form attached hereto as **Exhibit 1(e)** or **Exhibit 1(f)**, as applicable, the individual votes of the Beneficial Owners for whom each acts as agent. The Master Ballot Agents shall then date and return the Master Ballots to the Voting Agent prior to the Voting Deadline.

29. Alternatively, the Master Ballot Agents may provide the Voting Agent with an electronic list of the Beneficial Owners for whom they provide services (along with

mailing information). Upon receipt of such list(s), the Voting Agent will distribute the applicable Solicitation Packages to the Beneficial Owners directly within seven (7) calendar days of receiving such list(s) from the applicable Master Ballot Agents. In this case, the Beneficial Owners shall be directed to return their Individual Ballot directly to the Voting Agent.

30. The Debtors shall reimburse the Master Ballot Agents for their reasonable, actual, and necessary out-of-pocket expenses incurred in performing the tasks described above upon written request by such entities without further order or notice, with all disputes regarding such requests for reimbursements remaining subject to the Court's jurisdiction. All such requests for reimbursement must be received by the Debtors by the first business day that is thirty (30) business days after the Confirmation Hearing.

31. The Debtors shall serve a copy of the Disclosure Statement Order on the TruPS Indenture Trustees, the CDO Trustees, each Master Ballot Agent identified by the Debtors and the Record Holders, in accordance with the procedures set forth in this Order.

32. *Special Transmittal Procedures with Respect to SRGL's Class 4 Claims (SHI TruPS Claims) and Class 6 Claims (SALIC TruPS Claims) on account of SRGL's holdings of SRGL Exclusively Held TruPS.* The Debtors shall distribute Voting Solicitation Packages by first-class mail directly to SRGL via the Joint Liquidators, which shall be mailed by the Solicitation Date. The Voting Solicitation Packages shall include Ballots, substantially in the form attached hereto as **Exhibit 1(g)** and **Exhibit 1(h)**, accompanied by pre-addressed, postage prepaid return envelopes addressed to the Voting Agent.

33. *Ballots.* The Ballots in substantially the forms attached hereto as **Exhibits 1(a)** through **1(i)** are APPROVED.

34. The Voting Deadline is set as **August 13, 2018 at 4:00 p.m. (prevailing Eastern Time)**.

35. All Ballots must be properly executed, completed, and delivered to the Voting Agent by (i) first-class mail, in the return envelope provided with each Ballot, (ii) overnight courier, or (iii) hand delivery, so that they are *actually received* by the Voting Agent no later than the Voting Deadline (unless a Master Ballot Agent provides the Voting Agent with a list of its Beneficial Owners to be solicited directly by the Voting Agent).

36. As part of the Voting Solicitation Packages:

(a) The Debtors shall send a Ballot, substantially in the form attached hereto as **Exhibit 1(a)**, to holders of SHI General Unsecured Claims in Class 5.

(b) The Debtors shall send a Ballot, substantially in the form attached hereto **Exhibit 1(b)**, to holders of SALIC General Unsecured Claims in Class 7.

(c) The Debtors shall send a Ballot, substantially in the form attached hereto **Exhibit 1(c)**, to holders of SHI TruPS Claims in Class 4 (or their authorized agents in accordance with the procedures set forth in this Order).

(d) The Debtors shall send a Ballot, substantially in the form attached hereto **Exhibit 1(d),** to holders of SALIC TruPS Claims in Class 6 (or their authorized agents in accordance with the procedures set forth in this Order).

(e) The Debtors shall send a Ballot, substantially in the form attached hereto as **Exhibit 1(e)**, to the Master Ballot Agent for the holders of SHI TruPS Claims in Class 4.

(f) The Debtors shall send a Ballot, substantially in the form attached hereto as **Exhibit 1(f)**, to the Master Ballot Agent for the holders of SALIC TruPS Claims in Class 6.

(g) The Debtors shall send a Ballot, substantially in the form attached hereto as **Exhibit 1(g)**, to SRGL as the holder of SHI TruPS Claims in Class 4 on account of the SRGL Exclusively Held TruPS.

(h) The Debtors shall send a Ballot, substantially in the form attached hereto as **Exhibit 1(h)**, to SRGL as the holder of SALIC TruPS Claims in Class 6 on account of the SRGL Exclusively Held TruPS.

(i) The Debtors shall send a Ballot, substantially in the form attached hereto as **Exhibit 1(i)**, to the holder of the SFL Note Claim.

37. All Ballots distributed to holders of claims in Classes 5 and 7 shall be accompanied by pre-addressed, postage prepaid return envelopes addressed to the Solicitation Agent. Individual Ballots to be distributed by Master Ballot Agents shall be accompanied by pre-addressed, postage prepaid return envelopes addressed to the Master Ballot Agent.

38. *Tabulation Procedures.* The Vote Tabulation Procedures set forth herein and in the Motion are APPROVED.

39. The following Vote Tabulation Procedures shall apply:

(a) The following Ballots shall not be counted:

(i) Any Ballot that is received after the Voting Deadline (unless the Debtors grant an extension of the Voting Deadline with respect to the holder who casts the Ballot or agree to waive the timeliness requirement);

(ii) Any Ballot that is illegible or contains insufficient information to permit the identification of the holder who cast the Ballot;

(iii) Any Ballot cast by an entity that does not hold a Claim in the Voting Classes;

(iv) Any unsigned Ballot or any Ballot lacking an original signature; *provided, however*, that any Ballot submitted via the Voting Agent's online balloting portal shall be deemed to contain an original signature;

(v) Any Ballot not marked to accept or reject the Plan, or marked both to accept and reject the Plan;

(vi) Any form of Ballot other than the form sent by the Voting Agent or a copy thereof; and

(vii) Any Ballot submitted by any entity not entitled to vote pursuant to the procedures described herein.

(b) If multiple Ballots are received from the same holder with respect to the same claim prior to the Voting Deadline, the last Ballot timely received will be deemed to reflect that voter's intent and will supersede and revoke any prior received Ballot.

(c) Holders must vote all of their claims either to accept or reject the Plan and may not split any votes. A Ballot that partially rejects and partially accepts the Plan will not be counted.

(d) Unless the Debtors consent in writing to such manner of delivery, delivery of a Ballot to the Solicitation Agent by facsimile, e-mail, or any other electronic means will not be valid; *provided, however*, that use of the online balloting portal is an acceptable method for transmitting a vote; and provided further, that Master Ballot Agents are permitted to submit Master Ballots by e-mail to scottishballots@primeclerk.com.

(e) If a Ballot is signed by a trustee, an executor, an administrator, a guardian, an attorney-in-fact, an officer of a corporation, or other person acting in a fiduciary or representative capacity when signing, and unless otherwise determined by the Debtors such a person must submit proper evidence of his/her authority to act in such representative capacity.

40. The following additional Vote Tabulation Procedures shall apply to tabulating votes cast by the Beneficial Owners:

(a) The Master Ballot Agent shall retain for one year following the Effective Date, for inspection by the Court, any Individual Ballots cast by Beneficial Owners and submitted to the Master Ballot Agent. The Voting Agent shall be required to retain for one year following the Effective Date, for inspection by the Court, the Master Ballots returned by the Master Ballot Agent and any Individual Ballots.

(b) To avoid double counting, the (i) votes cast by Beneficial Owners through the Master Ballot Agent and transmitted by means of a Master Ballot be included in the positions held by such Master Ballot Agent with respect to such TruPS; and (ii) votes submitted by the Master Ballot Agent on a Master Ballot shall not be counted to the extent that they are in excess of the position maintained by the Master Ballot Agent of the TruPS on the Voting Record Date.

(c) To the extent that conflicting votes or overvotes are submitted on a timely received Master Ballot, the Voting Agent shall attempt to resolve the conflict or overvote prior to the preparation of the vote certification in order to ensure that as many votes from holders of TruPS Claims as possible are accurately tabulated.

(d) To the extent that overvotes on a timely received Master Ballot are not reconcilable prior to the preparation of the vote certification, the Voting Agent shall give priority to the individual Ballots returned by any Record Holders and count votes in respect of such Ballot in the same proportion as the votes to accept and reject the Plan submitted on the Master Ballot that contained the overvote, but only to the extent of the Master Ballot Agent's position in the TruPS on the Voting Record Date.

(e) The Master Ballot Agent may complete multiple Master Ballots if necessary to allow sufficient space to reflect the votes and positions of the TruPS Holders, and the votes reflected by such multiple Master Ballots shall be counted except to the extent that they are duplicative of other Master Ballots. If two or more Master Ballots submitted are inconsistent in whole or in part, the latest Master Ballot received prior to the Voting Deadline will, to the extent of such inconsistency, supersede and revoke any prior received Master Ballot, subject to the Debtors' right to object to the validity of the second Master Ballot on any basis permitted by law, including under Bankruptcy Rule 3018(a), and, if such objection is sustained, as directed by an order of this Court.

(f) Each Record Holder and/or Master Ballot Agent shall be deemed to have voted the full principal and accrued interest amount of the TruPS Claims held by such Record Holder or represented by such Master Ballot Agent, notwithstanding anything to the contrary on any Ballot.

41. The Debtors are authorized to permit the Voting Agent to accept Ballots via electronic online transmission solely through a customized online balloting portal on the case website to be established for the Debtors by the Voting Agent. The encrypted ballot data and audit trail created by such electronic submission shall become part of the record of any Ballot submitted in this manner and the creditor's electronic signature will be deemed to be immediately legally valid and effective. Ballots submitted via the customized online balloting portal shall be deemed to contain an original signature.

42. *The Confirmation Hearing.* The Confirmation Hearing shall be held on **August 22, 2018 at 10:00 a.m. (prevailing Eastern Time)**; *provided, however,* that the Confirmation Hearing may be adjourned or continued from time to time by the Court or the Debtors without further notice other than adjournments announced in open Court or as indicated in any notice of agenda of matters scheduled for hearing filed by the Debtors with the Court.

43. *Objection Procedures.* The deadline to object or respond to confirmation of the Plan shall be set as **August 10, 2018, at 4:00 p.m. (prevailing Eastern Time)** ("Confirmation Objection Deadline").

44. Objections and responses, if any, to confirmation of the Plan must (a) be in writing, (b) conform to the Bankruptcy Rules and the Local Rules, (c) state the name and address of the objecting party, the nature and amount of claims or interests held or asserted by the objecting party against the Debtors' estates or property, and (d) state with particularity the legal and factual bases for the objection.

45. Any objection or response must be filed with the Court, together with a proof of service, and served upon and received by the following parties by no later than the Confirmation Objection Deadline: (i) co-counsel to the Debtors, (a) Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, 16th Floor, Wilmington, Delaware 19801 (Attn: Eric D. Schwartz, Gregory G. Werkheiser, and Matthew B. Harvey), and (b) Hogan Lovells LLP, 875 Third Avenue, New York, New York 10022 (Attn: Peter Ivanick); (ii) counsel to the Purchaser, Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036 (Attn: Stephen Zide and Anupama Yerramalli); (iii) counsel to the Official Committee of Unsecured Creditors, (a) Pepper Hamilton LLP, 1313 N. Market Street, Wilmington, Delaware 19801 (Attn: David M. Fournier and John H. Schanne, II), and (b) Pepper Hamilton LLP, The

New York Times Building, 37th Floor, 620 Eighth Avenue, New York, New York 10018-1405 (Attn: H. Peter Haveles, Jr.); and (iv) the Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801 (Attn: Timothy J. Fox, Jr., Esq.) (collectively, the "Notice Parties").

46. The Debtors are authorized to file and serve replies or an omnibus reply to any objections or responses to confirmation of the Plan by **August 17, 2018, at 4:00 p.m. (prevailing Eastern Time).**

47. Objections or responses to confirmation of the Plan that are not timely filed, served, and actually received in the manner set forth above may not be considered and may be deemed overruled.

48. *Voting Agent Designation.* Prime Clerk LLC is designated as the Debtors' administrative agent to implement the Solicitation Procedures, Temporary Allowance Procedures, Vote Tabulation Procedures and Notice Procedures (in such capacity, the "Voting Agent").

49. *Key Dates.* The deadlines and dates below are hereby approved.

Plan Timetable	
Voting Record Date	June 28, 2018
Service of Solicitation Packages (as defined below)	Earlier of (x) two (2) Business Days following entry of the Disclosure Statement Order or (y) July 3, 2018
Deadline to Object to Claims for Voting Purposes	August 1, 2018, at 4:00 p.m. (prevailing Eastern Time)
Rule 3018(a) Motion Deadline	August 10, 2018, at 4:00 p.m. (prevailing Eastern Time)
Voting Deadline	August 13, 2018, at 4:00 p.m. (prevailing Eastern Time)

Confirmation Objection Deadline	August 10, 2018, at 4:00 p.m. (prevailing Eastern Time)
Brief in support of confirmation (including reply to any objections)	August 17, 2018
Confirmation Hearing	August 22, at 10:00 .m. (prevailing Eastern Time)

50. *Miscellaneous.* The Debtors are authorized to make nonsubstantive changes to the Disclosure Statement, the Plan, the Ballots, and related documents without further order of the Court, including, without limitation, changes to correct typographical and grammatical errors and to make conforming changes among the Disclosure Statement, the Plan and any other materials in the Solicitation Packages prior to mailing.

51. The Debtors are authorized and empowered to take such steps and perform such acts as may be necessary to implement and effectuate the terms of this Order.

52. This Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

53. This Order is effective immediately upon entry.

_____, 2018
Wilmington, Delaware

_____
THE HONORABLE LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

11954437.4

Exhibit 1(a)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
SCOTTISH HOLDINGS, INC., *et al.*,	Case No. 18-10160 (LSS)
Debtors.[1]	Jointly Administered

BALLOT FOR ACCEPTING OR REJECTING FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF SCOTTISH HOLDINGS, INC., AND SCOTTISH ANNUITY & LIFE INSURANCE COMPANY (CAYMAN) LTD. [D.I. ___]

CLASS 5 – SHI GENERAL UNSECURED CLAIMS

PLEASE READ AND FOLLOW THE ENCLOSED INSTRUCTIONS FOR COMPLETING BALLOTS CAREFULLY BEFORE COMPLETING THE BALLOT.

THIS BALLOT IS ACCOMPANIED BY A POSTAGE PRE-PAID RETURN ENVELOPE THAT IS ADDRESSED TO PRIME CLERK, LLC ("VOTING AGENT"). THIS BALLOT MUST BE ACTUALLY RECEIVED BY THE VOTING AGENT ON OR BEFORE [August 13], 2018 AT 4:00 P.M. (ET) (THE "VOTING DEADLINE").

IF YOUR BALLOT IS NOT RECEIVED BY THE VOTING DEADLINE, THE DEBTORS MAY REJECT YOUR BALLOT AS INVALID.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT, IT WILL BE BINDING ON YOU WHETHER OR NOT YOU VOTE.

If no holder of a Claim eligible to vote in Class 5 timely votes to accept or reject the Plan, then the Debtors will seek a determination at the Confirmation Hearing that the Plan is deemed accepted by such Class. If you do not wish such a presumption with respect to Class 5 to become effective, you should timely submit the ballot accepting or rejecting the Plan for such Class.

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[1] The Debtors, along with the last four digits of their federal tax identification numbers, are as follows: Scottish Holdings, Inc. (4408) and Scottish Annuity & Life Insurance Company (Cayman) Ltd. (3285). The Debtors' mailing address for purposes of these Chapter 11 Cases is 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277.

Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd., as debtors and debtors in possession (the "Debtors") in the above-captioned chapter 11 cases have sent this Ballot to you because their records indicate that you are a holder of a Class 5 – SHI General Unsecured Claim as of the Voting Record Date (June 28, 2018) and accordingly, you have a right to vote to accept or reject the *First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* [D.I. ___] (as may be further amended, modified or supplemented from time to time and including all exhibits thereto, the "Plan").[2]

Your rights are described in the *Disclosure Statement for First AmendedJoint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* and all exhibits related thereto [D.I. ___] (as may be further amended, modified or supplemented from time to time and including all exhibits or supplements thereto, the "Disclosure Statement") and the Disclosure Statement Order. The Disclosure Statement, the Plan, the Disclosure Statement Order and certain other materials contained in the Solicitation Package are included in the packet you are receiving with this Ballot. If you need to obtain additional solicitation materials, you may obtain such materials free of charge by (a) accessing the Debtors' restructuring website at www.scottishre.com/chapter11info or https://cases.primeclerk.com/scottishballots or (b) contacting the Voting Agent via telephone at (347) 897-3820 or (877) 851-3566 (toll-free) or email at scottishballots@primeclerk.com. You may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACER at http://www.deb.uscourts.gov/. The Court has approved the Disclosure Statement as containing adequate information under section 1125 of the Bankruptcy Code. Court approval of the Disclosure Statement does not indicate approval of the Plan by the Court.

This Ballot may not be used for any purpose other than to vote to accept or reject the Plan. This Ballot does not constitute, and shall not be deemed to be, a Proof of Claim or an assertion or admission of a Claim. If you believe you have received this Ballot in error, please contact the Voting Agent at the address or telephone number set forth above.

You should carefully and thoroughly review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the Plan's classification and treatment of your Claim. Your Claim has been placed in Class 5 under the Plan. If you hold Claims in more than one Class, you will receive a Ballot for each Class in which you are entitled to vote.

If the Voting Agent does not actually receive your Ballot on or before the Voting

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[2] Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan, Disclosure Statement (as defined herein), or the *Order: (I) Approving Disclosure Statement; (II) Scheduling Confirmation Hearing And Related Deadlines; (III) Establishing Procedures For Solicitation, Temporary Allowance Of Claims And Vote Tabulation; (IV) Approving Forms Of Ballots; (V) Approving Form, Manner And Sufficiency Of Notice Of Confirmation Hearing And Related Deadlines; And (VI) Granting Related Relief* [D.I. ___] (the "Disclosure Statement Order"), as the case may be.

Deadline**, which is [August 13], 2018 at 4:00 p.m. (ET)** and if the Voting Deadline is not extended, your vote will not count. **If the Court confirms the Plan, it will bind you regardless of whether you vote.**

Item 1. Amount of Claim.

The undersigned hereby certifies that as of the Voting Record Date, the undersigned is the holder of Class 5 Claims in the following aggregate unpaid amount (insert amount in box below):

Amount of Claim: $ _____

Item 2. Vote on Plan.

THE DEBTORS RECOMMEND THAT YOU VOTE TO ACCEPT THE PLAN.

The holder of Class 5 Claims set forth in Item 1 votes to (please check one):

ACCEPT THE PLAN	**REJECT THE PLAN**
☐	☐

To be counted, a holder of Class 5 Claims must vote all of its Class 5 Claims either to accept or reject the Plan. No split votes will be permitted.

If no holder of Class 5 Claims eligible to vote to accept or reject the Plan votes on the Plan, the Debtors intend to seek a determination at the Confirmation Hearing that the Plan is deemed accepted by Class 5.

Item 3. Releases.

If you do not check the box below, you are consenting to grant the "Releases by Holders of Claims and Interests: set forth in Article X, Section 10.3 of the Plan.

Check the box: ☐ I do not wish to grant the "Releases by Holders of Claims and Interests" set forth in Article X, Section 10.3 of the Plan.

For your reference, Article X, Section 10.3 of the Plan states:

To the fullest extent permitted by law and except as otherwise specifically provided

in the Plan, for good and valuable consideration, including the contributions of the Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, effective as of the Effective Date, (i) Holders of Claims who vote to accept the Plan, (ii) Holders of Claims who are Unimpaired under the Plan, (iii) Holders of Claims entitled to vote on the Plan who do not submit a ballot and do not timely object to or opt-out of the releases, and (iv) each of the Purchaser, the Joint Liquidators, SRGL, and for each of the foregoing, their respective Representatives (other than with respect to SRGL, the SRGL Equity Holders), hereby release, waive and discharge, and shall be deemed to forever release, waive, and discharge the Released Parties of any and all Claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities whatsoever in connection with or related to the Debtors, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, at equity, or otherwise, including those that any of the Debtors, the Reorganized Debtors, the Estates, or their Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Interest or other Entity based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the conduct of the Debtors' business, the Chapter 11 Cases, the Disclosure Statement, the Plan or the documents implementing the Plan, and the negotiation, formulation, or preparation thereof, the solicitation of votes with respect to the Plan, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any of the Debtors and any Released Party, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, or upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct, actual fraud, or gross negligence as determined by a Final Order.

Each Person or Entity providing releases under the Plan, including the Debtors, the Estates, and the Holders of Claims (regardless of whether such Holder is a Released Party), shall be deemed to have granted the releases set forth above notwithstanding that such Person or Entity may hereafter discover facts in addition to, or different from, those which it now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and such Person or Entity expressly waives any and all rights that it may have under any statute or common law principle which would limit the effect of such releases to those Claims or causes of action actually known or suspected to exist at the time of execution of such release.

Entry of the Confirmation Order shall constitute the Court's approval, pursuant to Bankruptcy Rule 9019, of the Releases by Holders of Claims and Interests described in this Section 10.3, which includes by reference each of the related provisions and definitions contained herein, and, further, shall constitute the Court's finding that such releases are: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims released by such releases; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Releasing Parties asserting any claim or cause of action released pursuant

to such releases.

"Released Parties" as defined in the Plan and Disclosure Statement means: (a) the Debtors; (b) the Reorganized Debtors; (c) the Official Committee (including the current and former Official Committee members in their capacities as such); (d) the Purchaser; (e) the Stalking Horse; (f) the Joint Liquidators; (g) SRGL; (h) the Voting Agent; and (i) for each of the foregoing, all of their respective Representatives; *provided, however*, that "Released Parties" specifically excludes the SRGL Equity Holders, and their respective Representatives, in their capacity as such.

Item 4. Certifications.

By signing this Ballot, the undersigned certifies to the Court and the Debtors:

1. that either: (a) the undersigned is the holder of the Class 5 Claim(s) being voted; or (b) the undersigned is an authorized signatory for an entity that is holder of the Class 5 Claim(s) being voted;

2. that the undersigned has received a copy of the Disclosure Statement, the Plan and the Solicitation Package and acknowledges that the solicitation is being made pursuant to the terms and conditions set forth therein;

3. that the undersigned has cast the same vote with respect to all Class 5 Claims;

4. that no other Ballots with respect to the amount of the Class 5 Claim(s) identified in Item 1 have been cast or, if any other Ballots have been cast with respect to such Claim(s), then any such Ballots dated earlier are hereby revoked;

5. that the undersigned acknowledges that a vote to accept the Plan constitutes an acceptance of the treatment of such undersigned's Class 5 Claim(s);

6. that the undersigned understands and, if accepting the Plan, agrees with the treatment provided for its Claim(s) under the Plan;

7. that the undersigned acknowledges and understands that (a) if no holders of Claims eligible to vote in a particular Class vote to accept or reject the Plan, the Debtors will seek a determination at the Confirmation Hearing that the Plan is deemed accepted by such Class; and (b) any Class of Claims that does not have a holder of an Allowed Claim or a Claim provisionally allowed by the Court as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to sections 1129(a)(8) and 1129(a)(10) of the Bankruptcy Code; and

8. that the undersigned acknowledges and agrees that the Debtors may make conforming changes to the Plan to the extent provided by Bankruptcy Rule 3019 as may be reasonably necessary; provided that the Debtors will not re-solicit acceptances or rejections of the Plan in the event of such conforming changes.

[*Signature Page Follows*]

(Please print or type)

Social Security Number or Identification Number: _____

Signature: _____

Name of Signatory: _____
(If other than holder)[3]

Title: _____

Address: _____

_____

Email Address: _____

Date Completed: _____

PLEASE COMPLETE, SIGN AND DATE THE BALLOT AND RETURN IT PROMPTLY IN THE ENCLOSED RETURN ENVELOPE OR VIA AN APPROVED METHOD OF RETURN INDICATED BELOW. YOUR BALLOT MUST BE ACTUALLY RECEIVED BY THE VOTING DEADLINE, WHICH IS [AUGUST 13], 2018 AT 4:00 P.M. ET.

Via first-class mail, overnight courier, or hand-delivery to:

Scottish Holdings Ballot Processing
c/o Prime Clerk, LLC
830 3rd Avenue, 3rd Floor
New York, NY 10022

OR

Via the Voting Agent's online balloting portal:

Visit https://cases.primeclerk.com/scottishballots, click on "Submit E-Ballot" and follow the instructions indicated.

[3] If you are completing this Ballot on behalf of another person or entity, indicate your relationship with such person or entity and the capacity in which you are signing. You may be required to provide additional information or documentation with respect to such relationship.

IMPORTANT NOTE: You will need the following information to retrieve and submit your customized electronic Ballot:

Unique E-Ballot ID#:_____

The Voting Agent's online balloting portal is the sole manner in which Ballots will be accepted via electronic or online transmission. Ballots submitted by facsimile, email, or other means of electronic transmission will not be counted.

Each E-Ballot ID# is to be used solely for voting only those Claims described in Item 1 of your electronic Ballot. Please complete and submit an electronic Ballot for each E-Ballot ID# you receive, as applicable.

Creditors who submit an electronic Ballot using the Voting Agent's online balloting portal should NOT also submit a paper Ballot.

INSTRUCTIONS FOR COMPLETING BALLOTS

1. The Debtors are soliciting the votes of holders of Claims with respect to the Plan attached as **Exhibit A** to the Disclosure Statement. Capitalized terms used in the Ballot or in these instructions but not otherwise defined therein or herein shall have the meaning set forth in the Plan, the Disclosure Statement or the Disclosure Statement Order, as applicable.

2. The Court may confirm the Plan and thereby bind you by the terms of the Plan. Please review the Disclosure Statement for more information.

3. To ensure that your vote is counted, you must: (a) complete the Ballot; (b) indicate your decision either to accept or reject the Plan in the boxes provided in Item 2 of the Ballot; and (c) sign and return the Ballot (i) using the enclosed pre-addressed envelope, (ii) via first class mail overnight courier, or hand delivery to: Scottish Holdings Ballot Processing, c/o Prime Clerk, LLC, 830 3rd Avenue, 3rd Floor, New York, NY 10022, or (iii) via the Voting Agent's online balloting portal. If the Voting Agent does not actually receive your Ballot on or before the Voting Deadline**, which is [August 13], 2018 at 4:00 p.m. (ET)** and if the Voting Deadline is not extended, your vote will not count. Your completed Ballot must be received by the Voting Agent on or before the Voting Deadline.

4. You must vote all of your Claims or Interests within a particular Class either to accept or reject the Plan and may not split your vote. A Ballot that partially rejects and partially accepts the Plan will not be counted. Further, if a holder has multiple Claims within the same Class, the Debtors may, in their discretion, aggregate the Claims of any particular holder within a Class for the purpose of counting votes.

5. If a Ballot is received after the Voting Deadline, it will not be counted unless the Debtors determine otherwise or as otherwise ordered by the Court. Except as otherwise provided herein, such delivery will be deemed made only when the Voting Agent actually receives the originally executed Ballot; *provided, however*, that a Ballot submitted via the Voting Agent's online balloting portal shall be deemed to contain an original signature. Instead of effecting delivery by mail, it is recommended, though not required, that holders use an overnight delivery service, hand delivery service, or the online voting portal. In all cases, holders should allow sufficient time to assure timely delivery. Delivery of a Ballot to the Voting Agent by facsimile, e-mail or any other electronic means shall not be valid. No Ballot should be sent to any of the Debtors, the Debtors' agents (other than the Voting Agent) or the Debtors' legal advisors and if so sent will not be counted.

6. If multiple Ballots are received from the same holder of a Claim with respect to the same Claim prior to the Voting Deadline, the last valid Ballot timely received will supersede and revoke any earlier received Ballots.

7. The Ballot is not a letter of transmittal and may not be used for any purpose other than to vote to accept or reject the Plan. Accordingly, at this time, holders of Claims should not surrender certificates or instruments representing or evidencing their Claims and neither the Debtors nor the Voting Agent will accept delivery of any such certificates or

instruments surrendered together with a Ballot.

8. This Ballot does not constitute and shall not be deemed to be: (a) a Proof of Claim; or (b) an assertion or admission of a Claim.

9. Please be sure to sign and date your Ballot. If you are signing a Ballot in your capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation or otherwise acting in a fiduciary or representative capacity, you should indicate such capacity when signing and, if requested by the Voting Agent, the Debtors or the Court, must submit proper evidence to the requesting party to so act on behalf of such holder. In addition, please provide your name and mailing address if it is different from that set forth on the attached mailing label or if no such mailing label is attached to the Ballot.

10. If you hold Claims or Interests in more than one Class under the Plan or in multiple accounts, you may receive more than one Ballot coded for each different Class or account. Each Ballot votes only your Claims or Interests indicated on that Ballot. Please complete and return each Ballot you received.

11. The following Ballots shall not be counted in determining the acceptance or rejection of the Plan: (a) any Ballot that is illegible or contains insufficient information to permit the identification of the holder of the Claim or Interest; (b) any Ballot cast by an undersigned that does not hold a Claim or Interest in a Class that is entitled to vote on the Plan; (c) any unsigned Ballot; (d) any Ballot not marked to accept or reject the Plan or any Ballot marked both to accept and reject the Plan; and (e) any Ballot submitted by any entity not entitled to vote pursuant to the Solicitation Procedures.

12. If you believe you have received the wrong Ballot, you should contact the Voting Agent immediately by telephone at (347) 897-3820 or (877) 851-3566 (toll-free) or email at scottishballots@primeclerk.com.

PLEASE RETURN YOUR BALLOT PROMPTLY

IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT OR THE VOTING PROCEDURES, PLEASE CONTACT THE VOTING AGENT BY TELEPHONE AT: (347) 897-3820 OR (877) 851-3566 (toll-free) OR EMAIL AT SCOTTISHBALLOTS@PRIMECLERK.COM.

Exhibit 1(b)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
SCOTTISH HOLDINGS, INC., *et al.*,	Case No. 18-10160 (LSS)
Debtors.[1]	Jointly Administered

BALLOT FOR ACCEPTING OR REJECTING FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF SCOTTISH HOLDINGS, INC., AND SCOTTISH ANNUITY & LIFE INSURANCE COMPANY (CAYMAN) LTD. [D.I. ___]

CLASS 7 – SALIC GENERAL UNSECURED CLAIMS

PLEASE READ AND FOLLOW THE ENCLOSED INSTRUCTIONS FOR COMPLETING BALLOTS CAREFULLY BEFORE COMPLETING THE BALLOT.

THIS BALLOT IS ACCOMPANIED BY A POSTAGE PRE-PAID RETURN ENVELOPE THAT IS ADDRESSED TO PRIME CLERK, LLC (THE "VOTING AGENT"). THIS BALLOT MUST BE ACTUALLY RECEIVED BY THE VOTING AGENT ON OR BEFORE [AUGUST 13], 2018 AT 4:00 P.M. (ET) (THE "VOTING DEADLINE").

IF YOUR BALLOT IS NOT RECEIVED BY THE VOTING DEADLINE, THE DEBTORS MAY REJECT YOUR BALLOT AS INVALID.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT, IT WILL BE BINDING ON YOU WHETHER OR NOT YOU VOTE.

If no holder of a Claim eligible to vote in Class 7 timely votes to accept or reject the Plan, then the Debtors will seek a determination at the Confirmation Hearing that the Plan is deemed accepted by such Class. If you do not wish such a presumption with respect to Class 7 to become effective, you should timely submit the ballot accepting or rejecting the Plan for such Class.

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[1] The Debtors, along with the last four digits of their federal tax identification numbers, are as follows: Scottish Holdings, Inc. (4408) and Scottish Annuity & Life Insurance Company (Cayman) Ltd. (3285). The Debtors' mailing address for purposes of these Chapter 11 Cases is 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277.

Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd., as debtors and debtors in possession (the "Debtors") in the above-captioned chapter 11 cases have sent this Ballot to you because their records indicate that you are a holder of a Class 7 – SALIC General Unsecured Claim as of the Voting Record Date (June 28, 2018) and accordingly, you have a right to vote to accept or reject the *First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* [D.I. ___] (as may be further amended, modified or supplemented from time to time and including all exhibits thereto, the "Plan").[2]

Your rights are described in the *Disclosure Statement for First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* and all exhibits related thereto [D.I. ___] (as may be further amended, modified or supplemented from time to time and including all exhibits or supplements thereto, the "Disclosure Statement") and the Disclosure Statement Order. The Disclosure Statement, the Plan, the Disclosure Statement Order and certain other materials contained in the Solicitation Package are included in the packet you are receiving with this Ballot. If you need to obtain additional solicitation materials, you may obtain such materials free of charge by (a) accessing the Debtors' restructuring website at www.scottishre.com/chapter11info or https://cases.primeclerk.com/scottishballots or (b) contacting the Voting Agent via telephone at (347) 897-3820 or (877) 851-3566 (toll-free) or email at scottishballots@primeclerk.com. You may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACER at http://www.deb.uscourts.gov/. The Court has approved the Disclosure Statement as containing adequate information under section 1125 of the Bankruptcy Code. Court approval of the Disclosure Statement does not indicate approval of the Plan by the Court.

This Ballot may not be used for any purpose other than to vote to accept or reject the Plan. This Ballot does not constitute, and shall not be deemed to be, a Proof of Claim or an assertion or admission of a Claim. If you believe you have received this Ballot in error, please contact the Voting Agent at the address or telephone number set forth above.

You should carefully and thoroughly review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the Plan's classification and treatment of your Claim. Your Claim has been placed in Class 7 under the Plan. If you hold Claims in more than one Class, you will receive a Ballot for each Class in which you are entitled to vote.

If the Voting Agent does not actually receive your Ballot on or before the Voting

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[2] Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan, Disclosure Statement (as defined herein), or the *Order: (I) Approving Disclosure Statement; (II) Scheduling Confirmation Hearing And Related Deadlines; (III) Establishing Procedures For Solicitation, Temporary Allowance Of Claims And Vote Tabulation; (IV) Approving Forms Of Ballots; (V) Approving Form, Manner And Sufficiency Of Notice Of Confirmation Hearing And Related Deadlines; And (VI) Granting Related Relief* [D.I. ___] (the "Disclosure Statement Order"), as the case may be.

Deadline**, which is [August 13], 2018 at 4:00 p.m. (ET)** and if the Voting Deadline is not extended, your vote will not count. **If the Court confirms the Plan, it will bind you regardless of whether you vote.**

Item 1. Amount of Claim.

The undersigned hereby certifies that as of the Voting Record Date, the undersigned is the holder of Class 7 Claims in the following aggregate unpaid amount (insert amount in box below):

Amount of Claim: $ _____

Item 2. Vote on Plan.

THE DEBTORS RECOMMEND THAT YOU VOTE TO ACCEPT THE PLAN.

The holder of Class 7 Claims set forth in Item 1 votes to (please check one):

ACCEPT THE PLAN	**REJECT THE PLAN**
☐	☐

To be counted, a holder of Class 7 Claims must vote all of its Class 7 Claims either to accept or reject the Plan. No split votes will be permitted.

If no holder of Class 7 Claims eligible to vote to accept or reject the Plan votes on the Plan, the Debtors intend to seek a determination at the Confirmation Hearing that the Plan is deemed accepted by Class 7.

Item 3. Releases.

If you do not check the box below, you are consenting to grant the "Releases by Holders of Claims and Interests" set forth in Article X, Section 10.3 of the Plan.

Check the box: ☐	**I do not wish to grant the "Releases by Holders of Claims and Interests" set forth in Article X, Section 10.3 of the Plan.**

For your reference, Article X, Section 10.3 of the Plan states:

To the fullest extent permitted by law and except as otherwise specifically provided

in the Plan, for good and valuable consideration, including the contributions of the Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, effective as of the Effective Date, (i) Holders of Claims who vote to accept the Plan, (ii) Holders of Claims who are Unimpaired under the Plan, (iii) Holders of Claims entitled to vote on the Plan who do not submit a ballot and do not timely object to or opt-out of the releases, and (iv) each of the Purchaser, the Joint Liquidators, SRGL, and for each of the foregoing, their respective Representatives (other than with respect to SRGL, the SRGL Equity Holders), hereby release, waive and discharge, and shall be deemed to forever release, waive, and discharge the Released Parties of any and all Claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities whatsoever in connection with or related to the Debtors, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, at equity, or otherwise, including those that any of the Debtors, the Reorganized Debtors, the Estates, or their Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Interest or other Entity based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the conduct of the Debtors' business, the Chapter 11 Cases, the Disclosure Statement, the Plan or the documents implementing the Plan, and the negotiation, formulation, or preparation thereof, the solicitation of votes with respect to the Plan, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any of the Debtors and any Released Party, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, or upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct, actual fraud, or gross negligence as determined by a Final Order.

Each Person or Entity providing releases under the Plan, including the Debtors, the Estates, and the Holders of Claims (regardless of whether such Holder is a Released Party), shall be deemed to have granted the releases set forth above notwithstanding that such Person or Entity may hereafter discover facts in addition to, or different from, those which it now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and such Person or Entity expressly waives any and all rights that it may have under any statute or common law principle which would limit the effect of such releases to those Claims or causes of action actually known or suspected to exist at the time of execution of such release.

Entry of the Confirmation Order shall constitute the Court's approval, pursuant to Bankruptcy Rule 9019, of the Releases by Holders of Claims and Interests described in this Section 10.3, which includes by reference each of the related provisions and definitions contained herein, and, further, shall constitute the Court's finding that such releases are: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims released by such releases; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Releasing Parties asserting any claim or cause of action released pursuant

to such releases.

"Released Parties" as defined in the Plan and Disclosure Statement means: (a) the Debtors; (b) the Reorganized Debtors; (c) the Official Committee (including the current and former Official Committee members in their capacities as such); (d) the Purchaser; (e) the Stalking Horse; (f) the Joint Liquidators; (g) SRGL; (h) the Voting Agent; and (i) for each of the foregoing, all of their respective Representatives; *provided, however*, that "Released Parties" specifically excludes the SRGL Equity Holders, and their respective Representatives, in their capacity as such.

Item 4. Certifications.

By signing this Ballot, the undersigned certifies to the Court and the Debtors:

1. that either: (a) the undersigned is the holder of the Class 7 Claim(s) being voted; or (b) the undersigned is an authorized signatory for an entity that is holder of the Class 7 Claim(s) being voted;

2. that the undersigned has received a copy of the Disclosure Statement, the Plan and the Solicitation Package and acknowledges that the solicitation is being made pursuant to the terms and conditions set forth therein;

3. that the undersigned has cast the same vote with respect to all Class 7 Claims;

4. that no other Ballots with respect to the amount of the Class 7 Claim(s) identified in Item 1 have been cast or, if any other Ballots have been cast with respect to such Claim(s), then any such Ballots dated earlier are hereby revoked;

5. that the undersigned acknowledges that a vote to accept the Plan constitutes an acceptance of the treatment of such undersigned's Class 7 Claim(s);

6. that the undersigned understands and, if accepting the Plan, agrees with the treatment provided for its Claim(s) under the Plan;

7. that the undersigned acknowledges and understands that (a) if no holders of Claims eligible to vote in a particular Class vote to accept or reject the Plan, the Debtors will seek a determination at the Confirmation Hearing that the Plan is deemed accepted by such Class; and (b) any Class of Claims that does not have a holder of an Allowed Claim or a Claim provisionally allowed by the Court as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to sections 1129(a)(8) and 1129(a)(10) of the Bankruptcy Code; and

8. that the undersigned acknowledges and agrees that the Debtors may make conforming changes to the Plan to the extent provided by Bankruptcy Rule 3019 as may be reasonably necessary; provided that the Debtors will not re-solicit acceptances or rejections of the Plan in the event of such conforming changes.

[*Signature Page Follows*]

(Please print or type)

Social Security Number or Identification Number: _____

Signature: _____

Name of Signatory: _____
(If other than holder)[3]

Title: _____

Address: _____

_____

Email Address: _____

Date Completed: _____

PLEASE COMPLETE, SIGN AND DATE THE BALLOT AND RETURN IT PROMPTLY IN THE ENCLOSED RETURN ENVELOPE OR VIA AN APPROVED METHOD OF RETURN INDICATED BELOW. YOUR BALLOT MUST BE ACTUALLY RECEIVED BY THE VOTING DEADLINE, WHICH IS [August 13], 2018 AT 4:00 P.M. ET.

Via first-class mail, overnight courier, or hand-delivery to:

Scottish Holdings Ballot Processing
c/o Prime Clerk, LLC
830 3rd Avenue, 3rd Floor
New York, NY 10022

OR

Via the Voting Agent's online balloting portal:

Visit https://cases.primeclerk.com/scottishballots, click on "Submit E-Ballot" and follow the instructions indicated.

[3] If you are completing this Ballot on behalf of another person or entity, indicate your relationship with such person or entity and the capacity in which you are signing. You may be required to provide additional information or documentation with respect to such relationship.

IMPORTANT NOTE: You will need the following information to retrieve and submit your customized electronic Ballot:

Unique E-Ballot ID#:_____

The Voting Agent's online balloting portal is the sole manner in which Ballots will be accepted via electronic or online transmission. Ballots submitted by facsimile, email, or other means of electronic transmission will not be counted.

Each E-Ballot ID# is to be used solely for voting only those Claims described in Item 1 of your electronic Ballot. Please complete and submit an electronic Ballot for each E-Ballot ID# you receive, as applicable.

Creditors who submit an electronic Ballot using the Voting Agent's online balloting portal should NOT also submit a paper Ballot.

INSTRUCTIONS FOR COMPLETING BALLOTS

1. The Debtors are soliciting the votes of holders of Claims with respect to the Plan attached as **Exhibit A** to the Disclosure Statement. Capitalized terms used in the Ballot or in these instructions but not otherwise defined therein or herein shall have the meaning set forth in the Plan, the Disclosure Statement or the Disclosure Statement Order, as applicable.

2. The Court may confirm the Plan and thereby bind you by the terms of the Plan. Please review the Disclosure Statement for more information.

3. To ensure that your vote is counted, you must: (a) complete the Ballot; (b) indicate your decision either to accept or reject the Plan in the boxes provided in Item 2 of the Ballot; and (c) sign and return the Ballot (i) using the enclosed pre-addressed envelope, (ii) via first class mail overnight courier, or hand delivery to: Scottish Holdings Ballot Processing, c/o Prime Clerk, LLC, 830 3rd Avenue, 3rd Floor, New York, NY 10022, or (iii) via the Voting Agent's online balloting portal. If the Voting Agent does not actually receive your Ballot on or before the Voting Deadline**, which is [August 13], 2018 at 4:00 p.m. (ET)** and if the Voting Deadline is not extended, your vote will not count. Your completed Ballot must be received by the Voting Agent on or before the Voting Deadline.

4. You must vote all of your Claims or Interests within a particular Class either to accept or reject the Plan and may not split your vote. A Ballot that partially rejects and partially accepts the Plan will not be counted. Further, if a holder has multiple Claims within the same Class, the Debtors may, in their discretion, aggregate the Claims of any particular holder within a Class for the purpose of counting votes.

5. If a Ballot is received after the Voting Deadline, it will not be counted unless the Debtors determine otherwise or as otherwise ordered by the Court. Except as otherwise provided herein, such delivery will be deemed made only when the Voting Agent actually receives the originally executed Ballot; *provided*, *however*, that a Ballot submitted via the Voting Agent's online balloting portal shall be deemed to contain an original signature. Instead of effecting delivery by mail, it is recommended, though not required, that holders use an overnight delivery service, hand delivery service, or the online voting portal. In all cases, holders should allow sufficient time to assure timely delivery. Delivery of a Ballot to the Voting Agent by facsimile, e-mail or any other electronic means shall not be valid. No Ballot should be sent to any of the Debtors, the Debtors' agents (other than the Voting Agent) or the Debtors' legal advisors and if so sent will not be counted.

6. If multiple Ballots are received from the same holder of a Claim with respect to the same Claim prior to the Voting Deadline, the last valid Ballot timely received will supersede and revoke any earlier received Ballots.

7. The Ballot is not a letter of transmittal and may not be used for any purpose other than to vote to accept or reject the Plan. Accordingly, at this time, holders of Claims should not surrender certificates or instruments representing or evidencing their Claims and neither the Debtors nor the Voting Agent will accept delivery of any such certificates or

instruments surrendered together with a Ballot.

8. This Ballot does not constitute and shall not be deemed to be: (a) a Proof of Claim; or (b) an assertion or admission of a Claim.

9. Please be sure to sign and date your Ballot. If you are signing a Ballot in your capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation or otherwise acting in a fiduciary or representative capacity, you should indicate such capacity when signing and, if requested by the Voting Agent, the Debtors or the Court, must submit proper evidence to the requesting party to so act on behalf of such holder. In addition, please provide your name and mailing address if it is different from that set forth on the attached mailing label or if no such mailing label is attached to the Ballot.

10. If you hold Claims or Interests in more than one Class under the Plan or in multiple accounts, you may receive more than one Ballot coded for each different Class or account. Each Ballot votes only your Claims or Interests indicated on that Ballot. Please complete and return each Ballot you received.

11. The following Ballots shall not be counted in determining the acceptance or rejection of the Plan: (a) any Ballot that is illegible or contains insufficient information to permit the identification of the holder of the Claim or Interest; (b) any Ballot cast by an undersigned that does not hold a Claim or Interest in a Class that is entitled to vote on the Plan; (c) any unsigned Ballot; (d) any Ballot not marked to accept or reject the Plan or any Ballot marked both to accept and reject the Plan; and (e) any Ballot submitted by any entity not entitled to vote pursuant to the Solicitation Procedures.

12. If you believe you have received the wrong Ballot, you should contact the Voting Agent immediately by telephone at (347) 897-3820 or (877) 851-3566 (toll-free) or email at scottishballots@primeclerk.com.

PLEASE RETURN YOUR BALLOT PROMPTLY

IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT OR THE VOTING PROCEDURES, PLEASE CONTACT THE VOTING AGENT BY TELEPHONE AT: (347) 897-3820 OR (877) 851-3566 (toll-free) OR EMAIL AT SCOTTISHBALLOTS@PRIMECLERK.COM.

Exhibit 1(c)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
SCOTTISH HOLDINGS, INC., *et al.*,	Case No. 18-10160 (LSS)
Debtors.[1]	Jointly Administered

INDIVIDUAL BALLOT FOR ACCEPTING OR REJECTING FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF SCOTTISH HOLDINGS, INC., AND SCOTTISH ANNUITY & LIFE INSURANCE COMPANY (CAYMAN) LTD. [D.I. ___]

CLASS 4 – SHI TruPS CLAIMS

PLEASE READ AND FOLLOW THE ENCLOSED INSTRUCTIONS FOR COMPLETING BALLOTS CAREFULLY BEFORE COMPLETING THE BALLOT.

IF YOU RECEIVED AN ENVELOPE ADDRESSED TO YOUR BANK, BROKER, OR FINANCIAL INSTITUTION THAT HOLDS YOUR CLAIMS IN "STREET NAME" (YOUR "NOMINEE"), **YOU MUST SUBMIT YOUR BALLOT TO YOUR NOMINEE IN ACCORDANCE WITH YOUR NOMINEE'S INSTRUCTIONS WITH SUFFICIENT TIME TO ALLOW YOUR NOMINEE TO INCORPORATE YOUR VOTE ON A MASTER BALLOT AND SUBMIT THE MASTER BALLOT TO PRIME CLERK LLC (THE "VOTING AGENT") SO THAT THE MASTER BALLOT IS ACTUALLY RECEIVED BY THE VOTING AGENT ON OR BEFORE [AUGUST 13], 2018 AT 4:00 P.M. (ET) (THE "VOTING DEADLINE").**

IF YOU RECEIVED AN ENVELOPE ADDRESSED TO THE VOTING AGENT**, YOU MUST RETURN YOUR INDIVIDUAL BALLOT DIRECTLY TO THE VOTING AGENT SO THAT IT IS ACTUALLY RECEIVED BY THE VOTING AGENT ON OR BEFORE THE VOTING DEADLINE.**

THIS BALLOT IS TO BE USED FOR VOTING BY HOLDERS WHOSE CLAIMS AGAINST THE DEBTORS AROSE FROM OWNERSHIP OF THE TRUST PREFERRED SECURITIES OF SCOTTISH HOLDINGS, INC. STATUTORY TRUST I,

[1] The Debtors, along with the last four digits of their federal tax identification numbers, are as follows: Scottish Holdings, Inc. (4408) and Scottish Annuity & Life Insurance Company (Cayman) Ltd. (3285). The Debtors' mailing address for purposes of these Chapter 11 Cases is 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277.

SCOTTISH HOLDINGS, INC. STATUTORY TRUST II, GPIC HOLDINGS INC. STATUTORY TRUST, SCOTTISH HOLDINGS, INC. STATUTORY TRUST III, AND SFL STATUTORY TRUST I (THE "TruPS CLAIMS").

IF YOUR BALLOT OR THE MASTER BALLOT REFLECTING YOUR VOTE (AS APPLICABLE) IS NOT RECEIVED BY THE VOTING DEADLINE, THE DEBTORS MAY REJECT YOUR BALLOT AS INVALID.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT, IT WILL BE BINDING ON YOU WHETHER OR NOT YOU VOTE.

If no holder of a TruPS Claim eligible to vote in Class 4 timely votes to accept or reject the Plan, then the Debtors will seek a determination at the Confirmation Hearing that the Plan is deemed accepted by such Class. If you do not wish such a presumption with respect to Class 4 to become effective, you should timely submit the ballot accepting or rejecting the Plan for such Class.

Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd., as debtors and debtors in possession (the "Debtors") in the above-captioned chapter 11 cases have sent this Ballot to you because their records indicate that you are a holder of a Class 4 – SHI TruPS Claim as of the Voting Record Date (June 28, 2018) and accordingly, you have a right to vote to accept or reject the *First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* [D.I. ___] (as may be further amended, modified or supplemented from time to time and including all exhibits thereto, the "Plan").[2]

Your rights are described in the *Disclosure Statement for First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* and all exhibits related thereto [D.I. ___] (as may be further amended, modified or supplemented from time to time and including all exhibits or supplements thereto, the "Disclosure Statement") and the Disclosure Statement Order. The Disclosure Statement, the Plan, the Disclosure Statement Order and certain other materials contained in the Solicitation Package are included in the packet you are receiving with this Ballot. If you need to obtain additional solicitation materials, you may obtain such materials free of charge by (a) accessing the Debtors' restructuring website at www.scottishre.com/chapter11info or https://cases.primeclerk.com/scottishballots or (b) contacting the Voting Agent via telephone at (347) 897-3820 or (877) 851-3566 (toll-free) or email at scottishballots@primeclerk.com. You

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[2] Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan, Disclosure Statement (as defined herein), or the *Order: (I) Approving Disclosure Statement; (II) Scheduling Confirmation Hearing And Related Deadlines; (III) Establishing Procedures For Solicitation, Temporary Allowance Of Claims And Vote Tabulation; (IV) Approving Forms Of Ballots; (V) Approving Form, Manner And Sufficiency Of Notice Of Confirmation Hearing And Related Deadlines; And (VI) Granting Related Relief* [D.I. ___] (the "Disclosure Statement Order"), as the case may be.

may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACER at http://www.deb.uscourts.gov/. The Court has approved the Disclosure Statement as containing adequate information under section 1125 of the Bankruptcy Code. Court approval of the Disclosure Statement does not indicate approval of the Plan by the Court.

This Ballot may not be used for any purpose other than to vote to accept or reject the Plan. This Ballot does not constitute, and shall not be deemed to be, a Proof of Claim or an assertion or admission of a Claim. If you believe you have received this Ballot in error, please contact the Voting Agent at the address or telephone number set forth above.

You should carefully and thoroughly review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the Plan's classification and treatment of your Claim. Your Claim has been placed in Class 4 under the Plan. If you hold Claims in more than one Class, you will receive a Ballot for each Class in which you are entitled to vote.

If the Voting Agent does not actually receive this ballot or master ballot including your vote (as applicable) on or before the Voting Deadline**, which is [August 13], 2018 at 4:00 p.m. (ET)** and if the Voting Deadline is not extended, your vote will not count. **If the Court confirms the Plan, it will bind you regardless of whether you vote.**

Item 1. Amount of TruPS Claim.

The undersigned, a holder of TruPS Claims, is the direct beneficial owner of TruPS Claims from which the undersigned received this Ballot in the aggregate unpaid principal amount of:

Amount of Claim: $ _____

Item 2. Vote on Plan.

THE DEBTORS RECOMMEND THAT YOU VOTE TO ACCEPT THE PLAN.

The holder of Class 4 Claims set forth in Item 1 votes to (please check one):

ACCEPT THE PLAN	**REJECT THE PLAN**
☐	☐

To be counted, a holder of TruPS Claims must vote all of its TruPS Claims either to accept or reject the Plan. No split votes will be permitted.

If no holder of Class 4 Claims eligible to vote to accept or reject the Plan votes on the Plan, the Debtors intend to seek a determination at the Confirmation Hearing that the Plan is deemed accepted by Class 4.

Item 3. Releases.

If you do not check the box below, you are consenting to grant the "Releases by Holders of Claims and Interests" set forth in Article X, Section 10.3 of the Plan.

Check the box: ☐ I do not wish to grant the "Releases by Holders of Claims and Interests" set forth in Article X, Section 10.3 of the Plan.

For your reference, Article X, Section 10.3 of the Plan states:

To the fullest extent permitted by law and except as otherwise specifically provided in the Plan, for good and valuable consideration, including the contributions of the Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, effective as of the Effective Date, (i) Holders of Claims who vote to accept the Plan, (ii) Holders of Claims who are Unimpaired under the Plan, (iii) Holders of Claims entitled to vote on the Plan who do not submit a ballot and do not timely object to or opt-out of the releases, and (iv) each of the Purchaser, the Joint Liquidators, SRGL, and for each of the foregoing, their respective Representatives (other than with respect to SRGL, the SRGL Equity Holders), hereby release, waive and discharge, and shall be deemed to forever release, waive, and discharge the Released Parties of any and all Claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities whatsoever in connection with or related to the Debtors, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, at equity, or otherwise, including those that any of the Debtors, the Reorganized Debtors, the Estates, or their Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Interest or other Entity based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the conduct of the Debtors' business, the Chapter 11 Cases, the Disclosure Statement, the Plan or the documents implementing the Plan, and the negotiation, formulation, or preparation thereof, the solicitation of votes with respect to the Plan, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any of the Debtors and any Released Party, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, or upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct, actual fraud, or gross negligence as determined by a Final Order.

Each Person or Entity providing releases under the Plan, including the Debtors, the Estates, and the Holders of Claims (regardless of whether such Holder is a Released Party),

shall be deemed to have granted the releases set forth above notwithstanding that such Person or Entity may hereafter discover facts in addition to, or different from, those which it now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and such Person or Entity expressly waives any and all rights that it may have under any statute or common law principle which would limit the effect of such releases to those Claims or causes of action actually known or suspected to exist at the time of execution of such release.

Entry of the Confirmation Order shall constitute the Court's approval, pursuant to Bankruptcy Rule 9019, of the Releases by Holders of Claims and Interests described in this Section 10.3, which includes by reference each of the related provisions and definitions contained herein, and, further, shall constitute the Court's finding that such releases are: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims released by such releases; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Releasing Parties asserting any claim or cause of action released pursuant to such releases.

"Released Parties" as defined in the Plan and Disclosure Statement means: (a) the Debtors; (b) the Reorganized Debtors; (c) the Official Committee (including the current and former Official Committee members in their capacities as such); (d) the Purchaser; (e) the Stalking Horse; (f) the Joint Liquidators; (g) SRGL; (h) the Voting Agent; and (i) for each of the foregoing, all of their respective Representatives; *provided, however*, that "Released Parties" specifically excludes the SRGL Equity Holders, and their respective Representatives, in their capacity as such.

Item 4. Treatment Election: New Equity or Cash

Pursuant to Article IV, Section 4.3 of the Plan, Beneficial Holders of TruPS that are New Equity Eligible Beneficial Holders may receive their Distribution (in addition to such New Equity Eligible Beneficial Holder's applicable percentage of the Distribution Trust Asset Proceeds) in the form of: (x) by making the New Equity Election, New Equity equal to such New Equity Eligible Beneficial Holder's TruPS Claims Equity Distribution Amount; or (y) Cash in such New Equity Eligible Beneficial Holder's TruPS/ GUC Claims Cash Distribution Amount. **If you are a New Equity Eligible Beneficial Holder and fail to make the New Equity Election, you are consenting to receive your Distribution in Cash.**

For your reference, defined terms from the Plan and Disclosure Statement used in this Item 4 include the following:

- "Beneficial Holder" means, with respect to any TruPS, the person or entity having "beneficial ownership" of such TruPS (as determined pursuant to Rule 13d-3 of the Securities Exchange Act of 1934).

- "New Equity Eligible Beneficial Holder" means a Beneficial Holder of TruPS other than SRGL.

- "TruPS Claims Equity Distribution Amount" means (i) with respect to a

Beneficial Holder of TruPS, the amount of the Offered New Equity to be distributed to a Beneficial Holder that elects to receive New Equity under Section 4.3 of the Plan, calculated based on such Beneficial Holder's Allocated Portion of the Allowed TruPS Claim in respect of which it is a Beneficial Holder divided by the TruPS Claims Aggregate Amount; and (ii) with respect to the Holder of the SFL Note Claim, for which the SFL Claims Allowance Conditions have been satisfied, the amount of the Offered New Equity to be distributed on account of the Allowed SFL Note Claim, if the Holder thereof elects to receive New Equity under Section 4.3 of the Plan, calculated based on the portion of the Allowed SFL Note Claim for which the New Equity Election has been made divided by the TruPS Claims Aggregate Amount.t.

- "TruPS/GUC Claims Cash Distribution Amount" means the pro rata amount of the Available Plan Distribution Funding Amount to be distributed to a Beneficial Holder, Holder of the SFL Note Claim or Holder of a General Unsecured Claim, as applicable, calculated based on: (i) with respect to a Beneficial Holder of TruPS, such Beneficial Holder's Allocated Portion of the Allowed TruPS Claim in respect of which it is a Beneficial Holder, divided by the TruPS/GUC Claims Aggregate Amount; (ii) with respect to the Allowed SFL Note Claim, the portion of such Holder's Allowed SFL Note Claim for which the Cash Election has been made, divided by the TruPS/GUC Claims Aggregate Amount; and (iii) with respect to an Allowed General Unsecured Claim, the Allowed amount of such General Unsecured Claim, divided by the TruPS/GUC Claims Aggregate Amount.

If you do not check the box below, you are consenting to receive your Distribution in Cash.

Check the box: ☐ I wish to make the New Equity Election.

ELECTION OF THE ALTERNATIVE TREATMENT OF YOUR CLAIM IS BINDING ON YOU AND IS IRREVOCABLE.

Item 5. Certifications.

By signing this Ballot, the undersigned certifies to the Court and the Debtors:

1. that either: (a) the undersigned is the holder of the Class 4 Claim(s) being voted; or (b) the undersigned is an authorized signatory for an entity that is holder of the Class 4 Claim(s) being voted;
2. that the undersigned has received a copy of the Disclosure Statement, the Plan and the Solicitation Package and acknowledges that the solicitation is being made pursuant to the terms and conditions set forth therein;
3. that the undersigned has cast the same vote with respect to all Class 4 Claims;
4. that no other Ballots with respect to the amount of the Class 4 Claim(s) identified

in Item 1 have been cast or, if any other Ballots have been cast with respect to such Claim(s), then any such Ballots dated earlier are hereby revoked;

5. that the undersigned acknowledges that a vote to accept the Plan constitutes an acceptance of the treatment of such undersigned's Class 4 Claim(s);

6. that the undersigned understands and, if accepting the Plan, agrees with the treatment provided for its Claim(s) under the Plan;

7. that the undersigned acknowledges and understands that (a) if no holders of Claims eligible to vote in a particular Class vote to accept or reject the Plan, the Debtors will seek a determination at the Confirmation Hearing that the Plan is deemed accepted by such Class; and (b) any Class of Claims that does not have a holder of an Allowed Claim or a Claim provisionally allowed by the Court as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to sections 1129(a)(8) and 1129(a)(10) of the Bankruptcy Code; and

8. that the undersigned acknowledges and agrees that the Debtors may make conforming changes to the Plan to the extent provided by Bankruptcy Rule 3019 as may be reasonably necessary; provided that the Debtors will not re-solicit acceptances or rejections of the Plan in the event of such conforming changes.

_____
(Please print or type)

Social Security Number or Identification Number: _____

Signature: _____

Name of Signatory: _____
(If other than holder)[3]

Title: _____

Address: _____

_____

Email Address: _____

Date Completed: _____

[3] If you are completing this Ballot on behalf of another person or entity, indicate your relationship with such person or entity and the capacity in which you are signing. You may be required to provide additional information or documentation with respect to such relationship.

PLEASE COMPLETE, SIGN AND DATE THE BALLOT AND RETURN IT PROMPTLY IN THE ENCLOSED RETURN ENVELOPE SUCH THAT IT IS RECEIVED BY THE VOTING DEADLINE, WHICH IS [AUGUST 13], 2018 AT 4:00 P.M. ET.; *PROVIDED, HOWEVER*, IF YOUR RETURN ENVELOPE IS ADDRESSED TO YOUR NOMINEE, PLEASE ALLOW SUFFICIENT TIME FOR YOUR NOMINEE TO RECEIVE YOUR BALLOT, COMPILE YOUR VOTE ON A MASTER BALLOT AND RETURN THE MASTER BALLOT TO THE VOTING AGENT SUCH THAT IT IS RECEIVED BY THE VOTING DEADLINE, WHICH IS [AUGUST 13], 2018 AT 4:00 P.M. ET.

INSTRUCTIONS FOR COMPLETING BALLOTS

1. The Debtors are soliciting the votes of holders of Claims with respect to the Plan attached as **Exhibit A** to the Disclosure Statement. Capitalized terms used in the Ballot or in these instructions but not otherwise defined therein or herein shall have the meaning set forth in the Plan, the Disclosure Statement or the Disclosure Statement Order, as applicable.

2. The Court may confirm the Plan and thereby bind you by the terms of the Plan. Please review the Disclosure Statement for more information.

3. To ensure that your vote is counted, you must: (a) complete the Ballot; (b) indicate your decision either to accept or reject the Plan in the boxes provided in Item 2 of the Ballot; and (c) sign and return the Ballot in the enclosed return envelope provided. If you received a return envelope addressed to your Nominee (or otherwise received instructions to vote from your Nominee), please allow sufficient time for your Nominee to incorporate your vote on a master ballot to be returned to the Voting Agent. If the Voting Agent does not actually receive your Ballot or the master ballot reflecting your vote (as applicable) by the Voting Deadline**, which is [August 13], 2018 at 4:00 p.m. (ET)** and if the Voting Deadline is not extended, your vote will not count. Your completed Ballot must be received by the Voting Agent on or before the Voting Deadline.

4. You must vote all of your Claims or Interests within a particular Class either to accept or reject the Plan and may not split your vote. A Ballot that partially rejects and partially accepts the Plan will not be counted. Further, if a holder has multiple Claims within the same Class, the Debtors may, in their discretion, aggregate the Claims of any particular holder within a Class for the purpose of counting votes.

5. If a vote is received after the Voting Deadline, it will not be counted unless the Debtors determine otherwise or as otherwise ordered by the Court.

6. Instead of effecting delivery by mail, it is recommended, though not required, that holders use an overnight or hand delivery service (or otherwise follow the instructions of your Nominee). In all cases, holders should allow sufficient time to assure timely delivery.

7. No Ballot should be sent to any of the Debtors, the Debtors' agents (other than the Voting Agent) or the Debtors' legal advisors and if so sent will not be counted.

8. If multiple Ballots are received from the same holder of a Claim with respect to the same Claim prior to the Voting Deadline, the last valid Ballot timely received will supersede and revoke any earlier received Ballots.

9. The Ballot is not a letter of transmittal and may not be used for any purpose other than to vote to accept or reject the Plan. Accordingly, at this time, holders of TruPS Claims should not surrender certificates or instruments representing or evidencing their TruPS Claims and neither the Debtors nor the Voting Agent will accept delivery of any such certificates or instruments surrendered together with a Ballot.

10. This Ballot does not constitute and shall not be deemed to be: (a) a Proof of Claim; or (b) an assertion or admission of a Claim.

11. Please be sure to sign and date your Ballot. If you are signing a Ballot in your capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation or otherwise acting in a fiduciary or representative capacity, you should indicate such capacity when signing and, if requested by the Voting Agent, the Debtors or the Court, must submit proper evidence to the requesting party to so act on behalf of such holder. In addition, please provide your name and mailing address if it is different from that set forth on the attached mailing label or if no such mailing label is attached to the Ballot.

12. If you hold Claims or Interests in more than one Class under the Plan or in multiple accounts, you may receive more than one Ballot coded for each different Class or account. Each Ballot votes only your Claims or Interests indicated on that Ballot. Please complete and return each Ballot you received.

13. The following Ballots shall not be counted in determining the acceptance or rejection of the Plan: (a) any Ballot that is illegible or contains insufficient information to permit the identification of the holder of the Claim or Interest; (b) any Ballot cast by an undersigned that does not hold a Claim or Interest in a Class that is entitled to vote on the Plan; (c) any unsigned Ballot; (d) any Ballot not marked to accept or reject the Plan or any Ballot marked both to accept and reject the Plan; and (e) any Ballot submitted by any entity not entitled to vote pursuant to the Solicitation Procedures.

14. If you believe you have received the wrong Ballot, you should contact the Voting Agent immediately by telephone at (347) 897-3820 or (877) 851-3566 (toll-free) or email at scottishballots@primeclerk.com.

PLEASE MAIL YOUR BALLOT PROMPTLY

IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT OR THE VOTING PROCEDURES, PLEASE CONTACT THE VOTING AGENT BY TELEPHONE AT: (347) 897-3820 OR (877) 851-3566 (toll-free) OR EMAIL AT SCOTTISHBALLOTS@PRIMECLERK.COM.

Exhibit A

If you received a return envelope addressed to your Nominee, your Nominee may have checked a box below to indicate the Plan Class and CUSIP to which this Individual Ballot pertains, or otherwise provided that information to you on a label or schedule attached to the Individual Ballot:

Class []		
☐	[SECURITY DESCRIPTION]	[CUSIP]
☐	[SECURITY DESCRIPTION]	[CUSIP]
☐	[SECURITY DESCRIPTION]	[CUSIP]
☐	[SECURITY DESCRIPTION]	[CUSIP]

Exhibit 1(d)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
SCOTTISH HOLDINGS, INC., *et al.*,	Case No. 18-10160 (LSS)
Debtors.[1]	Jointly Administered

INDIVIDUAL BALLOT FOR ACCEPTING OR REJECTING FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF SCOTTISH HOLDINGS, INC., AND SCOTTISH ANNUITY & LIFE INSURANCE COMPANY (CAYMAN) LTD. [D.I. ___]

CLASS 6 – SALIC TruPS CLAIMS

PLEASE READ AND FOLLOW THE ENCLOSED INSTRUCTIONS FOR COMPLETING BALLOTS CAREFULLY BEFORE COMPLETING THE BALLOT.

***IF YOU RECEIVED AN ENVELOPE ADDRESSED TO YOUR BANK, BROKER, OR FINANCIAL INSTITUTION THAT HOLDS YOUR CLAIMS IN "STREET NAME" (YOUR "NOMINEE"),* YOU MUST SUBMIT YOUR BALLOT TO YOUR NOMINEE IN ACCORDANCE WITH YOUR NOMINEE'S INSTRUCTIONS WITH SUFFICIENT TIME TO ALLOW YOUR NOMINEE TO INCORPORATE YOUR VOTE ON A MASTER BALLOT AND SUBMIT THE MASTER BALLOT TO PRIME CLERK LLC (THE "VOTING AGENT") SO THAT THE MASTER BALLOT IS ACTUALLY RECEIVED BY THE VOTING AGENT ON OR BEFORE [AUGUST 13], 2018 AT 4:00 P.M. (ET) (THE "VOTING DEADLINE").**

***IF YOU RECEIVED AN ENVELOPE ADDRESSED TO THE VOTING AGENT*, YOU MUST RETURN YOUR INDIVIDUAL BALLOT DIRECTLY TO THE VOTING AGENT SO THAT IT IS ACTUALLY RECEIVED BY THE VOTING AGENT ON OR BEFORE THE VOTING DEADLINE.**

THIS BALLOT IS TO BE USED FOR VOTING BY HOLDERS WHOSE CLAIMS AGAINST THE DEBTORS AROSE FROM OWNERSHIP OF THE TRUST PREFERRED SECURITIES OF SCOTTISH HOLDINGS, INC. STATUTORY TRUST I,

[1] The Debtors, along with the last four digits of their federal tax identification numbers, are as follows: Scottish Holdings, Inc. (4408) and Scottish Annuity & Life Insurance Company (Cayman) Ltd. (3285). The Debtors' mailing address for purposes of these Chapter 11 Cases is 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277.

SCOTTISH HOLDINGS, INC. STATUTORY TRUST II, GPIC HOLDINGS INC. STATUTORY TRUST, SCOTTISH HOLDINGS, INC. STATUTORY TRUST III, AND SFL STATUTORY TRUST I (THE "TruPS CLAIMS").

IF YOUR BALLOT OR THE MASTER BALLOT REFLECTING YOUR VOTE (AS APPLICABLE) IS NOT RECEIVED BY THE VOTING DEADLINE, THE DEBTORS MAY REJECT YOUR BALLOT AS INVALID.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT, IT WILL BE BINDING ON YOU WHETHER OR NOT YOU VOTE.

If no holder of a TruPS Claim eligible to vote in Class 6 timely votes to accept or reject the Plan, then the Debtors will seek a determination at the Confirmation Hearing that the Plan is deemed accepted by such Class. If you do not wish such a presumption with respect to Class 6 to become effective, you should timely submit the ballot accepting or rejecting the Plan for such Class.

Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd., as debtors and debtors in possession (the "Debtors") in the above-captioned chapter 11 cases have sent this Ballot to you because their records indicate that you are a holder of a Class 6 – SALIC TruPS Claim as of the Voting Record Date (June 28, 2018) and accordingly, you have a right to vote to accept or reject the *First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* [D.I. ___] (as may be further amended, modified or supplemented from time to time and including all exhibits thereto, the "Plan").[2]

Your rights are described in the *Disclosure Statement for First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* and all exhibits related thereto [D.I. ___] (as may be further amended, modified or supplemented from time to time and including all exhibits or supplements thereto, the "Disclosure Statement") and the Disclosure Statement Order. The Disclosure Statement, the Plan, the Disclosure Statement Order and certain other materials contained in the Solicitation Package are included in the packet you are receiving with this Ballot. If you need to obtain additional solicitation materials, you may obtain such materials free of charge by (a) accessing the Debtors' restructuring website at www.scottishre.com/chapter11info or https://cases.primeclerk.com/scottishballots or (b) contacting the Voting Agent via telephone at (347) 897-3820 or (877) 851-3566 (toll-free) or email at scottishballots@primeclerk.com. You

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[2] Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan, Disclosure Statement (as defined herein), or the *Order: (I) Approving Disclosure Statement; (II) Scheduling Confirmation Hearing And Related Deadlines; (III) Establishing Procedures For Solicitation, Temporary Allowance Of Claims And Vote Tabulation; (IV) Approving Forms Of Ballots; (V) Approving Form, Manner And Sufficiency Of Notice Of Confirmation Hearing And Related Deadlines; And (VI) Granting Related Relief* [D.I. ___] (the "Disclosure Statement Order"), as the case may be.

may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACER at http://www.deb.uscourts.gov/. The Court has approved the Disclosure Statement as containing adequate information under section 1125 of the Bankruptcy Code. Court approval of the Disclosure Statement does not indicate approval of the Plan by the Court.

This Ballot may not be used for any purpose other than to vote to accept or reject the Plan. This Ballot does not constitute, and shall not be deemed to be, a Proof of Claim or an assertion or admission of a Claim. If you believe you have received this Ballot in error, please contact the Voting Agent at the address or telephone number set forth above.

You should carefully and thoroughly review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the Plan's classification and treatment of your Claim. Your Claim has been placed in Class 6 under the Plan. If you hold Claims in more than one Class, you will receive a Ballot for each Class in which you are entitled to vote.

If the Voting Agent does not actually receive a this ballot or master ballot including your vote (as applicable) on or before the Voting Deadline**, which is [[August 13]], 2018 at 4:00 p.m. (ET)** and if the Voting Deadline is not extended, your vote will not count. **If the Court confirms the Plan, it will bind you regardless of whether you vote.**

Item 1. Amount of TruPS Claim.

The undersigned, a holder of TruPS Claims, is the direct beneficial owner of TruPS Claims from which the undersigned received this Ballot in the aggregate unpaid principal amount of:

Amount of Claim: $ _____

Item 2. Vote on Plan.

THE DEBTORS RECOMMEND THAT YOU VOTE TO ACCEPT THE PLAN.

The holder of Class 6 Claims set forth in Item 1 votes to (please check one):

ACCEPT THE PLAN	**REJECT THE PLAN**
☐	☐

To be counted, a holder of TruPS Claims must vote all of its TruPS Claims either to accept or reject the Plan. No split votes will be permitted.

If no holder of Class 6 Claims eligible to vote to accept or reject the Plan votes on the Plan, the Debtors intend to seek a determination at the Confirmation Hearing that the Plan is deemed accepted by Class 6.

Item 3. Releases.

If you do not check the box below, you are consenting to grant the "Releases by Holders of Claims and Interests" set forth in Article X, Section 10.3 of the Plan.

Check the box: ☐ I do not wish to grant the "Releases by Holders of Claims and Interests" set forth in Article X, Section 10.3 of the Plan.

For your reference, Article X, Section 10.3 of the Plan states:

To the fullest extent permitted by law and except as otherwise specifically provided in the Plan, for good and valuable consideration, including the contributions of the Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, effective as of the Effective Date, (i) Holders of Claims who vote to accept the Plan, (ii) Holders of Claims who are Unimpaired under the Plan, (iii) Holders of Claims entitled to vote on the Plan who do not submit a ballot and do not timely object to or opt-out of the releases, and (iv) each of the Purchaser, the Joint Liquidators, SRGL, and for each of the foregoing, their respective Representatives (other than with respect to SRGL, the SRGL Equity Holders), hereby release, waive and discharge, and shall be deemed to forever release, waive, and discharge the Released Parties of any and all Claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities whatsoever in connection with or related to the Debtors, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, at equity, or otherwise, including those that any of the Debtors, the Reorganized Debtors, the Estates, or their Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Interest or other Entity based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the conduct of the Debtors' business, the Chapter 11 Cases, the Disclosure Statement, the Plan or the documents implementing the Plan, and the negotiation, formulation, or preparation thereof, the solicitation of votes with respect to the Plan, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any of the Debtors and any Released Party, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, or upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct, actual fraud, or gross negligence as determined by a Final Order.

Each Person or Entity providing releases under the Plan, including the Debtors, the

Estates, and the Holders of Claims (regardless of whether such Holder is a Released Party), shall be deemed to have granted the releases set forth above notwithstanding that such Person or Entity may hereafter discover facts in addition to, or different from, those which it now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and such Person or Entity expressly waives any and all rights that it may have under any statute or common law principle which would limit the effect of such releases to those Claims or causes of action actually known or suspected to exist at the time of execution of such release.

Entry of the Confirmation Order shall constitute the Court's approval, pursuant to Bankruptcy Rule 9019, of the Releases by Holders of Claims and Interests described in this Section 10.3, which includes by reference each of the related provisions and definitions contained herein, and, further, shall constitute the Court's finding that such releases are: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims released by such releases; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Releasing Parties asserting any claim or cause of action released pursuant to such releases.

"Released Parties" as defined in the Plan and Disclosure Statement means: (a) the Debtors; (b) the Reorganized Debtors; (c) the Official Committee (including the current and former Official Committee members in their capacities as such); (d) the Purchaser; (e) the Stalking Horse; (f) the Joint Liquidators; (g) SRGL; (h) the Voting Agent; and (i) for each of the foregoing, all of their respective Representatives; *provided, however*, that "Released Parties" specifically excludes the SRGL Equity Holders, and their respective Representatives, in their capacity as such.

Item 4. Treatment Election: New Equity or Cash

Pursuant to Article IV, Section 4.3 of the Plan, Beneficial Holders of TruPS that are New Equity Eligible Beneficial Holders may receive their Distribution (in addition to such New Equity Eligible Beneficial Holder's applicable percentage of the Distribution Trust Asset Proceeds) in the form of: (x) by making the New Equity Election, New Equity equal to such New Equity Eligible Beneficial Holder's TruPS Claims Equity Distribution Amount; or (y) Cash in such New Equity Eligible Beneficial Holder's TruPS/ GUC Claims Cash Distribution Amount. **If you are a New Equity Eligible Beneficial Holder and fail to make the New Equity Election, you are consenting to receive your Distribution in Cash.**

For your reference, defined terms from the Plan and Disclosure Statement used in this Item 4 include the following:

- "Beneficial Holder" means, with respect to any TruPS, the person or entity having "beneficial ownership" of such TruPS (as determined pursuant to Rule 13d-3 of the Securities Exchange Act of 1934).

- "New Equity Eligible Beneficial Holder" means a Beneficial Holder of TruPS other than SRGL.

- "TruPS Claims Equity Distribution Amount" means (i) with respect to a Beneficial Holder of TruPS, the amount of the Offered New Equity to be distributed to a Beneficial Holder that elects to receive New Equity under Section 4.3 of the Plan, calculated based on such Beneficial Holder's Allocated Portion of the Allowed TruPS Claim in respect of which it is a Beneficial Holder divided by the TruPS Claims Aggregate Amount; and (ii) with respect to the Holder of the SFL Note Claim, for which the SFL Claims Allowance Conditions have been satisfied, the amount of the Offered New Equity to be distributed on account of the Allowed SFL Note Claim, if the Holder thereof elects to receive New Equity under Section 4.3 of the Plan, calculated based on the portion of the Allowed SFL Note Claim for which the New Equity Election has been made divided by the TruPS Claims Aggregate Amount.t.

- "TruPS/GUC Claims Cash Distribution Amount" means the pro rata amount of the Available Plan Distribution Funding Amount to be distributed to a Beneficial Holder, Holder of the SFL Note Claim or Holder of a General Unsecured Claim, as applicable, calculated based on: (i) with respect to a Beneficial Holder of TruPS, such Beneficial Holder's Allocated Portion of the Allowed TruPS Claim in respect of which it is a Beneficial Holder, divided by the TruPS/GUC Claims Aggregate Amount; (ii) with respect to the Allowed SFL Note Claim, the portion of such Holder's Allowed SFL Note Claim for which the Cash Election has been made, divided by the TruPS/GUC Claims Aggregate Amount; and (iii) with respect to an Allowed General Unsecured Claim, the Allowed amount of such General Unsecured Claim, divided by the TruPS/GUC Claims Aggregate Amount.

If you do not check the box below, you are consenting to receive your Distribution in Cash.

Check the box: ☐ I wish to make the New Equity Election.

ELECTION OF THE ALTERNATIVE TREATMENT OF YOUR CLAIM IS BINDING ON YOU AND IS IRREVOCABLE.

Item 5. Certifications.

By signing this Ballot, the undersigned certifies to the Court and the Debtors:

1. that either: (a) the undersigned is the holder of the Class 6 Claim(s) being voted; or (b) the undersigned is an authorized signatory for an entity that is holder of the Class 6 Claim(s) being voted;

2. that the undersigned has received a copy of the Disclosure Statement, the Plan and the Solicitation Package and acknowledges that the solicitation is being made pursuant to the terms and conditions set forth therein;

3. that the undersigned has cast the same vote with respect to all Class 6 Claims;

4. that no other Ballots with respect to the amount of the Class 6 Claim(s) identified

in Item 1 have been cast or, if any other Ballots have been cast with respect to such Claim(s), then any such Ballots dated earlier are hereby revoked;

5. that the undersigned acknowledges that a vote to accept the Plan constitutes an acceptance of the treatment of such undersigned's Class 6 Claim(s);

6. that the undersigned understands and, if accepting the Plan, agrees with the treatment provided for its Claim(s) under the Plan;

7. that the undersigned acknowledges and understands that (a) if no holders of Claims eligible to vote in a particular Class vote to accept or reject the Plan, the Debtors will seek a determination at the Confirmation Hearing that the Plan is deemed accepted by such Class; and (b) any Class of Claims that does not have a holder of an Allowed Claim or a Claim provisionally allowed by the Court as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to sections 1129(a)(8) and 1129(a)(10) of the Bankruptcy Code; and

8. that the undersigned acknowledges and agrees that the Debtors may make conforming changes to the Plan to the extent provided by Bankruptcy Rule 3019 as may be reasonably necessary; provided that the Debtors will not re-solicit acceptances or rejections of the Plan in the event of such conforming changes.

_____
(Please print or type)

Social Security Number or Identification Number: _____

Signature: _____

Name of Signatory: _____
(If other than holder)[3]

Title: _____

Address: _____

_____

Email Address: _____

Date Completed: _____

[3] If you are completing this Ballot on behalf of another person or entity, indicate your relationship with such person or entity and the capacity in which you are signing. You may be required to provide additional information or documentation with respect to such relationship.

PLEASE COMPLETE, SIGN AND DATE THE BALLOT AND RETURN IT PROMPTLY IN THE ENCLOSED RETURN ENVELOPE SUCH THAT IT IS RECEIVED BY THE VOTING DEADLINE, WHICH IS [AUGUST 13], 2018 AT 4:00 P.M. ET.; *PROVIDED, HOWEVER*, IF YOUR RETURN ENVELOPE IS ADDRESSED TO YOUR NOMINEE, PLEASE ALLOW SUFFICIENT TIME FOR YOUR NOMINEE TO RECEIVE YOUR BALLOT, COMPILE YOUR VOTE ON A MASTER BALLOT AND RETURN THE MASTER BALLOT TO THE VOTING AGENT SUCH THAT IT IS RECEIVED BY THE VOTING DEADLINE, WHICH IS [AUGUST 13], 2018 AT 4:00 P.M. ET.

INSTRUCTIONS FOR COMPLETING BALLOTS

1. The Debtors are soliciting the votes of holders of Claims with respect to the Plan attached as **Exhibit A** to the Disclosure Statement. Capitalized terms used in the Ballot or in these instructions but not otherwise defined therein or herein shall have the meaning set forth in the Plan, the Disclosure Statement or the Disclosure Statement Order, as applicable.

2. The Court may confirm the Plan and thereby bind you by the terms of the Plan. Please review the Disclosure Statement for more information.

3. To ensure that your vote is counted, you must: (a) complete the Ballot; (b) indicate your decision either to accept or reject the Plan in the boxes provided in Item 2 of the Ballot; and (c) sign and return the Ballot in the enclosed return envelope provided. If you received a return envelope addressed to your Nominee (or otherwise received instructions to vote from your Nominee), please allow sufficient time for your Nominee to incorporate your vote on a master ballot to be returned to the Voting Agent. If the Voting Agent does not actually receive your Ballot or the master ballot reflecting your vote (as applicable) by the Voting Deadline**, which is [August 13], 2018 at 4:00 p.m. (ET)** and if the Voting Deadline is not extended, your vote will not count. Your completed Ballot must be received by the Voting Agent on or before the Voting Deadline.

4. You must vote all of your Claims or Interests within a particular Class either to accept or reject the Plan and may not split your vote. A Ballot that partially rejects and partially accepts the Plan will not be counted. Further, if a holder has multiple Claims within the same Class, the Debtors may, in their discretion, aggregate the Claims of any particular holder within a Class for the purpose of counting votes.

5. If a vote is received after the Voting Deadline, it will not be counted unless the Debtors determine otherwise or as otherwise ordered by the Court.

6. Instead of effecting delivery by mail, it is recommended, though not required, that holders use an overnight or hand delivery service (or otherwise follow the instructions of your Nominee). In all cases, holders should allow sufficient time to assure timely delivery.

7. No Ballot should be sent to any of the Debtors, the Debtors' agents (other than the Voting Agent) or the Debtors' legal advisors and if so sent will not be counted.

8. If multiple Ballots are received from the same holder of a Claim with respect to the same Claim prior to the Voting Deadline, the last valid Ballot timely received will supersede and revoke any earlier received Ballots.

9. The Ballot is not a letter of transmittal and may not be used for any purpose other than to vote to accept or reject the Plan. Accordingly, at this time, holders of TruPS Claims should not surrender certificates or instruments representing or evidencing their TruPS Claims and neither the Debtors nor the Voting Agent will accept delivery of any such certificates or instruments surrendered together with a Ballot.

10. This Ballot does not constitute and shall not be deemed to be: (a) a Proof of Claim; or (b) an assertion or admission of a Claim.

11. Please be sure to sign and date your Ballot. If you are signing a Ballot in your capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation or otherwise acting in a fiduciary or representative capacity, you should indicate such capacity when signing and, if requested by the Voting Agent, the Debtors or the Court, must submit proper evidence to the requesting party to so act on behalf of such holder. In addition, please provide your name and mailing address if it is different from that set forth on the attached mailing label or if no such mailing label is attached to the Ballot.

12. If you hold Claims or Interests in more than one Class under the Plan or in multiple accounts, you may receive more than one Ballot coded for each different Class or account. Each Ballot votes only your Claims or Interests indicated on that Ballot. Please complete and return each Ballot you received.

13. The following Ballots shall not be counted in determining the acceptance or rejection of the Plan: (a) any Ballot that is illegible or contains insufficient information to permit the identification of the holder of the Claim or Interest; (b) any Ballot cast by an undersigned that does not hold a Claim or Interest in a Class that is entitled to vote on the Plan; (c) any unsigned Ballot; (d) any Ballot not marked to accept or reject the Plan or any Ballot marked both to accept and reject the Plan; and (e) any Ballot submitted by any entity not entitled to vote pursuant to the Solicitation Procedures.

14. If you believe you have received the wrong Ballot, you should contact the Voting Agent immediately by telephone at (347) 897-3820 or (877) 851-3566 (toll-free) or email at scottishballots@primeclerk.com.

PLEASE RETURN YOUR BALLOT PROMPTLY

IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT OR THE VOTING PROCEDURES, PLEASE CONTACT THE VOTING AGENT BY TELEPHONE AT: (347) 897-3820 OR (877) 851-3566 (toll-free) OR EMAIL AT SCOTTISHBALLOTS@PRIMECLERK.COM.

Exhibit A

If you received a return envelope addressed to your Nominee, your Nominee may have checked a box below to indicate the Plan Class and CUSIP to which this Individual Ballot pertains, or otherwise provided that information to you on a label or schedule attached to the Individual Ballot:

Class []		
☐	[SECURITY DESCRIPTION]	[CUSIP]
☐	[SECURITY DESCRIPTION]	[CUSIP]
☐	[SECURITY DESCRIPTION]	[CUSIP]
☐	[SECURITY DESCRIPTION]	[CUSIP]

Exhibit 1(e)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
SCOTTISH HOLDINGS, INC., *et al.*,	Case No. 18-10160 (LSS)
Debtors.[1]	Jointly Administered

MASTER BALLOT FOR ACCEPTING OR REJECTING FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF SCOTTISH HOLDINGS, INC., AND SCOTTISH ANNUITY & LIFE INSURANCE COMPANY (CAYMAN) LTD. [D.I. ___]

CLASS 4 – SHI TruPS CLAIMS

PLEASE READ AND FOLLOW THE ENCLOSED INSTRUCTIONS FOR COMPLETING BALLOTS CAREFULLY BEFORE COMPLETING THE BALLOT.

THIS MASTER BALLOT IS ACCOMPANIED BY A POSTAGE PRE-PAID RETURN ENVELOPE THAT IS ADDRESSED TO PRIME CLERK, LLC (THE "VOTING AGENT"). YOU MAY RETURN THIS MASTER BALLOT BY ONE OF THE FOLLOWING RETURN METHODS: (I) IN THE ENCLOSED ENVELOPE, (II) FIRST CLASS MAIL, OVERNIGHT COURIER, OR HAND DELIVERY TO SCOTTISH HOLDINGS BALLOT PROCESSING C/O PRIME CLERK, LLC 830 3RD AVENUE, 3RD FLOOR NEW YORK, NY 10022, OR (III) VIA EMAIL TO SCOTTISHBALLOTS@PRIMECLERK.COM. THIS MASTER BALLOT MUST BE ACTUALLY RECEIVED BY THE VOTING AGENT ON OR BEFORE [AUGUST 13], 2018 AT 4:00 P.M. (ET) (THE "VOTING DEADLINE").

THIS MASTER BALLOT IS TO BE USED BY THE RESPECTIVE RECORD HOLDERS (THE "MASTER BALLOT AGENT") TO VOTE AS AGENT OR NOMINEE FOR THE BENEFICIAL HOLDERS OF INTERESTS IN CLAIMS (THE "TruPS HOLDERS") AGAINST THE DEBTORS WHOSE CLAIMS AROSE FROM OWNERSHIP OF THE TRUST PREFERRED SECURITIES OF SCOTTISH HOLDINGS, INC. STATUTORY TRUST I, SCOTTISH HOLDINGS, INC. STATUTORY

[1] The Debtors, along with the last four digits of their federal tax identification numbers, are as follows: Scottish Holdings, Inc. (4408) and Scottish Annuity & Life Insurance Company (Cayman) Ltd. (3285). The Debtors' mailing address for purposes of these Chapter 11 Cases is 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277.

TRUST II, GPIC HOLDINGS INC. STATUTORY TRUST, SCOTTISH HOLDINGS, INC. STATUTORY TRUST III, AND SFL STATUTORY TRUST I (THE "TruPS CLAIMS") AND/OR ANY BANK, BROKER, DEALER, OTHER FINANCIAL INSTITUTION OR OTHER ENTITY THROUGH WHICH THE TruPS HOLDERS HOLD THE TruPS.

PLEASE RETURN THIS MASTER BALLOT TO THE VOTING AGENT IN ACCORDANCE WITH THE INSTUCTIONS ABOVE. DO NOT RETURN THIS MASTER BALLOT TO THE INDENTURE TRUSTEE OR INSTITUTIONAL TRUSTEE OF ANY OF THE TRUSTS.

IF YOUR BALLOT IS NOT RECEIVED BY THE VOTING DEADLINE, THE DEBTORS MAY REJECT YOUR BALLOT AS INVALID.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT, IT WILL BE BINDING ON YOU WHETHER OR NOT YOU VOTE.

Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd., as debtors and debtors in possession (the "Debtors") in the above-captioned chapter 11 cases have sent this Master Ballot to you because their records indicate that you are a collateral manager for holders of a Class 4 – SHI TruPS Claim as of the Voting Record Date (June 28, 2018) and accordingly, you have a right to vote as agent or nominee for the TruPS Holders to accept or reject the *First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* [D.I. ___] (as may be further amended, modified or supplemented from time to time and including all exhibits thereto, the "Plan").[2]

The TruPS Holders' rights are described in the *Disclosure Statement for First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* and all exhibits related thereto [D.I. ___] (as may be further amended, modified or supplemented from time to time and including all exhibits or supplements thereto, the "Disclosure Statement") and the Disclosure Statement Order. The Disclosure Statement, the Plan, the Disclosure Statement Order and certain other materials contained in the Solicitation Package are included in the packet you are receiving with this Master Ballot. If you need to obtain additional solicitation materials, you may obtain such materials free of charge by (a) accessing the Debtors' restructuring website at www.scottishre.com/chapter11info or https://cases.primeclerk.com/scottishballots or (b) contacting the Voting Agent via telephone at

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[2] Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan, Disclosure Statement (as defined herein), or the *Order: (I) Approving Disclosure Statement; (II) Scheduling Confirmation Hearing And Related Deadlines; (III) Establishing Procedures For Solicitation, Temporary Allowance Of Claims And Vote Tabulation; (IV) Approving Forms Of Ballots; (V) Approving Form, Manner And Sufficiency Of Notice Of Confirmation Hearing And Related Deadlines; And (VI) Granting Related Relief* [D.I. ___] (the "Disclosure Statement Order"), as the case may be.

(347) 897-3820 or (877) 851-3566 (toll-free) or email at scottishballots@primeclerk.com. You may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACER at http://www.deb.uscourts.gov/. The Court has approved the Disclosure Statement as containing adequate information under section 1125 of the Bankruptcy Code. Court approval of the Disclosure Statement does not indicate approval of the Plan by the Court.

This Master Ballot may not be used for any purpose other than to vote to accept or reject the Plan. This Master Ballot does not constitute, and shall not be deemed to be, a Proof of Claim or an assertion or admission of a Claim. If you believe you have received this Master Ballot in error, please contact the Voting Agent at the address or telephone number set forth above.

You should carefully and thoroughly review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the Plan's classification and treatment of Class 4 Claims.

If the Voting Agent does not actually receive your Master Ballot on or before the Voting Deadline**, which is [August 13], 2018 at 4:00 p.m. (ET)** and if the Voting Deadline is not extended, your vote will not count. **If the Court confirms the Plan, it will bind you regardless of whether you vote.**

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE THE DESIGNATION OF YOU OR ANY OTHER PERSON AS AN AGENT OF THE DEBTORS OR THE VOTING AGENT OR AUTHORIZE YOU OR ANY PERSON TO USE ANY DOCUMENT OR MAKE ANY STATEMENTS ON BEHALF OF ANY OF THE TruPS HOLDERS WITH RESPECT TO THE PLAN, EXCEPT FOR THE STATEMENTS CONTAINED IN THE SOLICITATION MATERIALS ENCLOSED HEREWITH.

Item 1. Certification of Authority to Vote.

The undersigned certifies that, as of the Voting Record Date, the undersigned (please check the applicable box):

☐ is a Nominee for the beneficial holders in the principal amount of Class 4 – SHI TruPS Claims listed in Item 2 below and is the registered holder of such Class 4 – SHI TruPS Claims;

☐ is acting under a power of attorney and/or agency (a copy of which must be provided upon request) granted by a Nominee that is the registered holder of Class 4 – SHI TruPS Claims in the principal amount listed in Item 2 below; or

☐ has been granted a proxy (an original of which is annexed hereto) from a Nominee or a beneficial holder that is the registered holder of the principal amount of Class 4 – SHI TruPS Claims listed in Item 2 below, and accordingly, has full power and authority to vote to accept or reject the Plan on behalf of the beneficial holders of the Class 4 – SHI TruPS Claims listed in Item 2 below.

Item 2. Votes on the Plan and Beneficial Owner Information.

The undersigned certifies that the information provided below (including any information provided on additional sheets attached hereto) is a true and accurate schedule of the beneficial owners of TruPS Claims, as identified by their respective account numbers, that have delivered duly completed Individual Ballots (or otherwise submitted its vote in accordance with the Nominee's instructions) to the undersigned voting to accept or reject the Plan.

(Please complete the information requested below. Attach additional sheets if necessary.)

Customer Account Number (for each holder of TruPS Claims)	**Item 2 of Individual Ballot.** Vote on Plan (indicate Principal Amount of TruPS Claims Voted below):		**Item 3 of Individual Ballot.** Place a check below if holder checked the box in Item 3 of the Individual Ballot to not grant the Releases.	**Item 4 of Individual Ballot.** Place a check below if holder checked the box in Item 4 of the Individual Ballot to elect the Alternative Transaction.
	To Accept the Plan	To Reject the Plan		
1.			□	□
2.			□	□
3.			□	□
4.			□	□
5.			□	□
6.			□	□
7.			□	□
8.			□	□
9.			□	□
TOTALS:				

To be counted, a holder of TruPS Claims (or authorized signatory for a TruPS Holder) must vote all of its TruPS Claims either to accept or reject the Plan. No split votes will be permitted.

Item 3. Certifications.

By signing this Ballot, the undersigned certifies to the Court and the Debtors:

1. that the undersigned is an authorized signatory for the TruPS Holders of the Class

4 Claim(s) being voted;

2. that each beneficial owner whose votes are being transmitted by this Master Ballot has received a copy of the Disclosure Statement, the Plan and the Solicitation Package, as well as notice of the hearing to consider confirmation of the Plan; and

3. that the Individual Ballot received from each beneficial owner or a copy thereof is and will remain on file with the undersigned subject to inspection for a period of one year following the Voting Deadline.

Item 4. Registered Owner.

The undersigned certifies that it is the registered owner in its own name or through a position held at a securities depository of the TruPS Claims identified in Item 2 above.

_____
(Please print or type)

Social Security Number or Identification Number: _____

Signature: _____

Name of Signatory: _____
(If other than holder)[3]

Title: _____

Address: _____

_____

Email Address: _____

Date Completed: _____

PLEASE COMPLETE, SIGN AND DATE THE MASTER BALLOT AND RETURN IT PROMPTLY BY ONE OF THE FOLLOWING RETURN METHODS: (I) IN THE ENCLOSED ENVELOPE, (II) FIRST CLASS MAIL, OVERNIGHT COURIER, OR HAND DELIVERY TO SCOTTISH HOLDINGS BALLOT PROCESSING C/O PRIME CLERK, LLC 830 3RD AVENUE, 3RD FLOOR NEW YORK, NY 10022, OR (III) VIA EMAIL TO SCOTTISHBALLOTS@PRIMECLERK.COM. YOUR BALLOT MUST BE ACTUALLY RECEIVED BY THE VOTING DEADLINE, WHICH IS [AUGUST 13], 2018 AT 4:00 P.M. ET.

[3] If you are completing this Ballot on behalf of another person or entity, indicate your relationship with such person or entity and the capacity in which you are signing. You may be required to provide additional information or documentation with respect to such relationship.

INSTRUCTIONS FOR COMPLETING BALLOTS

1. Complete the Master Ballot by providing all the information requested and sign, date and return the Master Ballot in the enclosed return envelope or by mail, overnight courier, personal delivery or e-mail to the Voting Agent at the following addresses:

Scottish Holdings Ballot Processing
c/o Prime Clerk, LLC
830 3rd Avenue, 3rd Floor
New York, NY 10022

scottishballots@primeclerk.com

Master Ballots must be actually received by the Voting Agent by [August 13], 2018 at 4:00 p.m. (EDT) (the "Voting Deadline"). If a Master Ballot is received after the Voting Deadline, it will not be counted. An envelope addressed to the Voting Agent is enclosed for your convenience. Master Ballots should **not** be mailed to the Indenture Trustee or the Institutional Trustee.

2. This Master Ballot is not a letter of transmittal and may not be used for any purpose other than to transmit votes to accept or reject the Proposed Plan. Holders of TruPS Claims should not surrender certificates representing their TruPS Claims at this time, and neither the Debtor nor the Voting Agent will accept delivery of any such certificates transmitted together with a Master Ballot.

3. With respect to any Individual Ballots returned to you by a beneficial owner, you must complete a Master Ballot, return it to the Voting Agent and retain such Individual Ballots for inspection for a period of one year following the Voting Deadline.

4. If, in addition to acting as broker, bank, dealer or agent or other nominee, you also are a beneficial owner of TruPS Claims and you wish to vote such TruPS Claims beneficially held by you, you may add your vote to the attached Master Ballot.

5. Multiple Master Ballots may be completed and delivered to the Voting Agent to the extent there is insufficient space on the Master Ballot to record the voting instructions given by those TruPS Holders, and the votes reflected by such multiple Master Ballots shall be counted except to the extent that they are duplicative of other Master Ballots. If two or more Master Ballots are inconsistent, the latest dated Master Ballot actually received prior to the Voting Deadline will, to the extent of such inconsistency, supersede and revoke any prior Master Ballot. If more than one Master Ballot is submitted and the later Master Ballot(s) supplement rather than supersede earlier Master Ballot(s), please mark the subsequent Master Ballot(s) with the words "Additional Vote" or such other language as you customarily use to indicate an additional vote that is not meant to revoke an earlier vote.

6. Please note that Item 2 of the Master Ballot requests that you transcribe information or attach a schedule to the Master Ballot in the indicated format providing information for

each individual beneficial owner of TruPS Claims on whose behalf you are executing a Master Ballot. To identify such beneficial owners without disclosing their names, please use the customer account number assigned by you to each such beneficial owner. If a single customer has more than one account with the identical registration, only list that customer once in the schedule requested by Item 2. The total principal amount of all accounts voted with respect to a single customer should be listed in a single schedule entry, so that each line will represent a different beneficial owner.

7. Please note that each beneficial owner must vote the entire amount of its TruPS Claims either to accept or reject the Plan. A beneficial owner may not split its vote and, accordingly, an Individual Ballot received from a beneficial owner that attempts to partially reject and partially accept the Plan will not be counted. Further, for purposes of computing the Master Ballot vote, each voting beneficial owner should be deemed to have voted the full amount of its TruPS Claims according to your records or such lesser amount identified by the beneficial holder on its Individual Ballot. Any executed Individual Ballot that does not indicate an acceptance or rejection of the Plan should not be counted on the Master Ballot as having been cast

8. No fees or commissions or other remuneration will be payable to any broker, bank, dealer or other person in connection with this solicitation. Upon written request, however, the Debtor will reimburse you for reasonable customary mailing and handling expenses incurred by you in forwarding Individual Ballots and accompanying solicitation packages to your client.

9. This Master Ballot does not constitute and shall not be deemed a proof of Claim or equity interest or an assertion of a Claim or equity interest.

10. If you believe you have received the wrong Master Ballot, you should contact the Voting Agent immediately by telephone at (347) 897-3820 or (877) 851-3566 (toll-free) or email at scottishballots@primeclerk.com.

PLEASE SUBMIT YOUR MASTER BALLOT PROMPTLY

IF YOU HAVE ANY QUESTIONS REGARDING THIS MASTER BALLOT OR THE VOTING PROCEDURES, PLEASE CONTACT THE VOTING AGENT BY TELEPHONE AT: (347) 897-3820 OR (877) 851-3566 (toll-free) OR EMAIL AT SCOTTISHBALLOTS@PRIMECLERK.COM.

Exhibit A

Please check one (1) box below to indicate the Plan Class and CUSIP to which this Master Ballot pertains (or clearly indicate such information directly on the Master Ballot or on a schedule thereto):

Class []		
☐	[SECURITY DESCRIPTION]	[CUSIP]
☐	[SECURITY DESCRIPTION]	[CUSIP]
☐	[SECURITY DESCRIPTION]	[CUSIP]
☐	[SECURITY DESCRIPTION]	[CUSIP]

Exhibit 1(f)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
SCOTTISH HOLDINGS, INC., *et al.*,	Case No. 18-10160 (LSS)
Debtors.[1]	Jointly Administered

MASTER BALLOT FOR ACCEPTING OR REJECTING FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF SCOTTISH HOLDINGS, INC., AND SCOTTISH ANNUITY & LIFE INSURANCE COMPANY (CAYMAN) LTD. [D.I. ___]

CLASS 6 – SALIC TruPS CLAIMS

PLEASE READ AND FOLLOW THE ENCLOSED INSTRUCTIONS FOR COMPLETING BALLOTS CAREFULLY BEFORE COMPLETING THE BALLOT.

THIS MASTER BALLOT IS ACCOMPANIED BY A POSTAGE PRE-PAID RETURN ENVELOPE THAT IS ADDRESSED TO PRIME CLERK, LLC (THE "VOTING AGENT"). YOU MAY RETURN THIS MASTER BALLOT BY ONE OF THE FOLLOWING RETURN METHODS: (I) IN THE ENCLOSED ENVELOPE, (II) FIRST CLASS MAIL, OVERNIGHT COURIER, OR HAND DELIVERY TO SCOTTISH HOLDINGS BALLOT PROCESSING C/O PRIME CLERK, LLC 830 3RD AVENUE, 3RD FLOOR NEW YORK, NY 10022, OR (III) VIA EMAIL TO SCOTTISHBALLOTS@PRIMECLERK.COM. THIS MASTER BALLOT MUST BE ACTUALLY RECEIVED BY THE VOTING AGENT ON OR BEFORE [AUGUST 13], 2018 AT 4:00 P.M. (ET) (THE "VOTING DEADLINE").

THIS MASTER BALLOT IS TO BE USED BY THE RESPECTIVE RECORD HOLDERS (THE "MASTER BALLOT AGENT") TO VOTE AS AGENT OR NOMINEE FOR THE BENEFICIAL HOLDERS OF INTERESTS IN CLAIMS (THE "TruPS HOLDERS") AGAINST THE DEBTORS WHOSE CLAIMS AROSE FROM OWNERSHIP OF THE TRUST PREFERRED SECURITIES OF SCOTTISH HOLDINGS, INC. STATUTORY TRUST I, SCOTTISH HOLDINGS, INC. STATUTORY

[1] The Debtors, along with the last four digits of their federal tax identification numbers, are as follows: Scottish Holdings, Inc. (4408) and Scottish Annuity & Life Insurance Company (Cayman) Ltd. (3285). The Debtors' mailing address for purposes of these Chapter 11 Cases is 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277.

TRUST II, GPIC HOLDINGS INC. STATUTORY TRUST, SCOTTISH HOLDINGS, INC. STATUTORY TRUST III, AND SFL STATUTORY TRUST I (THE "TruPS CLAIMS") AND/OR ANY BANK, BROKER, DEALER, OTHER FINANCIAL INSTITUTION OR OTHER ENTITY THROUGH WHICH THE TruPS HOLDERS HOLD THE TruPS.

PLEASE RETURN THIS MASTER BALLOT TO THE VOTING AGENT IN ACCORDANCE WITH THE INSTUCTIONS ABOVE. DO NOT RETURN THIS MASTER BALLOT TO THE INDENTURE TRUSTEE OR INSTITUTIONAL TRUSTEE OF ANY OF THE TRUSTS.

IF YOUR BALLOT IS NOT RECEIVED BY THE VOTING DEADLINE, THE DEBTORS MAY REJECT YOUR BALLOT AS INVALID.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT, IT WILL BE BINDING ON YOU WHETHER OR NOT YOU VOTE.

Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd., as debtors and debtors in possession (the "Debtors") in the above-captioned chapter 11 cases have sent this Master Ballot to you because their records indicate that you are a collateral manager for holders of a Class 6 – SALIC TruPS Claim as of the Voting Record Date (June 28, 2018) and accordingly, you have a right to vote as agent or nominee for the TruPS Holders to accept or reject the *First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* [D.I. ___] (as may be further amended, modified or supplemented from time to time and including all exhibits thereto, the "Plan").[2]

The TruPS Holders' rights are described in the *Disclosure Statement for First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* and all exhibits related thereto [D.I. ___] (as may be further amended, modified or supplemented from time to time and including all exhibits or supplements thereto, the "Disclosure Statement") and the Disclosure Statement Order. The Disclosure Statement, the Plan, the Disclosure Statement Order and certain other materials contained in the Solicitation Package are included in the packet you are receiving with this Master Ballot. If you need to obtain additional solicitation materials, you may obtain such materials free of charge by (a) accessing the Debtors' restructuring website at www.scottishre.com/chapter11info or https://cases.primeclerk.com/scottishballots or (b) contacting the Voting Agent via telephone at

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[2] Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan, Disclosure Statement (as defined herein), or the *Order: (I) Approving Disclosure Statement; (II) Scheduling Confirmation Hearing And Related Deadlines; (III) Establishing Procedures For Solicitation, Temporary Allowance Of Claims And Vote Tabulation; (IV) Approving Forms Of Ballots; (V) Approving Form, Manner And Sufficiency Of Notice Of Confirmation Hearing And Related Deadlines; And (VI) Granting Related Relief* [D.I. ___] (the "Disclosure Statement Order"), as the case may be.

(347) 897-3820 or (877) 851-3566 (toll-free) or email at scottishballots@primeclerk.com. You may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACER at http://www.deb.uscourts.gov/. The Court has approved the Disclosure Statement as containing adequate information under section 1125 of the Bankruptcy Code. Court approval of the Disclosure Statement does not indicate approval of the Plan by the Court.

This Master Ballot may not be used for any purpose other than to vote to accept or reject the Plan. This Master Ballot does not constitute, and shall not be deemed to be, a Proof of Claim or an assertion or admission of a Claim. If you believe you have received this Master Ballot in error, please contact the Voting Agent at the address or telephone number set forth above.

You should carefully and thoroughly review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the Plan's classification and treatment of Class 6 Claims.

If the Voting Agent does not actually receive your Master Ballot on or before the Voting Deadline**, which is [August 13], 2018 at 4:00 p.m. (ET)** and if the Voting Deadline is not extended, your vote will not count. **If the Court confirms the Plan, it will bind you regardless of whether you vote.**

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE THE DESIGNATION OF YOU OR ANY OTHER PERSON AS AN AGENT OF THE DEBTORS OR THE VOTING AGENT OR AUTHORIZE YOU OR ANY PERSON TO USE ANY DOCUMENT OR MAKE ANY STATEMENTS ON BEHALF OF ANY OF THE TruPS HOLDERS WITH RESPECT TO THE PLAN, EXCEPT FOR THE STATEMENTS CONTAINED IN THE SOLICITATION MATERIALS ENCLOSED HEREWITH.

Item 1. Certification of Authority to Vote.

The undersigned certifies that, as of the Voting Record Date, the undersigned (please check the applicable box):

☐ is a Nominee for the beneficial holders in the principal amount of Class 6 – SALIC TruPS Claims listed in Item 2 below and is the registered holder of such Class 6 – SALIC TruPS Claims;

☐ is acting under a power of attorney and/or agency (a copy of which must be provided upon request) granted by a Nominee that is the registered holder of Class 6 – SALIC TruPS Claims in the principal amount listed in Item 2 below; or

☐ has been granted a proxy (an original of which is annexed hereto) from a Nominee or a beneficial holder that is the registered holder of the principal amount of Class 6 – SALIC TruPS Claims listed in Item 2 below, and accordingly, has full power and authority to vote to accept or reject the Plan on behalf of the beneficial holders of the Class 6 – SALIC TruPS Claims listed in Item 2 below.

Item 2. Votes on the Plan and Beneficial Owner Information.

The undersigned certifies that the information provided below (including any information provided on additional sheets attached hereto) is a true and accurate schedule of the beneficial owners of TruPS Claims, as identified by their respective account numbers, that have delivered duly completed Individual Ballots (or otherwise submitted its vote in accordance with the Nominee's instructions) to the undersigned voting to accept or reject the Plan.

(Please complete the information requested below. Attach additional sheets if necessary.)

Customer Account Number (for each holder of TruPS Claims)	**Item 2 of Individual Ballot.** Vote on Plan (indicate Principal Amount of TruPS Claims Voted below):		**Item 3 of Individual Ballot.** Place a check below if holder checked the box in Item 3 of the Individual Ballot to not grant the Releases.	**Item 4 of Individual Ballot.** Place a check below if holder checked the box in Item 4 of the Individual Ballot to elect the Alternative Transaction.
	To Accept the Plan	To Reject the Plan		
1.			□	□
2.			□	□
3.			□	□
4.			□	□
5.			□	□
6.			□	□
7.			□	□
8.			□	□
9.			□	□
TOTALS:				

To be counted, a holder of TruPS Claims (or authorized signatory for a TruPS Holder) must vote all of its TruPS Claims either to accept or reject the Plan. No split votes will be permitted.

Item 3. Certifications.

By signing this Ballot, the undersigned certifies to the Court and the Debtors:

1. That the undersigned is an authorized signatory for the TruPS Holders of the

Class 6 Claim(s) being voted;

2. that each beneficial owner whose votes are being transmitted by this Master Ballot has received a copy of the Disclosure Statement, the Plan and the Solicitation Package, as well as notice of the hearing to consider confirmation of the Plan; and

3. that the Individual Ballot received from each beneficial owner or a copy thereof is and will remain on file with the undersigned subject to inspection for a period of one year following the Voting Deadline.

Item 4. Registered Owner.

The undersigned certifies that it is the registered owner in its own name or through a position held at a securities depository of the TruPS Claims identified in Item 2 above.

_____
(Please print or type)

Social Security Number or Identification Number: _____

Signature: _____

Name of Signatory: _____
(If other than holder)[3]

Title: _____

Address: _____

_____

Email Address: _____

Date Completed: _____

PLEASE COMPLETE, SIGN AND DATE THE MASTER BALLOT AND RETURN IT PROMPTLY BY ONE OF THE FOLLOWING RETURN METHODS: (I) IN THE ENCLOSED ENVELOPE, (II) FIRST CLASS MAIL, OVERNIGHT COURIER, OR HAND DELIVERY TO SCOTTISH HOLDINGS BALLOT PROCESSING C/O PRIME CLERK, LLC 830 3RD AVENUE, 3RD FLOOR NEW YORK, NY 10022, OR (III) VIA EMAIL TO SCOTTISHBALLOTS@PRIMECLERK.COM. YOUR BALLOT MUST BE ACTUALLY RECEIVED BY THE VOTING DEADLINE, WHICH IS [AUGUST 13], 2018 AT 4:00 P.M. ET.

[3] If you are completing this Ballot on behalf of another person or entity, indicate your relationship with such person or entity and the capacity in which you are signing. You may be required to provide additional information or documentation with respect to such relationship.

INSTRUCTIONS FOR COMPLETING BALLOTS

1. Complete the Master Ballot by providing all the information requested and sign, date and return the Master Ballot in the enclosed return envelope or by mail, overnight courier, personal delivery or e-mail to the Voting Agent at the following addresses:

Scottish Holdings Ballot Processing
c/o Prime Clerk, LLC
830 3rd Avenue, 3rd Floor
New York, NY 10022

scottishballots@primeclerk.com

Master Ballots must be actually received by the Voting Agent by [August 13], 2018 at 4:00 p.m. (EDT) (the "Voting Deadline"). If a Master Ballot is received after the Voting Deadline, it will not be counted. An envelope addressed to the Voting Agent is enclosed for your convenience. Master Ballots should **not** be mailed to the Indenture Trustee or the Institutional Trustee.

2. This Master Ballot is not a letter of transmittal and may not be used for any purpose other than to transmit votes to accept or reject the Proposed Plan. Holders of TruPS Claims should not surrender certificates representing their TruPS Claims at this time, and neither the Debtor nor the Voting Agent will accept delivery of any such certificates transmitted together with a Master Ballot.

3. With respect to any Individual Ballots returned to you by a beneficial owner, you must complete a Master Ballot, return it to the Voting Agent and retain such Individual Ballots for inspection for a period of one year following the Voting Deadline.

4. If, in addition to acting as broker, bank, dealer or agent or other nominee, you also are a beneficial owner of TruPS Claims and you wish to vote such TruPS Claims beneficially held by you, you may add your vote to the attached Master Ballot.

5. Multiple Master Ballots may be completed and delivered to the Voting Agent to the extent there is insufficient space on the Master Ballot to record the voting instructions given by those TruPS Holders, and the votes reflected by such multiple Master Ballots shall be counted except to the extent that they are duplicative of other Master Ballots. If two or more Master Ballots are inconsistent, the latest dated Master Ballot actually received prior to the Voting Deadline will, to the extent of such inconsistency, supersede and revoke any prior Master Ballot. If more than one Master Ballot is submitted and the later Master Ballot(s) supplement rather than supersede earlier Master Ballot(s), please mark the subsequent Master Ballot(s) with the words "Additional Vote" or such other language as you customarily use to indicate an additional vote that is not meant to revoke an earlier vote.

6. Please note that Item 2 of the Master Ballot requests that you transcribe information or attach a schedule to the Master Ballot in the indicated format providing information for

each individual beneficial owner of TruPS Claims on whose behalf you are executing a Master Ballot. To identify such beneficial owners without disclosing their names, please use the customer account number assigned by you to each such beneficial owner. If a single customer has more than one account with the identical registration, only list that customer once in the schedule requested by Item 2. The total principal amount of all accounts voted with respect to a single customer should be listed in a single schedule entry, so that each line will represent a different beneficial owner.

7. Please note that each beneficial owner must vote the entire amount of its TruPS Claims either to accept or reject the Plan. A beneficial owner may not split its vote and, accordingly, an Individual Ballot received from a beneficial owner that attempts to partially reject and partially accept the Plan will not be counted. Further, for purposes of computing the Master Ballot vote, each voting beneficial owner should be deemed to have voted the full amount of its TruPS Claims according to your records or such lesser amount identified by the beneficial holder on its Individual Ballot. Any executed Individual Ballot that does not indicate an acceptance or rejection of the Plan should not be counted on the Master Ballot as having been cast

8. No fees or commissions or other remuneration will be payable to any broker, bank, dealer or other person in connection with this solicitation. Upon written request, however, the Debtor will reimburse you for reasonable customary mailing and handling expenses incurred by you in forwarding Individual Ballots and accompanying solicitation packages to your client.

9. This Master Ballot does not constitute and shall not be deemed a proof of Claim or equity interest or an assertion of a Claim or equity interest.

10. If you believe you have received the wrong Master Ballot, you should contact the Voting Agent immediately by telephone at (347) 897-3820 or (877) 851-3566 (toll-free) or email at scottishballots@primeclerk.com.

PLEASE SUBMIT YOUR MASTER BALLOT PROMPTLY

IF YOU HAVE ANY QUESTIONS REGARDING THIS MASTER BALLOT OR THE VOTING PROCEDURES, PLEASE CONTACT THE VOTING AGENT BY TELEPHONE AT: (347) 897-3820 OR (877) 851-3566 (toll-free) OR EMAIL AT SCOTTISHBALLOTS@PRIMECLERK.COM.

Exhibit A

Please check one (1) box below to indicate the Plan Class and CUSIP to which this Master Ballot pertains (or clearly indicate such information directly on the Master Ballot or on a schedule thereto):

Class []		
☐	[SECURITY DESCRIPTION]	[CUSIP]
☐	[SECURITY DESCRIPTION]	[CUSIP]
☐	[SECURITY DESCRIPTION]	[CUSIP]
☐	[SECURITY DESCRIPTION]	[CUSIP]

Exhibit 1(g)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
SCOTTISH HOLDINGS, INC., *et al.*,	Case No. 18-10160 (LSS)
Debtors.[1]	Jointly Administered

BALLOT FOR ACCEPTING OR REJECTING FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF SCOTTISH HOLDINGS, INC., AND SCOTTISH ANNUITY & LIFE INSURANCE COMPANY (CAYMAN) LTD. [D.I. ___]

CLASS 4 – SHI TruPS CLAIMS *held by Scottish Re Group Limited*

PLEASE READ AND FOLLOW THE ENCLOSED INSTRUCTIONS FOR COMPLETING BALLOTS CAREFULLY BEFORE COMPLETING THE BALLOT.

THIS BALLOT IS ACCOMPANIED BY A POSTAGE PRE-PAID RETURN ENVELOPE THAT IS ADDRESSED TO PRIME CLERK, LLC (THE "VOTING AGENT"). THIS BALLOT MUST BE ACTUALLY RECEIVED BY THE VOTING AGENT ON OR BEFORE [AUGUST 13], 2018 AT 4:00 P.M. (ET) (THE "VOTING DEADLINE").

IF YOUR BALLOT IS NOT RECEIVED BY THE VOTING DEADLINE, THE DEBTORS MAY REJECT YOUR BALLOT AS INVALID.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT, IT WILL BE BINDING ON YOU WHETHER OR NOT YOU VOTE.

If no holder of a Claim eligible to vote in Class 4 timely votes to accept or reject the Plan, then the Debtors will seek a determination at the Confirmation Hearing that the Plan is deemed accepted by such Class. If you do not wish such a presumption with respect to Class 4 to become effective, you should timely submit the ballot accepting or rejecting the Plan for such Class.

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[1] The Debtors, along with the last four digits of their federal tax identification numbers, are as follows: Scottish Holdings, Inc. (4408) and Scottish Annuity & Life Insurance Company (Cayman) Ltd. (3285). The Debtors' mailing address for purposes of these Chapter 11 Cases is 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277.

Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd., as debtors and debtors in possession (the "Debtors") in the above-captioned chapter 11 cases have sent this Ballot to you because their records indicate that you are a holder of a Class 4 – SHI TruPS Claim as of the Voting Record Date (June 28, 2018) and accordingly, you have a right to vote to accept or reject the *First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* [D.I. ___] (as may be further amended, modified or supplemented from time to time and including all exhibits thereto, the "Plan").[2]

Your rights are described in the *Disclosure Statement for First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* and all exhibits related thereto [D.I. ___] (as may be further amended, modified or supplemented from time to time and including all exhibits or supplements thereto, the "Disclosure Statement") and the Disclosure Statement Order. The Disclosure Statement, the Plan, the Disclosure Statement Order and certain other materials contained in the Solicitation Package are included in the packet you are receiving with this Ballot. If you need to obtain additional solicitation materials, you may obtain such materials free of charge by (a) accessing the Debtors' restructuring website at www.scottishre.com/chapter11info or https://cases.primeclerk.com/scottishballots; or (b) contacting the Voting Agent via telephone at (347) 897-3820 or (877) 851-3566 (toll-free) or email at scottishballots@primeclerk.com. You may also obtain copies of any pleadings filed in this chapter 11 case for a fee via PACER at http://www.deb.uscourt.gov/. The Court has approved the Disclosure Statement as containing adequate information under section 1125 of the Bankruptcy Code. Court approval of the Disclosure Statement does not indicate approval of the Plan by the Court.

This Ballot may not be used for any purpose other than to vote to accept or reject the Plan. This Ballot does not constitute, and shall not be deemed to be, a Proof of Claim or an assertion or admission of a Claim. If you believe you have received this Ballot in error, please contact the Voting Agent at the address or telephone number set forth above.

You should carefully and thoroughly review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the Plan's classification and treatment of your Claim. Your Claim has been placed in Class 4 under the Plan. If you hold Claims in more than one Class, you will receive a Ballot for each Class in which you are entitled to vote.

If the Voting Agent does not actually receive your Ballot on or before the Voting

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[2] Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan, Disclosure Statement (as defined herein), or the *Order: (I) Approving Disclosure Statement; (II) Scheduling Confirmation Hearing And Related Deadlines; (III) Establishing Procedures For Solicitation, Temporary Allowance Of Claims And Vote Tabulation; (IV) Approving Forms Of Ballots; (V) Approving Form, Manner And Sufficiency Of Notice Of Confirmation Hearing And Related Deadlines; And (VI) Granting Related Relief* [D.I. ___] (the "Disclosure Statement Order"), as the case may be.

Deadline**, which is [August 13], 2018 at 4:00 p.m. (ET)** and if the Voting Deadline is not extended, your vote will not count. **If the Court confirms the Plan, it will bind you regardless of whether you vote.**

Item 1. Amount of Claim.

The undersigned hereby certifies that as of the Voting Record Date, the undersigned is the holder of a Class 4 Claim in the following aggregate unpaid amount (insert amount in box below):

Amount of Claim: $ _____

Pursuant to Article IV, Section 4.3 of the Plan, Scottish Re Group Limited ("SRGL") has made the Cash Election, and thus will receive its Distribution (in addition to SRGL's applicable percentage of the Distribution Trust Assets Proceeds) in the form of Cash in its TruPS/GUC Claims Cash Distribution Amount.

For your reference, "TruPS/GUC Cash Distribution Amount" as defined in the Plan means the pro rata amount of the Available Plan Distribution Funding Amount to be distributed to a Beneficial Holder, Holder of the SFL Note Claim or Holder of a General Unsecured Claim, as applicable, calculated based on: (i) with respect to a Beneficial Holder of TruPS, such Beneficial Holder's Allocated Portion of the Allowed TruPS Claim in respect of which it is a Beneficial Holder, divided by the TruPS/GUC Claims Aggregate Amount; (ii) with respect to the Allowed SFL Note Claim, the portion of such Holder's Allowed SFL Note Claim for which the Cash Election has been made, divided by the TruPS/GUC Claims Aggregate Amount; and (iii) with respect to an Allowed General Unsecured Claim, the Allowed amount of such General Unsecured Claim, divided by the TruPS/GUC Claims Aggregate Amount.

Item 2. Vote on Plan.

THE DEBTORS RECOMMEND THAT YOU VOTE TO ACCEPT THE PLAN.

The holder of the Class 4 Claim set forth in Item 1 votes to (please check one):

ACCEPT THE PLAN	**REJECT THE PLAN**
☐	☐

To be counted, a holder of Class 4 Claims must vote all of its Class 4 Claims either to accept or reject the Plan. No split votes will be permitted.

If no holder of Class 4 Claims eligible to vote to accept or reject the Plan votes on the Plan, the Debtors intend to seek a determination at the Confirmation Hearing that the Plan is deemed accepted by Class 4.

Item 3. Releases.

If you do not check the box below, you are consenting to grant the "Releases by Holders of Claims and Interests" set forth in Article X, Section 10.3 of the Plan.

Check the box: ☐	**I do not wish to grant the "Releases by Holders of Claims and Interests" set forth in Article X, Section 10.3 of the Plan.**

For your reference, Article X, Section 10.3 of the Plan states:

To the fullest extent permitted by law and except as otherwise specifically provided in the Plan, for good and valuable consideration, including the contributions of the Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, effective as of the Effective Date, (i) Holders of Claims who vote to accept the Plan, (ii) Holders of Claims who are Unimpaired under the Plan, (iii) Holders of Claims entitled to vote on the Plan who do not submit a ballot and do not timely object to or opt-out of the releases, and (iv) each of the Purchaser, the Joint Liquidators, SRGL, and for each of the foregoing, their respective Representatives (other than with respect to SRGL, the SRGL Equity Holders), hereby release, waive and discharge, and shall be deemed to forever release, waive, and discharge the Released Parties of any and all Claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities whatsoever in connection with or related to the Debtors, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, at equity, or otherwise, including those that any of the Debtors, the Reorganized Debtors, the Estates, or their Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Interest or other Entity based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the conduct of the Debtors' business, the Chapter 11 Cases, the Disclosure Statement, the Plan or the documents implementing the Plan, and the negotiation, formulation, or preparation thereof, the solicitation of votes with respect to the Plan, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any of the Debtors and any Released Party, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, or upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct, actual fraud, or gross negligence as determined by a Final Order.

Each Person or Entity providing releases under the Plan, including the Debtors, the Estates, and the Holders of Claims (regardless of whether such Holder is a Released Party), shall be deemed to have granted the releases set forth above notwithstanding that such Person or Entity may hereafter discover facts in addition to, or different from, those which it now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and such Person or Entity expressly waives any and all rights that it may have under any statute or common law principle which would limit the effect of such releases to those Claims or causes of action actually known or suspected to exist at the time of execution of such release.

Entry of the Confirmation Order shall constitute the Court's approval, pursuant to Bankruptcy Rule 9019, of the Releases by Holders of Claims and Interests described in this Section 10.3, which includes by reference each of the related provisions and definitions contained herein, and, further, shall constitute the Court's finding that such releases are: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims released by such releases; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Releasing Parties asserting any claim or cause of action released pursuant to such releases.

"Released Parties" as defined in the Plan and Disclosure Statement means: (a) the Debtors; (b) the Reorganized Debtors; (c) the Official Committee (including the current and former Official Committee members in their capacities as such); (d) the Purchaser; (e) the Stalking Horse; (f) the Joint Liquidators; (g) SRGL; (h) the Voting Agent; and (i) for each of the foregoing, all of their respective Representatives; *provided*, *however*, that "Released Parties" specifically excludes the SRGL Equity Holders, and their respective Representatives, in their capacity as such.

Item 4. Certifications.

By signing this Ballot, the undersigned certifies to the Court and the Debtors:

1. that either: (a) the undersigned is the holder of the Class 4 Claim(s) being voted; or (b) the undersigned is an authorized signatory for an entity that is holder of the Class 4 Claim(s) being voted;

2. that the undersigned has received a copy of the Disclosure Statement, the Plan and the Solicitation Package and acknowledges that the solicitation is being made pursuant to the terms and conditions set forth therein;

3. that the undersigned has cast the same vote with respect to all Class 4 Claims;

4. that no other Ballots with respect to the amount of the Class 4 Claim(s) identified in Item 1 have been cast or, if any other Ballots have been cast with respect to such Claim(s), then any such Ballots dated earlier are hereby revoked;

5. that the undersigned acknowledges that a vote to accept the Plan constitutes an acceptance of the treatment of such undersigned's Class 4 Claim(s);

6. that the undersigned understands and, if accepting the Plan, agrees with the treatment provided for its Claim(s) under the Plan;

7. that the undersigned acknowledges and understands that (a) if no holders of Claims eligible to vote in a particular Class vote to accept or reject the Plan, the Debtors will seek a determination at the Confirmation Hearing that the Plan is deemed accepted by such Class; and (b) any Class of Claims that does not have a holder of an Allowed Claim or a Claim provisionally allowed by the Court as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to sections 1129(a)(8) and 1129(a)(10) of the Bankruptcy Code; and

8. that the undersigned acknowledges and agrees that the Debtors may make conforming changes to the Plan to the extent provided by Bankruptcy Rule 3019 as may be reasonably necessary; provided that the Debtors will not re-solicit acceptances or rejections of the Plan in the event of such conforming changes.

[*Signature Page Follows*]

(Please print or type)

Social Security Number or Identification Number: _____

Signature: _____

Name of Signatory: _____
(If other than holder)[3]

Title: _____

Address: _____

_____

Email Address: _____

Date Completed: _____

PLEASE COMPLETE, SIGN AND DATE THE BALLOT AND RETURN IT PROMPTLY IN THE ENCLOSED RETURN ENVELOPE OR VIA AN APPROVED METHOD OF RETURN INDICATED BELOW. YOUR BALLOT MUST BE ACTUALLY RECEIVED BY THE VOTING DEADLINE, WHICH IS [AUGUST 13], 2018 AT 4:00 P.M. ET.

Via first-class mail, overnight courier, or hand-delivery to:

Scottish Holdings Ballot Processing
c/o Prime Clerk, LLC
830 3rd Avenue, 3rd Floor
New York, NY 10022

OR

Via the Voting Agent's online balloting portal:

Visit https://cases.primeclerk.com/scottishballots, click on "Submit E-Ballot" and follow the instructions indicated.

[3] If you are completing this Ballot on behalf of another person or entity, indicate your relationship with such person or entity and the capacity in which you are signing. You may be required to provide additional information or documentation with respect to such relationship.

IMPORTANT NOTE: You will need the following information to retrieve and submit your customized electronic Ballot:

Unique E-Ballot ID#:_____

The Voting Agent's online balloting portal is the sole manner in which Ballots will be accepted via electronic or online transmission. Ballots submitted by facsimile, email, or other means of electronic transmission will not be counted.

Each E-Ballot ID# is to be used solely for voting only those Claims described in Item 1 of your electronic Ballot. Please complete and submit an electronic Ballot for each E-Ballot ID# you receive, as applicable.

Creditors who submit an electronic Ballot using the Voting Agent's online balloting portal should NOT also submit a paper Ballot.

INSTRUCTIONS FOR COMPLETING BALLOTS

1. The Debtors are soliciting the votes of holders of Claims with respect to the Plan attached as **Exhibit A** to the Disclosure Statement. Capitalized terms used in the Ballot or in these instructions but not otherwise defined therein or herein shall have the meaning set forth in the Plan, the Disclosure Statement or the Disclosure Statement Order, as applicable.

2. The Court may confirm the Plan and thereby bind you by the terms of the Plan. Please review the Disclosure Statement for more information.

3. To ensure that your vote is counted, you must: (a) complete the Ballot; (b) indicate your decision either to accept or reject the Plan in the boxes provided in Item 2 of the Ballot; and (c) sign and return the Ballot (i) using the enclosed pre-addressed envelope, (ii) via first class mail overnight courier, or hand delivery to: Scottish Holdings Ballot Processing, c/o Prime Clerk, LLC, 830 3rd Avenue, 3rd Floor, New York, NY 10022, or (iii) via the Voting Agent's online balloting portal. If the Voting Agent does not actually receive your Ballot on or before the Voting Deadline**, which is [August 13], 2018 at 4:00 p.m. (ET)** and if the Voting Deadline is not extended, your vote will not count. Your completed Ballot must be received by the Voting Agent on or before the Voting Deadline.

4. You must vote all of your Claims or Interests within a particular Class either to accept or reject the Plan and may not split your vote. A Ballot that partially rejects and partially accepts the Plan will not be counted. Further, if a holder has multiple Claims within the same Class, the Debtors may, in their discretion, aggregate the Claims of any particular holder within a Class for the purpose of counting votes.

5. If a Ballot is received after the Voting Deadline, it will not be counted unless the Debtors determine otherwise or as otherwise ordered by the Court. Except as otherwise provided herein, such delivery will be deemed made only when the Voting Agent actually receives the originally executed Ballot; *provided, however*, that a Ballot submitted via the Voting Agent's online balloting portal shall be deemed to contain an original signature. Instead of effecting delivery by mail, it is recommended, though not required, that holders use an overnight delivery service, hand delivery service, or the online voting portal. In all cases, holders should allow sufficient time to assure timely delivery. Delivery of a Ballot to the Voting Agent by facsimile, e-mail or any other electronic means shall not be valid. No Ballot should be sent to any of the Debtors, the Debtors' agents (other than the Voting Agent) or the Debtors' legal advisors and if so sent will not be counted.

6. If multiple Ballots are received from the same holder of a Claim with respect to the same Claim prior to the Voting Deadline, the last valid Ballot timely received will supersede and revoke any earlier received Ballots.

7. The Ballot is not a letter of transmittal and may not be used for any purpose other than to vote to accept or reject the Plan. Accordingly, at this time, holders of Claims should not surrender certificates or instruments representing or evidencing their Claims and neither the Debtors nor the Voting Agent will accept delivery of any such certificates or

instruments surrendered together with a Ballot.

8. This Ballot does not constitute and shall not be deemed to be: (a) a Proof of Claim; or (b) an assertion or admission of a Claim.

9. Please be sure to sign and date your Ballot. If you are signing a Ballot in your capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation or otherwise acting in a fiduciary or representative capacity, you should indicate such capacity when signing and, if requested by the Voting Agent, the Debtors or the Court, must submit proper evidence to the requesting party to so act on behalf of such holder. In addition, please provide your name and mailing address if it is different from that set forth on the attached mailing label or if no such mailing label is attached to the Ballot.

10. If you hold Claims or Interests in more than one Class under the Plan or in multiple accounts, you may receive more than one Ballot coded for each different Class or account. Each Ballot votes only your Claims or Interests indicated on that Ballot. Please complete and return each Ballot you received.

11. The following Ballots shall not be counted in determining the acceptance or rejection of the Plan: (a) any Ballot that is illegible or contains insufficient information to permit the identification of the holder of the Claim or Interest; (b) any Ballot cast by an undersigned that does not hold a Claim or Interest in a Class that is entitled to vote on the Plan; (c) any unsigned Ballot; (d) any Ballot not marked to accept or reject the Plan or any Ballot marked both to accept and reject the Plan; and (e) any Ballot submitted by any entity not entitled to vote pursuant to the Solicitation Procedures.

12. If you believe you have received the wrong Ballot, you should contact the Voting Agent immediately by telephone at (347) 897-3820 or (877) 851-3566 (toll-free) or email at scottishballots@primeclerk.com.

PLEASE RETURN YOUR BALLOT PROMPTLY

IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT OR THE VOTING PROCEDURES, PLEASE CONTACT THE VOTING AGENT BY TELEPHONE AT: (347) 897-3820 OR (877) 851-3566 (toll-free) OR EMAIL AT SCOTTISHBALLOTS@PRIMECLERK.COM.

Exhibit 1(h)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
SCOTTISH HOLDINGS, INC., *et al.*,	Case No. 18-10160 (LSS)
Debtors.[1]	Jointly Administered

BALLOT FOR ACCEPTING OR REJECTING FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF SCOTTISH HOLDINGS, INC., AND SCOTTISH ANNUITY & LIFE INSURANCE COMPANY (CAYMAN) LTD. [D.I. ___]

CLASS 6 – SALIC TruPS CLAIMS *held by Scottish Re Group Limited*

PLEASE READ AND FOLLOW THE ENCLOSED INSTRUCTIONS FOR COMPLETING BALLOTS CAREFULLY BEFORE COMPLETING THE BALLOT.

THIS BALLOT IS ACCOMPANIED BY A POSTAGE PRE-PAID RETURN ENVELOPE THAT IS ADDRESSED TO PRIME CLERK, LLC (THE "VOTING AGENT"). THIS BALLOT MUST BE ACTUALLY RECEIVED BY THE VOTING AGENT ON OR BEFORE [AUGUST 13], 2018 AT 4:00 P.M. (ET) (THE "VOTING DEADLINE").

IF YOUR BALLOT IS NOT RECEIVED BY THE VOTING DEADLINE, THE DEBTORS MAY REJECT YOUR BALLOT AS INVALID.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT, IT WILL BE BINDING ON YOU WHETHER OR NOT YOU VOTE.

If no holder of a Claim eligible to vote in Class 6 timely votes to accept or reject the Plan, then the Debtors will seek a determination at the Confirmation Hearing that the Plan is deemed accepted by such Class. If you do not wish such a presumption with respect to Class 6 to become effective, you should timely submit the ballot accepting or rejecting the Plan for such Class.

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[1] The Debtors, along with the last four digits of their federal tax identification numbers, are as follows: Scottish Holdings, Inc. (4408) and Scottish Annuity & Life Insurance Company (Cayman) Ltd. (3285). The Debtors' mailing address for purposes of these Chapter 11 Cases is 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277.

Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd., as debtors and debtors in possession (the "Debtors") in the above-captioned chapter 11 cases have sent this Ballot to you because their records indicate that you are a holder of a Class 6 – SALIC TruPS Claim as of the Voting Record Date (June 28, 2018) and accordingly, you have a right to vote to accept or reject the *First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* [D.I. ___] (as may be further amended, modified or supplemented from time to time and including all exhibits thereto, the "Plan").[2]

Your rights are described in the *Disclosure Statement for First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* and all exhibits related thereto [D.I. ___] (as may be further amended, modified or supplemented from time to time and including all exhibits or supplements thereto, the "Disclosure Statement") and the Disclosure Statement Order. The Disclosure Statement, the Plan, the Disclosure Statement Order and certain other materials contained in the Solicitation Package are included in the packet you are receiving with this Ballot. If you need to obtain additional solicitation materials, you may obtain such materials free of charge by (a) accessing the Debtors' restructuring website at www.scottishre.com/chapter11info or https://cases.primeclerk.com/scottishballots or (b) contacting the Voting Agent via telephone at (347) 897-3820 or (877) 851-3566 (toll-free) or email at scottishballots@primeclerk.com. You may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACER at http://www.deb.uscourts.gov/. The Court has approved the Disclosure Statement as containing adequate information under section 1125 of the Bankruptcy Code. Court approval of the Disclosure Statement does not indicate approval of the Plan by the Court.

This Ballot may not be used for any purpose other than to vote to accept or reject the Plan. This Ballot does not constitute, and shall not be deemed to be, a Proof of Claim or an assertion or admission of a Claim. If you believe you have received this Ballot in error, please contact the Voting Agent at the address or telephone number set forth above.

You should carefully and thoroughly review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the Plan's classification and treatment of your Claim. Your Claim has been placed in Class 6 under the Plan. If you hold Claims in more than one Class, you will receive a Ballot for each Class in which you are entitled to vote.

If the Voting Agent does not actually receive your Ballot on or before the Voting

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[2] Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan, Disclosure Statement (as defined herein), or the *Order: (I) Approving Disclosure Statement; (II) Scheduling Confirmation Hearing And Related Deadlines; (III) Establishing Procedures For Solicitation, Temporary Allowance Of Claims And Vote Tabulation; (IV) Approving Forms Of Ballots; (V) Approving Form, Manner And Sufficiency Of Notice Of Confirmation Hearing And Related Deadlines; And (VI) Granting Related Relief* [D.I. ___] (the "Disclosure Statement Order"), as the case may be.

Deadline**, which is [August 13], 2018 at 4:00 p.m. (ET)** and if the Voting Deadline is not extended, your vote will not count. **If the Court confirms the Plan, it will bind you regardless of whether you vote.**

Item 1. Amount of Claim.

The undersigned hereby certifies that as of the Voting Record Date, the undersigned is the holder of a Class 6 Claim in the following aggregate unpaid amount (insert amount in box below):

Amount of Claim: $ _____

Pursuant to Article IV, Section 4.3 of the Plan, Scottish Re Group Limited ("SRGL") has made the Cash Election, and thus will receive its Distribution (in addition to SRGL's applicable percentage of the Distribution Trust Assets Proceeds) in the form of Cash in its TruPS/GUC Claims Cash Distribution Amount.

For your reference, "TruPS/GUC Cash Distribution Amount" as defined in the Plan means the pro rata amount of the Available Plan Distribution Funding Amount to be distributed to a Beneficial Holder, Holder of the SFL Note Claim or Holder of a General Unsecured Claim, as applicable, calculated based on: (i) with respect to a Beneficial Holder of TruPS, such Beneficial Holder's Allocated Portion of the Allowed TruPS Claim in respect of which it is a Beneficial Holder, divided by the TruPS/GUC Claims Aggregate Amount; (ii) with respect to the Allowed SFL Note Claim, the portion of such Holder's Allowed SFL Note Claim for which the Cash Election has been made, divided by the TruPS/GUC Claims Aggregate Amount; and (iii) with respect to an Allowed General Unsecured Claim, the Allowed amount of such General Unsecured Claim, divided by the TruPS/GUC Claims Aggregate Amount.

Item 2. Vote on Plan.

THE DEBTORS RECOMMEND THAT YOU VOTE TO ACCEPT THE PLAN.

The holder of the Class 6 Claim set forth in Item 1 votes to (please check one):

ACCEPT THE PLAN	**REJECT THE PLAN**
☐	☐

To be counted, a holder of Class 6 Claims must vote all of its Class 6 Claims either to accept or reject the Plan. No split votes will be permitted.

If no holder of Class 6 Claims eligible to vote to accept or reject the Plan votes on the Plan, the Debtors intend to seek a determination at the Confirmation Hearing that the Plan is deemed accepted by Class 6.

Item 3. Releases.

If you do not check the box below, you are consenting to grant the "Releases by Holders of Claims and Interests" set forth in Article X, Section 10.3 of the Plan.

Check the box: ☐	**I do not wish to grant the "Releases by Holders of Claims and Interests" set forth in Article X, Section 10.3 of the Plan.**

For your reference, Article X, Section 10.3 of the Plan states:

To the fullest extent permitted by law and except as otherwise specifically provided in the Plan, for good and valuable consideration, including the contributions of the Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, effective as of the Effective Date, (i) Holders of Claims who vote to accept the Plan, (ii) Holders of Claims who are Unimpaired under the Plan, (iii) Holders of Claims entitled to vote on the Plan who do not submit a ballot and do not timely object to or opt-out of the releases, and (iv) each of the Purchaser, the Joint Liquidators, SRGL, and for each of the foregoing, their respective Representatives (other than with respect to SRGL, the SRGL Equity Holders), hereby release, waive and discharge, and shall be deemed to forever release, waive, and discharge the Released Parties of any and all Claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities whatsoever in connection with or related to the Debtors, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, at equity, or otherwise, including those that any of the Debtors, the Reorganized Debtors, the Estates, or their Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Interest or other Entity based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the conduct of the Debtors' business, the Chapter 11 Cases, the Disclosure Statement, the Plan or the documents implementing the Plan, and the negotiation, formulation, or preparation thereof, the solicitation of votes with respect to the Plan, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any of the Debtors and any Released Party, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, or upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct, actual fraud, or gross negligence as determined by a Final Order.

Each Person or Entity providing releases under the Plan, including the Debtors, the Estates, and the Holders of Claims (regardless of whether such Holder is a Released Party), shall be deemed to have granted the releases set forth above notwithstanding that such Person or Entity may hereafter discover facts in addition to, or different from, those which it now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and such Person or Entity expressly waives any and all rights that it may have under any statute or common law principle which would limit the effect of such releases to those Claims or causes of action actually known or suspected to exist at the time of execution of such release.

Entry of the Confirmation Order shall constitute the Court's approval, pursuant to Bankruptcy Rule 9019, of the Releases by Holders of Claims and Interests described in this Section 10.3, which includes by reference each of the related provisions and definitions contained herein, and, further, shall constitute the Court's finding that such releases are: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims released by such releases; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Releasing Parties asserting any claim or cause of action released pursuant to such releases.

"Released Parties" as defined in the Plan and Disclosure Statement means: (a) the Debtors; (b) the Reorganized Debtors; (c) the Official Committee (including the current and former Official Committee members in their capacities as such); (d) the Purchaser; (e) the Stalking Horse; (f) the Joint Liquidators; (g) SRGL; (h) the Voting Agent; and (i) for each of the foregoing, all of their respective Representatives; *provided*, *however*, that "Released Parties" specifically excludes the SRGL Equity Holders, and their respective Representatives, in their capacity as such.

Item 4. Certifications.

By signing this Ballot, the undersigned certifies to the Court and the Debtors:

1. that either: (a) the undersigned is the holder of the Class 6 Claim(s) being voted; or (b) the undersigned is an authorized signatory for an entity that is holder of the Class 6 Claim(s) being voted;

2. that the undersigned has received a copy of the Disclosure Statement, the Plan and the Solicitation Package and acknowledges that the solicitation is being made pursuant to the terms and conditions set forth therein;

3. that the undersigned has cast the same vote with respect to all Class 6 Claims;

4. that no other Ballots with respect to the amount of the Class 6 Claim(s) identified in Item 1 have been cast or, if any other Ballots have been cast with respect to such Claim(s), then any such Ballots dated earlier are hereby revoked;

5. that the undersigned acknowledges that a vote to accept the Plan constitutes an acceptance of the treatment of such undersigned's Class 6 Claim(s);

6. that the undersigned understands and, if accepting the Plan, agrees with the treatment provided for its Claim(s) under the Plan;

7. that the undersigned acknowledges and understands that (a) if no holders of Claims eligible to vote in a particular Class vote to accept or reject the Plan, the Debtors will seek a determination at the Confirmation Hearing that the Plan is deemed accepted by such Class; and (b) any Class of Claims that does not have a holder of an Allowed Claim or a Claim provisionally allowed by the Court as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to sections 1129(a)(8) and 1129(a)(10) of the Bankruptcy Code; and

8. that the undersigned acknowledges and agrees that the Debtors may make conforming changes to the Plan to the extent provided by Bankruptcy Rule 3019 as may be reasonably necessary; provided that the Debtors will not re-solicit acceptances or rejections of the Plan in the event of such conforming changes.

[*Signature Page Follows*]

	(Please print or type)
Social Security Number or Identification Number:	
Signature:	
Name of Signatory:	(If other than holder)[3]
Title:	
Address:	
Email Address:	
Date Completed:	

PLEASE COMPLETE, SIGN AND DATE THE BALLOT AND RETURN IT PROMPTLY IN THE ENCLOSED RETURN ENVELOPE OR VIA AN APPROVED METHOD OR RETURN INDICATED BELOW. YOUR BALLOT MUST BE ACTUALLY RECEIVED BY THE VOTING DEADLINE, WHICH IS [August 13], 2018 AT 4:00 P.M. ET.

Via first-class mail, overnight courier, or hand-delivery to:

Scottish Holdings Ballot Processing
c/o Prime Clerk, LLC
830 3rd Avenue, 3rd Floor
New York, NY 10022

OR

Via the Voting Agent's online balloting portal:

Visit https://cases.primeclerk.com/scottishballots, click on "Submit E-Ballot" and follow the instructions indicated.

[3] If you are completing this Ballot on behalf of another person or entity, indicate your relationship with such person or entity and the capacity in which you are signing. You may be required to provide additional information or documentation with respect to such relationship.

IMPORTANT NOTE: You will need the following information to retrieve and submit your customized electronic Ballot:

Unique E-Ballot ID#:_____

The Voting Agent's online balloting portal is the sole manner in which Ballots will be accepted via electronic or online transmission. Ballots submitted by facsimile, email, or other means of electronic transmission will not be counted.

Each E-Ballot ID# is to be used solely for voting only those Claims described in Item 1 of your electronic Ballot. Please complete and submit an electronic Ballot for each E-Ballot ID# you receive, as applicable.

Creditors who submit an electronic Ballot using the Voting Agent's online balloting portal should NOT also submit a paper Ballot.

INSTRUCTIONS FOR COMPLETING BALLOTS

1. The Debtors are soliciting the votes of holders of Claims with respect to the Plan attached as **Exhibit A** to the Disclosure Statement. Capitalized terms used in the Ballot or in these instructions but not otherwise defined therein or herein shall have the meaning set forth in the Plan, the Disclosure Statement or the Disclosure Statement Order, as applicable.

2. The Court may confirm the Plan and thereby bind you by the terms of the Plan. Please review the Disclosure Statement for more information.

3. To ensure that your vote is counted, you must: (a) complete the Ballot; (b) indicate your decision either to accept or reject the Plan in the boxes provided in Item 2 of the Ballot; and (c) sign and return the Ballot (i) using the enclosed pre-addressed envelope, (ii) via first class mail overnight courier, or hand delivery to: Scottish Holdings Ballot Processing, c/o Prime Clerk, LLC, 830 3rd Avenue, 3rd Floor, New York, NY 10022, or (iii) via the Voting Agent's online balloting portal. If the Voting Agent does not actually receive your Ballot on or before the Voting Deadline**, which is [August 13], 2018 at 4:00 p.m. (ET)** and if the Voting Deadline is not extended, your vote will not count. Your completed Ballot must be received by the Voting Agent on or before the Voting Deadline.

4. You must vote all of your Claims or Interests within a particular Class either to accept or reject the Plan and may not split your vote. A Ballot that partially rejects and partially accepts the Plan will be not counted. Further, if a holder has multiple Claims within the same Class, the Debtors may, in their discretion, aggregate the Claims of any particular holder within a Class for the purpose of counting votes.

5. If a Ballot is received after the Voting Deadline, it will not be counted unless the Debtors determine otherwise or as otherwise ordered by the Court. Except as otherwise provided herein, such delivery will be deemed made only when the Voting Agent actually receives the originally executed Ballot; *provided, however*, that a Ballot submitted via the Voting Agent's online balloting portal shall be deemed to contain an original signature. Instead of effecting delivery by mail, it is recommended, though not required, that holders use an overnight delivery service, hand delivery service, or the online voting portal. In all cases, holders should allow sufficient time to assure timely delivery. Delivery of a Ballot to the Voting Agent by facsimile, e-mail or any other electronic means shall not be valid. No Ballot should be sent to any of the Debtors, the Debtors' agents (other than the Voting Agent) or the Debtors' legal advisors and if so sent will not be counted.

6. If multiple Ballots are received from the same holder of a Claim with respect to the same Claim prior to the Voting Deadline, the last valid Ballot timely received will supersede and revoke any earlier received Ballots.

7. The Ballot is not a letter of transmittal and may not be used for any purpose other than to vote to accept or reject the Plan. Accordingly, at this time, holders of Claims should not surrender certificates or instruments representing or evidencing their Claims and neither the Debtors nor the Voting Agent will accept delivery of any such certificates or

instruments surrendered together with a Ballot.

8. This Ballot does not constitute and shall not be deemed to be: (a) a Proof of Claim; or (b) an assertion or admission of a Claim.

9. Please be sure to sign and date your Ballot. If you are signing a Ballot in your capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation or otherwise acting in a fiduciary or representative capacity, you should indicate such capacity when signing and, if requested by the Voting Agent, the Debtors or the Court, must submit proper evidence to the requesting party to so act on behalf of such holder. In addition, please provide your name and mailing address if it is different from that set forth on the attached mailing label or if no such mailing label is attached to the Ballot.

10. If you hold Claims or Interests in more than one Class under the Plan or in multiple accounts, you may receive more than one Ballot coded for each different Class or account. Each Ballot votes only your Claims or Interests indicated on that Ballot. Please complete and return each Ballot you received.

11. The following Ballots shall not be counted in determining the acceptance or rejection of the Plan: (a) any Ballot that is illegible or contains insufficient information to permit the identification of the holder of the Claim or Interest; (b) any Ballot cast by an undersigned that does not hold a Claim or Interest in a Class that is entitled to vote on the Plan; (c) any unsigned Ballot; (d) any Ballot not marked to accept or reject the Plan or any Ballot marked both to accept and reject the Plan; and (e) any Ballot submitted by any entity not entitled to vote pursuant to the Solicitation Procedures.

12. If you believe you have received the wrong Ballot, you should contact the Voting Agent immediately by telephone at (347) 897-3820 or (877) 851-3566 (toll-free) or email at scottishballots@primeclerk.com.

PLEASE RETURN YOUR BALLOT PROMPTLY

IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT OR THE VOTING PROCEDURES, PLEASE CONTACT THE VOTING AGENT BY TELEPHONE AT: (347) 897-3820 OR (877) 851-3566 (toll-free) OR EMAIL AT SCOTTISHBALLOTS@PRIMECLERK.COM

Exhibit 1(i)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
SCOTTISH HOLDINGS, INC., *et al.*,	Case No. 18-10160 (LSS)
Debtors.[1]	Jointly Administered

BALLOT FOR ACCEPTING OR REJECTING FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF SCOTTISH HOLDINGS, INC., AND SCOTTISH ANNUITY & LIFE INSURANCE COMPANY (CAYMAN) LTD. [D.I. ___]

CLASS 6 – SFL NOTE CLAIM

PLEASE READ AND FOLLOW THE ENCLOSED INSTRUCTIONS FOR COMPLETING BALLOTS CAREFULLY BEFORE COMPLETING THE BALLOT.

THIS BALLOT IS ACCOMPANIED BY A POSTAGE PRE-PAID RETURN ENVELOPE THAT IS ADDRESSED TO PRIME CLERK, LLC (THE "VOTING AGENT"). THIS BALLOT MUST BE ACTUALLY RECEIVED BY THE VOTING AGENT ON OR BEFORE [AUGUST 13], 2018 AT 4:00 P.M. (ET) (THE "VOTING DEADLINE").

IF YOUR BALLOT IS NOT RECEIVED BY THE VOTING DEADLINE, THE DEBTORS MAY REJECT YOUR BALLOT AS INVALID.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT, IT WILL BE BINDING ON YOU WHETHER OR NOT YOU VOTE.

If no holder of a Claim eligible to vote in Class 6 timely votes to accept or reject the Plan, then the Debtors will seek a determination at the Confirmation Hearing that the Plan is deemed accepted by such Class. If you do not wish such a presumption with respect to Class 6 to become effective, you should timely submit the ballot accepting or rejecting the Plan for such Class.

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[1] The Debtors, along with the last four digits of their federal tax identification numbers, are as follows: Scottish Holdings, Inc. (4408) and Scottish Annuity & Life Insurance Company (Cayman) Ltd. (3285). The Debtors' mailing address for purposes of these Chapter 11 Cases is 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277.

Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd., as debtors and debtors in possession (the "Debtors") in the above-captioned chapter 11 cases have sent this Ballot to you because their records indicate that you are a holder of a Class 6 – SALIC TruPS Claim as of the Voting Record Date (June 28, 2018) and accordingly, you have a right to vote to accept or reject the *First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* [D.I. ___] (as may be further amended, modified or supplemented from time to time and including all exhibits thereto, the "Plan").[2]

Your rights are described in the *Disclosure Statement for First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* and all exhibits related thereto [D.I. ___] (as may be further amended, modified or supplemented from time to time and including all exhibits or supplements thereto, the "Disclosure Statement") and the Disclosure Statement Order. The Disclosure Statement, the Plan, the Disclosure Statement Order and certain other materials contained in the Solicitation Package are included in the packet you are receiving with this Ballot. If you need to obtain additional solicitation materials, you may obtain such materials free of charge by (a) accessing the Debtors' restructuring website at www.scottishre.com/chapter11info or https://cases.primeclerk.com/scottishballots or (b) contacting the Voting Agent via telephone at (347) 897-3820 or (877) 851-3566 (toll-free) or email at scottishballots@primeclerk.com. You may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACER at http://www.deb.uscourts.gov/. The Court has approved the Disclosure Statement as containing adequate information under section 1125 of the Bankruptcy Code. Court approval of the Disclosure Statement does not indicate approval of the Plan by the Court.

This Ballot may not be used for any purpose other than to vote to accept or reject the Plan. This Ballot does not constitute, and shall not be deemed to be, a Proof of Claim or an assertion or admission of a Claim. If you believe you have received this Ballot in error, please contact the Voting Agent at the address or telephone number set forth above.

You should carefully and thoroughly review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the Plan's classification and treatment of your Claim. Your Claim has been placed in Class 6 under the Plan. If you hold Claims in more than one Class, you will receive a Ballot for each Class in which you are entitled to vote.

If the Voting Agent does not actually receive this ballot including your vote (as applicable) on or before the Voting Deadline**, which is [August 13], 2018 at 4:00 p.m. (ET)** and if the Voting Deadline is not extended, your vote will not count. **If the Court confirms the**

[2] Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan, Disclosure Statement (as defined herein), or the *Order: (I) Approving Disclosure Statement; (II) Scheduling Confirmation Hearing And Related Deadlines; (III) Establishing Procedures For Solicitation, Temporary Allowance Of Claims And Vote Tabulation; (IV) Approving Forms Of Ballots; (V) Approving Form, Manner And Sufficiency Of Notice Of Confirmation Hearing And Related Deadlines; And (VI) Granting Related Relief* [D.I. ___] (the "Disclosure Statement Order"), as the case may be.

Plan, it will bind you regardless of whether you vote.

Item 1. Amount of SFL Note Claim.

The undersigned hereby certifies that as of the Voting Record Date, the undersigned is the holder of the SFL Note Claim (Classified as a Class 6 Claim in the Plan) in the following aggregate unpaid amount (insert amount in box below):

SFL Note Claim Amount: $ _____

Note: To eligible to satisfy the SFL Note Claim Allowance Conditions set forth in Article IV, Section 4.3(c)(ii)(B) of the Plan, you must indicate that the SFL Note Claim Amount is not greater than $63,536,014.32.

Item 2. Vote on Plan.

THE DEBTORS RECOMMEND THAT YOU VOTE TO ACCEPT THE PLAN.

The Holder of the SFL Note Claim set forth in Item 1 votes to (please check one):

ACCEPT THE PLAN	**REJECT THE PLAN**
☐	☐

To be counted, a holder of a Class 6 Claim must vote all of its Claim either to accept or reject the Plan. No split votes will be permitted.

If no holder of Class 6 Claims eligible to vote to accept or reject the Plan votes on the Plan, the Debtors intend to seek a determination at the Confirmation Hearing that the Plan is deemed accepted by Class 6.

Item 3. Releases.

If you do not check the box below, you are consenting to grant the "Releases by Holders of Claims and Interests" set forth in Article X, Section 10.3 of the Plan.

Check the box: ☐	**I do not wish to grant the "Releases by Holders of Claims and Interests" set forth in Article X, Section 10.3 of the Plan.**
Note:	**If you check the above box and thereby opt-out of granting the "Releases by Holders of Claims and Interests" set forth in Article X, Section 10.3 of the Plan, the SFL Note Claim Allowance Conditions described in Article IV, Section 4.3(c)(ii)(B) of the Plan will not be satisfied and, as a result, (i) the SFL Note Claim will remain subject to objection and not**

deemed an Allowed Class 6 Claim and (ii) the New Equity Election will no longer be available for any Distribution on account of the SFL Note Claim.

Item 4. Election of Alternative Treatment.

Pursuant to Section 4.3(c) of the Plan, **if the SFL Note Claim Allowance Conditions are satisfied**, you, as the Holder of the SFL Note Claim, have the option to receive a Distribution (in addition to such Holder's applicable percentage of the Distribution Trust Asset Proceeds) on account of the Allowed SFL Note Claim as follows:

(a) by making the New Equity Election for the entire SFL Note Claim, the Distribution will be New Equity equal to the TruPS Claims Equity Distribution Amount calculated on the basis of the entire Allowed SFL Note Claim amount; **or**

(b) by allocating the Allowed amount of the Allowed SFL Note Claim between the New Equity Election and the Cash Election, in which case (i) as to the portion of the Allowed SFL Note Claim for which the New Equity Election is made, the Distribution will be New Equity equal to the TruPS Claims Equity Distribution Amount calculated on the basis of the portion of the Allowed SFL Note Claim amount allocated to the New Equity Election, and (ii) as to the portion of the Allowed SFL Note Claim for which the Cash Election is made (or deemed made), the Distribution will be Cash equal to the TruPS/GUC Claims Cash Distribution Amount calculated on the basis of the portion of the Allowed SFL Note Claim amount allocated to the Cash Election; **or**

(c) by making the Cash Election for the entire SFL Note Claim, the Distribution will be Cash equal to the TruPS/ GUC Claims Cash Distribution Amount calculated on the basis of the entire Allowed SFL Note Claim amount.

If you fail to make the New Equity Election, in whole or in part, as set forth herein, you are foregoing the opportunity to receive New Equity and are consenting to receive your Distribution on account of the SFL Note Claim, when and if such Claim becomes an Allowed Class 6 Claim, in Cash.

For your reference, defined terms from the Plan and Disclosure Statement used in this Item 4 include the following:

- "SFL Note Claim" means any and all Claims and Causes of Action against any of the Debtors arising out of or relating to the SFL Note, including, but not limited to, any amendment to the SFL Note or any payment made or not made on account of the SFL Note.

- "TruPS Claims Equity Distribution Amount" means: (i) with respect to a Beneficial Holder of TruPS, the amount of the Offered New Equity to be distributed to a Beneficial Holder that elects to receive New Equity under Section 4.3 of the Plan, calculated based on such Beneficial Holder's Allocated Portion of

the Allowed TruPS Claim in respect of which it is a Beneficial Holder divided by the TruPS Claims Aggregate Amount; and (ii) with respect to the Holder of the SFL Note Claim for which the SFL Claims Allowance Conditions have been satisfied, the amount of the Offered New Equity to be distributed on account of the Allowed SFL Note Claim, if the Holder thereof elects to receive New Equity under Section 4.3 of the Plan, calculated based on the portion of the Allowed SFL Note Claim for which the New Equity Election has been made divided by the TruPS Claims Aggregate Amount.

- "TruPS/GUC Claims Cash Distribution Amount" means the pro rata amount of the Available Plan Distribution Funding Amount to be distributed to a Beneficial Holder, Holder of the SFL Note Claim or Holder of a General Unsecured Claim, as applicable, calculated based on: (i) with respect to a Beneficial Holder of TruPS, such Beneficial Holder's Allocated Portion of the Allowed TruPS Claim in respect of which it is a Beneficial Holder, divided by the TruPS/GUC Claims Aggregate Amount; (ii) with respect to the Allowed SFL Note Claim, such Holder's Allowed SFL Note Claim, divided by the TruPS/GUC Claims Aggregate Amount; and (iii) with respect to an Allowed General Unsecured Claim, the Allowed amount of such General Unsecured Claim, divided by the TruPS/GUC Claims Aggregate Amount

- "TruPS/GUC Claims Aggregate Amount" means (i) all Allowed SHI TruPS Claims, (ii) all Allowed SALIC TruPS Claims, (iii) $63,536,014.32 on account of the SFL Note Claim. (iv) all Allowed SHI General Unsecured Claims, (v) all Allowed SALIC General Unsecured Claims, and (vi) the Disputed Claim Reserve Amount on account of all Disputed General Unsecured Claims.

If you do not check the box below, you are consenting to receive your Distribution in Cash.

Check Only One Box:	**(a) ☐ I certify that the SFL Note Claim Allowance Conditions are satisfied and wish to make the New Equity Election for the entire amount of the Allowed SFL Note Claim.** **(b) ☐ I certify that the SFL Note Claim Allowance Conditions are satisfied and wish to make the New Equity Election for the portion of the Allowed SFL Note Claim stated as the "New Equity Amount" in Item 5 of this Ballot. I understand that I will be deemed to have made the Cash Election with respect to any remaining portion of the Allowed SFL Note Claim.** **(c) ☐ I wish to make the Cash Election for the entire amount of the SFL Note Claim.**

Your New Equity Election and/or Cash Election with respect to the SFL Note Claim is binding and is irrevocable unless otherwise agreed: (a) if prior to the Effective Date, by the Debtors, the Official Committee and the Purchaser; or (b) if on or after the Effective Date, the Distribution Trustee and the Reorganized Debtors.

Item 5. New Equity Allocated Amount (To be complete only if you have checked Box (b) in Item 4 above).

If you have Checked Box (b) in Item 4 above and have thereby made the New Equity Election only as to a portion of the Allowed SFL Note Claim, state in the space provided below under the heading "New Equity Allocated Amount" the portion of the Allowed SFL Note Claim amount for which you are making the New Equity Election. The New Equity Allocated Amount should be stated in U.S. Dollars. **You will be deemed to have made the Cash Election for any remaining portion of the Allowed SFL Note Claim amount (*i.e.*, the difference between the total Allowed SFL Note Claim Amount and that portion identified as the "New Equity Allocated Amount" in the field below).**

New Equity Allocated Amount
$ _____

Item 6. Certifications.

By signing this Ballot, the undersigned certifies to the Court and the Debtors:

1. that either: (a) the undersigned is the holder of the SFL Note Claim being voted; or (b) the undersigned is an authorized signatory for an entity that is holder of the SFL Note Claim being voted;
2. that the undersigned has received a copy of the Disclosure Statement, the Plan and the Solicitation Package and acknowledges that the solicitation is being made pursuant to the terms and conditions set forth therein;
3. that the undersigned has cast the same vote with respect to all Class 6 Claims;
4. that no other Ballots with respect to the amount of the SFL Note Claim identified in Item 1 have been cast or, if any other Ballots have been cast with respect to such Claim, then any such Ballots dated earlier are hereby revoked;
5. that the undersigned acknowledges that a vote to accept the Plan constitutes an acceptance of the treatment of such undersigned's SFL Note Claim;
6. that the undersigned understands and, if accepting the Plan, agrees with the treatment provided for its Claim(s) under the Plan;
7. that the undersigned acknowledges and understands that (a) if no holders of Claims eligible to vote in a particular Class vote to accept or reject the Plan, the Debtors will seek a determination at the Confirmation Hearing that the Plan is deemed accepted by such Class; and (b) any Class of Claims that does not have a holder of an Allowed Claim or a Claim provisionally allowed by the Court as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to sections 1129(a)(8)

and 1129(a)(10) of the Bankruptcy Code; and

8. that the undersigned acknowledges and agrees that the Debtors may make conforming changes to the Plan to the extent provided by Bankruptcy Rule 3019 as may be reasonably necessary; provided that the Debtors will not re-solicit acceptances or rejections of the Plan in the event of such conforming changes.

_____
(Please print or type)

Social Security Number or Identification Number: _____

Signature: _____

Name of Signatory: _____
(If other than holder)[3]

Title: _____

Address: _____

_____

Email Address: _____

Date Completed: _____

PLEASE COMPLETE, SIGN AND DATE THE BALLOT AND RETURN IT PROMPTLY IN THE ENCLOSED RETURN ENVELOPE OR VIA AN APPROVED METHOD OF RETURN INDICATED BELOW. YOUR BALLOT MUST BE ACTUALLY RECEIVED BY THE VOTING DEADLINE, WHICH IS [AUGUST 13], 2018 AT 4:00 P.M. ET.

Via first-class mail, overnight courier, or hand-delivery to:

Scottish Holdings Ballot Processing
c/o Prime Clerk, LLC
830 3rd Avenue, 3rd Floor
New York, NY 10022

OR

[3] If you are completing this Ballot on behalf of another person or entity, indicate your relationship with such person or entity and the capacity in which you are signing. You may be required to provide additional information or documentation with respect to such relationship.

Via the Voting Agent's online balloting portal:

Visit https://cases.primeclerk.com/scottishballots, click on "Submit E-Ballot" and follow the instructions indicated.

IMPORTANT NOTE: You will need the following information to retrieve and submit your customized electronic Ballot:

Unique E-Ballot ID#:_____

The Voting Agent's online balloting portal is the sole manner in which Ballots will be accepted via electronic or online transmission. Ballots submitted by facsimile, email, or other means of electronic transmission will not be counted.

Each E-Ballot ID# is to be used solely for voting only those Claims described in Item 1 of your electronic Ballot. Please complete and submit an electronic Ballot for each E-Ballot ID# you receive, as applicable.

Creditors who submit an electronic Ballot using the Voting Agent's online balloting portal should NOT also submit a paper Ballot.

INSTRUCTIONS FOR COMPLETING BALLOTS

1. The Debtors are soliciting the votes of holders of Claims with respect to the Plan attached as **Exhibit A** to the Disclosure Statement. Capitalized terms used in the Ballot or in these instructions but not otherwise defined therein or herein shall have the meaning set forth in the Plan, the Disclosure Statement or the Disclosure Statement Order, as applicable.

2. The Court may confirm the Plan and thereby bind you by the terms of the Plan. Please review the Disclosure Statement for more information.

3. To ensure that your vote is counted, you must: (a) complete the Ballot; (b) indicate your decision either to accept or reject the Plan in the boxes provided in Item 2 of the Ballot; and (c) sign and return the Ballot in the enclosed return envelope provided. If you received a return envelope addressed to your Nominee (or otherwise received instructions to vote from your Nominee), please allow sufficient time for your Nominee to incorporate your vote on a master ballot to be returned to the Voting Agent. If the Voting Agent does not actually receive your Ballot or the master ballot reflecting your vote (as applicable) by the Voting Deadline**, which is [August 13], 2018 at 4:00 p.m. (ET)** and if the Voting Deadline is not extended, your vote will not count. Your completed Ballot must be received by the Voting Agent on or before the Voting Deadline.

4. You must vote all of your Claims or Interests within a particular Class either to accept or reject the Plan and may not split your vote. A Ballot that partially rejects and partially accepts the Plan will not be counted. Further, if a holder has multiple Claims within the same Class, the Debtors may, in their discretion, aggregate the Claims of any particular holder within a Class for the purpose of counting votes.

5. If a vote is received after the Voting Deadline, it will not be counted unless the Debtors determine otherwise or as otherwise ordered by the Court.

6. Instead of effecting delivery by mail, it is recommended, though not required, that holders use an overnight or hand delivery service (or otherwise follow the instructions of your Nominee). In all cases, holders should allow sufficient time to assure timely delivery.

7. No Ballot should be sent to any of the Debtors, the Debtors' agents (other than the Voting Agent) or the Debtors' legal advisors and if so sent will not be counted.

8. If multiple Ballots are received from the same holder of a Claim with respect to the same Claim prior to the Voting Deadline, the last valid Ballot timely received will supersede and revoke any earlier received Ballots.

9. The Ballot is not a letter of transmittal and may not be used for any purpose other than to vote to accept or reject the Plan. Accordingly, at this time, holders of TruPS Claims should not surrender certificates or instruments representing or evidencing their TruPS Claims and neither the Debtors nor the Voting Agent will accept delivery of any such certificates or instruments surrendered together with a Ballot.

10. This Ballot does not constitute and shall not be deemed to be: (a) a Proof of Claim; or (b)

an assertion or admission of a Claim.

11. Please be sure to sign and date your Ballot. If you are signing a Ballot in your capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation or otherwise acting in a fiduciary or representative capacity, you should indicate such capacity when signing and, if requested by the Voting Agent, the Debtors or the Court, must submit proper evidence to the requesting party to so act on behalf of such holder. In addition, please provide your name and mailing address if it is different from that set forth on the attached mailing label or if no such mailing label is attached to the Ballot.

12. If you hold Claims or Interests in more than one Class under the Plan or in multiple accounts, you may receive more than one Ballot coded for each different Class or account. Each Ballot votes only your Claims or Interests indicated on that Ballot. Please complete and return each Ballot you received.

13. The following Ballots shall not be counted in determining the acceptance or rejection of the Plan: (a) any Ballot that is illegible or contains insufficient information to permit the identification of the holder of the Claim or Interest; (b) any Ballot cast by an undersigned that does not hold a Claim or Interest in a Class that is entitled to vote on the Plan; (c) any unsigned Ballot; (d) any Ballot not marked to accept or reject the Plan or any Ballot marked both to accept and reject the Plan; and (e) any Ballot submitted by any entity not entitled to vote pursuant to the Solicitation Procedures.

14. If you believe you have received the wrong Ballot, you should contact the Voting Agent immediately by telephone at (347) 897-3820 or (877) 851-3566 (toll-free) or email at scottishballots@primeclerk.com.

PLEASE RETURN YOUR BALLOT PROMPTLY

IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT OR THE VOTING PROCEDURES, PLEASE CONTACT THE VOTING AGENT BY TELEPHONE AT: (347) 897-3820 OR (877) 851-3566 (toll-free) OR EMAIL AT SCOTTISHBALLOTS@PRIMECLERK.COM.

Exhibit 2

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
SCOTTISH HOLDINGS, INC., *et al.*,	Case No. 18-10160 (LSS)
Debtors.[1]	Jointly Administered
	Hearing Date: **[August 22], 2018 at 10:00 a.m. (ET)** **Objections Due:** **[August 10], 2018 at 4:00 p.m. (ET)**

NOTICE OF (I) DEADLINE FOR CASTING VOTES TO ACCEPT OR REJECT THE DEBTORS' FIRST AMENDED JOINT CHAPTER 11 PLAN, (II) HEARING TO CONSIDER CONFIRMATION OF THE DEBTORS' FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF SCOTTISH HOLDINGS, INC., AND SCOTTISH ANNUITY & LIFE INSURANCE COMPANY (CAYMAN) LTD. AND (III) CERTAIN RELATED MATTERS

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On April 18, 2018, the above-captioned debtors and debtors in possession (collectively, the "Debtors")[2] filed the *Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* (D.I. 213) and the *[Proposed] Disclosure Statement for Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* (D.I. 214).

2. On [June 15, 2018], the Debtors filed the *First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* (D.I. ___) (as it may be further amended, modified or supplemented from time to time and together with all exhibits, schedules and supplements thereto, the "Plan"), and a related disclosure statement (D.I. ___) (as it may be further amended, modified or supplemented from time to time and together with all exhibits, schedules and supplements thereto, the "Disclosure Statement") under section 1125 of the Bankruptcy Code.

---

[1] The Debtors, along with the last four digits of their federal tax identification numbers, are as follows: Scottish Holdings, Inc. (4408) and Scottish Annuity & Life Insurance Company (Cayman) Ltd. (3285). The Debtors' mailing address for purposes of these chapter 11 cases is 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277.

[2] Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Plan.

3. Pursuant to an Order dated June ____, 2018 (D.I. ___) (the "Disclosure Statement Order"), the Bankruptcy Court approved the Disclosure Statement as containing "adequate information" within the meaning of section 1125 of the Bankruptcy Code.

4. A hearing to consider the confirmation of the Plan (the "Confirmation Hearing") will be held before the Honorable Laurie Selber Silverstein, United States Bankruptcy Judge, United States Bankruptcy Court, District of Delaware, 824 North Market Street, Wilmington, Delaware 19801, on **[August 22], 2018 at 10:00 a.m. (ET)**.

5. Objections to confirmation of the Plan, if any, must: (i) be in writing; (ii) state the name and address of the objecting party and the nature of the Claim or Equity Interest of such party; (iii) state with particularity the basis and nature of any objections to confirmation of the Plan; and (iv) be filed with the Court and served on: (i) the Debtors, 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277 (Attn: Gregg Klingenberg) (ii) co-counsel to the Debtors, (a) Hogan Lovells US LLP, 875 Third Avenue, New York, NY 10022 (Attn: Peter Ivanick) and (b) Morris, Nichols, Arsht & Tunnell LLP, 1201 North Market Street, P.O. Box 1347, Wilmington, DE 19899-1347 (Attn: Eric D. Schwartz, Gregory W. Werkheiser, and Matthew B. Harvey); (iii) counsel to the Purchaser, (a) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036 (Attn: Stephen Zide and Anupama Yerramalli), and (b) Potter Anderson Corroon LLP, Hercules Plaza, 1313 N. Market Street, 6th Fl., P.O. Box 951, Wilmington, Delaware 19801 (Attn: Jeremy W. Ryan, and R. Stephen McNeill); (iv) counsel to the Committee, (a) Pepper Hamilton LLP, Hercules Plaza, Suite 5100, 1313 Market Street, P.O. Box 1709, Wilmington, DE 19899-1709 (Attn: David M. Fournier and John H. Schanne II), and (b) Pepper Hamilton LLP, The New York Times Building, 37th Floor, 620 Eighth Avenue, New York, New York 10018-1405 (Attn: H. Peter Haveles, Jr.); and (v) the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, DE 19801 (Attn: Timothy J. Fox, Jr.), so that they are received no later than **4:00 p.m. (ET), on [August 10], 2018.** The Debtors reserve the right to file a consolidated reply to any such objection no later than **[August 17], 2018**.

6. Pursuant to the Disclosure Statement Order, the Bankruptcy Court approved the use of certain materials in the solicitation of votes to accept or reject the Plan and certain procedures for the tabulation of votes to accept or reject the Plan. If you are a holder of a Claim against any of the Debtors as of [June 28], 2018 (the "Record Date"), in the Voting Class, you have received a ballot form (a "Ballot") and instructions for completing the Ballot with this Notice.

7. For a vote to accept or reject the Plan to be counted, a Record Holder of an Allowed Claim in the Voting Class or the Master Ballot Agent of a Voting Class must complete all required information on the Ballot, execute the Ballot and return the completed Ballot to Prime Clerk, LLC (the "Voting Agent") at the address indicated on the Ballot so that it is received by [**August 13], 2018, at 4:00 p.m.** (the "Voting Deadline"). Any failure to follow the instructions included with the Ballot or to return a properly completed Ballot so that it is received by the Voting Deadline may disqualify such Ballot and vote on the Plan. The rules and procedures for the Tabulation of the votes are outlined in the Disclosure Statement Order.

8. If a holder of a Claim wishes to challenge the allowance or disallowance of a Claim for voting purposes under the Tabulation Rules (as defined in the Disclosure Statement Order), such entity must file a motion, pursuant to Bankruptcy Rule 3018(a), for an order temporarily

allowing such Claim in a different amount or classification for purposes of voting to accept or reject the Plan and serve such motion on the undersigned counsel to the Debtors so that it is received no later than **4:00 p.m. (ET), on [August 10], 2018**. The Debtors shall have until [August 17], 2018 to file and serve any responses to such motions. Unless the Court orders otherwise, such Claim will not be counted for voting purposes in excess of the amount determined in accordance with the Tabulation Rules.

9. If you or your attorney do not take these steps, the Court may decide that you do not oppose the relief sought and may enter an order confirming the Plan.

10. Copies of the Plan and the Disclosure Statement are available for review without charge on a web page maintained by the Debtors for restructuring information at http://www.scottishre.com/chapter11info.

Dated: June __, 2018
Wilmington, Delaware

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/ DRAFT

Eric D. Schwartz (No. 3134)
Gregory W. Werkheiser (No. 3553)
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Counsel for Debtors and Debtors in Possession

Exhibit 3-1

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
SCOTTISH HOLDINGS, INC., *et al.*,	Case No. 18-10160 (LSS)
Debtors.[1]	Jointly Administered
	Hearing Date: **[August 22], 2018 at 10:00 a.m. (ET)**

NOTICE OF NON-VOTING STATUS WITH RESPECT TO UNIMPAIRED CLASSES DEEMED TO ACCEPT THE DEBTORS' FIRST AMENDED JOINT PLAN

PLEASE TAKE NOTICE THAT on April 18, 2018, the above-captioned debtors and debtors in possession (collectively, the "Debtors") [2] filed the *Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* (D.I. 213) and the *[Proposed] Disclosure Statement for Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* (D.I. 214) with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court").

PLEASE TAKE FURTHER NOTICE THAT on [June 15, 2018], the Debtors filed the *First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* (D.I. ___) (as it may be further amended, modified or supplemented from time to time and together with all exhibits, schedules and supplements thereto, the "Plan"), and the *Disclosure Statement for First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* (D.I. ___) (as it may be further amended, modified or supplemented from time to time and together with all exhibits, schedules and supplements thereto, the "Disclosure Statement"). By order entered on _____, 2018 (the "Disclosure Statement Order"), the Bankruptcy Court approved the adequacy of the information contained in the Disclosure Statement, along with certain procedures to be used in connection with solicitation of votes on the Plan.

PLEASE TAKE FURTHER NOTICE THAT UNDER THE TERMS OF THE PLAN, YOUR CLAIM(S) AGAINST THE DEBTORS IS/ARE NOT IMPAIRED, THEREFORE, PURSUANT TO BANKRUPTCY CODE SECTION 1126(f), YOU ARE (I)

---

[1] The Debtors, along with the last four digits of their federal tax identification numbers, are as follows: Scottish Holdings, Inc. (4408) and Scottish Annuity & Life Insurance Company (Cayman) Ltd. (3285). The Debtors' mailing address for purposes of these chapter 11 cases is 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277.

[2] Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Plan.

DEEMED TO HAVE ACCEPTED THE PLAN AND (II) NOT ENTITLED TO VOTE ON THE PLAN.

PLEASE TAKE FURTHER NOTICE that a hearing to consider confirmation of the Plan (the "Confirmation Hearing") will be held at **10:00 a.m. (prevailing Eastern time) on [August 22], 2018**, before the Honorable Laurie Selber Silverstein, United States Bankruptcy Judge, in the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, Wilmington, DE 19801-4908. The Confirmation Hearing may be adjourned from time to time without further notice except for the announcement of the adjournment date made at the Confirmation Hearing or at any subsequent adjourned Confirmation Hearing, and the Plan may be modified, if necessary, prior to, during, or as a result of the Confirmation Hearing, without further notice to interested parties. **ANY PARTY IN INTEREST OBJECTING TO THE PLAN MUST SERVE AND FILE A WRITTEN OBJECTION (A "CONFIRMATION OBJECTION") TO CONFIRMATION OF THE PLAN NO LATER THAN 4:00 P.M. (PREVAILING EASTERN TIME) ON [August 10], 2018 (THE "OBJECTION DEADLINE").** Confirmation Objections must be written, filed and served in accordance with the instructions contained in the Disclosure Statement Order. Confirmation Objections must be served on (i) the Debtors, 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277 (Attn: Gregg Klingenberg) (ii) co-counsel to the Debtors, (a) Hogan Lovells US LLP, 875 Third Avenue, New York, NY 10022 (Attn: Peter Ivanick) and (b) Morris, Nichols, Arsht & Tunnell LLP, 1201 North Market Street, P.O. Box 1347, Wilmington, DE 19899-1347 (Attn: Eric D. Schwartz, Gregory W. Werkheiser, and Matthew B. Harvey); (iii) counsel to the Purchaser, (a) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036 (Attn: Stephen Zide and Anupama Yerramalli), and (b) Potter Anderson Corroon LLP, Hercules Plaza, 1313 N. Market Street, 6th Fl., P.O. Box 951, Wilmington, Delaware 19801 (Attn: Jeremy W. Ryan, and R. Stephen McNeill); (iv) counsel to the Committee, (a) Pepper Hamilton LLP, Hercules Plaza, Suite 5100, 1313 Market Street, P.O. Box 1709, Wilmington, DE 19899-1709 (Attn: David M. Fournier and John H. Schanne II), and (b) Pepper Hamilton LLP, The New York Times Building, 37th Floor, 620 Eighth Avenue, New York, New York 10018-1405 (Attn: H. Peter Haveles, Jr.); and (v) the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, DE 19801 (Attn: Timothy J. Fox, Jr.), so that they are received no later than **4:00 p.m. (prevailing Eastern time), on [August 10], 2018.** The Debtors reserve the right to file a consolidated reply to any such objection no later than **[August 17], 2018**.

PLEASE TAKE FURTHER NOTICE that if you disagree with the Debtors' classification of your claim or believe that you should be entitled to vote on the Plan, then you must serve on the Debtors and file with the Bankruptcy Court a motion (a "Rule 3018 Motion") for an order pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") temporarily allowing your claim in a different amount or in a different class for purposes of voting to accept or reject the Plan. All Rule 3018 Motions must be filed on or **before [August 10], 2018, at 4:00 p.m. (prevailing Eastern time)** (the "Rule 3018 Motion Deadline"). Rule 3018 Motions must (i) be made in writing, (ii) comply with the Bankruptcy Code, the Bankruptcy Rules and the Local Rules, (iii) set forth the name of the party asserting the Rule 3018 Motion, (iv) state with particularity the legal and factual bases for the Rule 3018 Motion, and (v) be filed with the Bankruptcy Court and served on the Debtors no later than the

Rule 3018 Motion Deadline. Any issues raised by a Rule 3018 Motion that are not resolved between the Debtors and the claim holder will be considered at the Confirmation Hearing. In accordance with Bankruptcy Rule 3018, as to any creditor filing a Rule 3018 Motion, such creditor's Ballot will not be counted unless temporarily allowed by the Bankruptcy Court, or as otherwise agreed to by the Debtors and the claim holder, for voting purposes. Rule 3018 Motions that are not timely filed and served in the manner as set forth above will not be considered.

Any party in interest wishing to view the Plan, Disclosure Statement, or the Disclosure Statement Order may view such documents at a web page maintained by the Debtors for restructuring information at http://www.scottishre.com/chapter11info.

Dated: June __, 2018
Wilmington, Delaware

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/ DRAFT

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Gregory W. Werkheiser (No. 3553)
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Counsel for Debtors and Debtors in Possession

Exhibit 3-2

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
SCOTTISH HOLDINGS, INC., *et al.*,	Case No. 18-10160 (LSS)
Debtors.[1]	Jointly Administered
	Hearing Date: **[August 22], 2018 at 10:00 a.m. (ET)**

NOTICE OF NON-VOTING STATUS WITH RESPECT TO IMPAIRED CLASSES DEEMED TO REJECT THE DEBTORS' FIRST AMENDED JOINT PLAN

PLEASE TAKE NOTICE THAT on April 18, 2018, the above-captioned debtors and debtors in possession (collectively, the "Debtors")[2] filed the *Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* (D.I. 213) and the *[Proposed] Disclosure Statement for Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* (D.I. 214) with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court").

PLEASE TAKE FURTHER NOTICE THAT on June 15, 2018, the Debtors filed the *First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* (D.I. ___) (as it may be further amended, modified or supplemented from time to time and together with all exhibits, schedules and supplements thereto, the "Plan"), and the *Disclosure Statement for First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* (D.I. ___) (as it may be further amended, modified or supplemented from time to time and together with all exhibits, schedules and supplements thereto, the "Disclosure Statement"). By order entered on [_____], 2018 (the "Disclosure Statement Order"), the Bankruptcy Court approved the adequacy of the information contained in the Disclosure Statement, along with certain procedures to be used in connection with solicitation of votes on the Plan.

PLEASE TAKE FURTHER NOTICE THAT UNDER THE TERMS OF THE PLAN, YOUR CLAIM(S) AGAINST THE DEBTORS IS/ARE IMPAIRED, THEREFORE, PURSUANT TO BANKRUPTCY CODE SECTION 1126(g), YOU ARE (I)

---

1 The Debtors, along with the last four digits of their federal tax identification numbers, are as follows: Scottish Holdings, Inc. (4408) and Scottish Annuity & Life Insurance Company (Cayman) Ltd. (3285). The Debtors' mailing address for purposes of these chapter 11 cases is 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277.

2 Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Plan.

DEEMED TO HAVE REJECTED THE PLAN AND (II) NOT ENTITLED TO VOTE ON THE PLAN.

PLEASE TAKE FURTHER NOTICE that a hearing to consider confirmation of the Plan (the "Confirmation Hearing") will be held at **10:00 a.m. (prevailing Eastern time) on [August 22, 2018]**, before the Honorable Laurie Selber Silverstein, United States Bankruptcy Judge, in the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, Wilmington, DE 19801-4908. The Confirmation Hearing may be adjourned from time to time without further notice except for the announcement of the adjournment date made at the Confirmation Hearing or at any subsequent adjourned Confirmation Hearing, and the Plan may be modified, if necessary, prior to, during, or as a result of the Confirmation Hearing, without further notice to interested parties. **ANY PARTY IN INTEREST OBJECTING TO THE PLAN MUST SERVE AND FILE A WRITTEN OBJECTION (A "CONFIRMATION OBJECTION") TO CONFIRMATION OF THE PLAN NO LATER THAN 4:00 P.M. (PREVAILING EASTERN TIME) ON [AUGUST 10, 2018] (THE "OBJECTION DEADLINE").** Confirmation Objections must be written, filed and served in accordance with the instructions contained in the Disclosure Statement Order. Confirmation Objections must be served on (i) the Debtors, 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277 (Attn: Gregg Klingenberg) (ii) co-counsel to the Debtors, (a) Hogan Lovells US LLP, 875 Third Avenue, New York, NY 10022 (Attn: Peter Ivanick) and (b) Morris, Nichols, Arsht & Tunnell LLP, 1201 North Market Street, P.O. Box 1347, Wilmington, DE 19899-1347 (Attn: Eric D. Schwartz, Gregory W. Werkheiser, and Matthew B. Harvey); (iii) counsel to the Purchaser, (a) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036 (Attn: Stephen Zide and Anupama Yerramalli), and (b) Potter Anderson Corroon LLP, Hercules Plaza, 1313 N. Market Street, 6th Fl., P.O. Box 951, Wilmington, Delaware 19801 (Attn: Jeremy W. Ryan, and R. Stephen McNeill); (iv) counsel to the Committee, (a) Pepper Hamilton LLP, Hercules Plaza, Suite 5100, 1313 Market Street, P.O. Box 1709, Wilmington, DE 19899-1709 (Attn: David M. Fournier and John H. Schanne II), and (b) Pepper Hamilton LLP, The New York Times Building, 37th Floor, 620 Eighth Avenue, New York, New York 10018-1405 (Attn: H. Peter Haveles, Jr.); and (v) the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, DE 19801 (Attn: Timothy J. Fox, Jr.), so that they are received no later than **4:00 p.m. (prevailing Eastern time), on [August 10], 2018.** The Debtors reserve the right to file a consolidated reply to any such objection no later than **[August 17], 2018**.

PLEASE TAKE FURTHER NOTICE that if you disagree with the Debtors' classification of your claim or believe that you should be entitled to vote on the Plan, then you must serve on the Debtors and file with the Bankruptcy Court a motion (a "Rule 3018 Motion") for an order pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") temporarily allowing your claim in a different amount or in a different class for purposes of voting to accept or reject the Plan. All Rule 3018 Motions must be filed on or before **[August 10], 2018, at 4:00 p.m. (prevailing Eastern time)** (the "Rule 3018 Motion Deadline"). Rule 3018 Motions must (i) be made in writing, (ii) comply with the Bankruptcy Code, the Bankruptcy Rules and the Local Rules, (iii) set forth the name of the party asserting the Rule 3018 Motion, (iv) state with particularity the legal and factual bases for the Rule 3018 Motion, and (v) be filed with the Bankruptcy Court and served on the Debtors no later than the

Rule 3018 Motion Deadline. Any issues raised by a Rule 3018 Motion that are not resolved between the Debtors and the claim holder will be considered at the Confirmation Hearing. In accordance with Bankruptcy Rule 3018, as to any creditor filing a Rule 3018 Motion, such creditor's Ballot will not be counted unless temporarily allowed by the Bankruptcy Court, or as otherwise agreed to by the Debtors and the claim holder, for voting purposes. Rule 3018 Motions that are not timely filed and served in the manner as set forth above will not be considered.

Any party in interest wishing to view the Plan, Disclosure Statement, or the Disclosure Statement Order may view such documents at a web page maintained by the Debtors for restructuring information at http://www.scottishre.com/chapter11info.

Dated: June __, 2018
Wilmington, Delaware

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/ DRAFT

Eric D. Schwartz (No. 3134)
Gregory W. Werkheiser (No. 3553)
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Counsel for Debtors and Debtors in Possession

EXHIBIT D

Disclosure Statement Redline

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
SCOTTISH HOLDINGS, INC., *et al.*,	Case No. 18-10160 (LSS)
Debtors.[1]	Jointly Administered

~~[PROPOSED]~~ DISCLOSURE STATEMENT FOR FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF SCOTTISH HOLDINGS, INC., AND SCOTTISH ANNUITY & LIFE INSURANCE COMPANY (CAYMAN) LTD.

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Counsel for Debtors and Debtors in Possession

Dated: ~~May 2,~~June 15, 2018
Wilmington, Delaware

[1] The Debtors, along with the last four digits of their federal tax identification numbers, are as follows: Scottish Holdings, Inc. (4408) and Scottish Annuity & Life Insurance Company (Cayman) Ltd. (3285). The Debtors' mailing address for purposes of these Chapter 11 Cases is 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277.

IMPORTANT INFORMATION ABOUT THIS DISCLOSURE STATEMENT

THE DEBTORS ARE PROVIDING THE INFORMATION IN THIS DISCLOSURE STATEMENT TO HOLDERS OF CLAIMS ENTITLED TO VOTE FOR PURPOSES OF SOLICITING VOTES TO ACCEPT OR REJECT THE JOINT CHAPTER 11 PLAN OF SCOTTISH HOLDINGS, INC. AND SCOTTISH ANNUITY & LIFE INSURANCE COMPANY (CAYMAN) LTD. PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE RELIED UPON OR USED BY ANY ENTITY FOR ANY OTHER PURPOSE. BEFORE DECIDING WHETHER TO VOTE FOR OR AGAINST THE PLAN, EACH HOLDER ENTITLED TO VOTE SHOULD CAREFULLY CONSIDER ALL OF THE INFORMATION IN THIS DISCLOSURE STATEMENT, INCLUDING THE RISK FACTORS DESCRIBED IN ARTICLE IX HEREIN.

THE DEBTORS URGE EACH HOLDER OF A CLAIM ENTITLED TO VOTE TO CONSULT WITH ITS OWN ADVISORS WITH RESPECT TO ANY LEGAL, FINANCIAL, SECURITIES, TAX, OR BUSINESS ADVICE IN REVIEWING THIS DISCLOSURE STATEMENT, THE PLAN, AND THE PROPOSED TRANSACTIONS CONTEMPLATED THEREBY. FURTHERMORE, THE BANKRUPTCY COURT'S APPROVAL OF THE ADEQUACY OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL OF THE PLAN.

THIS DISCLOSURE STATEMENT CONTAINS, AMONG OTHER THINGS, SUMMARIES OF THE PLAN, CERTAIN STATUTORY PROVISIONS, AND CERTAIN ANTICIPATED EVENTS IN THE CHAPTER 11 CASES. ALTHOUGH THE DEBTORS BELIEVE THAT THESE SUMMARIES ARE FAIR AND ACCURATE, THESE SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS OR EVERY DETAIL OF SUCH ANTICIPATED EVENTS. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR ANY OTHER DOCUMENTS INCORPORATED HEREIN BY REFERENCE, THE PLAN OR SUCH OTHER DOCUMENTS WILL GOVERN FOR ALL PURPOSES. FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE DEBTORS' MANAGEMENT EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. THE DEBTORS DO NOT REPRESENT OR WARRANT THAT THE INFORMATION CONTAINED HEREIN OR ATTACHED HERETO IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION. THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE A GUARANTEE BY THE COURT OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN OR AN ENDORSEMENT BY THE BANKRUPTCY COURT OF THE MERITS OF THE PLAN.

IN PREPARING THIS DISCLOSURE STATEMENT, THE DEBTORS RELIED ON FINANCIAL DATA DERIVED FROM THE DEBTORS' BOOKS AND RECORDS AND ON VARIOUS ASSUMPTIONS REGARDING THE DEBTORS' BUSINESSES. WHILE THE DEBTORS BELIEVE THAT SUCH FINANCIAL INFORMATION FAIRLY REFLECTS THE FINANCIAL CONDITION OF THE DEBTORS AS OF THE DATE HEREOF AND THAT THE ASSUMPTIONS REGARDING FUTURE EVENTS REFLECT REASONABLE BUSINESS JUDGMENTS, NO REPRESENTATIONS OR WARRANTIES ARE MADE AS TO THE ACCURACY OF THE FINANCIAL INFORMATION CONTAINED HEREIN OR ASSUMPTIONS REGARDING THE DEBTORS' BUSINESSES AND THEIR FUTURE RESULTS AND OPERATIONS. THE DEBTORS EXPRESSLY CAUTION READERS NOT TO PLACE UNDUE RELIANCE ON ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN.

THE DEBTORS ARE MAKING THE STATEMENTS AND PROVIDING THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AS OF THE DATE HEREOF, UNLESS OTHERWISE SPECIFICALLY NOTED. ALTHOUGH THE DEBTORS MAY SUBSEQUENTLY UPDATE THE INFORMATION IN THIS DISCLOSURE STATEMENT, THE DEBTORS HAVE NO AFFIRMATIVE DUTY TO DO SO, AND EXPRESSLY DISCLAIM ANY DUTY TO PUBLICLY UPDATE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS, OR OTHERWISE. HOLDERS OF CLAIMS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT INFER THAT, AT THE TIME OF THEIR REVIEW, THE FACTS SET FORTH HEREIN HAVE NOT CHANGED SINCE THIS DISCLOSURE STATEMENT WAS FILED. INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION, MODIFICATION, OR AMENDMENT. THE DEBTORS RESERVE THE RIGHT TO FILE AN AMENDED OR MODIFIED PLAN AND RELATED DISCLOSURE STATEMENT FROM TIME TO TIME, SUBJECT TO THE TERMS OF THE PLAN.

THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE, AND MAY NOT BE CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION, OR WAIVER. THE DEBTORS OR ANY OTHER AUTHORIZED PARTY MAY SEEK TO INVESTIGATE, FILE, AND PROSECUTE CLAIMS AND MAY OBJECT TO CLAIMS AFTER THE CONFIRMATION OR EFFECTIVE DATE OF THE PLAN IRRESPECTIVE OF WHETHER THIS DISCLOSURE STATEMENT IDENTIFIES ANY SUCH CLAIMS OR OBJECTIONS TO CLAIMS.

THE DEBTORS HAVE NOT AUTHORIZED ANY ENTITY TO GIVE ANY INFORMATION ABOUT OR CONCERNING THE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT. THE DEBTORS HAVE NOT AUTHORIZED ANY REPRESENTATIONS CONCERNING THE DEBTORS OR THE VALUE OF THEIR PROPERTY OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT AND THE EFFECTIVE DATE OCCURS, ALL HOLDERS OF CLAIMS OR INTERESTS (INCLUDING THOSE HOLDERS OF CLAIMS WHO DO NOT SUBMIT BALLOTS TO ACCEPT OR REJECT THE PLAN, WHO VOTE TO REJECT THE PLAN, OR WHO ARE NOT ENTITLED TO VOTE ON THE PLAN) WILL BE BOUND BY THE TERMS OF THE PLAN AND THE RESTRUCTURING TRANSACTION CONTEMPLATED THEREBY.

THE CONFIRMATION AND EFFECTIVENESS OF THE PLAN ARE SUBJECT TO CERTAIN MATERIAL CONDITIONS PRECEDENT DESCRIBED HEREIN AND SET FORTH IN ARTICLE IX OF THE PLAN. THERE IS NO ASSURANCE THAT THE PLAN WILL BE CONFIRMED, OR IF CONFIRMED, THAT THE CONDITIONS REQUIRED TO BE SATISFIED FOR THE PLAN TO GO EFFECTIVE WILL BE SATISFIED (OR WAIVED).

YOU ARE ENCOURAGED TO READ THE PLAN AND THIS DISCLOSURE STATEMENT IN ITS ENTIRETY, INCLUDING ARTICLE IX, ENTITLED "RISK FACTORS," WHICH BEGINS ON PAGE [ ], BEFORE SUBMITTING YOUR BALLOT TO VOTE ON THE PLAN.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3016(B) AND IS NOT NECESSARILY PREPARED IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER SIMILAR LAWS. THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR ANY SIMILAR FEDERAL, STATE, LOCAL, OR FOREIGN REGULATORY AGENCY, NOR HAS THE SEC OR ANY OTHER AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT.

UPON CONFIRMATION OF THE PLAN, CERTAIN (BUT NOT ALL) OF THE SECURITIES DESCRIBED IN THIS DISCLOSURE STATEMENT WILL BE ISSUED WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933, 15 U.S.C. §§ 77A–77AA, TOGETHER WITH THE RULES AND REGULATIONS PROMULGATED THEREUNDER (THE "SECURITIES ACT"), OR SIMILAR FEDERAL, STATE, LOCAL, OR FOREIGN LAWS, IN RELIANCE ON THE EXEMPTION SET FORTH IN SECTION 1145 OF THE BANKRUPTCY CODE. OTHER SECURITIES MAY BE ISSUED PURSUANT TO OTHER APPLICABLE EXEMPTIONS UNDER THE FEDERAL SECURITIES LAWS. TO THE EXTENT EXEMPTIONS FROM REGISTRATION UNDER SECTION 1145 OF THE BANKRUPTCY CODE OR APPLICABLE FEDERAL SECURITIES LAW DO NOT APPLY, THE SECURITIES MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO A VALID EXEMPTION OR UPON REGISTRATION UNDER THE SECURITIES ACT.

THE DEBTORS MAKE STATEMENTS IN THIS DISCLOSURE STATEMENT THAT ARE CONSIDERED FORWARD-LOOKING STATEMENTS UNDER FEDERAL SECURITIES LAWS. THE DEBTORS CONSIDER ALL STATEMENTS REGARDING ANTICIPATED OR FUTURE MATTERS TO BE FORWARD-LOOKING STATEMENTS. FORWARD-LOOKING STATEMENTS MAY INCLUDE STATEMENTS ABOUT THE DEBTORS':

- **BUSINESS STRATEGY;**
- **TECHNOLOGY;**
- **FINANCIAL CONDITION, REVENUES, CASH FLOWS, AND EXPENSES;**
- **LEVELS OF INDEBTEDNESS, LIQUIDITY, AND COMPLIANCE WITH DEBT COVENANTS;**
- **FINANCIAL STRATEGY, BUDGET, PROJECTIONS, AND OPERATING RESULTS;**
- **THE AMOUNT, NATURE, AND TIMING OF CAPITAL EXPENDITURES;**

- AVAILABILITY AND TERMS OF CAPITAL;
- SUCCESSFUL RESULTS FROM THE DEBTORS' OPERATIONS;
- COSTS OF CONDUCTING THE DEBTORS' OTHER OPERATIONS;
- GENERAL ECONOMIC AND BUSINESS CONDITIONS;
- EFFECTIVENESS OF THE DEBTORS' RISK MANAGEMENT ACTIVITIES;
- THE OUTCOME OF PENDING AND FUTURE LITIGATION;
- UNCERTAINTY REGARDING THE DEBTORS' FUTURE OPERATING RESULTS;
- PLANS, OBJECTIVES, AND EXPECTATIONS;
- THE ADEQUACY OF THE DEBTORS' CAPITAL RESOURCES AND LIQUIDITY;
- RISKS IN CONNECTION WITH ACQUISITIONS;
- THE POTENTIAL ADOPTION OF NEW GOVERNMENTAL REGULATIONS; AND
- THE DEBTORS' ABILITY TO SATISFY FUTURE CASH OBLIGATIONS.

STATEMENTS CONCERNING THESE AND OTHER MATTERS ARE NOT GUARANTEES OF THE REORGANIZED DEBTORS' FUTURE PERFORMANCE. THERE ARE RISKS, UNCERTAINTIES, AND OTHER IMPORTANT FACTORS THAT COULD CAUSE THE REORGANIZED DEBTORS' ACTUAL PERFORMANCE OR ACHIEVEMENTS TO BE DIFFERENT FROM THOSE THEY MAY PROJECT, AND THE DEBTORS UNDERTAKE NO OBLIGATION TO UPDATE THE PROJECTIONS MADE HEREIN. THESE RISKS, UNCERTAINTIES, AND FACTORS MAY INCLUDE THE FOLLOWING: THE DEBTORS' ABILITY TO CONFIRM AND CONSUMMATE THE PLAN; THE POTENTIAL THAT THE DEBTORS MAY NEED TO PURSUE AN ALTERNATIVE TRANSACTION IF THE PLAN IS NOT CONFIRMED; THE DEBTORS' ABILITY TO REDUCE THEIR OVERALL FINANCIAL LEVERAGE; THE POTENTIAL ADVERSE IMPACT OF THE CHAPTER 11 CASES ON THE DEBTORS' OPERATIONS, MANAGEMENT, AND EMPLOYEES; THE RISKS ASSOCIATED WITH OPERATING THE DEBTORS' BUSINESSES DURING THE CHAPTER 11 CASES; CUSTOMER RESPONSES TO THE CHAPTER 11 CASES; THE DEBTORS' INABILITY TO DISCHARGE OR SETTLE CLAIMS DURING THE CHAPTER 11 CASES; GENERAL ECONOMIC, BUSINESS, AND MARKET CONDITIONS; CURRENCY FLUCTUATIONS; INTEREST RATE FLUCTUATIONS; PRICE INCREASES; EXPOSURE TO LITIGATION; A DECLINE IN THE DEBTORS' MARKET SHARE DUE TO COMPETITION OR PRICE PRESSURE BY CUSTOMERS; THE DEBTORS' ABILITY TO IMPLEMENT COST REDUCTION INITIATIVES IN A TIMELY MANNER; THE DEBTORS' ABILITY TO DIVEST EXISTING BUSINESSES; FINANCIAL CONDITIONS OF THE DEBTORS' CUSTOMERS; ADVERSE TAX CHANGES; LIMITED ACCESS TO CAPITAL RESOURCES; CHANGES IN DOMESTIC AND FOREIGN LAWS AND REGULATIONS; TRADE BALANCE; NATURAL DISASTERS; GEOPOLITICAL INSTABILITY; AND THE EFFECTS OF GOVERNMENTAL REGULATION ON THE DEBTORS' BUSINESSES.

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THIS IS NOT A SOLICITATION OF VOTES TO ACCEPT OR REJECT THE PLAN IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND WITHIN THE MEANING OF SECTION 1126 OF THE BANKRUPTCY CODE. 11 U.S.C. §§ 1125, 1126. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT. THE INFORMATION IN THE PLAN AND THIS DISCLOSURE STATEMENT IS SUBJECT TO WITHDRAWAL, CHANGE AND ~~SUPPLEMENT~~MAY BE SUPPLEMENTED. THE ~~FILINGS~~FILING OF THE DISCLOSURE STATEMENT AND PLAN ~~ARE~~IS WITHOUT PREJUDICE TO ANY CONSENT RIGHTS THAT THE ~~PLAN SPONSOR~~PURCHASER MAY HAVE PURSUANT TO THE STOCK PURCHASE AGREEMENT AND ~~THE PLAN SPONSORSHIP AGREEMENT AND~~ ANY CONSENT RIGHTS THAT SRGL MAY HAVE UNDER THE TERMS OF THE RESTRUCTURING IMPLEMENTATION AGREEMENT OR THE RIA ORDER. THE PLAN AND THIS DISCLOSURE STATEMENT ~~IS~~ARE NOT AN OFFER TO SELL ANY

I. INTRODUCTION AND EXECUTIVE SUMMARY

A. Overview of this Disclosure Statement

Scottish Holdings, Inc. ("SHI") and Scottish Annuity & Life Insurance Company (Cayman) Ltd. ("SALIC"), debtors and debtors in possession (the "Debtors") in these Chapter 11 Cases, hereby submit this disclosure statement (the "Disclosure Statement"), pursuant to section 1125 of title 11 of the United States Code (the "Bankruptcy Code"), for use in the solicitation of votes on the *First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* ~~filed [~~ ~~,~~Filed June 15, 2018~~]~~ (as further amended, modified, or supplemented from time to time in accordance with its terms, the "Plan"). Capitalized terms used and not defined herein have the meaning ascribed to such terms in the Plan, a copy of which is attached as **Exhibit 1** to this Disclosure Statement, and the Glossary of Defined Terms attached to the Plan as **Exhibit A**.

The purpose of this Disclosure Statement is to enable Holders of Impaired Claims who are entitled to vote to make an informed decision in exercising their right to accept or reject the Plan. This Disclosure Statement sets forth certain information regarding the Debtors' prepetition operating and financial history, their reasons for seeking protection and reorganization under chapter 11, significant events that have occurred during the Chapter 11 Cases and the anticipated operations and financing of the Reorganized Debtors upon their emergence from chapter 11. This Disclosure Statement also describes certain terms and provisions of the Plan, certain effects of Confirmation of the Plan, certain risk factors associated with the Plan and the type and manner of Distributions to be made under the Plan. In addition, this Disclosure Statement discusses the Confirmation process and the voting procedures that Holders of Claims entitled to vote under the Plan must follow for their votes to be counted.

B. Purpose and Effect of the Plan

~~In essence, the~~The Plan provides for the sale of SALIC and certain of its Affiliates as a going concern to ~~HSCM Bermuda Fund Ltd.~~Hildene Re Holdings, LLC[2] (the "~~Plan Sponsor~~Purchaser") free and clear of all funded indebtedness and certain general unsecured claims unrelated to SALIC's reinsurance business. More specifically, the Plan provides for: (1) the reorganization and recapitalization of the Debtors and certain of their non-debtor Affiliates through ~~the Recapitalization Funding Payment consisting of~~ a new money contribution of $12,500,000 by the ~~Plan Sponsor~~Purchaser in the form of the Recapitalization Funding Payment; (2) the funding of distributions to the Debtors' creditors through an additional new money contribution of $~~12,500,000~~21,500,000 by the ~~Plan Sponsor~~Purchaser in the form of the Plan Funding Payment subject to reduction by the amount of the TruPS Returned Cash; (3) in exchange for the foregoing payments and other consideration, the issuance or assignment to the Purchaser of one hundred percent (100%) of the New Equity, subject to downward adjustment to no less than seventy (70%), to the extent that eligible unsecured creditors elect to receive their pro rata share of up to thirty percent (30%) of the New Equity, in lieu of a cash distribution under the Plan ~~Sponsor of all of the equity interests of the Debtors; (4) the assumption of all or substantially all reinsurance treaties in which SALIC acts as reinsurer or retrocessionaire; and (5) the distribution to Holders of Allowed Claims of beneficial interests in a trust that will make distributions of Cash from the Plan Funding Payment and other assets that may be transferred to the Distribution Trust on such Allowed Claims in accordance with the priority scheme established by the Bankruptcy Code. The Recapitalization Funding Payment benefits Holders of Allowed Claims because it allows SALIC to avoid liquidation and the concomitant rejection of its reinsurance treaties. As described below in Article VIII, rejection of SALIC's reinsurance treaties would result in very large rejection damage claims and could trigger claims under the SALIC-SRUS New Worth Maintenance Agreement, which claims would severely dilute recoveries to Holders of Allowed Claims.The reorganization of the Debtors and their estates described in the Plan will be implemented by: (1) vesting the Plan Sponsor with 100% direct ownership of SALIC and indirect ownership of SHI and certain of the Debtors' non-debtor Affiliates, (2) creating~~; (4) the assumption by the Reorganized Debtors of all Reinsurance Contracts and Reserve Financing Contracts (each as defined in the Stock Purchase Agreement); (5) creation of the Distribution Trust (a) for payment of all Secured Claims, Administrative Claims, and Priority Claims~~, all~~ to the extent Allowed and not paid or otherwise satisfied prior to the Effective Date, and (b) for the benefit of Holders of SHI TruPS Claims, SHI General Unsecured Claims, SALIC TruPS Claims and SALIC General Unsecured Claims, all to the extent Allowed; and (~~3~~6) funding of the Distribution Trust with the Distribution Trust Assets, ~~including~~as well as the Available Plan Distribution Funding Payment ~~(net of any Closing Date Plan Distributions).~~and the Distribution Trust Reserves.

[2] The Purchaser is an Affiliate of Hildene Opportunities Master Fund, Ltd. ("Hildene"), which was until recently a member of the Official Committee in these Chapter 11 Cases. Once Hildene expressed interest in participating directly in the Auction process as a bidder, the Debtors promptly requested and received from the Official Committee assurances that Hildene and its Affiliates had been walled off from the Committee's consideration of which bids should be deemed Qualified Bids, as that term is defined in the Bidding Procedures, and other aspects of the bidding and auction process. Shortly after the conclusion of the Auction, Hildene resigned from the Official Committee.

Pursuant to sections 105(a), 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the Distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good faith compromise of all Claims, Interests and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim may have with respect to any Allowed Claim, or any distribution to be made on account of such Allowed Claim, as well as the allocation of the Plan Funding Payment among the Debtors' Estates and Creditors. *In addition, the Plan contains certain release, injunction and exculpation provisions all set forth in Article X of the Plan.*

C. Summary of Treatment of Claims and Interests and Description of Recoveries under the Plan

The table below summarizes the classification and treatment of the Claims and Interests under the Plan. The projected recoveries are estimates based upon a number of assumptions, including the amount of Allowed Claims in each Class, which amounts are estimated as of [~~_____~~June 15, 2018], except for Claims in Classes 4, 5, ~~6,~~6 and 7, which are estimated as of the Petition Date based on information contained in the Debtors' Schedules and the Debtors' ongoing review of Proofs of Claim filed in the Chapter 11 Cases.

The actual amounts of Allowed Claims could materially exceed or could be materially less than the amounts estimated by the Debtors and used to estimate the projected recoveries shown in the table below. The Debtors have not yet reviewed and fully analyzed all Claims, and the estimates underlying the projected recoveries set forth below are based upon the Debtors' review of their books and records, and include estimates of a number of Claims that are contingent, disputed, or unliquidated.

Class	Claim or Interest	Summary of Treatment	Projected Recovery Under Plan
1	Secured Claims	Unimpaired; Deemed to Accept the Plan	100%
2	Priority Non-Tax Claims	Unimpaired; Deemed to Accept the Plan	100%
3	Intercompany Claims	Unimpaired; Deemed to Accept the Plan	100%
4	SHI TruPS Claims	Impaired; Entitled to Vote on the Plan	TBD
5	SHI General Unsecured Claims	Impaired; Entitled to Vote on the Plan	TBD
6	SALIC TruPS Claims & SFL Claims	Impaired; Entitled to Vote on the Plan	TBD
7	SALIC General Unsecured Claims	Impaired; Entitled to Vote on the Plan	TBD
8	Subordinated Claims	Impaired; Deemed to Reject the Plan	0%

9	SHI Existing Equity Interests	Impaired; Deemed to Reject the Plan	0%
~~9~~10	SALIC Existing Equity Interests	Unimpaired; Deemed to Accept the Plan	N/A
~~10~~	~~SHI Existing Equity Interests~~	~~Impaired; Deemed to Reject the Plan~~	~~0%~~
~~**THE DEBTORS BELIEVE THAT THE PLAN PROVIDES THE BEST RECOVERIES POSSIBLE FOR HOLDERS OF CLAIMS AGAINST THE DEBTORS AND THUS STRONGLY RECOMMEND THAT CREDITORS VOTE TO ACCEPT THE PLAN.**~~			

Hypothetical Recoveries for Unsecured Creditors:

Assumptions for the following examples (please note that all of the assumed numbers are purely illustrative and do not reflect potential claim amounts or projected recoveries):

- The TruPS Claims Aggregate Amount is $333,411,262.40.
- The TruPS/GUC Claims Aggregate Amount is $348,411,262.40.
- The Creditor's Allowed Claim is $10,000,000.00.

Calculation of Recoveries for Allowed Claims in Classes 4 and 6 held by New Equity Eligible Beneficial Holders who do not make the Cash Election.

As a hypothetical example, the Creditor will receive:

1. Its TruPS Equity Distribution Amount, which will be calculated as the Creditor's Allocated Portion of the Allowed Claims in that Class over the TruPS Claims Aggregate Amount ($10,000,000/$333,411,262.40 = 0.03 or 3.0%). That Creditor will receive approximately 3.0% of the 30% of Offered New Equity, or approximately 0.9% of the total New Equity.

2. Approximately 2.9% of the Distribution Trust Asset Proceeds, calculated as its Allowed Claim over the TruPS/GUC Claims Aggregate Amount ($10,000,000/$348,411,262.40 = 0.029 or 2.9%).

Calculation of Recoveries for Allowed Claims of New Equity Eligible Beneficial Holders in Classes 4 and 6 who make the Cash Election and SRGL.

As a hypothetical example, the Creditor will receive:

1. Its TruPS/GUC Cash Distribution Amount, which will be calculated as the Creditor's Allowed Claim in that Class over the TruPS/GUC Claims Aggregate Amount ($10,000,000/$348,411,262.40 = 0.029 or 2.9%). That Creditor will receive approximately 2.9% of the Available Plan Funding Payment.

2. Approximately 2.9% of the Distribution Trust Asset Proceeds, calculated as its Allowed Claim over the TruPS/GUC Claims Aggregate Amount ($10,000,000/$348,411,262.40 = 0.029 or 2.9%).

Calculation of Recoveries for Allowed Claims held by GUCs in Classes 5 and 7

As a hypothetical example, the Creditor will receive:

1. Its TruPS/GUC Cash Distribution Amount, which will be calculated as the Creditor's Allowed Claim in that Class over the TruPS/GUC Claims Aggregate Amount ($10,000,000/$348,411,262.40 = 0.029 or 2.9%). That Creditor will receive approximately 2.9% of the Available Plan Funding Payment.

2. Approximately 2.9% of the Distribution Trust Asset Proceeds, calculated as its Allowed Claim over the TruPS/GUC Claims Aggregate Amount ($10,000,000/$348,411,262.40 = 0.029 or 2.9%)

THE DEBTORS BELIEVE THAT THE PLAN PROVIDES THE BEST RECOVERIES POSSIBLE FOR HOLDERS OF CLAIMS AGAINST THE DEBTORS AND THUS STRONGLY RECOMMEND THAT CREDITORS VOTE TO ACCEPT THE PLAN.

D. Additional Plan Related Documents

This Disclosure Statement and the Plan incorporate by reference the Stock Purchase Agreement and Restructuring Implementation Agreement that are attached as **Exhibit B** and **Exhibit C** to the Plan, as well as any and all documents to be submitted as part of the Plan Supplement. The Stock Purchase Agreement, the Restructuring Implementation Agreement and the Plan Supplement are to be considered part of the Plan and this Disclosure Statement and should be reviewed and consulted when considering whether to vote to accept or reject the Plan.

II. PLAN VOTING INSTRUCTIONS AND PROCEDURES

A. Voting Rights

Under the Bankruptcy Code, only holders of claims and interests in classes that are (a) treated as "impaired" by a plan of reorganization and (b) entitled to receive a distribution under such plan are entitled to vote on such plan. Under the Plan, only Holders of Claims in Classes 4, 5, ~~6,~~6 and 7 are entitled to vote on the Plan. Claims in other Classes are either (i) Unimpaired, and their Holders are deemed to have accepted the Plan, or (ii) Impaired, and their Holders are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code.

Any Holder of a Claim that (a) is not scheduled and (b) that is not the subject of a Proof of Claim Filed by the applicable Bar Date set by the Bankruptcy Court will not be treated as a Creditor with respect to such Claim for purposes of voting on or objecting to the Plan. Any Holder of a Claim that is scheduled in the Schedules as disputed, contingent or unliquidated (and that has not been satisfied or superseded by any Proof of Claim), will be allowed to vote only in the amount of $1.00. In the event of any inconsistency between the voting rights and procedures as set forth herein and the Bankruptcy Court order approving this Disclosure Statement and related procedures for solicitation and voting [Docket No. ___] (the "Solicitation Procedures Order"), the latter shall control.

B. Classes Entitled to Vote to Accept or Reject the Plan

Only Holders of Claims in Classes 4, 5, ~~6,~~6 and 7 are entitled to vote to accept or reject the Plan. By operation of law, each Unimpaired Class of Claims is deemed to have accepted the Plan and, therefore, the Holders of Claims or Interests in such Classes are not entitled to vote to accept or reject the Plan. Accordingly, Holders of Claims in Classes 1, 2, and 3, and Holders of Interests in Class ~~9~~10 are deemed to have accepted the Plan and, therefore, are not entitled to vote to accept or reject the Plan. By operation of law, each Class that is Impaired and will not receive a Distribution under the Plan is deemed to have rejected the Plan and, therefore, the Holders of Claims or Interests in such Classes are not entitled to vote to accept or reject the Plan. Accordingly, the Holders of Claims in Class 8, and Holders of Interests in Class ~~10~~9 are deemed to have rejected the Plan and, therefore, are not entitled to vote to accept or reject the Plan.

C. Solicitation Materials

In soliciting votes for the Plan pursuant to this Disclosure Statement, ~~counsel for the Debtors~~Prime Clerk LLC will serve as solicitation and balloting agent (in such capacity, the "~~Solicitation~~Voting Agent") and will send to Holders of Claims who are entitled to vote copies of: (a) the Disclosure Statement and Plan, (b) the notice of, among other things, (i) the date, time, and place of the hearing to consider Confirmation of the Plan and related matters, and (ii) the deadline for filing objections to Confirmation of the Plan (the "Confirmation Hearing Notice"),

(c) one or more ballots (and return envelopes) to be used in voting to accept or to reject the Plan, and (d) other materials as authorized under the Solicitation Procedures Order.

D. Voting Procedures, Ballots, and Voting Deadline

After carefully reviewing the Plan, this Disclosure Statement, and the detailed instructions accompanying your ballot, you are asked to indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan on the accompanying ballot.

Each ballot has been coded to reflect the Class of Claims it represents. Accordingly, in voting to accept or reject the Plan, you must use only the coded ballot(s) sent to you with this Disclosure Statement.

All votes to accept or reject the Plan must be cast by using the ballot enclosed with the Disclosure Statement. IN ORDER FOR YOUR VOTE TO BE COUNTED, YOUR BALLOT MUST BE PROPERLY COMPLETED AS SET FORTH ABOVE AND IN ACCORDANCE WITH THE VOTING INSTRUCTIONS ON THE BALLOT AND RECEIVED NO LATER THAN **[~~———~~AUGUST 13], 2018, AT [~~———~~4:00 P.M.] (EASTERN TIME)** (THE "VOTING DEADLINE") BY THE FOLLOWING:

~~**MORRIS, NICHOLS, ARSHT & TUNNELL LLP**~~
~~Eric D. Schwartz (No. 3134)~~
~~Gregory W. Werkheiser (No. 3553)~~
~~Matthew B. Harvey (No. 5186)~~
~~Paige N. Topper (No. 6470)~~
Via first-class mail, overnight courier, or hand-delivery to:

Scottish Holdings Ballot Processing
c/o Prime Clerk, LLC
~~1201 N. Market St., 16th Floor~~**830 3rd Avenue, 3rd Floor**
~~P.O. Box 1347~~
~~Wilmington, DE 19899-1347~~
~~Telephone: (302) 351-9146~~

New York, NY 10022

OR

Via the Voting Agent's online balloting portal:

Visit https://cases.primeclerk.com/scottishballots, click on "Submit E-Ballot" and follow the instructions indicated.

BALLOTS SENT BY FACSIMILE, E-MAIL OR OTHER ELECTRONIC MEANS WILL NOT BE ACCEPTED. BALLOTS THAT ARE RECEIVED BUT NOT SIGNED WILL

NOT BE COUNTED. DO NOT RETURN ANY STOCK CERTIFICATES, DEBT INSTRUMENTS, OR OTHER EVIDENCE OF YOUR CLAIM WITH YOUR BALLOT.

For further general instructions on voting to accept or reject the Plan, see the instructions accompanying your ballot.

THE DEBTORS URGE ALL HOLDERS OF CLAIMS ENTITLED TO VOTE TO ACCEPT THE PLAN BY COMPLETING THEIR BALLOTS AND RETURNING THEIR BALLOTS BY THE VOTING DEADLINE.

E. Waivers of Defects, Irregularities, Etc.

Unless otherwise directed by the Bankruptcy Court, all questions as to the validity, form, eligibility (including time of receipt), acceptance, and revocation or withdrawal of ballots will be determined by the ~~Solicitation~~Voting Agent and the Debtors in their sole discretion, which determination will be final and binding. As indicated below under "Withdrawal of Ballots; Revocation," effective withdrawals of ballots must be delivered to the ~~Solicitation~~Voting Agent prior to the Voting Deadline. The Debtors reserve the absolute right to contest the validity of any such withdrawal. The Debtors also reserve the right to reject any and all ballots not in proper form, the acceptance of which would, in the opinion of the Debtors or their counsel, be unlawful. The Debtors further reserve the right, with the consent of the ~~Plan Sponsor~~Purchaser (which consent shall not be unreasonably withheld), to waive any defects or irregularities or conditions of delivery as to any particular ballot. The interpretation (including the ballot and the respective instructions thereto) by the Debtors, unless otherwise directed by the Bankruptcy Court, will be final and binding on all parties. Unless waived, any defects or irregularities in connection with deliveries of ballots must be cured within such time as the Debtors (or the Bankruptcy Court) determine. Neither the Debtors nor any other Person will be under any duty to provide notification of defects or irregularities with respect to deliveries of ballots nor will any of them incur any liabilities for failure to provide such notification. Unless otherwise directed by the Bankruptcy Court, delivery of such ballots will not be deemed to have been made until such irregularities have been cured or waived. Ballots previously furnished (and as to which any irregularities have not theretofore been cured or waived) will be invalidated.

F. Withdrawal of Ballots; Revocation

Any party who has delivered a valid ballot for the acceptance or rejection of the Plan may withdraw such acceptance or rejection by delivering a written notice of withdrawal to the ~~Solicitation~~Voting Agent at any time prior to the Voting Deadline. To be valid, a notice of withdrawal must (i) contain (x) the description of the Claim(s) to which it relates and (y) the aggregate principal amount represented by such Claim(s), (ii) be signed by the withdrawing party in the same manner as the ballot being withdrawn, (iii) contain a certification that the

withdrawing party (x) owns the Claim(s) and (y) possesses the right to withdraw the vote sought to be withdrawn, and (iv) be received by the ~~Solicitation~~Voting Agent in a timely manner. The Debtors intend to consult with the ~~Solicitation~~Voting Agent to determine whether any withdrawals of ballots were received and whether the requisite acceptances of the Plan have been received. As stated above, the Debtors expressly reserve the right to contest the validity of any such withdrawals of ballots.

Unless otherwise directed by the Bankruptcy Court, a purported notice of withdrawal of ballots which is not received in a timely manner by the ~~Solicitation~~Voting Agent will not be effective to withdraw a previously cast ballot.

Any party who has previously submitted a properly completed ballot to the ~~Solicitation~~Voting Agent prior to the Voting Deadline may revoke such ballot and change his or its vote by submitting to the ~~Solicitation~~Voting Agent prior to the Voting Deadline a subsequent properly completed ballot for acceptance or rejection of the Plan. In the case where more than one timely, properly completed ballot is received, only the ballot bearing the latest date will be counted for purposes of determining whether the requisite acceptances have been received.

G. Voting Objection Deadline

As set forth more fully in the Solicitation Procedures Order, the deadline for the Debtors to File and serve any objections that may affect the ability of the Holder of such Claims to vote on the Plan (each, a "Voting Objection") is ~~(i) [_____], 2018, for Claims Filed or scheduled prior to [_____], 2018, and (ii) [_____], 2018, for other timely Filed Claims. Holders of Claims that are~~[August 1], 2018. Any motion pursuant to Bankruptcy Rule 3018(a) for temporary allowance for voting purposes of a Claim subject to a Voting Objection ~~or otherwise are Disputed, are not entitled to vote such Claims (or the Disputed portion of such Claims), unless a resolution of such objection or dispute, including without limitation a temporary allowance of such Claim for voting purposes, is reached at least [_____] business days before the Voting Deadline~~must be filed and served by no later than [August 10,] 2018, at 4:00 p.m. (Eastern Time).

H. Confirmation Hearing and Deadline for Objections to Confirmation

Pursuant to section 1128 of the Bankruptcy Code and Bankruptcy Rule 3017(c), the Bankruptcy Court has scheduled a Confirmation Hearing for **[~~_____~~August 22], 2018, at [~~_____~~10:00 a.m.] (Eastern Time)**. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for the announcement of the adjournment date made at the Confirmation Hearing or at any subsequently adjourned Confirmation Hearing. Objections to Confirmation of the Plan must be made in writing and must specify in detail the name and address of the objector, all grounds for the objection, and the amount and Class of the Claim. Any such objection must be Filed with the Bankruptcy Court on or before **[~~_____~~August 10], 2018, at [~~_____~~4:00 p.m.] (Eastern Time)**. Objections to Confirmation of the Plan are governed by Bankruptcy Rule 9014.

I. Further Information; Additional Copies

If you are the Holder of a Claim who believes you are entitled to vote on the Plan, and you did not receive a ballot or you received a ballot that is damaged or illegible, or if you have any questions or require further information about the voting procedures for voting your Claim or about the packet of material you received, or if you wish to obtain an additional copy of the Plan, this Disclosure Statement, or any exhibits or appendices to such documents (at your own expense, unless otherwise specifically required by Bankruptcy Rule 3017(d) or the Solicitation Procedures Order), please contact ~~counsel for~~ the ~~Debtors~~Voting Agent at:

~~**MORRIS, NICHOLS, ARSHT & TUNNELL LLP**~~
~~Eric D. Schwartz (No. 3134)~~
~~Gregory W. Werkheiser (No. 3553)~~
~~Matthew B. Harvey (No. 5186)~~
~~Paige N. Topper (No. 6470)~~
~~1201 N. Market St., 16th~~

Scottish Holdings Ballot Processing
c/o Prime Clerk, LLC
830 3rd Avenue, 3rd Floor
~~P.O. Box 1347~~
~~Wilmington, DE 19899-1347~~
New York, NY 10022
Telephone: (~~302) 351-9146~~347) 897-3820 or (877) 851-3566 (toll-free)
~~scottishrebankruptcyinfo@mnat.com~~scottishballots@primeclerk.com

Additional copies of this Disclosure Statement, the Plan, the Plan Supplement, and any related documents, all as such documents may be updated or modified from time to time, or other documents or information concerning these Chapter 11 Cases, may also be obtained free of charge at a webpage maintained by the Debtors for restructuring information at ~~www.scottishre.com/chapter11info~~www.scottishre.com/chapter11info or https://cases.primeclerk.com/scottishballots.

III. OVERVIEW OF THE DEBTORS' BUSINESS AND FINANCIAL AFFAIRS

A. Scottish Re's Business

The Debtors, together with their non-debtor Affiliates, are part of the Scottish Re group of companies (collectively, "Scottish Re"). Founded in 1998, the Scottish Re companies are engaged in the reinsurance of life insurance, annuities and annuity-type products. These products are written by life insurance companies and other financial institutions primarily located in the United States. Scottish Re's reinsurance companies are subject to insurance laws and regulation in the jurisdictions in which they operate, which include Bermuda, the Cayman Islands, Ireland, and the United States. In early 2008, the Scottish Re companies ceased writing new business and notified existing clients that they would not be accepting any new reinsurance

risks under existing reinsurance treaties, thereby placing their remaining treaties into run-off. Scottish Re's business today consists of managing a legacy reinsurance portfolio.

The majority of Scottish Re's reinsurance business was written through Scottish Re (U.S.), Inc. ("SRUS"), a Delaware reinsurance company subject to regulation and oversight by the Delaware Department of Insurance (the "Delaware DOI"). As a domestic reinsurance company, SRUS is not eligible to be and is not a debtor in these Chapter 11 Cases. SRUS is party to nearly 1,000 reinsurance agreements or "treaties" with dozens of third-party life insurance and reinsurance companies.

To reduce its liabilities, and the amount of capital it is required to hold, SRUS has retroceded a significant portion of its business to SALIC. SALIC is a foreign reinsurance company organized under the laws of the Cayman Islands. SALIC is not subject to the regulation or oversight of any U.S. state insurance department, and, instead, is regulated by the Cayman Islands Monetary Authority ("CIMA"). Due to, among other factors, differences in capital requirements between U.S. insurance regulations and the regulations under which SALIC operates, SRUS's retrocession to SALIC makes Scottish Re's reinsurance business significantly more capital efficient than otherwise would be achievable without retrocession to such an offshore reinsurer.

B. Scottish Re's Corporate Structure

SALIC is wholly owned by Scottish Re Group Limited ("SRGL"), which is described in more detail below. SALIC is not subject to the regulation or oversight of any U.S. state insurance department, and therefore is eligible to be, and is, a Debtor in these Chapter 11 Cases.

SRGL is a privately-owned holding company incorporated under the laws of the Cayman Islands with its principal office in Bermuda. SRGL is not a debtor in these Chapter 11 Cases and, as described further below, has commenced voluntary winding-up proceedings in the Cayman Islands and Bermuda. SRGL holds the primary beneficial interest in Orkney Re II plc ("Orkney Re II"), a special purpose reinsurer, domiciled in Ireland. In accordance with FIN 46R, Orkney Re II is considered to be a variable interest entity and, as a result, Orkney Re II has been consolidated in SRGL's consolidated U.S. GAAP financial statements.

SHI is a Delaware ~~incorporated holding company that has its headquarters~~ corporation headquartered in Charlotte, North Carolina~~, and is wholly~~. All of SHI's common stock is owned by SALIC. SHI is a holding company that does not engage in the insurance or reinsurance business ~~and~~. SHI, therefore, is eligible to be, and is, a Debtor in these Chapter 11 Cases.

SHI directly owns all of the common stock of SRUS. SHI also owns all of the common securities of three Connecticut statutory business trusts and one Delaware statutory

business trust, each of which was formed to issue certain of the "trust preferred securities" or "TruPS" described in greater detail below.

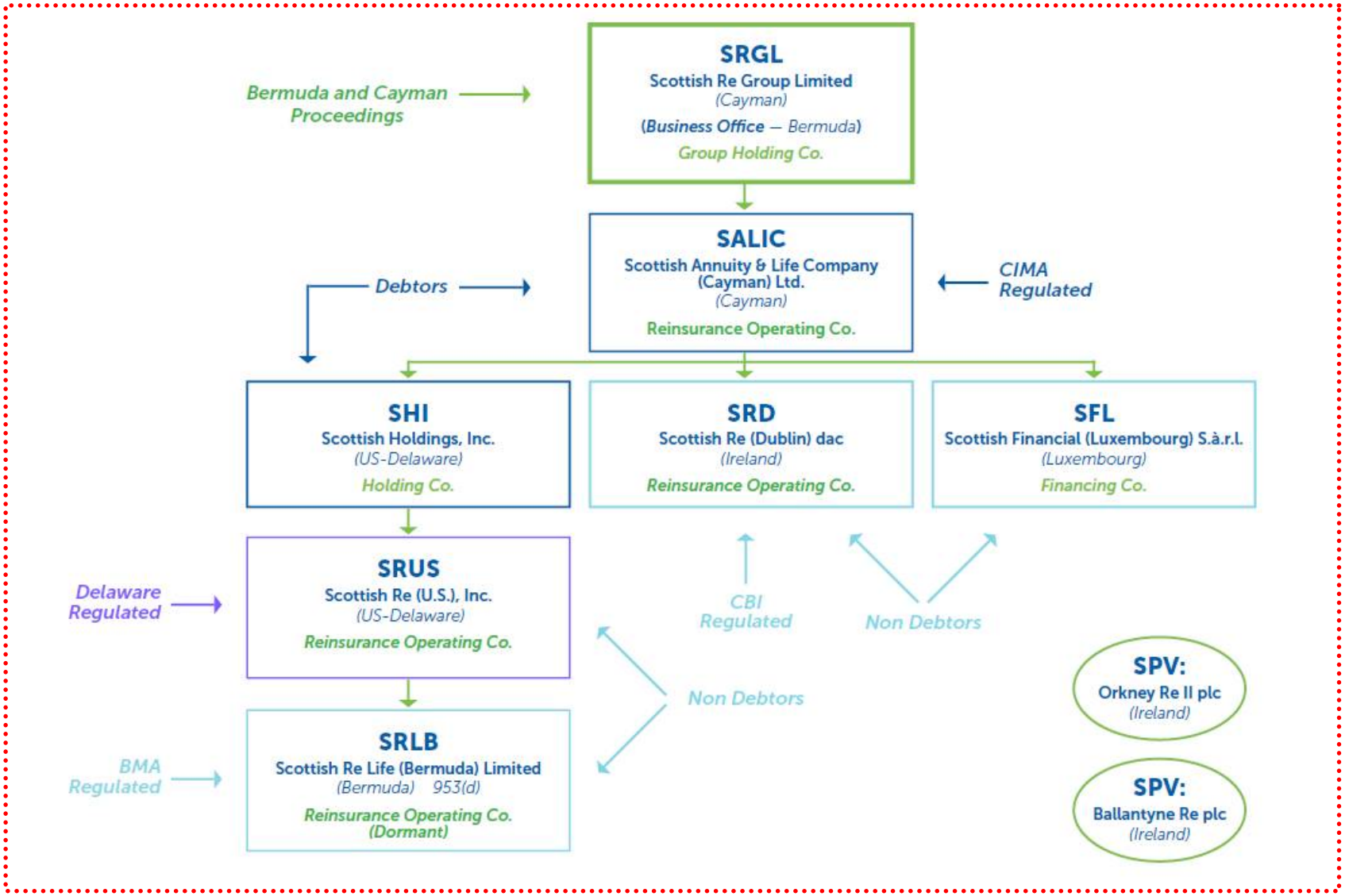
SRUS directly owns Scottish Re Life (Bermuda) Limited ("SRLB"), a Bermuda reinsurance company regulated by the Bermuda Monetary Authority (the "BMA"). SRLB is not a debtor in these Chapter 11 Cases.

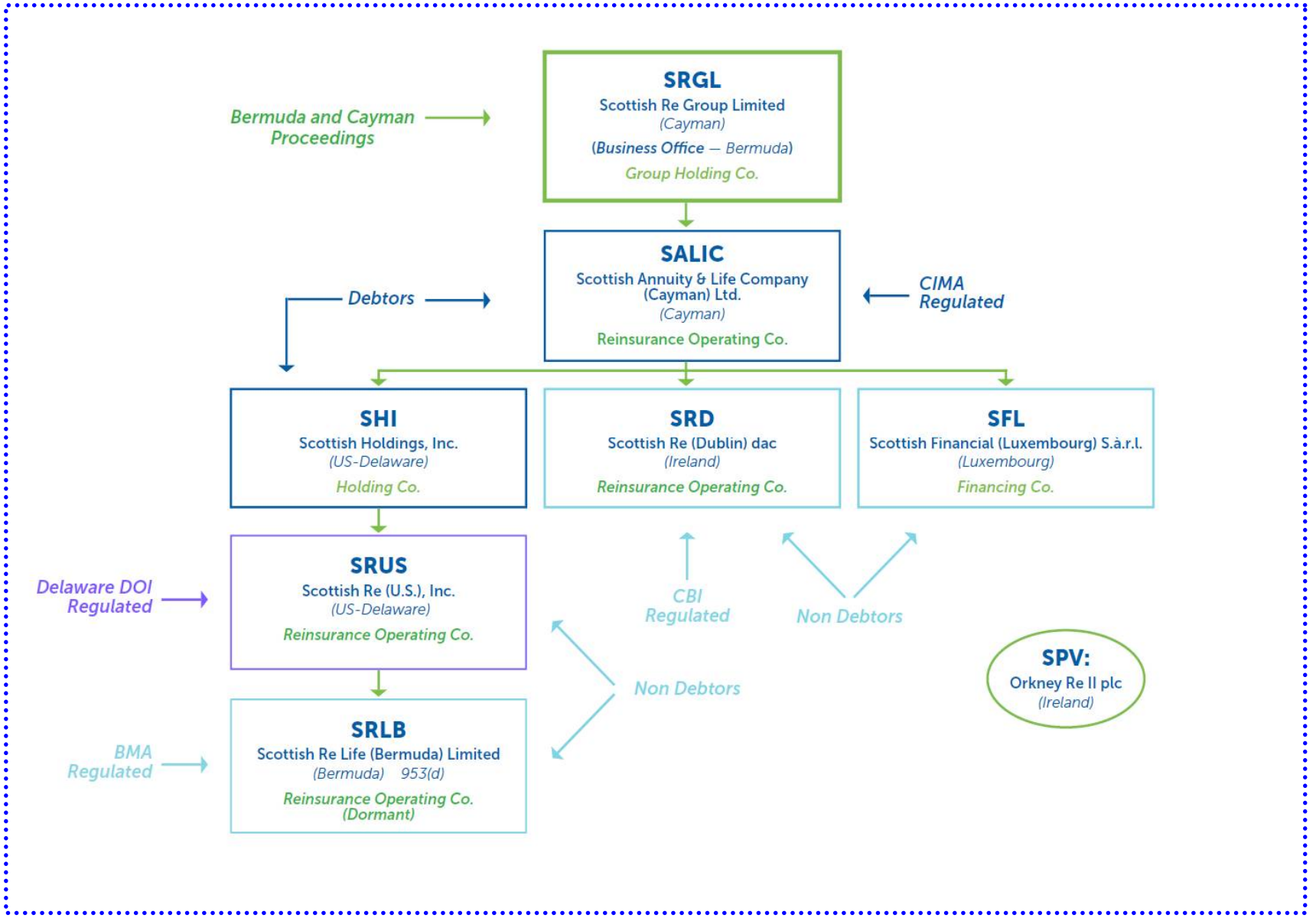
In addition to its direct ownership of SHI and indirect ownership of SRUS and SRLB, SALIC also owns Scottish Financial (Luxembourg) S.á r.l. ("SFL"), a Luxembourg-organized special purpose financing entity. SFL is not a debtor in these Chapter 11 Cases. SFL was formed on July 10, 2003, as a direct subsidiary of SALIC. SFL owns all of the common securities of a Delaware statutory business trust formed as part of a TruPS transaction more fully described below in Section III.C.I. SFL is the subject of voluntary liquidation proceedings commenced on April 16, 2018, in the Grand Duchy of Luxembourg, as described further below.

Additionally, SALIC owns Scottish Re (Dublin) dac ("SRD"), a designated activity company organized under the laws of the Republic of Ireland and authorized to carry on a life reinsurance business. SRD operates in Ireland as a reinsurer of insurance and reinsurance liabilities and is regulated by the Central Bank of Ireland (the "CBI"). SRD is not a debtor in these Chapter 11 Cases.

Following is a chart showing the organizational structure of the foregoing entities, as well as the jurisdiction in which each entity is organized, and whether the entity is subject to these Chapter 11 Cases or a winding-up proceeding in the Cayman Islands and Bermuda:

[Chart on next page]


SRGL
Scottish Re Group Limited
(Cayman)
(Business Office – Bermuda)
Group Holding Co.
Bermuda and Cayman Proceedings
SALIC
Scottish Annuity & Life Company (Cayman) Ltd.
(Cayman)
Reinsurance Operating Co.
Debtors
CIMA Regulated
SHI
Scottish Holdings, Inc.
(US-Delaware)
Holding Co.
SRD
Scottish Re (Dublin) dac
(Ireland)
Reinsurance Operating Co.
SFL
Scottish Financial (Luxembourg) S.à.r.l.
(Luxembourg)
Financing Co.
SRUS
Scottish Re (U.S.), Inc.
(US-Delaware)
Reinsurance Operating Co.
Delaware Regulated
CBI Regulated
Non Debtors
Non Debtors
SRLB
Scottish Re Life (Bermuda) Limited
(Bermuda) 953(d)
Reinsurance Operating Co.
(Dormant)
BMA Regulated
SPV:
Orkney Re II plc
(Ireland)
SPV:
Ballantyne Re plc
(Ireland)


Bermuda and Cayman Proceedings
SRGL
Scottish Re Group Limited
(Cayman)
(Business Office – Bermuda)
Group Holding Co.
SALIC
Scottish Annuity & Life Company (Cayman) Ltd.
(Cayman)
Reinsurance Operating Co.
Debtors
CIMA Regulated
SHI
Scottish Holdings, Inc.
(US-Delaware)
Holding Co.
SRD
Scottish Re (Dublin) dac
(Ireland)
Reinsurance Operating Co.
SFL
Scottish Financial (Luxembourg) S.à.r.l.
(Luxembourg)
Financing Co.
Delaware DOI Regulated
SRUS
Scottish Re (U.S.), Inc.
(US-Delaware)
Reinsurance Operating Co.
CBI Regulated
Non Debtors
Non Debtors
SPV:
Orkney Re II plc
(Ireland)
BMA Regulated
SRLB
Scottish Re Life (Bermuda) Limited
(Bermuda) 953(d)
Reinsurance Operating Co.
(Dormant)

C. Scottish Re's Capital Structure

1. The TruPS Transactions

Scottish Re raised capital through five offerings of trust preferred securities ("TruPS"). In each TruPS transaction, a Scottish Re entity—in all cases either SHI or SFL—created a statutory business trust, and held all of the common securities of that trust. The trust then sold TruPS to investors in privately offered transactions. The funds raised through the sale of the TruPS and the common securities were then used by the trust to purchase debentures from the applicable entity (*i.e.*, SHI or SFL). The sole asset of each trust consists of the applicable debentures purchased with the proceeds from the sale of the TruPS and the common securities. In each transaction, the debentures have the same features as the TruPS from the same transaction, including maturity date and interest payable. Quarterly interest payments by the applicable entity to the relevant trust are used by the trust to fund equal quarterly interest payments to the holders of the TruPS issued by such trust. In each transaction, interest may be deferred without penalty or acceleration for up to twenty (20) consecutive quarters. SALIC issued a parent guarantee of the principal and interest due on the debentures in each transaction.

SHI and SFL entered into the following five TruPS transactions:

a. *SHST I TruPS*: On December 4, 2002, Scottish Holdings, Inc. Statutory Trust I, a Connecticut statutory business trust ("SHST I") of which U.S. Bank National Association, serves as institutional trustee, issued and sold in a private offering an aggregate of $17.5 million Floating Rate Capital Securities (the "SHST I TruPS"). All of the common shares of SHST I are owned by SHI. The sole assets of SHST I consist of $18.0 million principal amount of Floating Rate Debentures (the "SHST I TruPS Debentures") issued by SHI, and have all the same features (maturity date, interest payable, interest rate, maximum number of quarters for which interest may be deferred, and the number of quarters for which interest was deferred as of December 31, 2017) as the SHST I TruPS.

b. *SHST II TruPS*: On October 29, 2003, Scottish Holdings, Inc. Statutory Trust II, a Connecticut statutory business trust ("SHST II") of which U.S. Bank National Association serves as institutional trustee, issued and sold in a private offering an aggregate of $20.0 million Preferred Trust Securities (the "SHST II TruPS"). All of the common shares of SHST II are owned by SHI. The sole assets of SHST II consist of $20.6 million principal amount of Floating Rate Debentures (the "SHST II TruPS Debentures") issued by SHI, and have all the same features (maturity date, interest payable, interest rate, maximum number of quarters for which interest may be deferred, and the number of quarters for which interest was deferred as of December 31, 2017) as the SHST II TruPS.

c. *GPIC TruPS*: On November 14, 2003, GPIC Holdings Inc. Statutory Trust, a Delaware statutory business trust ("GPIC") of which Bank of New York Mellon serves as property trustee, issued and sold in a private offering an aggregate of $10.0 million Trust Preferred Securities (the "GPIC TruPS"). All of the common shares of GPIC are owned by SHI. The sole assets of GPIC consist of $10.3 million principal amount of Junior Subordinated Notes (the "GPIC TruPS Note") issued by SHI, and have all the same features (maturity date, interest payable, interest rate, maximum number of quarters for which interest may be deferred, and the number of quarters for which interest was deferred as of December 31, 2017) as the GPIC TruPS.

d. *SHST III TruPS*: On May 12, 2004, Scottish Holdings, Inc. Statutory Trust III, a Connecticut statutory business trust ("SHST III") of which U.S. Bank National Association serves as institutional trustee, issued and sold in a private offering an aggregate of $32.0 million Trust Preferred Securities (the "SHST III TruPS"). All of the common shares of SHST III are owned by SHI. The sole assets of SHST III consist of $33.0 million principal amount of Floating Rate Debentures (the "SHST III TruPS Debentures") issued by SHI, and have all the same features (maturity date, interest payable, interest rate, maximum number of quarters for which interest may be deferred, and the number of quarters for which interest was deferred as of December 31, 2017) as the SHST III TruPS.

e. *SFLST I TruPS*: On or about December 15, 2004, SFL Statutory Trust I, a Delaware statutory business trust ("SFLST I," and together with SHST I, SHST II, GPIC, and SHST III, the "TruPS Trusts") of which Wilmington Trust Company serves as institutional trustee, issued and sold in a private offering an aggregate of $50.0 million Trust Preferred Securities (the "SFLST I TruPS," and together with the SHST I TruPS, SHST II TruPS, GPIC TruPS, and SHST III TruPS, the "TruPS"). All of the common shares of SFLST I are owned by SFL. The sole assets of SFLST I consist of $51.5 million principal amount of Floating Rate Debentures (the "SFLST I TruPS Debentures," and together with the SHST I TruPS Debentures, SHST II TruPS Debentures, GPIC TruPS Note, and SHST III TruPS Debentures, the "Debentures") issued by SFL, and have all the same features (maturity date, interest payable, interest rate, maximum number of quarters for which interest may be deferred, and the number of quarters for which interest was deferred as of December 31, 2017) as the SFLST I TruPS.

SHI and SFL began the most recent deferral of quarterly interest payments on the debentures in the first quarter of 2013, and thus quarterly interest payments have been deferred on all of the TruPS for the same amount of time. As of December 31, 2017, SHI and SFL had

accrued and deferred interest payments on the TruPS in the total approximate amount of $31.1 million.

Subsequent to the initial sale of the TruPS, SRGL acquired in aftermarket transactions from third-parties, and currently holds, $43 million aggregate liquidation amount of ~~the~~ TruPS, along with the right to deferred interest in the approximate amount of $10.7 million as of December 31, 2017, on such TruPS, as follows:

a. On December 3, 2014, SRGL agreed to acquire in a privately-negotiated transaction the entire $20.0 million in aggregate liquidation amount of SHST II TruPS, with a liquidation preference of $1,000 per security, at a purchase price of $665.00 per security.

b. On December 3, 2014, SRGL agreed to acquire in a privately-negotiated transaction the entire $10.0 million in aggregate liquidation amount of GPIC TruPS, with a liquidation preference of $1,000 per security, at a purchase price of $665.00 per security.

c. On January 31, 2013, SRGL agreed to acquire in a privately-negotiated transaction $13.0 million in aggregate liquidation amount of Trust SHST III TruPS, with a liquidation preference of $1,000 per security, at a purchase price of $520.00 per security.

The option to continue to defer interest on the TruPS transactions would have expired in the first quarter of 2018. Absent the filing of these Chapter 11 Cases, all of the deferred interest would have been due and payable in the first quarter of 2018. The Debtors did not, however, have sufficient available capital to satisfy the deferred interest when due.

As discussed above, SALIC has guaranteed the obligations of SHI and SFL under the various TruPS indentures. SALIC's other material obligations include numerous reinsurance agreements between it and other Scottish Re entities and between it and certain third-parties, as described in Section III.C.2.b., below.

2. Capital Structure of Specific Scottish Re Entities

The other material obligations and assets of the Debtors and their non-debtor Affiliates are described below.

a. SRGL (Non-Debtor) Capital Structure

SRGL is a holding company with relatively few creditors other than the SALIC Claims held by SALIC pursuant to the Restructuring Implementation Agreement. As described in more detail below in Section III.C.2.b., SRGL, as borrower, is indebted to SALIC for principal and accrued interest under the SRGL Revolving Credit Agreement. Additionally, SRGL is a defendant in certain litigation brought by Paul Davis, a current holder of SRGL's non-cumulative

perpetual preferred shares and former holder of SRGL's ordinary shares. Mr. Davis continues to seek damages against SRGL for having allegedly breached the certificate of designations for such non-cumulative perpetual preferred shares by distributing certain merger proceeds to the former holders of SRGL's ordinary shares at a time when no dividends were paid to holders of non-cumulative perpetual preferred shares. SRGL continues to defend against Mr. Davis's claims.

SRGL's principal assets are (i) SALIC's ordinary shares, (ii) cash on hand, and (iii) the TruPS it acquired in aftermarket transactions described above in Section III.C.1.

As discussed in more detail below in Section V.H., the Debtors are informed that Cayman Islands law will not recognize any "cancellation" of ~~those assets~~SALIC's ordinary shares by a foreign (*i.e.*, non-Cayman Islands) court. In addition, Cayman Islands law does not permit a Cayman Islands chartered company to accept the surrender of all of its shares when the effect of doing so would be to leave the company with no issued shares other than treasury shares.[~~23~~] In view of the limitations of Cayman Islands law, the Stock Purchase Agreement structured the ~~Plan Sponsor~~Purchaser's acquisition of reorganized SALIC through multiple, ~~discreet~~discrete steps, including: (a) the pre-closing surrender to SALIC by SRGL, as SALIC's sole shareholder, of all but one of SALIC's issued and outstanding ordinary shares; (b) the issuance by SALIC of new ordinary shares to the ~~Plan Sponsor~~Purchaser at closing of the Stock Purchase Agreement; and (c) immediately after closing, SRGL's surrender to reorganized SALIC of its sole remaining SALIC ordinary share. ~~Pursuant to the Stock Purchase Agreement, on~~On or about March 23, 2018, SRGL surrendered to SALIC all but one of SALIC's issued and outstanding ordinary shares. Thus, at this time, SRGL retains ownership of SALIC, through ownership of a single share.

As discussed in further detail in Section IV.C., SRGL commenced winding-up proceedings in the Supreme Court of Bermuda (the "Bermuda Court") and the Grand Court of the Cayman Islands (Financial Services Division) (the "Cayman Islands Court"). Although the liquidation of SRGL in Bermuda is permanently stayed, the SRGL winding-up proceedings in the Cayman Islands will proceed subject to the jurisdiction of the Cayman Islands Court.

b. SALIC (Debtor) Capital Structure

~~SALIC executed a Net Worth Maintenance Agreement, as of February 1, 2002 (the "~~Pursuant to the SALIC-SRUS Net Worth Maintenance Agreement~~"), pursuant to which~~, SALIC ~~agrees~~has agreed to maintain the net worth of SRUS, including, specifically, ~~SALIC's agreement~~ to: (a) maintain minimum capital and surplus levels at SRUS sufficient to prevent the occurrence ~~at SRUS~~ of a "company action level" event with respect to SRUS under the Risk Based Capital regulations of the state of Delaware; and (b) provide SRUS with sufficient

[~~23~~] Section 37B(1) of the Companies Law (2016 Revision) of the Cayman Islands provides: "Subject to any express provisions of the company's memorandum or articles of association to the contrary, a company may accept the surrender for no consideration of any fully paid share (including a redeemable share) ***unless, as a result of the surrender, there would no longer be any issued shares of the company other than shares held as treasury shares***." (emphasis added).

liquidity to meet its obligations in a timely manner. Creditors of SRUS have the right to enforce the terms of the SALIC-SRUS Net Worth Maintenance Agreement. The termination of the SALIC-SRUS Net Worth Maintenance Agreement, or of a conforming substitute new net worth maintenance guaranty by an affiliate, is an event of default under certain indemnification or reimbursement agreements to which the Orkney Re II special purpose reinsurer and the Ballantyne Re plc ("Ballantyne Re") reinsurer (described in more detail below) are parties, but the remedies available to the financial guarantors under those indemnification or reimbursement agreements permit recovery only of actual losses as a result of the failure by the special purpose reinsurers to perform their obligations thereunder.

As described in Section III.C.2.f. below with respect to SRD, SALIC also executed a Net Worth Maintenance Agreement, as of January 1, 2002 (the "SALIC-SRD Net Worth Maintenance Agreement," and with the SALIC-SRUS Net Worth Maintenance Agreement, the "SALIC Net Worth Maintenance Agreements"), pursuant to which SALIC agreed to maintain the net worth of SRD.

SALIC reinsures life insurance ~~business~~, annuity and annuity-type obligations ceded by SRUS and by various third party ceding companies. SALIC's reinsurance agreements are structured as either (i) coinsurance, (ii) modified coinsurance, or (iii) ~~yearly~~ renewable term reinsurance. In a coinsurance relationship, the ceding company shares its premiums, death claims, surrender benefits, dividends, and policy loans with the reinsurer and the reinsurer pays expense allowances to reimburse the ceding company for a share of its expenses. Modified coinsurance or "modco" is a variation of traditional coinsurance whereby the ceding company retains all of the reserves and assets, and pays interest to the reinsurer on the reinsurer's share of the reserves. ~~Yearly~~The vast majority of SALIC's renewable term reinsurance is yearly renewable term, or "YRT~~,~~." YRT is a type of reinsurance that covers only mortality risk (and not any other benefits such as cash surrender value), with each year's premium based on the current amount of risk.

SRUS, as retrocedent, has retroceded a portion of its reinsurance obligations to SALIC, as retrocessionaire. ~~The~~As of the filing of this Disclosure Statement, SALIC and SRUS were party to the following retrocession agreements ~~exist between SALIC and SRUS~~ (collectively, the "SRUS Retrocession Agreements"):

a. Coinsurance/Modified Coinsurance Reinsurance Agreement by and between SRUS (as retrocedent) and SALIC (assumed from SRD) (as retrocessionaire) and SRUS (as reinsurer), effective January 1, 2001;

b. Coinsurance Reinsurance Agreement by and between SRUS (as retrocedent) and SALIC (assumed from SRD) (as retrocessionaire), effective January 1, 2001;

c. Coinsurance Reinsurance Agreement by and between SRUS (as retrocedent) and SALIC (assumed from SRD) (as retrocessionaire), effective September 30, 2001;

d. Coinsurance Reinsurance Agreement by and between SRUS (as retrocedent) and SALIC (assumed from SRD) (as retrocessionaire), effective March 31, 2005; and

e. Modco Reinsurance Agreement by and between SRUS (as reinsurer) and SALIC (as retrocessionaire), as of December 31, 2015.

The SRUS Retrocession Agreements create both "funds withheld" coinsurance and modco relationships between SALIC and SRUS. As a result, the assets supporting each of the SRUS Retrocession Agreements are held by SRUS pursuant to Delaware insurance law.

SALIC also reinsures unaffiliated third party insurance and financial services providers in the ordinary course of its business. ~~The following agreements exist between~~As of the filing of this Disclosure Statement, SALIC and certain unaffiliated insurers identified below were party to the following agreements (collectively, the "Third-Party Reinsurance Agreements," and ~~collectively~~together with the SRUS Retrocession Agreement, "SALIC's Reinsurance Treaties")~~.~~:

a. Coinsurance Agreement, dated as of July 28, 1999, by and between Highmark Life Insurance Co., as ceding company, and SALIC, as reinsurer;

b. Coinsurance Agreement, dated as of October 21, 1999, by and between Highmark Life Insurance Co., as ceding company, and SALIC, as reinsurer;

c. Coinsurance Agreement, dated as of April 1, 2000, by and between Investors Heritage Life Insurance Co., as ceding company, and SALIC, as reinsurer;

d. Coinsurance Agreement, dated as of April 1, 2000, by and between Lincoln Heritage Life Insurance Co., as ceding company, and SALIC, as reinsurer;

e. Modco Agreement, dated as of February 15, 2000, by and between Lincoln National Life Ins. Co. ("Lincoln National"), as ceding company, and SALIC, as reinsurer (the "Lincoln Modco Agreement"); and

f. Automatic Monthly Renewable Term Reinsurance Agreement, dated as of June 1, 2016, between C.M. Life Insurance Co. and Mass Mutual Life Insurance Co., each a ceding insurer, and SALIC, as reinsurer.

Each of the Third-Party Reinsurance Agreements (other than the Lincoln Modco Agreement) is supported by a reserve credit trust in order to allow the relevant ceding company to qualify under applicable insurance laws for a credit against (*i.e.*, a reduction in) its liabilities

on its U.S. statutory financial statements[34] for liabilities ceded to SALIC, which is considered an unauthorized (re)insurer under those laws. Such financial statement credit is only available to an insurer that cedes risks to an "unauthorized reinsurer" to the extent that the cession is supported by acceptable collateral under the reinsurance regulation of the ceding company's state. A common method of satisfying this requirement is for the cession to be supported by qualifying investment securities deposited to a reserve credit trust established pursuant to a trust agreement among the reinsurer as grantor, the cedent as beneficiary, and an independent third party trustee. "Funds withheld" by the ceding company is another method of satisfying the regulatory requirements for financial statement credit.

SALIC and its unaffiliated ceding companies (other than Lincoln National, which ~~holds~~utilizes a funds withheld structure) use reserve credit trusts to settle payments due to or from SALIC and the relevant ceding company pursuant to the applicable Third-Party Reinsurance Agreements resulting from the underlying performance of the ceded business~~, which~~. Such performance includes premiums paid to SALIC, claims paid by SALIC, investment income earned on the assets in the applicable reserve credit trust, changes in the market values of such assets, and changes in the associated reserves.

~~The~~As of the filing of this Disclosure Statement, SALIC, as grantor, and the respective ceding companies identified below were party to the following trust agreements (the "Trust Agreements") ~~exist between SALIC as grantor and each respective ceding company~~:

a. Trust Agreement dated as of July 8, 1999, by and among SALIC, as grantor, Highmark Life Insurance Company, as beneficiary, and The Bank of New York Mellon, as trustee;

b. Trust Agreement dated as of October 21, 1999, by and among SALIC, as grantor, Highmark Life Insurance Company, as beneficiary, and The Bank of New York Mellon, as trustee;

c. Trust Agreement dated as of April 1, 2000, by and among SALIC, as grantor, Investors Heritage Life Insurance Company, as beneficiary, and The Bank of New York Mellon, as trustee;

d. Trust Agreement dated as of April 1, 2000, by and among SALIC, as grantor, Lincoln Heritage Life Insurance Company, as beneficiary, and The Bank of New York Mellon, as trustee;

e. Trust Agreement dated as of July 12, 2016, by and among SALIC, as grantor, C.M. Life Insurance Company, as beneficiary, and The Bank of New York Mellon, as trustee;

[34] Most insurers authorized to do business in the United States and its territories are required to prepare statutory financial statements in accordance with statutory accounting principles. Statutory accounting principles, which differ significantly from GAAP, are detailed within the National Association of Insurance Commissioners' *Accounting Practices and Procedures Manual*.

f. Trust Agreement dated as of July 12, 2016, by and among SALIC, as grantor, Massachusetts Mutual Life Insurance Company, as beneficiary, and The Bank of New York Mellon, as trustee; and

g. Security Trust Agreement dated as of July 12, 2016, by and among SALIC, as grantor, Massachusetts Mutual Life Insurance Company and C.M. Life Insurance Company, each as beneficiary, and The Bank of New York Mellon, as trustee.

In addition to the SALIC-SRUS Net Worth Maintenance Agreement and the foregoing reinsurance and trust agreements, SALIC is party to other financial services related contracts among Scottish Re affiliated entities and third parties in the ordinary course of business. SALIC is obligated on certain contractual agreements with certain of SALIC's direct and indirect operating subsidiaries for the intercompany allocation of expenses.

Furthermore, as discussed more fully below at Section III.C.2.f., on or about December 19, 2008, SALIC assumed all rights and obligations of SRD under the SFL Note (as defined below). SALIC may have complete or partial defenses to any liability under the SFL Note, including, but not limited to, defenses arising out of certain later transactions involving the Surplus Note (as defined below). Parties in interest are directed to Sections III.C.2.d. and III.C.2.f. of this Disclosure Statement for further discussion of the SFL Note and any associated obligations

SALIC is also a lender to SRGL, as borrower, under a certain SRGL Revolving Credit Agreement dated September 20, 2009. The borrowing limit under the SRGL Revolving Credit Agreement is $90 million. Interest accrues at a rate equal to the interest rate on 10-Year U.S. Treasury Notes. As of December 31, 2017, SRGL was indebted to SALIC under the Revolving Credit Agreement in the approximate amount of $78,449,595, representing principal and accrued interest. Following SRGL's commencement of provisional winding-up proceedings (discussed below at Section IV.C.), SRGL's ability to make additional draws on the revolving credit facility terminated. (The Debtors understand and believe that SALIC's claim against SRGL under the Revolving Credit Agreement represents substantially all of the valid unsecured claims in SRGL's liquidation in the Cayman Islands.)

c. SHI (Debtor) Capital Structure

As discussed above in Section III.C.1, SHI raised capital by means of four transactions, pursuant to which statutory trusts issued TruPS to investors through private offerings. Each statutory trust has the primary obligation to satisfy any payments due on its own TruPS. The proceeds of the sale of each statutory trust's TruPS were used by each such trust to purchase debentures issued by SHI. As issuer, SHI is obligated to make payments to the statutory trusts pursuant to the terms of the debenture held by each such statutory trust. In addition, SHI has guaranteed for the benefit of the holders of the TruPS the obligations of each such statutory trust. SALIC in turn, guaranteed SHI's obligations under the indentures for the benefit of the holders of SHI debentures, and SHI's obligations under the SHI guarantee

agreements, for the benefit of the holders of the relevant TruPS. This makes the trustees of the statutory trusts, U.S. Bank National Association, and Bank of New York Mellon, creditors of SHI and SALIC, and makes SRGL, a secondary purchaser of certain TruPS, an interest holder in the relevant TruPS Trusts. SHI began deferring interest on its debenture obligations beginning in the first quarter of 2013. All related deferred interest would have been due and payable during the first quarter of January 2018.

SHI is also obligated to provide directly or indirectly certain support services to Orkney Re II, pursuant to a Support Services Agreement as to which Assured Guaranty (UK) Ltd. ("Assured") is a third party beneficiary. SHI has no employees and therefore utilizes the services of SRUS to actually provide the referenced services to Orkney Re II. SHI and SRUS expect to continue to operate in this manner.

d. SFL (Non-Debtor) Capital Structure

As described above in Section III.C.1, SFL, a Luxembourg-organized special purpose financing entity, raised capital through the private offering by the SFLST I TruPS to certain investors. SFLST I has the primary obligation to satisfy any payments due on its TruPS. The proceeds of the sale of its TruPS were used by SFLST I to purchase debentures issued by SFL. As issuer, SFL is obligated to make payments to SFLST I pursuant to the terms of that trust's indenture. In addition, SFL guaranteed the payment obligations of SFLST I for the benefit of the holders of the related TruPS. SALIC, in turn, guaranteed SFL's obligations under the indenture for the benefit of the holders of the SFLST I TruPS Debentures, and SFL's obligations under the SFL guarantee agreement, for the benefit of the holders of the relevant TruPS. This makes the trustee of SFLST I, Wilmington Trust Company, a creditor of SFL and SALIC.

SFL, in turn, used the proceeds it realized from the above-described TruPS transaction to acquire the SFL Note. The SFL Note was amended on or about June 23, 2008, as described more fully in Section III.C.2.f. below. Additionally, as described more fully in Section III.C.2.f. below, pursuant to certain transactions among SALIC, SFL and SRD that occurred in late 2008, SALIC was substituted for SRD as the obligor on the SFL Note. SFL continues to hold the SFL Note, as amended, to the extent, if any, that it remains valid and enforceable. As discussed below at Section III.C.2.f., SALIC, which was substituted for SRD as the obligor under the SFL Note effective as of December 19, 2008, may have complete or partial defenses to any liability under the SFL Note, including, but not limited to, defenses arising out of ~~certain later transactions~~its transactions occurring in 2011 (and described below at Section III.C.2.g.) involving the Surplus Note. Parties in interest are directed to Section III.C.2.f. of this Disclosure Statement for further discussion of the SFL Note and any associated obligations. ~~The SFL Note was amended on or about June 23, 2008, as described more fully in Section III.C.2.f. below. Additionally, as described more fully in Section III.C.2.f. below, pursuant to certain transactions among SALIC, SFL and SRD that occurred in late 2008, SALIC was substituted for SRD as the obligor on the SFL Note. Further, SALIC may have a substantial defense to payment of the SFL Note because of its transactions occurring in 2011 and described below at Section III.C.2.g.~~

SFL began deferring interest on its debenture obligations relating to the SFLST I TruPS as of March 15, 2013. Deferred interest would have been due and payable in March 2018. SFL is the subject of voluntary liquidation proceedings commenced on April 16, 2018, in the Grand Duchy of Luxembourg.

SFL owns all of the common securities of SFLST I, which is the Delaware statutory business trust that issued the SFLST I TruPS and holds the SFLST I TruPS Debentures.

Unlike the TruPS issued by SHI, none of the TruPS issued by SFLST I are held by SRGL.

e. SRUS (Non-Debtor) Capital Structure

(i) SRUS's Reinsurance Agreements

SRUS is party to a large number of reinsurance agreements with unaffiliated insurance and financial services companies whereby it has agreed to reinsure certain life insurance, annuity and annuity-type obligations. SRUS, as retrocedent, has retroceded a significant portion of these liabilities to SALIC, as retrocessionaire, pursuant to the SRUS Retrocession Agreements, described above at Section III.C.2.b. The SRUS Retrocession Agreements create both funds withheld coinsurance and modco relationships between SRUS and SALIC. The actual assets supporting each of the SRUS Retrocession Agreements are held by SRUS pursuant to Delaware insurance law.

(ii) Obligations of SRUS related to Ballantyne Re

In 2006, Scottish Re formed Ballantyne Re, a special purpose reinsurer domiciled in Ireland, in order to reinsure certain business (referred to as the "Defined Block Business") ceded to SRUS by Security Life of Denver Insurance Company ("SLD"), a Colorado domestic insurer that is a subsidiary of ING Group. Ballantyne Re issued notes through a securitization facility in order to obtain the capital needed to fund the excess portion of the trust assets required to support the Defined Block Business. Certain of the notes issued by Ballantyne were guaranteed by one of two financial guarantors unaffiliated with Scottish Re. The Ballantyne Re securitization facility was assigned and novated by SRUS to SLD on November 19, 2008, with the effect that SRUS no longer was liable as a reinsurer with respect to the Defined Block Business. Nevertheless, SRUS continues to have certain obligations and/or liabilities with respect to this transaction, including:

Provision of support services. Pursuant to an amended and restated support services agreement, SRUS is obligated to provide certain support services to Ballantyne Re for the duration of the transaction.

Indemnification of financial guarantors. SRUS agreed with the financial guarantors to indemnify them for various kinds of losses and expenses arising

under the Ballantyne Re transaction documents, including arising out of investigating whether an event of default has occurred and Ballantyne Re's failure to make certain payments to the guarantors. While a breach of this covenant would constitute an event of default under the agreements between Ballantyne Re and the relevant financial guarantor, the financial guarantor would have no remedy against SRUS, unless non-performance caused an actual loss to the financial guarantor.

Indemnification for litigation expenses. SRUS's indemnification obligations include certain indemnities of the guarantors for expenses incurred in enforcing Ballantyne Re's rights under various transaction documents. This has resulted in Ambac Assurance UK Limited ("AMBAC") and Assured Guaranty (UK) plc, f/k/a Assured Guaranty (UK) Ltd., asserting (but not making a formal claim) that SRUS has indemnification obligations to AMBAC and Assured for attorneys' fees incurred in prosecuting claims against JPMorgan Chase Bank ("JPMorgan"), Ballantyne Re's former investment manager. SRUS has sought legal advice on the availability of challenges to any such claim if formally made. Pursuant to a tolling agreement, AMBAC has agreed not to prosecute any such indemnification claim during the term of such tolling agreement while the parties assist each other in the remediation of the Ballantyne Re transaction.

Pre-Assignment liabilities. SRUS and SRGL remain liable for any breaches of their representations, warranties, covenants or other obligations that relate to periods before the effective date of the assignment (i.e., pre-November 19, 2008). In addition, SRUS has agreed to indemnify and hold harmless SLD and its affiliates for losses and damages incurred arising from the exercise by Ballantyne Re of any right, or from any limitation on the ability of SLD, to exercise any right or recover any amount, under the post-assignment reinsurance agreement between SLD and Ballantyne Re as a result of (a) any breach of any representation, warranty or covenant of SRUS under the pre-assignment reinsurance agreement between SRUS and Ballantyne Re or any related transaction document, (b) any action or omission by any director, officer, employee, agent, representative, appointee, successor, or permitted assign of SRUS or any of its affiliates that causes a Tax Event (as defined in the pre-assignment reinsurance agreement) for Ballantyne Re or otherwise causes Ballantyne Re to be in breach of any representation, warranty or covenant under the pre-assignment reinsurance agreement or any related transaction document or (c) any arbitration award against SRUS that SLD pays on its behalf to avoid termination of the pre-assignment reinsurance agreement.

(iii) Obligations of SRUS related to Orkney Re II

As discussed above at Section III.B., Orkney Re II is a special purpose reinsurer, domiciled in Ireland. To obtain the capital needed to fund the excess portion of the Orkney Re II reinsurance trust account created by the Orkney Re II reinsurance trust agreement, Orkney Re II issued several series of notes pursuant to an indenture by and among Orkney Re II, as issuer, and Assured, as financial guarantor, Bank of New York Mellon, as trustee, and Bank of New York Mellon as securities intermediary, dated as of December 21, 2005. Orkney Re II's obligations in respect of certain series of the notes issued under the Orkney Re II indenture are guaranteed by Assured. Orkney Re II is party to a Guarantee and Reimbursement Deed, governed by English law, with Assured, which gives Assured rights of subrogation to the rights granted by the Orkney Re II indenture to noteholders, to the extent that Assured is required to make payments on the notes. In addition, SRGL and SRUS are parties to the "side letters" to the Guarantee and Reimbursement Agreements. Pursuant to the side letters, SRGL covenants to maintain in force the SALIC-SRUS Net Worth Maintenance Agreement.

In addition, SRUS provided certain representations and warranties and certain covenants to Assured pursuant to a side letter, including:

> *Indemnification of financial guarantor*. SRUS agreed with Assured, the financial guarantor, to indemnify it for various kinds of losses and expenses arising under the Orkney Re II transaction documents, including arising out of investigating whether an event of default has occurred and Orkney Re II's failure to make certain payments to the guarantor. While a breach of this covenant would constitute an event of default under the agreements between Orkney Re II and Assured, Assured would have no remedy against SRUS, unless non-performance caused it an actual loss.
>
> *Indemnification for litigation expenses*. SRUS's indemnification obligations include certain indemnities of the guarantor for expenses incurred in enforcing Orkney Re II's rights under various transaction documents. This has resulted in Assured asserting (but not making a formal claim) that SRUS has indemnification obligations to Assured for attorneys' fees incurred in prosecuting claims against JPMorgan in the approximate amount of $20 million, Orkney Re II's former investment manager. SRUS has sought legal advice on the availability of challenges to any such claim if formally made. Pursuant to a tolling agreement, Assured has agreed not to prosecute any such indemnification claim during the term of such tolling agreement while the parties assist each other in the remediation of the Orkney Re II transaction.

(iv) SRUS's Employee Obligations

In connection with its reinsurance business, SRUS employs 29 employees and provides benefits to such employees, including expense reimbursement, flexible spending accounts, insurance benefits, paid time off, retirement and severance benefits. SRUS directly funds these employees' salaries, expenses and benefits in the first instance. All employee-related obligations are then allocated to the Debtors and other Scottish Re entities through transfer

pricing agreements that meet the arm's-length standard consistent with the rules and principles governing related-party transactions under the laws of the United States and other jurisdictions in which the Debtors and non-debtor Affiliates operate. Transfer pricing and payment for employee related obligations are charged to the Debtors by SRUS (and SRLB, with respect to the two employees in Bermuda) to SALIC on a quarterly basis and to SHI on an annual basis. Additionally, SRUS has entered into certain bonus, incentive and severance plans with key employees and executives. Amounts payable under such plans are not transfer-priced to the Debtors.

(v) SLD Claim

In January 2009, SRGL, SHI, SRUS, SRLB and SRD (as "Sellers") entered into a certain Master Asset Purchase Agreement and related agreements with, among others, Hannover Life Reassurance Company of America and Hannover Life Reassurance (Ireland) Limited (together, "Hannover") and SLD, pursuant to which Hannover replaced SRUS and SRLB as reinsurers under certain life reinsurance contracts between SRUS or SRLB and SLD. In connection with that transaction, Hannover agreed to administer business reinsured by SLD to Ballantyne Re, and Sellers agreed to "reimburse SLD within ten (10) Business Days of SLD providing notice to Sellers of payment therefor by SLD for the amount of such fees" incurred in administering such business. From 2009 until June 2017, SLD did not provide notice regarding payment of any such fees. In June 2017, SLD submitted invoices to SRUS for fees incurred in administering the Ballantyne Re business for each year from 2009 to 2017, totaling approximately $5.6 million. SHI and its non-debtor Affiliates that are Sellers under the agreements with SLD reserve and preserve all rights and defenses with respect to any and all fees and invoices.

(vi) Surplus Note (Retired)

In February 2005, SRUS, as obligor, issued that certain $70,000,000 aggregate principal amount 8.00% Surplus Note, due February 11, 2020 (the "Surplus Note") to SRD. Under the terms of the Surplus Note, the payment of interest and the ultimate repayment of principal were deeply subordinated to certain other obligations of SRUS. As discussed below at Section III.C.2.f. in December 2008, the Surplus Note was among the assets SALIC acquired from SRD pursuant to the Portfolio Transfer Agreement. The Surplus Note was later assigned by SALIC to SHL (as defined below) and subsequently retired.

f. SRD (Non-Debtor) Capital Structure

SRD operates in Ireland as a reinsurer of insurance and reinsurance liabilities and employs one person in Ireland. The costs associated with that employee are not shared with the Debtors or any other Scottish Re Affiliate. SRD also holds assets in Ireland consisting of cash and securities.

In December 2004, SRD raised funds by issuing that certain Floating Rate Junior Subordinated Deferrable Interest Debenture due 2034 (as amended, the "SFL Note") with an

original principal amount of $51,547,000. As discussed above at Section III.C.2.d., SFL acquired the SFL Note with the proceeds realized from the sale of debentures issued by SFL to the SFLST I, which, in turn, had raised funds through the issuance and sale of the SFLST I TruPS.

Pursuant to that certain amendment dated as of June 23, 2008 (the "First Amendment"), SRD was relieved of any obligation to make any payment of interest or principal on account of the SFL Note except to the extent that SRD received payment of interest or principal from SRUS under the Surplus Note.

In the fourth quarter of 2008, the Irish insurance regulator notified Scottish Re that corrective action needed to be taken with respect to SRD's regulatory solvency which had been negatively impacted by asset market value declines associated with the 2008 financial crisis. Absent corrective action, SALIC's obligations under the SALIC-SRD Net Worth Maintenance Agreement would have been triggered, which may have accelerated Scottish Re's need to restructure on a broader basis. To avoid this result, Scottish Re effectuated a transfer of a majority of SRD's business to SALIC, effective October 1, 2008, pursuant to the Portfolio Transfer Agreement.

Under the Portfolio Transfer Agreement, SALIC acquired substantially all of SRD's assets and assumed substantially all of SRD's liabilities, including SRD's rights and obligations (of which SRD was relieved) under the SFL Note and the Surplus Note. SFL, SRD and SALIC memorialized the transfer to SALIC of SRD's rights and obligations under the SFL Note via a second amendment to the SFL Note dated as of December 19, 2008.

g. SHL (Non-Debtor – Defunct) Capital Structure

In 2011, Scottish Re determined that the financial strength of SRUS had improved to such a degree that SRUS potentially could begin to make payments under the Surplus Note. With guidance from third-party tax consultants, Scottish Re planned and implemented certain steps to mitigate adverse tax consequences associated with payments on the Surplus Note that may be made by SRUS.

To this end, on or about November 9, 2011, Scottish Holdings (Luxembourg) S.á r.l. ("SHL") was incorporated under the laws of the Grand Duchy of Luxembourg. SALIC, as the sole ~~shareholders~~shareholder of SHL, contributed the Surplus Note to SHL. Thereafter, SHL completed certain actions necessary to obtain favorable permissible tax treatment for payments received on account of the Surplus Note. In December 2012, SHL redeemed outstanding equity interests held by SALIC in exchange for a payment of approximately $70.1 million. SHL was subsequently dissolved in accordance with Luxembourg law.

IV. KEY EVENTS LEADING TO THE COMMENCEMENT OF THE CHAPTER 11 CASES

A. Adverse Mortality Experience

Scottish Re has suffered negative financial results caused primarily by adverse mortality experience on the YRT segment of its business. This segment accounts for a large portion of the risks reinsured by SALIC. On a consolidated U.S. GAAP basis, Scottish Re incurred a net loss of $202.8 million for the year ended December 31, 2016, and a net loss of $260.8 million for the year ended December 31, 2015. Though Scottish Re has taken steps to improve its financial results, including by increasing the premiums it charges for YRT reinsurance, these steps have not resulted in enough improvement ~~significant enough~~ to avoid the need to restructure Scottish Re.

B. Insufficient Capital to Pay Deferred Interest on the TruPS

Scottish Re's ability to defer interest on the TruPS expired in the first quarter of 2018. Absent the filing of these Chapter 11 Cases, all of the deferred interest would have been due and payable at the end of such quarter. The Debtors did not have sufficient available capital to satisfy the deferred interest when due.

C. Provisional Winding-Up Proceedings for SRGL

On May 17, 2017, SRGL filed a winding-up petition in the Bermuda Court under the Bermuda Companies Act of 1981, and, on the same day, filed parallel proceedings in the Cayman Islands Court under the Cayman Islands Companies Law (2016 Revision). On May 18, 2017, the Bermuda Court entered a provisional winding-up order and appointed John C. McKenna of Finance & Risk Services Ltd., and Eleanor Fisher of Kalo (Cayman) Limited as joint provisional liquidators of SRGL with limited powers. Subsequently, the Bermuda Court entered a "full" winding up order on January 30, 2018, ordering the winding up of SRGL in Bermuda and appointing Mr. McKenna and Ms. Fisher as joint official liquidators in Bermuda (in such capacity, the "Joint Liquidators"). On February 15, 2018, the Cayman Islands Court also ordered the winding up of SRGL and the appointment of the Joint Liquidators in the Cayman Islands. Pursuant to an order of the Bermuda Court dated March 29, 2018, and effective April 19, 2018, the liquidation of SRGL in Bermuda was permanently stayed and the Joint Liquidators were released in Bermuda. Accordingly, the Joint Liquidators will proceed with the winding up of SRGL in the Cayman Islands subject to the jurisdiction of the Cayman Islands Court.

D. Prepetition Marketing Efforts

Since 2008, Scottish Re has engaged in at least nine marketing processes, including multiple formal processes where Scottish Re engaged top-tier investment banks and exposed its companies' business to the market. The Debtors began the latest formal sales process in early 2017 by interviewing several investment banks, and ultimately selecting Keefe, Bruyette & Woods, Inc. ("KBW"), because, among other attributes, KBW has the distinction of being a leading investment bank in the insurance sector and has served as an advisor on over fifty (50) insurance carrier M&A transactions since 2006. KBW went to market with a teaser, confidential information memorandum ("CIM") and virtual data room in early May 2017. KBW contacted fifty-one (51) potential strategic and financial buyers, including companies that operate in the Debtors' space or have shown interest in entering the space, or who were contacted or

participated in prior sales processes involving the Debtors. At the same time, the Debtors' marketing process was widely publicized as a result of a press release and related industry trade publication articles in connection with SRGL commencing winding-up proceedings in the Cayman Islands and Bermuda in May 2017.

In total, twenty-three (23) parties executed nondisclosure agreements and received the CIM and access to the virtual data room. Of these parties, twenty-one (21) requested and received bid instruction letters in June 2017. From this process, the Debtors received three first-round letters of intent ("LOIs"). All three parties who submitted LOIs conducted site visits and in-person meetings with the Debtors. Following these meetings and further diligence, the Debtors received revised proposals from two of the parties, with one party dropping out of the process. The Debtors ultimately proceeded with the proposal submitted by the ~~Plan Sponsor~~HSCM Bermuda Fund Ltd. ("Hudson"), because ~~the Plan Sponsor~~Hudson's proposal presented significantly more value than the other proposal, and the other proposal contained conditions that the Debtors and KBW determined were impracticable if not impossible to meet.

V. EVENTS DURING THE CHAPTER 11 CASES

A. Commencement of the Chapter 11 Cases and "First Day" and "Second Day" Motions and Relief

On January 28, 2018 (the "Petition Date"), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

At or in connection with "first day" and "second day" hearings held on January 30, 2018, and February 27, 2018, the Bankruptcy Court considered and granted certain requests for immediate relief ~~Filed~~filed by the Debtors to facilitate the transition between the Debtors' prepetition and postpetition business operations, including the following:

- *Joint Administration Order*: (a) directing that the Chapter 11 Cases of SALIC and SHI be jointly administered and (b) granting related relief. [D.I. 19; entered 1/30/18].

- *Interim Cash Management Order*: (a) authorizing the Debtors (i) to continue their cash management system, (ii) honor certain related prepetition obligations, (iii) maintain existing business forms, and (iv) continue to perform intercompany transactions; (b) authorizing the Debtors' banks to honor all related payment requests; (c) granting an interim waiver of the Debtors' compliance with section 345(b) of the Bankruptcy Code; (d) scheduling a final hearing; and (e) granting certain related relief. [D.I. 20; entered 1/30/18].

- *Insurance Order*: (a) authorizing Debtors to (i) continue prepetition insurance program, (ii) pay any prepetition premiums and related obligations, and (iii) renew or enter into new insurance arrangements; and (b) granting related relief. [D.I. 21; entered 1/30/18].

- *Taxes Order*: (a) authorizing the Debtors to pay certain prepetition taxes and regulatory fees in the ordinary course of business and (b) authorizing banks and financial institutions to honor and process checks and transfers related thereto. [D.I. 83; entered 2/20/18].

- *Employee Wages Order*: (a) authorizing, but not directing, the Debtors to (i) pay prepetition wages, salaries, and other compensation in the ordinary course under existing transfer pricing arrangements, and (ii) pay prepetition payroll taxes and benefits and continue benefit programs in the ordinary course under existing transfer pricing arrangements; (b) directing banks to honor checks for payment of prepetition employee payment and program obligations; and (c) granting related relief. [D.I. 84; entered 2/20/18].

- *Schedules/Statements Extension Order*: (a) extending the deadline for the Debtors to file their Schedules and (b) granting related relief. [D.I. 87; entered 2/20/18].

B. Other Procedural Motions and Retention of Professionals

During the Chapter 11 Cases, the Bankruptcy Court authorized the Debtors to retain and employ Hogan Lovells US LLP, as bankruptcy co-counsel [D.I. 90]; Morris, Nichols, Arsht & Tunnell LLP, as Delaware counsel and bankruptcy co-counsel [D.I. 88]; Mayer Brown LLP, as special transactional and insurance regulatory counsel [D.I. 156]; Keefe, Bruyette & Woods, Inc., as investment banker [D.I. 155]; Ernst & Young LLP, as audit services provider [D.I. 324]; and certain professionals in the ordinary course [D.I. 145]. Additionally, the Bankruptcy Court authorized procedures for interim compensation of professionals employed by the Debtors and the Official Committee [D.I. 89].

C. Appointment of Official Committee of Unsecured Creditors

On February 20, 2018, the U.S. Trustee, pursuant to its authority under section 1102(a) of the Bankruptcy Code, appointed the Official Committee, consisting of ~~Wilmington Trust Company~~WTC, as Indenture Trustee, Hildene ~~Opportunities Master Fund, Ltd.~~, and SLD [D.I. 81]. Subsequently, the Bankruptcy Court authorized the Official Committee to retain and employ (i) Pepper Hamilton LLP, as counsel to the Official Committee [D.I. 183], (ii) Alvarez & Marsal North America, LLC, as financial advisor to the Official Committee [D.I. 184], and (iii) Appleby (Cayman) Ltd., as special counsel to the Official Committee [D.I. ~~—~~218]. The expenses of members of the Official Committee, and the fees and expenses of the Professionals

serving on behalf of the Official Committee, are entitled to be paid by the Debtors, subject to approval of the Bankruptcy Court.

Shortly after the conclusion of the Auction, Hildene resigned from the Official Committee. Pursuant to a notice filed on June 13, 2018 [D.I. 350], the U.S. Trustee appointed U.S. Bank, as Indenture Trustee, to the Official Committee.

D. Motions and Relief for Maintaining Existing Reinsurance Treaties

The Debtors also filed motions to allow SALIC to maintain existing reinsurance treaties that are critical to preserving the Debtors' value and to achievement of the sale and restructuring contemplated by the Plan:

(a) On February 2, 2018, the Debtors filed a motion seeking an order (i) modifying the automatic stay to allow SRUS to request payment from SALIC in respect of periodic settlements owed by SALIC under the SRUS Retrocession Agreements (as defined herein); (ii) authorizing SALIC to pay certain amounts due in respect of prepetition obligations owed by SALIC to SRUS; and (iii) granting related relief (the "SRUS Settlement Payment Motion") [D.I. 37]. By order dated March 19, 2018 (the "SRUS Payment Order") [D.I. 169], the SRUS Settlement Payment Motion was granted. The SRUS Payment Order authorized SRUS to seek and SALIC to pay prepetition amounts due in respect of the first quarter of 2018 from SALIC to SRUS in an amount not to exceed $1,000,000, and established procedures for notice of any future settlements due from SALIC to SRUS to be provided to the U.S. Trustee and the Official Committee and for the timing of objections (if any) thereto; and

(b) On April 4, 2018, the Debtors filed their motion for an order (i) modifying the automatic stay pursuant to 11 U.S.C. § 362(a) to allow Investors Heritage Life Insurance Company ("Investors Heritage") to request funding of SALIC's "Top Up" obligation to continue to fund amounts to the Reserve Credit Trust supporting SALIC's reinsurance of Investor Heritage's cession, (ii) authorizing SALIC to pay ~~a~~such reinsurance trust obligation pursuant to 11 U.S.C. § 363, and (iii) granting related relief (the "Top up Motion") [D.I. 206]. Pursuant to this motion, the Debtors sought authority to pay $35,747 in respect of prepetition obligations to the Reserve Credit Trust supporting SALIC's reinsurance obligations pursuant to the Coinsurance Agreement, dated as of April 1, 2000, by and between Investors Heritage, as ceding company, and SALIC, as reinsurer (the "Investors Heritage Coinsurance Agreement"). By order dated ~~[ ],~~April 24, 2018 [D.I. ~~__~~227], the Bankruptcy Court granted the Top up Motion, and ~~on [ ], 2018,~~thereafter SALIC paid $35,747 to the Reserve Credit Trust supporting the Investors Heritage Coinsurance Agreement.

The Debtors may seek further relief to modify the automatic stay to pay additional reinsurance trust obligations as such obligations become due.

E. The Stalking Horse Stock Purchase Agreement and Plan Sponsorship Agreement

Immediately prior to the Petition Date, the Debtors and HSCM Bermuda Fund Ltd. (the "Stalking Horse") entered into ~~the~~a stock purchase agreement (the "Stalking Horse Stock Purchase Agreement~~ and the Plan Sponsorship Agreement with the Plan Sponsor~~") and a plan sponsorship agreement. The Debtors filed the Stalking Horse Stock Purchase Agreement with the Bankruptcy Court on January 30, 2018, as an attachment to the Bidding Procedures Motion discussed below. By order entered on February 28, 2018, the Bankruptcy Court approved certain bid protections for the ~~Plan Sponsor~~Stalking Horse as described further below.

Additionally, on January 31, 2018, the Debtors moved for authority to assume and perform under the ~~Plan Sponsorship Agreement~~plan sponsorship agreement. By order entered on February 27, 2018, the Bankruptcy Court authorized the Debtors to assume and perform under the ~~Plan Sponsorship Agreement~~plan sponsorship agreement, which ~~sets~~set forth the terms on which the Debtors and the ~~Plan Sponsor~~Stalking Horse agreed to pursue confirmation and consummation of the Plan consistent with the Stalking Horse Stock Purchase Agreement.

F. The Bidding Procedures, Postpetition Marketing Efforts and Auction

On January 31, 2018, the Debtors filed a motion [D.I. 27] (the "Bidding Procedures Motion") to establish bidding procedures (the "Bidding Procedures") for the purpose of soliciting higher or better offers to serve as ~~Plan Sponsor~~plan sponsor or for an alternative transaction that maximizes value. On February 28, 2018, the Bankruptcy Court entered an order [D.I. 119] (the "Bidding Procedures Order") approving the relief requested in the Bidding Procedures Motion, as modified in agreement with the U.S. Trustee, the Official Committee and the ~~Plan Sponsor~~Stalking Horse. Additionally, the Bankruptcy Court approved a break-up fee and expenses reimbursement for the ~~Plan Sponsor~~Stalking Horse in the aggregate amount not to exceed $1.25 million.

In accordance with the Bidding Procedures Order, the deadline for submitting a Qualified Bid (as such term is defined in the Bidding Procedures) was May 17, 2018 at 4:00 p.m. (Eastern Time). ~~[Description of bids received and Auction to be inserted prior to Disclosure Statement Hearing based on results of May 17, 2018 Bid Deadline and May 21, 2018 Auction].~~On May 16, 2018, the Court entered an agreed order between the Debtors and Official Committee [D.I. 263] (the "Agreed Order") to extend the deadline to submit a Qualified Bid to May 25, 2018 at 4:00 p.m. (Eastern Time).

Following the Court's approval of the Bidding Procedures, KBW, on behalf of the Debtors, contacted sixty-five (65) potentially interested buyers or financiers, including strategic and financial players—the vast majority of which were the same firms that KBW had contacted in their prepetition marketing efforts. This renewed and additional outreach resulted in eleven (11) parties signing non-disclosure agreements and gaining access to the Debtors' virtual data room.

The robust postpetition marketing process resulted in the Debtors receiving three bids at or before the May 25 bid deadline, comprising of the Stalking Horse's bid plus bids from

the Purchaser and one additional party. After an extended review of the bids, the Debtors, with the assistance of their legal advisors and KBW, determined that the Purchaser's bid was a Qualified Bid and the Initial Highest Bid, as that term is defined in the Bidding Procedures Order. The Debtors also determined that the Stalking Horse's bid was a Qualified Bid under the Bidding Procedures Order. The third bid was not deemed a Qualified Bid. Among other reasons, the Debtors determined that the third bid posed significant, and potentially insurmountable, regulatory hurdles to closing.

Pursuant to the Bidding Procedures Order, as modified by the Agreed Order, the Debtors commenced an Auction on May 30, 2018 at 12:00 noon (Eastern Time) at the offices of Hogan Lovells US LLP, 875 Third Avenue, New York, New York, 10022. At the conclusion of the Auction, in consultation with the Official Committee, the Debtors designated (i) the final Bid that the Purchaser made at the Auction as the Winning Bid and the Purchaser as the Winning Bidder (as those terms are defined in the Bidding Procedures) and (ii) the final Bid that the Stalking Horse made at the Auction as the Backup Bid and the Stalking Horse as the Backup Bidder (as those terms are defined in the Bidding Procedures).

G. ~~The Winning Bid~~The Winning Bid and Stock Purchase Agreement

~~[Description of Winning Bid to be inserted prior to Disclosure Statement Hearing]~~

The Purchaser's Winning Bid provides for, among other value, a committed Plan Funding Payment of $21.5 million, a Recapitalization Funding Payment of $12.5 million and funding of $100,000 for any cure amounts relating to contracts to be assumed as part of the transaction. In addition, the Purchaser's Winning Bid affords all beneficial holders of TruPS, and SFL with respect to the SFL Note Claim, the opportunity, in their discretion, to a pro rata share of 30% of the voting capital stock of reorganized SALIC, in lieu of a cash payout, as discussed in Section 4.3 of the Plan.

Following the Auction, the Debtors and the Purchaser entered into the certain Stock Purchase Agreement dated June 11, 2018 (the "Stock Purchase Agreement"). The Debtors filed the Stock Purchase Agreement with the Bankruptcy Court on June 11, 2018, as an attachment to a proposed form of order approving the Debtors' designations of (i) Winning Bid and Winning Bidder and (ii) Backup Bid and Backup Bidder (the "Winning Bidder Order"). On June 12, 2018, the Court entered the Winning Bidder Order [D.I. 346].

H. The Restructuring Implementation Agreement

Immediately prior to the Petition Date, the Debtors and SRGL executed the Restructuring Implementation Agreement. The Restructuring Implementation Agreement is intended to ensure that the Debtors will have the cooperation and support of SRGL, acting through the Joint Liquidators, in connection with pursuing the Debtors' reorganization. The Restructuring Implementation Agreement contains, among other things, undertakings by SRGL to seek an order from the Cayman Islands Court authorizing the Joint Liquidators to cause SRGL

to meet its obligations under the Restructuring Implementation Agreement, including to surrender the existing ordinary shares of SALIC held by SRGL in two stages (as further described in Section III.C.2.a. hereof, and in the succeeding paragraph below) so that new shares can be issued to the ~~Plan Sponsor~~Purchaser, all in accordance with the terms of the Restructuring Implementation Agreement (which are consistent with those of the Stock Purchase Agreement). SRGL allowed the Purchaser to step into the shoes of the Stalking Horse as the purchaser pursuant to the terms of the Restructuring Implementation Agreement.

The requirements of the laws of the Cayman Islands, where SALIC is organized, make this an essential step for the Debtors to consummate the Stock Purchase Agreement. Cayman Islands law imposes two principal barriers to a transaction, like the one here, involving a Cayman Islands chartered company (*i.e.,* SRGL or SALIC) that is using a plan of reorganization to extinguish old equity and issue new equity to creditors or a purchaser. Initially, it is a general principle of Cayman Islands conflicts of law rules that a court of a foreign country has jurisdiction to give a judgment *in rem* capable of enforcement or recognition in the Cayman Islands if the subject matter of the proceedings wherein that judgment was given was immovable or movable property which was at the time of the proceedings situate in that country.[45] *See* 1 A.V. Dicey, *et al.,* DICEY, MORRIS AND COLLINS ON THE CONFLICTS OF LAW, Rule 47 (15th ed. rev. 2012) (hereafter, "DICEY"). It is a general principle of Cayman Islands conflicts of law rules that the law of the place of incorporation of the company decides how shares in the company may be transferred, and that shares in a Cayman Islands company are regarded as situate at the place where the share register is kept. *See* DICEY, ¶ 22-044; Companies Law of the Cayman Islands, § 40 (2016 Revision). Therefore, given that the shares held by SRGL (a Cayman Islands company) in SALIC (a Cayman Islands company) were not as a matter of Cayman Islands law ~~situate~~situated in the United States at the time of SALIC's commencement of its bankruptcy case, it is the Debtors' understanding that a Cayman Islands court would not recognize a cancellation of those shares by ~~this~~the Bankruptcy Court in SALIC's bankruptcy case.

Additionally, the Debtors understand that any transaction that contravenes section 37B(1) of the Companies Law (2016 Revision) of the Cayman Islands would be deemed void and of no force or effect by a Cayman Islands court. Section 37B(1) provides:

> Subject to any express provisions of the company's memorandum or articles of association to the contrary, a company may accept the surrender for no consideration of any fully paid share (including a redeemable share) unless, as a result of the surrender, there would no longer be any issued shares of the company other than shares held as treasury shares.

[45] "The Cayman Islands' legal system is based on English common law, locally enacted statutes and Orders-in-Council." Cayman Islands Judicial Administration, "Laws of the Cayman Islands," https://www.judicial.ky/laws (last accessed Feb. 25, 2018).

Section 37B(1), therefore, drives the need for a two-step share surrender process described in the Restructuring Implementation Agreement and referenced in the Stock Purchase Agreement ~~and Plan Sponsorship Agreement~~.

As a matter of Cayman Islands law, at no point in time can SALIC fail to have at least one issued and outstanding share (*i.e.,* not a treasury share). In short, compliance with applicable Cayman Islands law requires the consent and cooperation of SRGL, as the sole shareholder of SALIC, to these proposed restructuring transactions or any similarly structured alternative transaction that would transfer ownership of reorganized SALIC.

Furthermore, the Restructuring Implementation Agreement sets forth agreements and stipulations regarding intercompany obligations between SRGL and SALIC and its subsidiaries, which are necessary to the Debtors' ability to reorganize pursuant to, and maximize value from, the currently contemplated restructuring transactions.

On January 31, 2018, the Debtors filed a motion for authorization to enter into and perform under the Restructuring Implementation Agreement [D.I. 29]. The Bankruptcy Court entered an order authorizing the Debtors to enter into and perform under the Restructuring Implementation Agreement on March 19, 2018 [D.I. 170], with certain amendments and clarifications requested by the U.S. Trustee and the Official Committee. As discussed above at Section III.C.2.b., the initial share surrender contemplated by the Restructuring Implementation Agreement occurred on or about March 28, 2018.

I. Luxembourg Proceedings of SFL

On April 16, 2018, SFL, through Luxembourg counsel, presented to the Commercial Court in Luxembourg (the "Commercial Court") the resolution of its Management Board seeking to comply with the bankruptcy law of Luxembourg by petitioning for the appointment of a receiver to facilitate the winding up of SFL. By judgment dated April 18, 2018 (the "SFL Bankruptcy Judgment"), Judge Nathalie Hilbert of the Commercial Court declared SFL to be bankrupt in accordance with Articles 440 and 442 of the French Commercial Code and appointed Mr. Max Mailliet as the insolvency receiver ("Insolvency Receiver") of SFL. As Insolvency Receiver, Mr. Mailliet will be responsible for managing and operating SFL, including, *inter alia*, filing SFL's claims against the Debtors in these Chapter 11 Cases. SFL has filed a claim in the amount of $63,536,014.32 against the Debtors in respect of the SFL-SRD Note. The Commercial Court also established June 1, 2018, at 2:30 p.m. (local Luxembourg time) as the date and time by which claims may be filed against SFL in the Commercial Court proceedings, and June 13, 2018, at 9:00 a.m. (local Luxembourg time) as the date and time for resolution of disputes as to claims. The SFL Bankruptcy Judgment also requires that such judgment be published in the Luxembourg Wort and the Tagblatt, in editions of those publications circulated in Luxembourg and Esch-sur-Aizette. ~~English translations of the petition dated April 16, 2018, and the SFL Bankruptcy Judgment are [attached hereto as Exhibit [ ]/available on the SRGL website].~~

J. The Claims Process

On March 23, 2018, the Debtors filed their Schedules describing the Claims that exist against the Debtors as of the Petition Date. On March 28, 2018, the Bankruptcy Court entered an order [D.I. 189] (the "Bar Date Order") establishing a general bar date of May 7, 2018, for all Entities that are not Governmental Units to file Proofs of Claim. ~~As of [____], [~~~~]~~The Debtors received ten (10) Proofs of Claim ~~have been filed against the Debtors' Estates~~against SALIC and seven (7) Proofs of Claim against SHI on or before the general bar date. The Debtors are currently reviewing and reconciling the Filed Proofs of Claims against the Schedules and the Debtors' books and records.

VI. SUMMARY OF THE PLAN'S CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

Section 1122 of the Bankruptcy Code provides that a plan of reorganization must classify the claims and interests of a debtor's creditors and equity interest holders. In accordance with section 1122 of the Bankruptcy Code, the Plan divides Claims and Interests into Classes and sets forth the treatment for each Class (other than Administrative Claims and Priority Tax Claims, which, pursuant to section 1123(a)(1), do not need to be classified). The Debtors also are required, under section 1122 of the Bankruptcy Code, to classify Claims against and Interests in the Debtors into Classes that contain Claims and Interests that are substantially similar to the other Claims and Interests in such Class.

The Debtors believe that the Plan has classified all Claims and Interests in compliance with the provisions of section 1122 of the Bankruptcy Code and applicable case law, but it is possible that a Holder of a Claim or Interest may challenge the Debtors' classification of Claims and Interests and that the Bankruptcy Court may find that a different classification is required for the Plan to be confirmed. In that event, the Debtors intend, to the extent permitted by the Bankruptcy Code, the Plan, and the Bankruptcy Court, to make such reasonable modifications to the classifications under the Plan to permit Confirmation and to use the Plan acceptances received for purposes of obtaining the approval of the reconstituted Class or Classes of which each accepting Holder ultimately ~~is~~may be deemed to be a member. Any such reclassification could affect the Class in which such Holder initially was a member, or any other Class under the Plan, by changing the composition of such Class and the vote required of the Class for approval of the Plan.

The amount of any Impaired Claim that ultimately is Allowed by the Bankruptcy Court may vary from any estimated Allowed amount of such Claim and, accordingly, the total Claims ultimately Allowed with respect to each Impaired Class of Claims may also vary from any estimates contained herein with respect to the aggregate Claims in any Impaired Class. Thus, the value of the property ~~that~~ ultimately ~~will~~to be received by a particular Holder of an Allowed Claim under the Plan may be adversely (or favorably) affected by the aggregate amount of Claims ultimately Allowed in the applicable Class.

The classification of Claims and Interests and the nature of Distributions to members of each Class are summarized below. The Debtors believe that the consideration, if any, provided under the Plan to Holders of Claims and Interests reflects an appropriate resolution

of their Claims and Interests, taking into account the differing nature and priority (including applicable contractual and statutory subordination) of such Claims and Interests and the fair value of the Debtors' assets. The Debtors will seek Confirmation of the Plan pursuant to the "cramdown" provisions of the Bankruptcy Code, if necessary. Specifically, section 1129(b) of the Bankruptcy Code permits confirmation of a chapter 11 plan in certain circumstances even if the plan has not been accepted by all impaired classes of claims and interests. *See* Section XI.F. below. Although the Debtors believe that the Plan can be confirmed under section 1129(b), there can be no assurance that the Bankruptcy Court will find that the requirements to do so have been satisfied.

A. Administrative Expense Claims, Professional Fee Claims, Indenture Trustee Fees, and Priority Tax Claims

1. Administrative Claims

Except to the extent that an Allowed Administrative Claim has been satisfied prior to the Effective Date, and except as otherwise provided for ~~in the Plan~~herein (including Section 4.1(c)(ii)~~ of the Plan~~ with respect to Professional Fee Claims), each Holder of an Allowed Administrative Claim shall be entitled to receive in full, final and complete settlement, release, and discharge of such Claim, either (i) to the extent such Administrative Claim is Allowed as of the Effective Date, payment in full in Cash of the unpaid portion of such Allowed Administrative Claim as a Closing Date Plan Distribution on the Effective Date, or as soon as reasonably practicable thereafter, or (ii) to the extent such Administrative Claim is Allowed after the Effective Date, payment in full in Cash of the unpaid portion of such Allowed Administrative Claim from the Distribution Trust, in an amount equal to the unpaid portion of such claim, at such time as such Administrative Claim is Allowed, or as soon as reasonably practicable thereafter.

Except as otherwise provided in Article IV of the Plan, requests for payment of Administrative Claims must be included within an application (setting forth the amount of, and basis for, such Administrative Claims, together with documentary evidence) and Filed and served on respective counsel for the Debtors, the Reorganized Debtors, the ~~Plan Sponsor~~Purchaser, and the Distribution Trustee no later than the applicable Administrative Claims Bar Date. Holders of Administrative Claims (including, without limitation, Holders of any Claims for federal, state or local taxes) that are required to File a request for payment of such Claims and that do not File such requests by the applicable Administrative Claims Bar Date shall be forever barred from asserting such Claims against the Debtors, ~~the~~ Reorganized Debtors, the Purchaser, the Distribution Trust or any of their respective property. Requests for payments of Administrative Claims included within a Proof of Claim are of no force and effect, and are deemed disallowed in their entirety as of the Effective Date, and shall be satisfied only to the extent such Administrative Claim is subsequently Filed in a timely fashion as provided by Section 4.1(c)(i) of the Plan and subsequently becomes an Allowed Claim.

2. Professional Fee Claims

All Professionals or other entities requesting compensation or reimbursement of expenses pursuant to sections 327, 328, 330, 331, 503(b) and 1103 of the Bankruptcy Code for services rendered before the Effective Date (including, without limitation, any compensation requested by any Professional or any other Entity for making a substantial contribution in the Chapter 11 Cases) shall File an application for final allowance of compensation and reimbursement of expenses no later than thirty (30) days after the Effective Date and simultaneously serve such application on counsel for the following entities ~~and their counsel, if any~~: the ~~Debtors, the~~ Reorganized Debtors, the ~~Plan Sponsor~~Purchaser, the Official Committee, the Distribution Trustee, and the U.S. Trustee.

Objections, if any, to a Professional's application for compensation or reimbursement of expenses must be filed no later than twenty-one (21) days after the date the application is filed, and simultaneously served on the ~~following entities~~ applicant (and ~~their~~its counsel, if any) and counsel for the following entities: the ~~Debtors, the~~ Reorganized Debtors, the ~~Plan Sponsor~~Purchaser, the Official Committee, the Distribution Trustee, and the U.S. Trustee~~, and the Professional(s) to whose application(s) the objection is addressed~~. If no objections are received, the Bankruptcy Court may enter a final order approving the applications and authorizing final Allowance and payment of compensation and reimbursement of expenses without a hearing. If any objection cannot be resolved consensually, the Bankruptcy Court will hold a hearing on the affected application(s).

The amount of compensation and reimbursement of expenses Allowed by the Bankruptcy Court (less (i) amounts previously received by the Professional in respect of interim compensation and (ii) any unapplied retainer or advance held by the Professional) shall be paid ~~from~~by the Distribution ~~Trust~~Trustee from the Professional Fee Reserve.

Any professional fees and reimbursements or expenses incurred by the Distribution Trust subsequent to the Effective Date may be paid in accordance with the Distribution Trust Agreement. Any professional fees and reimbursements or expenses incurred by the Reorganized Debtors subsequent to the Effective Date may be paid without further order of, or application to, the Bankruptcy Court.

3. Indenture Trustee Fees

On the Effective Date, the Debtors shall pay all undisputed Indenture Trustee Fees of the TruPS Indenture Trustees incurred through the Confirmation Date as set forth in section 6.1(b)(1). For a TruPS Indenture Trustee to be eligible to have its Indenture Trustee Fees incurred through the Confirmation Date paid on the Effective Date or as soon as reasonably practicable after the Effective Date, on or before the thirtieth (30th) day after the Confirmation Date, such TruPS Indenture Trustee must serve the Debtors, the Committee and the Purchaser with invoices setting forth in reasonable detail (but subject to appropriate redactions to preserve confidentiality or any applicable privileges or protections) the Indenture Trustee Fees for which such TruPS Indenture Trustee seeks payment. If none of the Debtors, the Committee or the

Purchaser has served the applicable TruPS Indenture Trustee with a written objection to the TruPS Indenture Trustee Fees set forth in such invoices within ten (10) Business Days after the date of service of such invoices, then the subject Indenture Trustee Fees shall be paid to the applicable TruPS Indenture Trustee on or as soon as reasonably practicable after the Effective Date as set forth in Section 6.1(b)(1), without the need for application to, or approval by, any court. Each Indenture Trustee will not assert its Charging Lien to the extent that it receives payment of its Indenture Trustee Fees.

Prior to the Effective Date, the Debtors, in consultation with the Purchaser, the Committee and each of the TruPS Indenture Trustees, will make a good faith estimate of the Indenture Trustee Fees incurred and expected to be incurred during the period from the Confirmation Date through the Effective Date. On the Effective Date, the Indenture Trustee Fee Reserve shall be funded with such estimated amount in accordance with section 6.3(g) of the Plan.

For a TruPS Indenture Trustee to be eligible to have its Indenture Trustee Fees incurred during the period commencing from the Confirmation Date through the Effective Date paid from the Indenture Trustee Fee Reserve (and if such Indenture Trustee Fee Reserve proves to be inadequate, the Available Plan Distribution Funding Amount), on or before the thirtieth (30th) day after the Effective Date, such TruPS Indenture Trustee must serve the Distribution Trustee and the Purchaser with invoices setting forth in reasonable detail (but subject to appropriate redactions to preserve confidentiality or any applicable privileges or protections) the Indenture Trustee Fees for which such TruPS Indenture Trustee seeks payment. If the Distribution Trustee or the Purchaser has not served the applicable TruPS Indenture Trustee with a written objection to the TruPS Indenture Trustee Fees set forth in such invoices within ten (10) Business Days after the date of service of such invoices, then the subject Indenture Trustee Fees shall be paid from the Indenture Trustee Fee Reserve (or the Available Plan Distribution Funding Amount if the Indenture Trustee Fee Reserve is inadequate) to the applicable TruPS Indenture Trustee within ten (10) Business Days after the expiration of such objection period, without the need for application to, or approval by, any court.

Prior to the Effective Date, the Debtors, in consultation with the Purchaser, the Committee and each of the TruPS Indenture Trustees, will make a good faith estimate of the Indenture Trustee Fees expected to be incurred following the Effective Date and the Indenture Trustee Fee Reserve shall be funded with such estimated amount in accordance with section 6.3(g) of the Plan. No TruPS Indenture Trustee shall be eligible to receive payment from the Distribution Trust or SRGL or to maintain a Charging Lien, for Indenture Trustee Fees incurred after the Effective Date for fees or expenses relating to the SHST II TruPS, the SHST II TruPS Documents, the GPIC TruPS, the GPIC TruPS Documents or any Distributions made on account of Claims arising from the SHST II TruPS, the SHST II Debentures, the GPIC TruPS, the GPIC Debentures or any other TruPS Document related to the foregoing TruPS transactions.

The aggregate amount of Indenture Trustee Fees recoverable from the Debtors and the Distribution Trust by the TruPS Indenture Trustees shall not exceed [$_____] (the

"Indenture Trustee Fee Cap"). The Indenture Trustee Fee Cap may be increased upon the consent of the Debtors, the Committee and the Purchaser at any time prior to the Effective Date and upon the consent of the Distribution Trustee and the Purchaser on or after the Effective Date.

If the Debtors or Reorganized Debtors (as applicable), the Committee, the Purchaser or the Distribution Trustee disputes any requested Indenture Trustee Fees, such party shall notify the applicable TruPS Indenture Trustee, and, upon such notification, the applicable TruPS Indenture Trustee may (a) assert its Charging Lien to pay the disputed portion of the Indenture Trustee Fees and/or (b) submit such dispute for resolution to the Bankruptcy Court. If the dispute is not resolved in the TruPS Indenture Trustee's favor, any amounts for which the TruPS Indenture Trustee asserted its charging lien on account of such disputed Indenture Trustee Fees must be returned. Notwithstanding the pendency of an objection to a portion of a TruPS Indenture Trustee's Indenture Trustee Fees, the Debtors or Distribution Trust, as applicable, shall pay any undisputed portion of Indenture Trustee. Nothing herein shall be deemed to impair, waive, discharge, or negatively affect any Charging Lien for any fees, costs and expenses not paid by the Debtors or the Distribution Trustee and otherwise claimed by a TruPS Indenture Trustee pursuant to the procedures set forth in this Section 4.1(d) of the Plan; *provided, however,* that no TruPS Indenture Trustee shall be eligible to receive payment from the Distribution Trust or maintain a Charging Lien for Indenture Trustee Fees incurred after the Effective Date for services related to Distributions to SRGL on account of its holdings of SHST II TruPS, GPIC TruPS or any corresponding SRGL TruPS Claims.

4. ~~3.~~ Priority Tax Claims

Except to the extent that an Allowed Priority Tax Claim has been satisfied prior to the Effective Date, each Holder of an Allowed Priority Tax Claim shall be entitled to receive, in full, final and complete settlement, release, and discharge of such Claim, at the election of the Debtors or the Distribution Trustee, one of the following treatments: (i) to the extent such Priority Tax Claim is Allowed as of the Effective Date, payment in full in Cash of the unpaid portion of such Allowed Priority Tax Claim as a Closing Date Plan Distribution on the Effective Date, or as soon as reasonably practicable thereafter; (ii) to the extent such Priority Tax Claim is Allowed after the Effective Date, payment in full in Cash of the unpaid portion of such Allowed Priority Tax Claim from the Distribution Trust, in an amount equal to the unpaid portion of such claim, at such time as such Priority Tax Claim is Allowed, or as soon as reasonably practicable thereafter; or (iii) or such other treatment or payment from the Distribution Trust as permitted under section 1129(a)(9)(C) of the Bankruptcy Code.

B. Classification of Claims and Interests

All Claims and Interests, except Administrative Claims and Priority Tax Claims, are placed in the Classes set forth below. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims have not been classified, and the treatment of such unclassified Claims is set forth in Section 4.1 of the Plan.

A Claim or Interest is placed in a particular Class only to the extent that the Claim or Interest falls within the description of that Class, and is classified in other Classes to the extent that any portion of the Claim or Interest falls within the description of such other Classes. A Claim is also placed in a particular Class for the purpose of receiving Distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that Class and such Claim has not been paid, released, or otherwise settled prior to the Effective Date.

The following table designates the Classes of Claims against and Interests in the Debtors and specifies which Classes are: (a) Impaired and Unimpaired under the Plan; (b) entitled to vote to accept or reject the Plan in accordance with section 1126 of the Bankruptcy Code; and (c) deemed to accept or reject the Plan:

Class	Type of Claim or Interest	Impairment	Entitled to Vote
Class 1	Secured Claims	Unimpaired	No (deemed to accept).
Class 2	Priority Non-Tax Claims	Unimpaired	No (deemed to accept).
Class 3	Intercompany Claims	Unimpaired	No (deemed to accept).
Class 4	SHI TruPS Claims	Impaired	Yes.
Class 5	SHI General Unsecured Claims	Impaired	Yes.
Class 6	SALIC TruPS Claims	Impaired	Yes.
Class 7	SALIC General Unsecured Claims	Impaired	Yes.
Class 8	Subordinated Claims	Impaired	No (deemed to reject).
Class 9	SHI Existing Equity Interests	Impaired	No (deemed to reject).
Class ~~9~~10	SALIC Existing Equity Interests	Unimpaired	No (deemed to accept).
~~Class 10~~	~~SHI Existing Equity Interests~~	~~Impaired~~	~~No (deemed to reject).~~

C. Treatment of Claims and Interests

1. Class 1 – Secured Claims

Unless a Holder of an Allowed Secured Claim agrees to lesser treatment, on the Effective Date, or as soon as reasonably practicable thereafter, each Holder of an Allowed Secured Claim shall receive one of the following treatments on account of such Allowed Secured Claim, at the option of the Debtors or the Distribution Trustee, as applicable~~, and, if required, with the consent of the Plan Sponsor~~: (a) reinstatement of the Allowed Secured Claim as against any collateral or proceeds thereof held by the Distribution Trust; (b) with the consent of the Purchaser, reinstatement of the Allowed Secured Claim as against any collateral or proceeds thereof held by the Reorganized Debtors; (c) in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Allowed Secured Claim, Cash equal to the full Allowed amount of such ~~Claim; or (d)~~Secured Claim, with such Cash to be paid (i) as a Closing Date Plan Distribution to the extent that such Secured Claim is Allowed as of the Effective Date or (ii) from the assets of the Distribution Trust to the extent that such Secured Claim is allowed after the Effective Date; or (d) with the consent of the Purchaser as to any asset that is not a Distribution Trust Asset, delivery of the collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code.

The Holders of Claims in Class 1 will be conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Claims in Class 1 will not be entitled to vote to accept or reject the Plan.

2. Class 2 – Priority Non-Tax Claims

Unless a Holder of an Allowed Priority Non-Tax Claim agrees to lesser treatment, on the Effective Date, or as soon as reasonably practicable thereafter, each Holder of an Allowed Priority Non-Tax Claim shall receive in full, final and complete satisfaction, settlement, release, and discharge of such Allowed Priority Non-Tax Claim, either: (i) to the extent such Priority Non-Tax Claim is Allowed as of the Effective Date, payment in full in Cash of the unpaid portion of such Allowed Priority Non-Tax Claim as a Closing Date Plan Distribution on the Effective Date, or as soon as reasonably practicable thereafter, or (ii) to the extent such Priority Non-Tax Claim is Allowed after the Effective Date, payment in full in Cash of the unpaid portion of such Allowed Priority Non-Tax Claim from the Distribution Trust at such time as such Priority Non-Tax Claim is Allowed, or as soon as reasonably practicable thereafter.

The Holders of Claims in Class 2 will be conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Claims in Class 2 will not be entitled to vote to accept or reject the Plan.

3. Class 3 – Intercompany Claims

Intercompany Claims shall be paid, adjusted, continued, settled, reinstated, discharged, eliminated, or otherwise managed, in each case to the extent determined to be appropriate by the applicable Debtor(s) or Reorganized Debtor(s) and certain of their non-debtor Affiliates with the consent of the Purchaser. For the avoidance of doubt, Intercompany Claims shall not receive a ~~distribution of~~ Distribution ~~Trust Interests~~ and shall not otherwise be entitled to any of the assets of the Distribution Trust.

The Holders of Claims in Class 3 will be conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Claims in Class 3 will not be entitled to vote to accept or reject the Plan.

4. ~~Class 4 – SHI TruPS Claims~~Class 4 – SHI TruPS Claims

~~Unless a Holder of an Allowed SHI TruPS Claim agrees to lesser treatment, on the Effective Date, or as soon as reasonably practicable thereafter, each Holder of an Allowed~~

The SHI TruPS Claims shall be allowed as follows (inclusive of all principal amount issued pursuant to the applicable TruPS Indentures and related documents and accrued but unpaid interest as of the Petition Date at the applicable rates specified in the applicable TruPS Indentures and related documents, other than Indenture Trustee Fees), and shall not be subject to objection, challenge, reduction, offset, avoidance, setoff, recharacterization, impairment,

subordination (whether equitable, contractual or otherwise) except as provided herein, counterclaim, cross-claim, defense or disallowance under Applicable Law:

TruPS Debenture Issuance	TruPS Indenture Trustee	Holder of Allowed SHI TruPS Claim	Principal	Interest through Petition Date	Total Allowed SHI TruPS Claim
SHST I TruPS Debentures	U.S. Bank, as Indenture Trustee	U.S. Bank, as Indenture Trustee, on behalf of Beneficial Holders	$18,042,000.00	$4,805,863.87	$22,847,863.87
SHST II TruPS Debentures	U.S. Bank, as Indenture Trustee	U.S. Bank, as Indenture Trustee, exclusively for SRGL	$20,619,000.00	$5,528,239.88	$26,147,239.88
GPIC TruPS Debentures	BNYM, as Indenture Trustee	BNYM, as Indenture Trustee, exclusively for SRGL	$10,310,000.00	$2,561,006.29	$12,873,506.29
SHST III TruPS Debentures	U.S. Bank, as Indenture Trustee	U.S. Bank, as Indenture Trustee, on behalf of Beneficial Holders	$32,990,000.00	$8,310,979.84	$41,300,979.84
TOTAL			**$81,961,000.00**	**$21,206,089.88**	**$99,870,213.87**

A. With respect to Eligible SHI TruPS Claims, on or as soon as reasonably practicable after the DT Initial Distribution Date and the DT Subsequent Distribution Dates (as applicable), in full and final satisfaction of and in exchange for all Eligible SHI TruPS Claims, each Beneficial Holder of TruPS on account of its Allocated Portion of SHI TruPS Claim will receive~~, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Claim, a Pro Rata Share of Distribution Trust Interests. Each Holder of an Allowed SHI TruPS Claim shall be paid in Cash from the Distribution Trust on the Distribution Date for its Pro Rata Share of Distribution Trust Interests, after payment in full, or a reserve being established for, all Administrative Claims, Priority Claims, and Secured Claims, all in~~

~~accordance with the Distribution Trust Agreement.~~ (to be distributed in accordance with the procedures set forth in Sections 6.1(f) & (g), 6.3(i), 7.5 and 7.6 of the Plan):

(1) If such Beneficial Holder is a New Equity Eligible Beneficial Holder, the following:

(a) Either (x) if the Beneficial Holder makes the New Equity Election, then the Beneficial Holder's TruPS Claims Equity Distribution Amount; or (y) if the Beneficial Holder makes the Cash Election, the Beneficial Holder's TruPS/GUC Claims Cash Distribution Amount; and

(b) The Beneficial Holder's applicable percentage of the Distribution Trust Asset Proceeds, calculated as the amount of such New Equity Eligible Beneficial Holder's Allocated Portion of the Allowed Eligible SHI TruPS Claim divided by the TruPS/GUC Claims Aggregate Amount.

(2) If such Beneficial Holder is SRGL, the following:

(a) SRGL's TruPS/GUC Claims Cash Distribution Amount; and

(b) SRGL's applicable percentage of the Distribution Trust Assets Proceeds, calculated as the amount of SRGL's Allocated Portion of the Allowed Eligible SHI TruPS Claims divided by the TruPS/GUC Claims Aggregate Amount.

B. With respect to SRGL Exclusively Held SHI TruPS Claims, on or as soon as reasonably practicable after the DT Initial Distribution Date and the DT Subsequent Distribution Dates (as applicable), in full and final satisfaction of and in exchange for all SRGL Exclusively Held SHI TruPS Claims, SRGL shall receive (to be distributed in accordance with the procedures set forth in Sections 6.1(f) & (g), 6.3(i), 7.5 and 7.6 of this Plan):

(1) SRGL's TruPS/GUC Claims Cash Distribution Amount; and

(2) SRGL's applicable percentage of the Distribution Trust Assets Proceeds, calculated as the amount of the Allowed SRGL Exclusively Held SHI TruPS Claims divided by the TruPS/GUC Claims Aggregate Amount.

The Holders of Allowed Class 4 Claims are Impaired, and the Holders of such Claims will be entitled to vote to accept or reject the Plan.

5. Class 5 – SHI General Unsecured Claims

~~Unless a Holder of an Allowed SHI General Unsecured Claim agrees to lesser treatment, on the Effective Date,~~On or as soon as reasonably practicable ~~thereafter~~after the DT Initial Distribution Date and the DT Subsequent Distribution Dates (as applicable), in full and final satisfaction of and in exchange for all SHI General Unsecured Claims, each Holder of an Allowed SHI General Unsecured Claim ~~will receive, in full and final satisfaction, compromise,~~

~~settlement, release, and discharge of and in exchange for such Claim, a Pro Rata Share of Distribution Trust Interests. Each Holder of an Allowed SHI General Unsecured Claim shall be paid in Cash from the Distribution Trust on the Distribution Date for its Pro Rata Share of Distribution Trust Interests, after payment in full, or a reserve being established for, all Administrative Claims, Priority Claims, and Secured Claims, all in accordance with the Distribution Trust Agreement.~~shall receive:

(1) The Holder's TruPS/GUC Claims Cash Distribution Amount; and

(2) The Holder's applicable percentage of the Distribution Trust Assets Proceeds, calculated as the amount of the Allowed Amount of the Holder's SHI General Unsecured Claims divided by the TruPS/GUC Claims Aggregate Amount.

The Holders of Allowed Class 5 Claims are Impaired, and the Holders of such Claims will be entitled to vote to accept or reject the Plan.

6. ~~Class 6 – SALIC TruPS Claims~~Class 6 – SALIC TruPS Claims & SFL Note Claim

~~Unless a Holder of an Allowed SALIC TruPS Claim agrees to lesser treatment, on the Effective Date, or as soon as reasonably practicable thereafter, each Holder of an Allowed SALIC TruPS Claim will receive, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Claim, a Pro Rata Share of Distribution Trust Interests. Each Holder of an Allowed SALIC TruPS Claim shall be paid in Cash from the Distribution Trust on the Distribution Date for its Pro Rata Share of Distribution Trust Interests, after payment in full, or a reserve being established for, all Administrative Claims, Priority Claims, and Secured Claims, all in accordance with the Distribution Trust Agreement.~~

The SALIC TruPS Claims shall be allowed as follows (inclusive of all principal amount issued pursuant to the applicable TruPS Indentures and related documents and accrued but unpaid interest as of the Petition Date at the applicable rates specified in the applicable TruPS Indentures and related documents, other than Indenture Trustee Fees), and shall not be subject to objection, challenge, reduction, offset, avoidance, setoff, recharacterization, impairment, subordination (whether equitable, contractual or otherwise) except as provided herein, counterclaim, cross-claim, defense or disallowance under Applicable Law:

TruPS Debenture Issuance	TruPS Indenture Trustee	Holder of Allowed SALIC TruPS Claim	Principal	Interest through Petition Date	Total Allowed SALIC TruPS Claim
SHST I Debentures	U.S. Bank, as Indenture	U.S. Bank, as Indenture	$18,042,000.00	$4,805,863.87	$22,847,863.87

	Trustee	Trustee, on behalf of Beneficial Holders			
SHST II Debentures	U.S. Bank, as Indenture Trustee	U.S. Bank, as Indenture Trustee, exclusively for SRGL	$20,619,000.00	$5,528,239.88	$26,147,239.88
GPIC Debentures	BNYM, as Indenture Trustee	BNYM, as Indenture Trustee, exclusively for SRGL	$10,310,000.00	$2,561,006.29	$12,873,506.29
SHST III Debentures	U.S. Bank, as Indenture Trustee	U.S. Bank, as Indenture Trustee, on behalf of Beneficial Holders	$32,990,000.00	$8,310,979.84	$41,300,979.84
SFLST I Debentures	WTC, as Indenture Trustee	WTC, as Indenture Trustee, on behalf of Beneficial Holders	$51,547,000.00	$11,989,041.32	$63,536,041.32
TOTAL			**$133,508,000.00**	**$33,195,131.20**	**$166,705,631.20**

If the Holder of the SFL Note Claim (1) votes the SFL Note Claim to accept the Plan, (2) does not object to confirmation of the Plan, and (3) does not opt out of the "Releases by Holders of Claims and Interests" set forth in Section 10.3 of the Plan (together, the "SFL Note Claim Allowance Conditions"), then upon the occurrence of the Effective Date, the SFL Note Claim shall be deemed Allowed as a Class 6 Claim in the amount of $63,536,014.32, and shall not be subject to objection, challenge, reduction, offset, avoidance, setoff, recharacterization, impairment, subordination (whether equitable, contractual or otherwise) except as provided herein, counterclaim, cross-claim, defense or disallowance under Applicable Law, and shall be entitled, at such Holder's option to make (i) the New Equity Election; (ii) the Cash Election; or (iii) elect to allocate its Claim between the New Equity Election or the Cash Election. If the

Holder of the SFL Note Claim fails to satisfy one or more of the SFL Note Claim Allowance Conditions, then, unless otherwise agreed in a writing signed by an authorized representative of the Debtors (or, if on or after the Effective Date, the Distribution Trustee) and consented to by the Purchaser (which consent shall not be unreasonably withheld) or adjudicated by a Final Order of the Bankruptcy Court, the SFL Note Claim shall (a) remain fully subject to objection, challenge, reduction, offset, avoidance, setoff, recharacterization, impairment, subordination (whether equitable, contractual or otherwise), counterclaim, cross-claim, defense or disallowance under Applicable Law and treated as a Disputed Claim and (b) be deemed to have made the Cash Election and will be reserved for in Cash as a Disputed Claim. For the avoidance of doubt, after the Effective Date, the Distribution Trustee shall have the sole right and authority, but not the obligation, to object to, litigate, and settle the amount, priority or extent of the SFL Note Claim and to make a Cash Distribution thereon to the extent Allowed.

With respect to Eligible SALIC TruPS Claims, on or as soon as reasonably practicable after the DT Initial Distribution Date and the DT Subsequent Distribution Dates (as applicable), in full and final satisfaction of and in exchange for all Eligible SALIC TruPS Claims, each Beneficial Holder of TruPS on account of its Allocated Portion of SALIC TruPS Claim arising from or relating to the TruPS issuance for which it is a Beneficial Holder shall receive (to be distributed in accordance with the procedures set forth in Sections 6.1(f) & (g), 6.3(i), 7.5 and 7.6 of this Plan):

(1) If such Beneficial Holder is a New Equity Eligible Beneficial Holder, the following:

(a) Either (x) if the Beneficial Holder makes the New Equity Election, then the Beneficial Holder's TruPS Claims Equity Distribution Amount; or (y) if the Beneficial Holder makes the Cash Election, the Beneficial Holder's TruPS/GUC Claims Cash Distribution Amount; and

(b) The Beneficial Holder's applicable percentage of the Distribution Trust Asset Proceeds, calculated as the amount of such New Equity Eligible Beneficial Holder's Allocated Portion of the Allowed Eligible SALIC TruPS Claims divided by the TruPS/GUC Claims Aggregate Amount.

(2) If such Beneficial Holder is SRGL, the following:

(a) SRGL's TruPS/GUC Claims Cash Distribution Amount; and

(b) SRGL's applicable percentage of the Distribution Trust Assets Proceeds, calculated as the amount of SRGL's Allocated Portion of the Allowed Eligible SALIC TruPS Claims divided by the TruPS/GUC Claims Aggregate Amount.

With respect to SRGL Exclusively Held SALIC TruPS Claims, on or as soon as reasonably practicable after the DT Initial Distribution Date and the DT Subsequent Distribution Date(s) (as applicable), in full and final satisfaction of and in exchange for all SRGL Exclusively

Held SALIC TruPS Claims, SRGL shall receive (to be distributed in accordance with the procedures set forth in Sections 6.1(f) & (g), 6.3(i), 7.5 and 7.6 of this Plan):

(1) SRGL's TruPS/GUC Claims Cash Distribution Amount; and

(2) SRGL's applicable percentage of the Distribution Trust Assets Proceeds, calculated as the amount of the Allowed SRGL Exclusively Held SALIC TruPS Claims divided by the TruPS/GUC Claims Aggregate Amount.

With respect to the SFL Note Claim, on or as soon as reasonably practicable after the DT Initial Distribution Date and the DT Subsequent Distribution Dates (as applicable), in full and final satisfaction of and in exchange for all SFL Claims, the Holder of the SFL Note Claim shall receive (to be distributed in accordance with the procedures set forth in Sections 6.1(f) & (g), 6.3(i), 7.5 and 7.6 of this Plan) the following:

(1) If the SFL Note Claim Allowance Conditions are satisfied:

(a) Either (a) if the Holder of the Allowed SFL Note Claim makes the New Equity Election, such Holder's TruPS Claims Equity Distribution Amount; or (b) if the Holder of the Allowed SFL Note Claim makes the Cash Election, such Holder's TruPS/GUC Claims Cash Distribution Amount; and

(b) SFL's applicable percentage of the Distribution Trust Assets Proceeds, calculated as the amount of such New Equity Eligible Beneficial Holder's Allocated Portion of the Allowed SFL Claim divided by the TruPS/GUC Claims Aggregate Amount.

(2) If the SFL Note Claim Allowance Conditions are not satisfied, then subject to and upon the Allowance of the SFL Claim post-Effective Date:

(a) The Holder of the Allowed SFL Note Claim's TruPS/GUC Claims Cash Distribution Amount; and

(b) The Holder of the Allowed SFL Note Claim's applicable percentage of the Distribution Trust Assets Proceeds, calculated as the amount of the Allowed SFL Claim divided by the TruPS/GUC Claims Aggregate Amount.

The Holders of Allowed Class 6 Claims are Impaired, and the Holders of such Claims will be entitled to vote to accept or reject the Plan.

7. Class 7 – SALIC General Unsecured Claims

~~Unless a Holder of an Allowed SALIC General Unsecured Claim agrees to lesser treatment, on the Effective Date,~~On or as soon as reasonably practicable ~~thereafter~~after the DT Initial Distribution Date and the DT Subsequent Distribution Dates (as applicable), in full and final satisfaction of and in exchange for all Allowed SALIC General Unsecured Claims, each Holder of an Allowed SALIC General Unsecured Claim ~~will receive, in full and final~~

~~satisfaction, compromise, settlement, release, and discharge of and in exchange for such Claim, a Pro Rata Share of Distribution Trust Interests. Each Holder of an Allowed SALIC General Unsecured Claim shall be paid in Cash from the Distribution Trust on the Distribution Date for its Pro Rata Share of Distribution Trust Interests, after payment in full, or a reserve being established for, all Administrative Claims, Priority Claims, and Secured Claims, all in accordance with the Distribution Trust Agreement.~~shall receive:

(1) The Holder's TruPS/GUC Claims Cash Distribution Amount; and

(2) The Holder's applicable percentage of the Distribution Trust Assets Proceeds, calculated as the amount of the Allowed Amount of the Holder's SALIC General Unsecured Claims divided by the TruPS/GUC Claims Aggregate Amount.

The Holders of Allowed Class 7 Claims are Impaired, and the Holders of such Claims will be entitled to vote to accept or reject the Plan.

8. Class 8 – Subordinated Claims

Holders of ~~Allowed~~ Subordinated Claims will not receive or retain any property on account of such Claims. On the Effective Date, Subordinated Claims shall be deemed automatically cancelled, released, and extinguished without further action by any Debtor ~~or~~, any Reorganized Debtor, or the Distribution Trustee, and the obligations of the Debtors thereunder shall be forever discharged.

Each Holder of ~~an Allowed~~a Subordinated Claim will be conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of ~~Allowed~~ Subordinated Claims shall not be entitled to vote on the Plan.

9. Class 9 – SHI Existing Equity Interests

All SHI Existing Equity Interests will be cancelled and reissued at the direction of the Purchaser as described in Section 6.1 of the Plan.

The Holders of SHI Existing Equity Interests will be conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of SHI Existing Equity Interests shall not be entitled to vote on the Plan.

10. Class 10 – SALIC Existing Equity Interests

SALIC Existing Equity Interests are Unimpaired by the Plan and will be treated in accordance with the Stock Purchase Agreement, the ~~Plan Sponsorship Agreement~~New SALIC Shares Issuance Documents, the Share Surrender Documents, and the Restructuring Implementation Agreement, as provided in Section 6.1 of the Plan.

The Holders of ~~Interests in Class 9~~SALIC Existing Equity Interests will be conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy

Code. Therefore, ~~the~~ Holders of Interests in Class 10 will not be entitled to vote to accept or reject ~~the Plan.~~

~~**10. Class 10 – SHI Existing Equity Interests**~~

~~All SHI Existing Equity Interests will be cancelled and reissued at the direction of the Plan Sponsor as described in Section 6.1 of the Plan.The Holders of SHI Existing Equity Interests will be conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, the Holders of SHI Existing Equity Interests shall not be entitled to vote on~~ the Plan.

D. Acceptance Requirements

1. Impaired Classes of Claims Entitled to Vote

Holders of Allowed Claims in each Impaired Class that will receive a Distribution are entitled to vote as a Class to accept or reject the Plan. Accordingly, only the votes of Holders of Claims in Classes 4, 5, ~~6,~~6 and 7 shall be solicited with respect to the Plan. A Holder of a Disputed Claim ~~that~~which has not been temporarily allowed for purposes of voting on the Plan may vote only such Disputed Claim in an amount equal to the portion, if any, of such Claim shown as fixed, liquidated, and undisputed in the Schedules.

2. Acceptance by an Impaired Class

In accordance with section 1126(c) of the Bankruptcy Code, and except as provided in section 1126(e) of the Bankruptcy Code, an Impaired Class shall have accepted the Plan if the Plan is accepted by the Holders of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims in such Class that have timely and properly voted to accept or reject the Plan.

3. Presumed Acceptance by Unimpaired Classes

Classes 1, 2, 3, and ~~9~~10 are Unimpaired under the Plan. Under section 1126(f) of the Bankruptcy Code, Holders of such Unimpaired Claims and Interests are conclusively presumed to have accepted the Plan, and the votes of Holders of such Claims and Interests shall not be solicited.

4. Presumed Rejection by Impaired Classes Not Receiving Any Distribution under the Plan

Classes 8 and ~~10~~9 are Impaired under the Plan, and Holders of Claims and Interests in such Classes will not receive or retain any property under the Plan on account of such Claims or Interests. Under section 1126(f) of the Bankruptcy Code, Holders of such Claims and Interests are conclusively presumed to have rejected the Plan, and the votes of Holders of such Claims and Interests shall not be solicited.

5. Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code

To the extent that any Impaired Class rejects the Plan or is deemed to have rejected the Plan, the Debtors shall request Confirmation of the Plan under section 1129(b) of the Bankruptcy Code. The Debtors, subject to the terms of the Plan, ~~the Plan Sponsorship Agreement,~~ the Stock Purchase Agreement, and the Restructuring Implementation Agreement, reserve the right to alter, amend, modify, revoke, or withdraw the Plan, the Plan Supplement, or any schedule or exhibit, including to amend or modify it to satisfy the requirements of section 1129(b) of the Bankruptcy Code, if necessary.

In connection with requesting Confirmation of the Plan under section 1129(b) of the Bankruptcy Code, the Debtors, with the consent of the ~~Plan Sponsor~~Purchaser, reserve the right to seek Confirmation of the Plan on a "per plan" basis (as opposed to a "per debtor" basis) consistent with In re Matter of Transwest Resort Properties, Inc., 881 F.3d 724 (9th Cir. 2018).

6. Elimination of Vacant Classes

Any Class that, as of the date of commencement of the Confirmation Hearing, does not contain any Allowed Claim or Interest, or any Claim temporarily allowed under Bankruptcy Rule 3018, shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan, and disregarded for purposes of determining whether the Plan satisfies section 1129(a)(8) of the Bankruptcy Code with respect to such Class.

7. Presumed Acceptance by Voting Classes in Which No Votes Are Cast

If a Class contains Claims eligible to vote and no Holder of a Claim eligible to vote in such Class votes to accept or reject the Plan, the Plan shall be presumed accepted by the Holders of such Claims in such Class.

8. Consolidation of Classes

To the extent permitted under section 1122 of the Bankruptcy Code, and subject to the terms of ~~the Plan Sponsorship Agreement,~~ the Stock Purchase Agreement, and the Restructuring Implementation Agreement, the Debtors reserve the right to consolidate one or more Classes of Claims, including for purposes of sections 1126, 1129(a)(8), 1129(a)(10) or 1129(~~a)(10~~b) of the Bankruptcy Code.

9. Separate Classes of Secured Claims

Although all Secured Claims have been placed in one Class for purposes of nomenclature within the Plan, each Secured Claim, to the extent secured by a Lien on Collateral different from the Collateral securing another Secured Claim, shall be treated as being in a separate sub-Class for the purposes of receiving Distributions.

VII. MEANS FOR IMPLEMENTATION OF THE PLAN

A. Plan Transactions

1. Stock Purchase Agreement Closing

On or prior to the Effective Date, and as a condition to the Effective Date, each of the actions, transactions, and deliveries described in the Stock Purchase Agreement shall occur ~~or~~and shall have occurred, including, without limitation, the actions, transactions, and deliveries described in section 2.4 of the Stock Purchase Agreement. ~~Specifically, upon the Effective Date, the Plan Funding Payment shall be allocated as follows: (a) first, to fund all Closing Date Plan Distributions required to be made to Holders of Allowed Secured Claims, Allowed Administrative Claims, and Allowed Priority Claims on or as soon as practicable after the Effective Date to the extent that such Distributions are not otherwise fully funded from the unrestricted Cash then available to SALIC and SHI; (b) second, to fund a professional fee reserve in an amount that the Debtors estimate in good faith, after consultation with the relevant Professionals, to be necessary to pay in full all amounts then owing or that may later become owing to such Professionals for professional fees and expenses incurred through the Effective Date (the "Professional Fee Reserve"); and (c) third, to fund a reserve in an amount estimated by the Debtors, after consultation with the Distribution Trustee and the Plan Sponsor, to be necessary to cover the costs of administration of the Distribution Trust (the "Trust Administration Reserve"). The portion of the Plan Funding Payment remaining after the Closing Date Plan Distributions, the Professional Fee Reserve and the Trust Administration Reserve each have been fully funded shall be placed into the Distribution Trust and distributed in accordance with the Distribution Trust Agreement.~~

2. Funding, Allocation and Use of Plan Funding Payment; Allocation and Use of Debtors' Unrestricted Cash

On the Effective Date, the Plan Funding Payment shall be funded by the Purchaser in accordance with the terms of the Stock Purchase Agreement and this Plan and allocated and used as follows (such waterfall, the "Allocation/Use Priorities"):

(1) First, to fund (a) all Closing Date Plan Distributions, (b) the Indenture Trustee Fees payable as set forth in section 4.1(d)(i), and (c) the Indenture Trustee Fee Reserve on account of the Pre-Effective Date Indenture Trustee Fee Estimate, to the extent such amounts in (a)-(c) are not fully funded from the unrestricted Cash of SALIC and SHI; provided however that such amounts shall be funded on or before the Effective Date from the unrestricted Cash of SALIC and SHI to the extent of such unrestricted Cash;

(2) Second, to fund the Professional Fee Reserve;

(3) Third, to fund the Trust Administration Reserve;

(4) Fourth, to fund the Disputed Claims Reserve to be maintained by the Distribution Trust;

(5) Fifth, to fund the Indenture Trustee Fee Reserve on account of the Post-Effective Date Indenture Trustee Fee Estimate;

(6) Sixth, to fund Distributions to the Holders of Allowed SHI General Unsecured Claims, Allowed SALIC General Unsecured Claims, Allowed SHI TruPS Claims (that make the Cash Election), Allowed SALIC TruPS Claims (that make the Cash Election), and Allowed SFL Note Claim (if the Cash Election is made or deemed to have been made) with such Distributions to be made on the DT Initial Distribution Date or DT Subsequent Distribution Dates, as applicable.

The Plan Funding Payment shall be adjusted downward by the TruPS Returned Cash on account of any amount of the Available Plan Funding Distribution Amount allocable to Allowed TruPS Claims that elect to receive the New Equity. For the avoidance of doubt, the Purchaser shall not fund the TruPS Returned Cash. Any portion of the Plan Funding Payment that is subsequently released from the Disputed Claims Reserve, the Professional Fee Reserve, the Trustee Administration Reserve, or the Indenture Trustee Fee Reserve on account of the Post-Effective Date Indenture Trustee Fee Estimate, shall be released by the Distribution Trustee pro rata to (x) the Purchaser on account of the TruPS Returned Cash and (y) Holders of Allowed SHI General Unsecured Claims, Allowed SALIC General Unsecured Claims, Allowed SHI TruPS Claims (that make the Cash Election), Allowed SALIC TruPS Claims (that make the Cash Election), and Allowed SFL Note Claim (if the Cash Election is made or deemed to have been made). Any portion of the Indenture Trustee Fee Reserve on account of the Pre-Effective Date Indenture Trustee Fee Estimate that has not been paid to satisfy Indenture Trustee Fees shall be returned to the Reorganized Debtors to the extent that such amount was funded with unrestricted cash. Except as stated in Section 6.1(b)(1) of the Plan, the unrestricted Cash of SALIC and SHI shall remain with the Reorganized Debtors.

3. Funding of Recapitalization Funding Payment

On the Effective Date, the Recapitalization Funding Payment shall be funded to Reorganized SALIC by the Purchaser in accordance with the terms of the Stock Purchase Agreement and the Plan. The Recapitalization Funding Payment shall not be used to make Distributions.

4. Cancellation of SHI Existing Equity Interests; Issuance of New SHI Equity

~~Additionally, on~~On the Effective Date, all SHI Existing Equity Interests shall be cancelled and ~~reissued as New SHI Equity to the Plan Sponsor,~~New SHI Equity shall be issued to the Purchaser or to another entity at the direction of the ~~Plan Sponsor in its sole discretion; provided that, unless otherwise specified by the Plan Sponsor, the~~ New SHI Equity ~~shall be issued to Reorganized SALIC. All property of the Debtors and their Estates shall vest~~

~~automatically in the Reorganized Debtors or the Distribution Trust as described in Section 6.2 of the Plan.~~Purchaser in its sole discretion. Unless the Purchaser determines otherwise in its sole discretion, the New SHI Equity shall be deemed immediately contributed by the Purchaser to Reorganized SALIC.

5. Final Share Surrender

On the Effective Date and immediately following the New SALIC Equity issuance to Purchaser, in accordance with the terms and conditions of the Restructuring Implementation Agreement, the Stock Purchase Agreement and the Plan, SRGL shall complete the Final Share Surrender (as defined in the Restructuring Implementation Agreement). For the avoidance of doubt, as a result of the Plan, SRGL as the holder of the SALIC Existing Equity Interests shall not receive or retain any property under the Plan on account of such SALIC Existing Equity Interests.

6. New Equity Issuance and Distribution

a. New Equity Issuance

On the Effective Date, without further act or action under Applicable Law (other than as required by Applicable Law of the Cayman Islands with respect to SRGL and SALIC and provided for in the Restructuring Implementation Agreement and the RIA Order), in accordance with the terms and conditions of the Stock Purchase Agreement, the Restructuring Implementation Agreement, the RIA Order and this Plan, the New Equity shall be issued and distributed by Reorganized SALIC or New Holdco, as applicable. Such New Equity shall be issued and distributed free and clear of all Liens, Claims and other Interests, except as expressly provided in this Plan.

On or before the deadline established by the Disclosure Statement Order for the filing of the Plan Supplement, the Purchaser shall File a notice stating whether the New Equity will be issued by Reorganized SALIC or New Holdco, which notice may be Filed as part of the Plan Supplement. Any recipient or subsequent holder of shares of New Equity shall be required to enter into the Stockholders Agreement, whether such recipient or holder acquires such shares as of the Effective Date or subsequent thereto. The New Corporate Governance Documents (including the Stockholders Agreement) will include certain restrictions on transfers of the New Equity, which shall be reasonably acceptable to the Purchaser in consultation with the Committee and the Debtors, and disclosed in the Plan Supplement.

The New Equity when issued or distributed as provided in the Plan, will be duly authorized, validly issued and, if applicable, fully paid and nonassessable. Each Distribution and issuance of such New Equity shall be governed by the terms and conditions set forth in the Plan applicable to such Distribution or issuance and by the terms and conditions of the instruments evidencing or relating to such Distribution or issuance, which terms and conditions shall bind each Person receiving such Distribution or issuance.

The Debtors, the Purchaser, the Indenture Trustees, the Committee, SRGL, the Voting Agent and each of their respective Representatives have, and upon Confirmation of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code and Applicable Law with regard to the distribution of the New Equity under the Plan, and therefore are not, and on account of such distributions will not be, liable at any time for the violation of any Applicable Law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan. Upon entry of the Confirmation Order, all provisions of the Plan addressing distribution of the New Equity shall be deemed necessary and proper.

b. Distribution of Offered New Equity

On the Effective Date as soon as practicable thereafter, the Offered New Equity shall be distributed to all New Equity Eligible Holders that make the New Equity Election.

On the Effective Date, all New Equity, other than the Offered New Equity that is distributed to New Equity Eligible Holders that make the New Equity Election, shall be distributed to the Purchaser.

Any shares of Offered New Equity that, as of the Effective Date, have not already been distributed to (or earmarked for distribution to) New Equity Eligible Holders or the Holder of the Allowed SFL Note Claim, shall be distributed to the Purchaser.

B. Vesting of ~~Assets in Reorganized Debtors~~Estate Property

On the Effective Date, all property of the Debtors and their Estates shall vest automatically in the Reorganized Debtors or the Distribution Trust as described in Section 6.2 of the Plan.

On the Effective Date, except as otherwise expressly provided in the Confirmation Order, the Distribution Trust Assets, the Available Plan Distribution Funding Amount and the Distribution Trust Reserve shall automatically vest in the Distribution Trust free and clear of all Claims, Liens and Interests (other than the Purchaser and Reorganized Debtors' respective reversionary interests in the Distribution Trust Reserves).

Except for the Distribution Trust Assets or as otherwise expressly provided in the Confirmation Order, pursuant to sections 1123(b)(3) and 1141(b)–(c) of the Bankruptcy Code, on the Effective Date, all of the property and assets of each Debtor shall automatically vest in the respective Reorganized Debtor, free and clear of all Claims, Liens and Interests. The Reorganized Debtors may operate their business and may use, acquire, and dispose of such property free of any restrictions of the Bankruptcy Code, the Bankruptcy Rules, and the Bankruptcy Court. As of the Effective Date, all such property of the Reorganized Debtors shall be free and clear of all Claims, Liens and Interests, except as specifically provided in the Confirmation Order, and the Reorganized Debtors shall receive the benefit of any and all

discharges and injunctions under the Plan.

C. The Distribution Trust

1. Execution of Distribution Trust Agreement

On or prior to the Effective Date, the Debtors shall execute the Distribution Trust Agreement, and shall take all other necessary steps to establish the Distribution Trust, which shall be for the payment of Allowed Administrative Claims, Allowed Priority Claims, and Allowed Secured Claims not satisfied by Closing Date Plan Distributions, and for the benefit of the Distribution Trust Beneficiaries. In the event of any conflict between the terms of Section 6.3(a) of the Plan and the terms of the Distribution Trust Agreement as such conflict relates to the establishment of the Distribution Trust, the terms of Section 6.3(a) of the Plan shall govern. The Distribution Trust Agreement may provide powers, duties, and authorities in addition to those explicitly stated herein, but only to the extent that such powers, duties~~,~~ and authorities do not affect the status of the Distribution Trust as a "liquidating trust" for United States federal income tax purposes. The Distribution Trust Agreement shall be Filed with the Plan Supplement.

2. Purpose of the Distribution Trust

The Distribution Trust shall be established for the sole purpose of liquidating and distributing the assets of the Debtors contributed to such Distribution Trust in accordance with Treas. Reg. § 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business.

3. Distribution Trust Assets and Other Property

The Distribution Trust shall consist of the Distribution Trust Assets, the Available Plan Distribution Funding Amount and the Distribution Trust Reserves. On the Effective Date, all of the Distribution Trust Assets. the Available Plan Distribution Funding Amount and the Distribution Trust Reserves shall transfer to and be vested in the Distribution Trust. All attorney-client privilege associated with the Retained Causes of Action remains with and vests in the Reorganized Debtors.

4. The Administration of the Distribution Trust and Authority and Powers of the Distribution Trustee

The Distribution Trust shall be administered by the Distribution Trustee pursuant to the Distribution Trust Agreement. The initial Distribution Trustee shall be ~~identified~~a Person selected by the Committee and reasonably acceptable to the Debtors and the Purchaser. The identity of the initial Distribution Trustee will be disclosed in the Plan Supplement, and any successor Distribution Trustee shall be appointed in the manner set forth in the Distribution Trust Agreement. In the event of any inconsistency between the Plan and the Distribution Trust

Agreement as such conflict relates to anything other than the establishment of the Distribution Trust, the ~~Distribution Trust Agreement~~Plan shall control. All compensation for the Distribution Trustee and other costs of administration for the Distribution Trust shall be paid from the ~~Distribution~~ Trust ~~Assets~~Administration Reserve in accordance with the Plan and the Distribution Trust Agreement. The Distribution Trustee shall be a representative of each Debtor's Estate in accordance with section 1123(b)(3)(B) of the Bankruptcy Code for the purposes of the DT Post-Closing Rights.

5. Mutual Cooperation

As the Reorganized Debtors or the Distribution Trustee may reasonably request, each shall use commercially reasonable efforts to cooperate with the other with respect to the implementation of the Plan (including, without limitation, the resolution of Disputed Claims, the determination of taxes and the preparation and filing of tax returns), with all reasonable out-of-pocket expenses incurred by the Reorganized Debtors in connection ~~therewith~~with a request by the Distribution Trustee being borne by the Distribution Trust; provided, however, that neither party shall be required to (i) provide information, records or employees or other personnel under circumstances which the providing party believes in its sole reasonable determination may waive privilege, confidentiality or a similar protection or expose it to material liability to any person or may prejudice any legal interest of the providing party, or (ii) take any action that in the providing party's reasonable determination unreasonably interferes with its business. For the avoidance of doubt, nothing herein is intended to limit the DT Post-Closing Rights of the Distribution Trust and the Distribution Trustee.

6. Establishment and Funding of Distribution Trust Reserves

On the Effective Date, the following Distribution Trust Reserves shall be established and funded from the Plan Funding Payment, each in accordance with the Allocation/Use Priorities:

(1) Disputed Claims Reserve. The Disputed Claims Reserve shall be established and funded with Cash (including an amount for the SFL Note Claim if the SFL Note Claim Allowance Conditions are not met as of the Effective Date) in an amount sufficient to cover pro rata distributions to each Disputed Claim that, as of the Effective Date, is neither an Allowed Claim nor a Disallowed Claim, and includes, without limitation, a Claim that is the subject of a timely objection or request for estimation with the Bankruptcy Court, which has not been withdrawn, settled or overruled by a Final Order; *provided, however,* that if the Disputed Claim is an Administrative Claim (other than a Professional Fee Claim), Priority Claim or Secured Claim, an amount sufficient to cover payment in full of the Face Amount of such Disputed Claim shall be funded to the Disputed Claims Reserve; *provided further,* that if any dispute arises regarding any increase or reduction of the Disputed Claims Reserve, the Distribution Trustee shall consult with the Purchaser and shall obtain approval of the Bankruptcy Court, which shall have jurisdiction and power to set the amount of the reserve applying the principals of section 502(c) of the Bankruptcy Code to estimate any Claim.

(2) Professional Fee Reserve. The Professional Fee Reserve shall be established and funded in an amount that the Debtors estimate in good faith, after consultation with the relevant Professionals, the Purchaser, and the Committee, to be necessary to pay in full all amounts then owing or that may later become owing to such Professionals for professional fees and expenses incurred through the Effective Date. For the avoidance of doubt, the estimated amount initially funded to the Professional Fee Reserve is not intended as and shall not be deemed to be a cap on the funds available to pay or satisfy Allowed Administrative Claims of Professionals for compensation or reimbursement of expenses. Following the Effective Date, the Distribution Trustee shall have the discretion to increase the Professional Fee Reserve as the Distribution Trustee deems necessary or appropriate to pay or satisfy Allowed Administrative Claims of Professionals for compensation or reimbursement of expenses.

For the avoidance of doubt, the KBW Reserved Funds will not be part of the Professional Fee Reserve. Subject to the Bankruptcy Court's entry of an Order approving its Contingent Fee (as defined in the KBW Retention Order), the KBW Reserved Funds shall be distributed directly to KBW. If a Final Order is entered denying KBW's final application for allowance and payment of compensation and reimbursement of expenses or reducing the amount otherwise payable to KBW to such a degree that KBW is not entitled to the KBW Reserved Funds, then the KBW Reserved Funds shall be disbursed to Reorganized SALIC

(3) Trust Administration Reserve. The Trust Administration Reserve shall be established and funded an amount, mutually agreed by the Debtors, the Committee, and the Purchaser, estimated in good faith to be necessary to cover the costs of administration of the Distribution Trust, including to (a) fund the reasonable fees and expenses of the Distribution Trustee and any employees, attorneys, accountants, financial advisors, consultants, other professional persons or independent contractors that the Distribution Trustee may engage to assist him, her or it in the discharge of the Distribution Trustee's duties under the Plan and the Distribution Trust Agreement, including, without limitation, fees and expenses related to prosecution and resolution of Causes of Action and objections to Claims; (b) fund premium payments for an errors and omissions insurance policy for the benefit of the Distribution Trust, the Distribution Trustee and the Distribution Trustee's agents and representatives, (c) meet contingent liabilities and to maintain the value of the Distribution Trust Assets during liquidation, (d) pay other reasonably incurred or anticipated expenses (including, without limitation, any taxes imposed on or payable by the Distribution Trust or in respect of the Distribution Trust Assets, including with respect to such assets as are allocable to Disputed Claims), and (e) satisfy other liabilities incurred or anticipated by such Distribution Trust in accordance with the Plan or Distribution Trust Agreement.

7. Establishment and Funding of the Indenture Trustee Fee Reserve

The Indenture Trustee Fee Reserve shall have two accounts for each of (a) the Pre-Effective Date Indenture Trustee Fee Estimate and (b) the Post-Effective Date Indenture

Trustee Fee Estimate. The Indenture Trustee Fee Reserve shall be established and funded, in the following manner:

(A) For the Pre-Effective Date Indenture Trustee Fee Estimate, first, from the unrestricted Cash available to SALIC and SHI, and to the extent not fully funded from the unrestricted Cash of SALIC and SHI, then from the Plan Funding Payment, in an amount that the Debtors estimate in good faith, after consultation with the Purchaser and the relevant TruPS Indenture Trustees, to be necessary to pay in full, but subject to the relevant Indenture Trustee Fee Caps, and

(B) For the Post-Effective Date Indenture Trustee Fees, from the Plan Funding Payment. For the avoidance of doubt, the Distribution Trustee shall be under no obligation to reserve any amount in the Indenture Trustee Fees Reserve on account of post-Effective Date Indenture Trustee Fees that may be incurred by the TruPS Indenture Trustees for the SHST II Debentures or the GPIC Debentures.

The Indenture Trustee Fee Reserve shall be held by the Distribution Trust and administered by the Distribution Trustee, but shall not constitute a Distribution Trust Reserve.

Any remaining funds in the Indenture Trustee Fee Reserve after payment and satisfaction of all Indenture Trustee Fees, shall be released in accordance with Section 6.1(b) of the Plan.

8. ~~6.~~ Cash Investments

The Distribution Trustee may invest Cash (including any earnings thereon or proceeds therefrom); *provided, however*, that such investments are investments permitted to be made by a "liquidating trust" within the meaning of Treas. Reg. § 301.7701-4(d), as reflected therein, or under applicable IRS guidelines, rulings or other controlling authorities.

9. ~~7.~~ Distributions to Holders of Claims and Distribution Trust Beneficiaries

The Distribution Trustee shall be responsible for making all ~~distributions~~Distributions to Holders of Allowed Claims required to be made on or after the Effective Date pursuant to the Plan~~.~~; *provided*, that the Reorganized Debtors or the Disbursing Agent (as applicable) shall make the Distributions to Holders of Allowed Claims on the Effective Date on behalf of the Distribution Trustee. The Distribution Trustee will make all distributions to Holders of Allowed Claims as required by this Plan at: (i) the address of any such Holder on the books and records of the Debtors or their agents; or (ii) at the address in any written notice of address change delivered to the Debtors or the Disbursing Agent, including any addresses included on any transfer of Claim filed pursuant to Bankruptcy Rule 3001.

10. DT Initial Distribution

~~After~~As soon as reasonably practicable after (i) funding of all Distribution Trust Reserves, (ii) the Indenture Trustee Reserve (as applicable) and (ii) payment in full (or reserving for payment in full) of all Allowed Administrative Claims, Allowed Priority Claims, and Allowed Secured Claims, ~~each as and when Allowed,~~ the Distribution Trustee shall distribute to the Holders of Allowed Claims in Classes 4, 5, ~~6,~~6 and 7 on account of their ~~Distribution Trust Interests all~~Allowed Claims their pro rata share of the Available ~~Cash (including the~~ Plan Distribution Funding ~~Payment (less Closing Date Plan Distributions) and treating any permissible investment as Cash for this purpose), less such amounts that may be reasonably necessary to (a) meet contingent liabilities and to maintain the value of the~~Amount and Distribution Trust Asset Proceeds, as applicable to Allowed Claims.

11. DT Subsequent Distribution

After completion of the DT Initial Distribution, the Distribution Trustee shall make the DT Subsequent Distribution(s) in a reasonably timely manner after Distribution Trust Assets ~~during liquidation, (b) pay reasonably incurred or anticipated expenses (including, without limitation, any taxes imposed on or payable by the Distribution Trust or in respect of the Distribution Trust Assets, including with respect to such assets as are allocable to Disputed Claims), or (c) satisfy other liabilities incurred or anticipated by such Distribution Trust in accordance with the Plan or Distribution Trust Agreement~~Proceeds become available. Such DT Subsequent Distributions shall be made no less frequently than every twelve (12) months; *provided, however,* that the Distribution Trustee shall not be required to make a Distribution pursuant to this Section 6.3(~~g~~h)(ii) of the Plan if the Distribution Trustee determines that the expense associated with making the Distribution would likely utilize a substantial portion of the amount to be distributed, thus making the Distribution impracticable.

~~**8. Distributions between the Debtors' Estates and the Estate of SRGL**~~

~~The Debtors, in consultation with the Committee and the Plan Sponsor, will agree with the Joint Liquidators on a mechanism that will insure that any distribution from the SRGL estate to the Distribution Trust in respect of the SALIC Claims will be distributed pro rata to all Holders of Allowed Claims in Classes 4, 5, 6, and 7 except SRGL in order to prevent an endless series of payments from the Distribution Trust to SRGL on account of SRGL's TruPS claim and from SRGL back to the Distribution Trust in respect of the SALIC Claims. The Debtors will disclose the mechanism prior to or as a part of the Plan Supplement. For the avoidance of doubt, nothing in Section 6.3(h) of the Plan is intended to or shall prejudice any rights of SRGL, the Debtors or any other Entity as to whether such a mechanism is necessary in connection with distributions to be made on account of SRGL's TruPS claims or what mechanism is appropriate.~~

~~**9. Treatment of TruPS Documents**~~

~~Nothing in the Plan is intended to impair, nor shall the Plan impair, the right of any indenture trustee or institutional trustee from recovering from Plan Distributions made on account of TruPS Claims any valid fees and expenses under the TruPS Documents.~~

~~[The TruPS Indentures shall continue in effect solely for the purposes of (a) allowing Holders of Claims to receive the treatment as provided herein; (b) preserving any rights of the TruPS Indenture Trustees to indemnification or contribution from Holders of the Debentures under the TruPS Indentures or any direction provided by Holders of the Debentures under any of the TruPS Indentures, each as applicable; (c) permitting each of the TruPS Indenture Trustees to maintain or assert any right or Charging Lien it may have against distributions pursuant to the terms of the TruPS Indentures to recover unpaid fees and expenses (including the fees and expenses of their respective counsel, agents, and advisors) of the TruPS Indenture Trustees; (d) enforcing any rights and remedies as between Holders of the Debentures thereunder or as between any Holder of the Debentures and the applicable TruPS Indenture Trustee; (e) the payment from the Distribution Trust of reasonable and documented fees and expenses incurred by the TruPS Indenture Trustees; and (f) preserving all rights and obligations of parties, other than against the Debtors or Reorganized Debtors.]~~

~~[On and after the Effective Date, all duties and responsibilities of the TruPS Indenture Trustees under the applicable TruPS Indentures shall be discharged except to the extent required in order to effectuate the Plan.]~~

~~[For the avoidance of doubt, nothing contained in the Plan or the Confirmation Order shall in any way limit or affect the standing of the TruPS Indenture Trustees to appear and be heard in the Chapter 11 Cases on and after the Effective Date.]~~

~~[For the avoidance of doubt, any and all rights of the TruPS Indenture Trustees reserved or preserved under the Plan are reserved and preserved as against the Holders of the Debentures or Distribution Trust, and not the Reorganized Debtors.]~~

12. ~~10.~~ Federal Income Tax Treatment of Distribution Trust

Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary (including the receipt of an adverse determination by the IRS upon audit if not contested by such Distribution Trustee), for all U.S. federal income tax purposes, all parties (including, without limitation, the Debtors, the Distribution Trustee and Distribution Trust Beneficiaries) shall treat the transfer of Distribution Trust Assets, the Available Plan Distribution Funding Amount and the Distribution Trust Reserves to the Distribution Trust as (1) a transfer of ~~Distribution Trust Assets~~property (subject to any and all Allowed Administrative Claims, Allowed Priority Claims, and Allowed Secured Claims to the extent not satisfied by the Debtors on or prior to the Effective Date, that are payable by the Distribution Trust pursuant to the Plan), followed by (2) the transfer by such beneficiaries to the Distribution Trust of Distribution Trust

Assets~~ in exchange for~~, the Available Plan Distribution Funding Amount and the Distribution Trust ~~Interests~~Reserves. Accordingly, except in the event of contrary definitive guidance, Distribution Trust Beneficiaries shall be treated for U.S. federal income tax purposes as the grantors and owners of their respective share of Distribution Trust Assets~~ (other than such~~, the Available Plan Distribution Funding Amount and the Distribution Trust ~~Assets as are~~Reserves (other than which is allocable to Disputed Claims). The foregoing treatment shall also apply, to the extent permitted by ~~applicable law~~Applicable Law, for state and local income tax purposes. For the avoidance of doubt, the term "party" as herein used shall not include the United States or any agency or department thereof, or any officer or employee thereof acting in such capacity. The Distribution Trustee shall not take any action inconsistent with the purposes of the Distribution Trust and the qualification of the Distribution Trust as a "liquidating trust" for U.S. federal income tax purposes.

13. ~~11.~~ Tax Reporting

The Distribution Trustee shall file tax returns for the Distribution Trust treating such Distribution Trust as a grantor trust pursuant to Treas. Reg. § 1.671-4(a) and in accordance with Section 6.3 of the Plan. The Distribution Trustee also shall annually send or otherwise provide to each Holder of the Distribution Trust Interest a separate statement regarding the receipts and expenditures of the Distribution Trust as relevant for U.S. federal income tax purposes.

Allocations of Distribution Trust taxable income among Distribution Trust Beneficiaries (other than taxable income allocable to any assets allocable to, or retained on account of, Disputed Claims, if such income is otherwise taxable at the Distribution Trust) shall be determined by reference to the manner in which an amount of Cash representing such taxable income would be distributed (were such Cash permitted to be distributed at such time) if, immediately prior to such deemed Distribution, the Distribution Trust had distributed all its assets (valued at their tax book value, other than, if applicable, assets allocable to Disputed Claims) to the Holders of Distribution Trust Interests, adjusted for prior taxable income and loss and taking into account all prior and concurrent Distributions from the Distribution Trust. Similarly, taxable loss of the Distribution Trust shall be allocated by reference to the manner in which an economic loss would be borne immediately after a hypothetical liquidating distribution of the remaining Distribution Trust Assets, Available Plan Distribution Funding Amount and Distribution Trust Reserves. The tax book value of the Distribution Trust Assets, Available Plan Distribution Funding Amount and Distribution Trust Reserves for purpose of this paragraph shall equal their fair market value on the date ~~Distribution Trust Assets~~such assets are transferred to the Distribution Trust, adjusted in accordance with tax accounting principles prescribed by the IRC, the applicable Treasury Regulations, and other applicable administrative and judicial authorities and pronouncements.

As soon as reasonably practicable after the Distribution Trust Assets, Available Plan Distribution Funding Amount and Distribution Trust Reserves are transferred to the Distribution Trust, the Distribution Trustee shall make a good faith valuation of Distribution

Trust Assets, Available Plan Distribution Funding Amount and Distribution Trust Reserves. Such valuation shall be made available from time to time to all parties to the Distribution Trust (including, without limitation, the Debtors (or, as the case may be, the Reorganized Debtors), and the Distribution Trust Beneficiaries), to the extent relevant to such parties for tax purposes, and shall be used consistently by such parties for all U.S. federal income tax purposes.

Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary (including the receipt by the Distribution Trustee of a private letter ruling if the Distribution Trustee so requests one, or the receipt of an adverse determination by the IRS upon audit if not contested by such Distribution Trustee), the Distribution Trustee (i) shall treat any Distribution Trust ~~Assets~~Reserves allocable to Disputed Claims as a "disputed ownership fund" governed by Treas. Reg. § 1.468B-9 (and make any necessary elections with respect thereto) and (ii) to the extent permitted by ~~applicable law~~Applicable Law, shall report consistently for state and local income tax purposes. All parties (including the Distribution Trustee, the Debtors and Distribution Trust Beneficiaries) shall report for U.S. federal, state and local income tax purposes consistently with the foregoing.

The Distribution Trustee shall be responsible for payment, out of the Distribution Trust Assets, Available Plan Distribution Funding Amount and Distribution Trust Reserves, of any taxes imposed on the Distribution Trust or its assets (including with respect to assets allocable to Disputed Claims).

The Distribution Trustee may request an expedited determination of taxes of the Distribution Trust, including any reserve for Disputed Claims, or of the Debtors as to whom the Distribution Trust was established, under section 505(b) of the Bankruptcy Code for all tax returns filed for, or on behalf of, such Distribution Trust or the Debtors for all taxable periods through the dissolution of such Distribution Trust.

14. ~~12.~~ Dissolution

The Distribution Trustee and Distribution Trust shall be discharged or dissolved, as the case may be, at such time as (i) all of the Distribution Trust Assets, Available Plan Distribution Funding Amount and Distribution Trust Reserves have been expended or distributed pursuant to the Plan and the Distribution Trust Agreement, (ii) the Distribution Trustee determines, in its sole discretion, that the administration of any remaining Distribution Trust Assets, Available Plan Distribution Funding Amount or Distribution Trust Reserves is not likely to yield sufficient additional Distribution Trust proceeds to justify further pursuit, or (iii) all Distributions required to be made by the Distribution Trustee under the Plan and the Distribution Trust Agreement have been made; provided, however, that in no event shall the Distribution Trust be dissolved later than three (3) years from the creation of such Distribution Trust pursuant to Section 6.3 of the Plan, unless the Bankruptcy Court, upon motion within the six-month period prior to the third (3rd) anniversary (or within the six-month period prior to the end of an extension period), determines that a fixed period extension (not to exceed three (3) years, together with any prior extensions, without a favorable private letter ruling from the IRS or an opinion of counsel in form and substance satisfactory to the Distribution Trustee that any further

extension would not adversely affect the status of the trust as the Distribution Trust for U.S. federal income tax purposes) is necessary to facilitate or complete the recovery and liquidation of the Distribution Trust Assets.

If at any time the Distribution Trustee determines, in reliance upon such professionals as the Distribution Trustee may retain, that the expense of administering the Distribution Trust so as to make a final Distribution to Distribution Trust Beneficiaries is likely to exceed the value of the assets remaining in such Distribution Trust, such Distribution Trustee may apply to the Bankruptcy Court for authority to (i) reserve any amount necessary to dissolve such Distribution Trust, (ii) donate any balance to a charitable organization (A) described in section 501(c)(3) of the IRC, (B) exempt from U.S. federal income tax under section 501(a) of the IRC, (C) not a "private foundation", as defined in section 509(a) of the IRC, and (D) that is unrelated to the Debtors, such Distribution Trust, and any insider of such Distribution Trustee, and (iii) dissolve such Distribution Trust.

D. The Reorganized Debtors

1. Continued Corporate Existence

Except as otherwise provided in the Plan, each of the Debtors, as Reorganized Debtors, shall continue to exist after the Effective Date as a corporate entity, with all of the powers of a corporation or limited company, as the case may be, under ~~applicable law~~Applicable Law in the jurisdiction in which such Debtor is incorporated or organized and pursuant to the New Corporate Governance Documents. After the Effective Date, the Reorganized Debtors may operate their business and use, acquire, and dispose of property without the supervision of the Bankruptcy Court, free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

The New Corporate Governance Documents shall be consistent with section 1123(a)(6) of the Bankruptcy Code, to the extent applicable, and in form and substance acceptable to the ~~Plan Sponsor~~Purchaser.

2. Directors and Officers of the Reorganized Debtors

The officers and the members of each board of directors of each of the Reorganized Debtors shall be selected and appointed in the sole discretion of the ~~Plan Sponsor~~Purchaser. To the extent required by section 1129(a)(5) of the Bankruptcy Code, the identity of such officers and members shall be disclosed prior to the Confirmation Hearing.

Except to the extent that a member of the board of directors of a Debtor continues to serve as a director of such Debtor following the Effective Date, the members of the board of directors of each Debtor prior to the Effective Date, in their capacities as such, shall have no continuing obligations to the Reorganized Debtors on or after the Effective Date and each such member will be deemed to have resigned or shall otherwise cease to be a director of the applicable Debtor on the Effective Date without any further action required on the part of any

such Debtor or member. Commencing on the Effective Date, each of the directors of each of the Reorganized Debtors shall serve pursuant to the terms of the applicable organizational documents of such Reorganized Debtor and may be replaced or removed in accordance with such organizational documents.

~~Subject~~Except as otherwise provided in the Stock Purchase Agreement with respect to the Employment Agreements (as defined therein), subject to the discretion of the Reorganized Debtors' boards of directors, the Reorganized Debtors shall enter into new employment agreements with key executives on a case-by-case basis.

3. Corporate Action

On the Effective Date, the adoption and filing of the New Corporate Governance Documents, the appointment of officers of the Reorganized Debtors, and all actions contemplated by the Plan will be authorized and approved in all respects pursuant to the Plan. On the Effective Date, pursuant to section 1142(b) of the Bankruptcy Code and section 303 of the Delaware General Corporation Law (to the extent applicable) and any comparable provision of other Applicable Law, the appropriate officers or directors of each Reorganized Debtor shall be authorized and directed to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated by the Plan with like effect as if exercised and taken by unanimous action of the directors and stockholders of each Debtor.

4. Effectuating Documents; Further Transactions

On the Effective Date or as soon as reasonably practicable thereafter, the Reorganized Debtors and/or the ~~Plan Sponsor~~Purchaser may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, or necessary or appropriate to effectuate the Plan, including: (1) the execution and delivery of appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution or liquidation to the extent consistent with the terms of the Plan and the Plan Documents; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any asset, property, right, liability, debt or obligation on terms consistent with the terms of the Plan and Plan Documents or having other terms to which the Debtors, the Reorganized Debtors, the ~~Plan Sponsor~~Purchaser, and other applicable parties may agree; (3) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion or dissolution pursuant to applicable state law; and (4) all other actions that the ~~Plan Sponsor~~Purchaser and any other applicable Entities determine to be necessary or appropriate, including making filings or recordings that may be required by ~~applicable law~~Applicable Law.

E. Retained Causes of Action

Except to the extent any Claim against an Entity is expressly waived, relinquished, exculpated, released, compromised or settled in the Plan or by a Final Order or is a Distribution Trust Asset, all ~~causes~~Causes of ~~action~~Action of the Debtors (the "Retained Causes

of Action") shall, in accordance with section 1123(b) of the Bankruptcy Code, vest in and be retained by the Reorganized Debtors~~, and the~~. The applicable Reorganized Debtors ~~shall retain and may enforce all rights to commence and pursue any and all retained causes of action, whether~~(with respect to the Retained Causes of Action and any Causes of Action arising ~~before or after the Petition Date~~,after the Petition Date), in accordance with section 1123(b) of the Bankruptcy Code, shall retain and may enforce, sue on, settle, or compromise (or decline to do any of the foregoing) all Claims, rights, Causes of Action, suits, and proceedings, whether in law or in equity, whether known or unknown, that they each may respectively hold against any Person without the approval of the Bankruptcy Court and the Reorganized Debtors' rights to commence, prosecute, or settle such ~~causes of action~~Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. For the avoidance of doubt, all Causes of Action against the SRGL Equity Holders shall not be Retained Causes of Action, and shall be transferred to and vest in the Distribution Trust. On the Effective Date, all Causes of Action that are Distribution Trust Assets shall, in accordance with Section 1123(b) of the Bankruptcy Code, vest in the Distribution Trust, and the Distribution Trust may enforce, sue on, settle, or compromise (or decline to do any of the foregoing) all such Claims, rights, Causes of Action, suits, and proceedings, whether in law or in equity, known or unknown, without approval of the Bankruptcy Court, and the Distribution Trust's rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date.

F. The Closing

The Closing as defined in the Stock Purchase Agreement shall be subject to the conditions in the Stock Purchase Agreement, including, without limitation, the conditions to closing set out in Article VII of the Stock Purchase Agreement and the actions and deliveries set out in section 2.4 of the Stock Purchase Agreement, unless waived in accordance with the Stock Purchase Agreement. The Closing shall occur simultaneously with the Effective Date of the Plan.

G. Cancellation of Agreements, Securities and Other Documents Relating to TruPS Transactions & SFL Note; Surrender of Instruments

Except for purposes of evidencing a right to a Distribution under the Plan or otherwise as provided in the Plan, the Confirmation Order or the Distribution Trust Agreement, on the Effective Date, the TruPS Indentures, the TruPS Debentures, the TruPS Declarations, the TruPS Sponsor Guarantees, the TruPS Parent Guarantees, all other TruPS Documents, the SFL Note and all corresponding documents issued in connection with such documents shall be deemed automatically cancelled, terminated and of no further force or effect, without further act or action under any applicable agreement, law, regulation, order, or rule and the obligations of the Debtors, the TruPS Indenture Trustees, and the TruPS Institutional Trustees, as applicable, thereunder shall be deemed terminated; *provided, however*, that TruPS Indentures and TruPS Declarations shall continue in effect only as follows: (1) for the TruPS Indenture Trustees and the TruPS Institutional Trustees to discharge any responsibilities they have under the Plan, the

Confirmation Order, the Distribution Trust Agreement, the TruPS Indentures, the TruPS Parent Guarantees, the TruPS Sponsor Guarantees and the TruPS Declarations in connection with Distributions to be made to be made to the Holders of the TruPS Debentures, the Beneficial Holders of TruPS and SRGL in accordance with the terms of the Plan (including Sections 4.3(a), and 4.3(c) thereof), the Confirmation Order, the Distribution Trust Agreement, the TruPS Indentures, the TruPS Declarations and, as to SRGL only, the Restructuring Implementation Agreement and RIA Order, it being understood that the TruPS Indentures, the TruPS Parent Guarantees, the TruPS Sponsor Guarantees and the TruPS Declarations shall continue in effect only so long as is necessary to permit such Distributions to be made; (2) to allow each TruPS Indenture Trustee and any predecessor trustee under any of the TruPS Indentures to exercise its Charging Lien for the payment of its fees and expenses incurred post-Closing and for indemnification as provided in the applicable TruPS Indentures; (3) to preserve any rights of the TruPS Indenture Trustees pursuant to any direction provided by Holders of the TruPS pursuant to the terms of the TruPS documents; and (4) solely with respect to the SFLST I TruPS Indenture, the SFLST I TruPS Debentures, the SFLST I Trust Declaration, the SFLST I TruPS Sponsor Guarantee, and any other SFLST I TruPS Documents (except the SFLST I TruPS Parent Guarantee), the foregoing SFLST I TruPS Documents shall not be deemed cancelled, terminated or of no force or effect as against SFL. For the avoidance of doubt, nothing in Section 6.7 of the Plan is intended to or shall extinguish or impair any liability or obligation of SFL under any SFLST I TruPS Document.

As a condition to receiving any Distribution, on or before the DT Initial Distribution Date, the Holder of a TruPS Claim evidenced by a Certificate, instrument, note or debenture shall (a) surrender such Certificate, instrument, note or debenture representing such Claim, including, without limitation, any guarantees, and (b) execute and deliver such other documents as may be necessary to effectuate the Plan. Notwithstanding the foregoing, to the extent, if any, that SRGL is a Holder of a TruPS Claim evidenced by a Certificate, instrument, note or debenture, SRGL shall be deemed to have surrendered such Certificate, instrument, note or debenture representing such Claim as of the Effective Date and shall not be subject to such condition. If the record holder of a Certificate, instrument, note or debenture is a Securities Depository or Custodian, and such Certificate, instrument, note or debenture is represented by a global security held by or on behalf of a Securities Depository or Custodian, then the beneficial holder of such Certificate, instrument, note or debenture shall be deemed to have surrendered such holder's Certificate, instrument, note, debenture or other evidence of indebtedness upon surrender of such global security by the Securities Depository or Custodian.

The Distribution Trustee shall have the right to withhold any Distribution to be made to or on behalf of Holder of a TruPS Claim evidenced by a Certificate, instrument, note or debenture that is required to be surrendered by the terms of this Plan but is not timely surrendered (or deemed surrendered) unless and until (a) such Certificates, instruments, notes or debentures, including any such guarantees, are surrendered, or (b) any relevant holder provides to the Distribution Trustee an affidavit of loss or such other documents as may be required by the Distribution Trustee together with an appropriate indemnity in the customary form. Any such holder who fails to surrender such Certificates, instruments, notes or debentures, including any

such guarantees, or otherwise fails to deliver an affidavit of loss and indemnity within three (3) months of the Effective Date, shall be deemed to have no further Claim against the Debtors, the Distribution Trust, their respective property or any TruPS Indenture Trustee or TruPS Institutional Trustee in respect of such Claim and shall not participate in any Distribution, and the Distribution that would otherwise have been made to such holder shall be distributed *pro-rata* to all Holders who held a Claim pursuant to the applicable TruPS Indenture and either (a) surrendered (or were deemed to surrender) the Certificate, instrument, note or debenture representing such Claim, including, without limitation, any guarantees or (b) satisfactorily provided the Distribution Trustee with an affidavit of loss or such other documents as may be required by the Distribution Trustee, together with an appropriate indemnity in the customary form.

H. ~~G.~~ Comprehensive Settlement of Claims and Controversies

Pursuant to sections 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good faith compromise of all Claims, Interests and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim may have with respect to any Allowed Claim, or any distribution to be made on account of such Allowed Claim, as well as the allocation of the Plan Funding Payment among the Debtors' Estates and Creditors. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Court that such compromise or settlement is in the best interests of the Debtors, their Estates, and Holders of Claims and Interests and is fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Court, after the Effective Date, the Reorganized Debtors or the Distribution Trustee, as applicable, may compromise and settle Claims against, and Interests in, the Debtors and their Estates and Causes of Action against other entities.

I. ~~H.~~ Disposition of Executory Contracts and Unexpired Leases

1. Assumption of Executory Contracts

Except as may be otherwise set forth in the Plan, all Executory Contracts not identified on the Rejection Schedule (or previously assumed or rejected by a Debtor) shall be deemed assumed on the Effective Date. Entry of the Confirmation Order shall constitute approval of such assumptions under sections 365 and 1123 of the Bankruptcy Code.

For the avoidance of doubt, unless otherwise agreed by the Debtors and the Purchaser in accordance with the Stock Purchase Agreement, all Reinsurance Contracts (including SRUS Retrocession Agreements, Third-Party Reinsurance Agreements, Trust

Agreements) and all Reserve Financing Contracts will be assumed by SALIC upon the Effective Date.

2. Rejection of Executory Contracts

On the Effective Date, all Executory Contracts identified on the ~~Assumption~~Rejection Schedule shall be deemed ~~assumed by the applicable Reorganized Debtor. The Assumption~~rejected. The Rejection Schedule shall be filed with, and as a part of, the Plan Supplement, and may be amended by the ~~Plan Sponsor~~Purchaser (i) to remove any Executory Contract no later than the Effective Date, and (ii) to add any Executory Contract, with the consent of such counterparty, no later than the Effective Date. Entry of the Confirmation Order shall constitute approval of the ~~assumption~~rejection of such Executory Contracts ~~under sections 365 and 1123 of the Bankruptcy Code.~~

~~For the avoidance of doubt, unless otherwise expressly provided in the Plan, the Plan Supplement or the Confirmation Order, all SRUS Retrocession Agreements, Third Party Reinsurance Agreements, Trust Agreements, and any and all other reinsurance treaties and trust agreements shall be deemed assumed by SALIC.~~

~~2. Rejection of Executory Contracts~~Except as may be otherwise set forth in the Plan, all Executory Contracts not identified on the Assumption Schedule (or previously assumed or rejected by a Debtor) shall be deemed ~~rejected~~ on the Effective Date. Entry of the Confirmation Order shall constitute approval of such ~~rejections~~ under sections 365 and 1123 of the Bankruptcy Code.

3. Procedures Related to Assumption of Executory Contracts

a. Establishment of Cure Amounts

The Cure Amounts associated with the assumption of the Executory Contracts pursuant to Section 8.1 of the Plan are specified in the Assumption Schedule (as may be amended), and each such amount shall conclusively be deemed to be the full and total monetary and nonmonetary performance, if any, required to be rendered in order to assume such Executory Contract pursuant to section 365(b)(1) of the Bankruptcy Code, unless the counterparty to an Executory Contract identified on the Assumption Schedule Files and serves a timely Contract Objection consistent with the procedures in Section 8.3(b) of the Plan. If a Contract Objection is timely Filed and served in accordance with such procedures, the Cure Amount for such Executory Contract shall be the amount agreed to among the objecting counterparty and the Debtors, with the consent of the ~~Plan Sponsor~~Purchaser, or as determined by Final Order of the Bankruptcy Court.

b. Counterparty Objections

Any counterparty to an Executory Contract identified on the Assumption Schedule that objects to assumption of such Executory Contract must File an objection (a "Contract Objection") within [~~_____~~]twenty-one (21) days (the "Contract Objection Deadline") of the Assumption Schedule being Filed with the Bankruptcy Court. A Contract Objection must, at a minimum: (i) identify all bases for the objection, including, without limitation, by specifying whether and on what bases the counterparty objects to (a) the Cure Amount specified in the Assumption Schedule, and (b) the provision of adequate assurance of future performance under the Executory Contract; (ii) if objecting to the Cure Amount, identify with specificity the Cure Amount the counterparty believes is required, and include all appropriate documentation in support thereof; and (iii) if objecting to the provision of adequate assurance of future performance under the Executory Contract, identify with specificity what the counterparty believes is necessary to provide adequate assurance of future performance under the Executory Contract.

The ~~Plan Sponsor~~Purchaser shall be a party in interest with respect to, and shall have the right to examine, respond to, and contest, any Contract Objection.

If an objection concerning an Executory Contract listed on the Assumption Schedule pertaining solely to the Cure Amount has not been resolved by the Bankruptcy Court by the Effective Date, such Executory Contract may, in the Reorganized Debtors' discretion (and with the consent of the ~~Plan Sponsor~~Purchaser), be deemed assumed by the Reorganized Debtors effective as of the Effective Date; provided, however, the Reorganized Debtors may revoke an assumption of any such Executory Contract within fourteen (14) days after entry of an order by the Bankruptcy Court adjudicating the Contract Objection for such Executory Contract by Filing a notice of such revocation with the Bankruptcy Court and serving a copy on the counterparty(ies) to such Executory Contract. Any Executory Contract identified in a revocation notice shall be deemed rejected retroactively as of the Effective Date.

c. Effect of Failure to Timely File a Contract Objection

Unless a Contract Objection is timely Filed and served by the counterparty to an Executory Contract by the Contract Objection Deadline, such counterparty shall be: (i) deemed to have waived and released any right to assert an objection to the Cure Amount and to have otherwise consented to the assumption of such Executory Contract; (ii) forever barred from objecting to the assumption of such Executory Contract or the failure of the ~~Plan Sponsor~~Purchaser or the Reorganized Debtors to provide adequate assurance of future performance; and (iii) forever barred and estopped from asserting or claiming any Cure Amount, other than the Cure Amount listed on the Assumption Schedule.

d. Payment of Cure Amounts

Within thirty (30) days after the Effective Date, the Reorganized Debtors shall pay, in Cash (or as otherwise agreed or ordered by the Bankruptcy Court), all Cure Amounts related to Executory Contracts listed on the Assumption Schedule that are assumed pursuant to Section 8.3 of the Plan, other than Cure Amounts that are subject to a Contract Objection pending on the Effective Date; provided, that subject to the revocation rights described in Section 8.3(b) of the Plan, the Reorganized Debtors shall pay all Cure Amounts that are subject to a Contract Objection on the Effective Date within fourteen (14) days after entry of an order by the Bankruptcy Court resolving the objection or approving an agreement between the parties concerning the Cure Amount. For the avoidance of doubt, funding of Cure Amounts shall be subject to sections 2.2(b), 2.3(f) and 2.4(e) of the Stock Purchase Agreement; in particular, the amount contributed by the ~~Plan Sponsor~~Purchaser for payment of the Cure Amounts shall not exceed $100,000 and the Recapitalization Funding Payment shall be used by the Reorganized Debtors to pay any amounts in respect of the Cure Amounts in excess of $100,000.

e. No Admission of Liability

Neither the inclusion nor exclusion of any Executory Contract by the Debtors on the Assumption Schedule, nor anything contained in the Plan, shall constitute an admission by the Debtors that any such contract or lease is in fact an Executory Contract or that the Debtors, the Reorganized Debtors, the ~~Plan Sponsor~~Purchaser or Distribution Trust has any liability thereunder.

f. Reservation of Rights

Nothing in the Plan shall waive, excuse, limit, diminish, or otherwise alter any of the defenses, claims, causes of action, or other rights of the Debtors, the Reorganized Debtors or Distribution Trust under any executory or non-executory contract or any unexpired or expired lease, nor shall any provision of the Plan increase, augment, or add to any of the duties, obligations, responsibilities, or liabilities of the Debtors or the Reorganized Debtors under any such contract or lease.

g. Rejection Claim Bar Date

Each Claim resulting from the rejection of an Executory Contract pursuant to Section 8.2 of the Plan shall be Filed with the Bankruptcy Court no later than the Rejection Claim Bar Date; provided, however, any party whose Executory Contract is rejected pursuant to a revocation notice pursuant to Section 8.3(b) of the Plan may file a rejection damage Claim arising out of such rejection within thirty (30) days after the Filing of the revocation notice with the Bankruptcy Court. Any Claim resulting from the rejection of an Executory Contract not Filed by the applicable deadline shall be discharged and forever barred, and shall not be entitled to any Distributions under the Plan. The Distribution Trustee shall have the right to object to any rejection damage Claim. All rejection damage Claims shall be treated in Class 5 or 7, respectively, and shall be paid out of the Distribution Trust.

h. Continuing Obligations Owed to the Debtors

Any continuing obligations of third parties to the Debtors under insurance policies, contracts, or leases that have otherwise ceased to be executory or have otherwise expired on or prior to the Effective Date, including, without limitation, continuing obligations to pay insured claims, to defend against and process claims, to refund premiums or overpayments, to provide indemnification, contribution or reimbursement, to grant rights of first refusal, to maintain confidentiality, or to honor releases, will continue and will be binding on such third parties, notwithstanding any provision to the contrary in the Plan, unless otherwise specifically terminated by the Debtors or the Reorganized Debtors, or by order of the Bankruptcy Court.

To the extent any insurance policy under which the insurer has a continuing obligation to pay the Debtors or a third party on behalf of the Debtors is held by the Bankruptcy Court to be an Executory Contract, such insurance policy will be treated as though it is an Executory Contract that is assumed by the Reorganized Debtors pursuant to section 365 of the Bankruptcy Code and Sections 8.1 and 8.3 of the Plan.

i. Postpetition Contracts

The Debtors will not be required to assume or reject any contract or lease entered into by the Debtors after the Petition Date. Any such contract or lease will continue in effect in accordance with its terms after the Effective Date, unless the Reorganized Debtors have obtained a Final Order of the Bankruptcy Court approving rejection of such contract or lease. Contracts or leases entered into after the Petition Date will be performed by the Reorganized Debtors in the ordinary course of their business.

J. ~~I.~~ Provisions ~~Governing~~for Claims Resolution & Distributions

1. ~~Distributions for Allowed Claims~~Right to Object to Claims

The Distribution Trustee shall have the authority, but not the obligation, to object to, litigate, and settle, the amount, priority or the extent of any Administrative Claim, Secured Claim, Priority Claim, SHI General Unsecured Claim, SALIC General Unsecured Claim, SFL Claim (if not settled before the Effective Date) or Subordinated Claim (including, with respect to any other of the foregoing, to argue that such Claim constitutes a Subordinated Claim). Notwithstanding anything to the contrary herein, subject to the terms and conditions set forth in the Distribution Trust Agreement, and notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, except insofar as a Claim is Allowed under the Plan on and after the Effective Date, the Distribution Trustee shall have the authority, but not the obligation, to: (1) file, withdraw or litigate to judgment objections to and requests for estimation of Claims; (2) settle or compromise any Disputed Claim without any further notice to or action, order or approval by the Bankruptcy Court; and (3) administer and adjust the Claims register to reflect

any such settlements or compromises without any further notice to or action, order or approval by the Bankruptcy Court. The Distribution Trustee shall succeed to any pending objections to Claims filed by the Debtors prior to the Effective Date, and, at the Distribution Trustee's election, any other pending objections to Claims filed by any other party, and shall have and retain any and all rights and defenses the Debtors had immediately prior to the Effective Date with respect to any Disputed Claim, including pursuant to the DT Post-Closing Rights. The Reorganized Debtors shall provide commercially reasonable assistance and cooperation to the Distribution Trustee in connection with the Distribution Trustee's prosecution of objections to Claims, including, without limitation, access to the books and records of the Debtors or the Reorganized Debtors (as the case may be) and other information reasonably requested by the Distribution Trustee to enable the Distribution Trustee to perform its obligations under the Distribution Trust Agreement, including pursuant to the DT Post-Closing Rights.

2. Deadline for Objecting to Claims

Objections to Claims must be Filed with the Bankruptcy Court, and a copy of the objection must be served on the subject Creditor, before the expiration of the Claims Objection Deadline (unless such period is further extended by subsequent orders of the Bankruptcy Court); otherwise such Claims shall be deemed Allowed in accordance with section 502 of the Bankruptcy Code. The objection shall notify the Creditor of the deadline for responding to such objection.

3. Deadline for Responding to Claim Objections

Within twenty-one (21) days after service of an objection, or such other date as is indicated on such objection or the accompanying notice thereof, the Creditor whose Claim was objected to must File a written response to the objection with the Bankruptcy Court and serve a copy on the Distribution Trustee. Failure to file a written response within such time period shall constitute a waiver and release of that portion of the subject Claim that was subject to the objection, and shall constitute cause for the Bankruptcy Court to enter a default judgment against the non-responding Creditor or grant the relief requested in the Claim objection.

4. Right to Request Estimation of Claims

Pursuant to section 502(c) of the Bankruptcy Code, the Debtors, the Reorganized Debtors, and the Distribution Trustee may request estimation or liquidation of any Disputed Claim that is contingent or unliquidated or any Disputed Claim arising from a right to an equitable remedy or breach of performance.

5. Distributions for Allowed Claims

a. In General

~~Except as otherwise provided by the Plan, after the Effective Date~~Other than Closing Date Plan Distributions and initial distributions of New Equity to New Equity Eligible

Holders that make the New Equity Election, the Distribution Trustee shall make all Distributions required to be made under the Plan ~~shall be made by the Distribution Trustee~~, including Distributions from the Distribution Trust. Each Creditor or Holder receiving any Distribution from the Distribution Trust shall be deemed to have ratified and become bound by the terms and conditions of the Distribution Trust Agreement.

b. Distributions on Allowed Claims Only~~; Distributions Only from Distribution Trust~~

Distributions from the Distribution Trust shall be made only to the Holders of Allowed Claims. Until a Disputed Claim becomes an Allowed Claim, the Holder of that Disputed Claim shall not receive a Distribution. Other than as specifically set forth in section 6.1(b)(i) of the Plan, Allowed Claims shall not be entitled to Distributions from any source other than the Plan Funding Payment or the Distribution Trust.

c. ~~Place and Manner of Payments~~Method of Distributions

Use of Distribution Agent. The Reorganized Debtors with respect to Closing Date Plan Distributions and initial Distributions of Offered New Equity and the Distribution Trustee with respect to Distributions from the Distribution Trust shall have the authority, in their respective sole discretion, to enter into agreements with a third-party Distribution Agent to facilitate the Distributions required hereunder. For the avoidance of doubt, Prime Clerk, LLC, which was previously engaged to serve as the Debtors' Voting Agent, is an acceptable choice to serve as the Distribution Agent and shall be engaged as the shared Distribution Agent in the event that Reorganized Debtors and Distribution Trustee both want to use the services of a Distribution Agent and cannot agree to an alternate choice. The Distribution Trustee shall be authorized, but not directed, to pay to any third-party Distribution Agent all reasonable and documented fees and expenses of such Distribution Agent without the need for any approvals, authorizations, actions, or consents. The Distribution Agent shall be authorized, but not directed, to submit detailed invoices to the Debtors or the Reorganized Debtors, as applicable, for all fees and expenses for which the Distribution Agent seeks reimbursement and the Distribution Trustee shall pay those amounts from the Trust Administration Reserve that it, in its sole discretion, deems reasonable, and shall object in writing to those fees and expenses, if any, that the Distribution Trustee deems to be unreasonable. In the event that the Distribution Trustee objects to all or any portion of the amounts requested to be reimbursed in a Distribution Agent's invoice, the Distribution Trustee and such Distribution Agent shall endeavor, in good faith, to reach mutual agreement on the amount of the appropriate payment of such disputed fees or expenses. In the event that the Distribution Trustee and a Distribution Agent are unable to resolve any differences regarding disputed fees or expenses, either party shall be authorized to move to have such dispute heard by the Bankruptcy Court.

Cash Distributions. Except as otherwise specified in the Plan~~, Distributions from Available Cash~~ or the Distribution Trust Agreement (with respect to Distributions other than

Closing Date Plan Distributions), any Distribution of Cash made by the Reorganized Debtors as a Closing Date Plan Distribution or made by the Distribution Trustee from the Available Plan Funding Distribution Amount shall be made by mailing such Distribution to the Creditor or Holder, as applicable, at the address listed in any Proof of Claim filed by ~~the Creditor~~such Entity or at such other address as such ~~Creditor~~Entity shall have specified for payment purposes in a written notice received by the Reorganized Debtors or Distribution Trustee, as applicable, at least twenty-one (21) days before a Distribution Date. If a Creditor or Holder has not filed a Proof of Claim or sent the Distribution Trustee a written notice of payment address, then the Distribution(s) for such ~~Creditor~~Entity will be mailed to the address identified in the Schedules. ~~The Distribution Trustee shall distribute any Cash~~Notwithstanding the foregoing, any Cash may be distributed by wire, check, or such other method as ~~it deems~~the Distribution Trustee or Reorganized Debtors, as applicable, deem appropriate under the circumstances. Any Cash Distribution to be made to SRGL under the Plan shall be made by wire transfer unless otherwise agreed by SRGL.

Offered New Equity Distributions. On or as soon as practicable after the Effective Date, the Reorganized Debtors shall distribute to the New Equity Eligible Holders that have made the New Equity Election a Distribution of each such holder's TruPS Claims Equity Distribution Amount.

Tax Information Required for Distributions. Before receiving any Distributions, all Creditors and Holders, at the request of the Reorganized Debtors or Distribution Trustee, as applicable, must provide written notification of their respective Federal Tax Identification Numbers or Social Security Numbers to the ~~Distribution Trustee~~requesting Entity; otherwise, the Reorganized Debtors or Distribution Trustee, as applicable, may suspend Distributions to any Creditors or Holders who have not provided their Federal Tax Identification Numbers or Social Security Numbers.

d. Undeliverable Distributions

If a Distribution ~~made from Available Cash to any Creditor~~ is returned as undeliverable, the Distribution Trustee shall use reasonable efforts to determine such Creditor's or Holder's then current address. If the Distribution Trustee cannot determine, or is not notified of, a Creditor's or Holder's then current address within six (6) months after the Effective Date, the Distribution reserved for such Creditor or Holder shall be deemed an unclaimed Distribution, and Section 7.5(e) of the Plan shall be applicable thereto.

e. Unclaimed Distributions

If the current address for a Creditor or Holder entitled to a Distribution ~~from Available Cash~~(whether in the form of Cash or Offered New Equity) under the Plan has not been determined within six (6) months after the Effective Date or such ~~Creditor~~Entity has otherwise not been located, or if ~~a Creditor~~such Entity has not submitted a valid Federal Tax Identification Number or Social Security Number to the Distribution Trustee within six (6) months after the Effective Date, then such Creditor or Holder, as applicable, (i) shall no longer be a Creditor or

Holder and (ii) shall be deemed to have released such Claim and Interest, if any. If such Unclaimed Distribution consists of Cash, then the Cash shall remain property of the Distribution Trust and be used or distributed in accordance with the terms of this Plan and the Distribution Trust Agreement. If such Unclaimed Distribution consists of New Equity, then such New Equity shall not be issued to the forfeiting Claim Holder and shall instead be issued to the Purchaser.

f. Taxes; Withholding

In connection with the Plan, any party issuing any instrument or making any Distribution described in the Plan shall comply with all applicable withholding and reporting requirements imposed by any federal, state, or local taxing authority, and all Distributions and all related agreements shall be subject to any such withholding or reporting requirements. Notwithstanding the foregoing, each Holder of an Allowed Claim or any other Person that receives a Distribution shall have responsibility for any taxes imposed by any Governmental Unit, including, without limitation, income, withholding, and other taxes, on account of such Distribution. Any party issuing any instrument or making any Distribution has the right, but not the obligation, to not make a Distribution until such Holder has made arrangements satisfactory to such issuing or disbursing party for payment of any such tax obligations. The Distribution Trustee, in the exercise of its sole discretion and judgment, may enter into agreements with taxing or other authorities for the payment of such amounts that may be withheld in accordance with the provisions of this section. Any party entitled to receive any property as an issuance or Distribution under the Plan shall, upon request, by the Debtors or Distribution Trustee, as applicable, provide an appropriate Form W-9 or (if the payee is a foreign Person, as applicable) Form W-8. If such request is made and such party fails to comply before the date that is 180 days after the request is made, the amount of such Distribution shall irrevocably revert to the Distribution Trust, and any Claim in respect of such Distribution shall be discharged and forever barred from assertion against the Debtors, the Reorganized Debtors, the Distribution Trust and their respective property.

6. Claims Paid or Payable by Third Parties

a. Claims Paid by Third Parties

To the extent a Holder has received a Distribution on account of a Claim and also receives payment from a party that is not a Debtor or the Distribution Trustee on account of such Claim, such Holder shall, within 30 calendar days of receipt thereof, repay and/or return the Distribution to the Distribution Trustee to the extent the recipient-Holder's total recovery on account of such Claim from the third party and under this Plan exceeds the amount of the Holder's Allowed Claim as of the date of any such distribution under this Plan.

Any such Claim shall be expunged from the official claims register without a claims objection having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court, to the extent that the Holder receives payment in full on account of such Claim; *provided, however,* that to the extent the non-Debtor party making the payment is subrogated to such Holder's Claim, the non-Debtor party shall have a 30-calendar-day grace

period to notify the Distribution Trustee of such subrogation rights and, if they are valid and enforceable, the expungement will be reversed to the extent of such subrogation rights.

b. Claims Payable by Third Parties

To the extent that one or more of the Debtors' insurers agrees to satisfy a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, such Claim may be expunged on the official claims register (in each case to the extent of any agreed-upon satisfaction) by the Clerk of Court or Distribution Trustee, as applicable, without a claims objection having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

7. Foreign Currency Exchange Rate

As of the Effective Date, any Claim asserted in a currency other than U.S. dollars shall be automatically deemed converted to the equivalent U.S. dollar value using the exchange rate on the Petition Date, as quoted at 4:00 p.m., mid-range spot rate of exchange for the applicable currency as published in The Wall Street Journal, Eastern Edition, on the day after the Petition Date.

8. Setoff

Except as otherwise provided in this Plan, the Restructuring Implementation Agreement, the RIA Order or another Final Order of the Bankruptcy Court, (a) nothing contained in this Plan shall constitute a waiver or release by the Debtors, the Reorganized Debtors, the Distribution Trustee or the Distribution Trust of any right of setoff or recoupment that any of the foregoing Entities may have against any Entity, and (b) to the extent permitted by Applicable Law, the Distribution Trustee or Reorganized Debtors, as applicable, may setoff or recoup (but shall not be required to do so) against any Claim (and any Interest) and the payments or other Distributions to be made under the Plan in respect of such Claim (or Interest), claims of any nature whatsoever that the Debtors may have against the Holder of such Claim or Interest.

9. De Minimis Distributions

If any interim Distribution under the Plan to the holder of an Allowed Claim or Interest would be less than $100.00 or a fractional number of Offered New Equity, the Distribution Trustee or Reorganized Debtors, as applicable, may withhold such Distribution until the next Subsequent Distribution Date or the date of a final Distribution, as applicable, is made to such Holder. If any final Distribution under the Plan to the holder of an Allowed Claim or Interest would be less than $25.00 or a fractional number of Offered New Equity, then such Distribution may be canceled in its entirety. Any unclaimed Distributions pursuant to Section 7.9 shall be treated as an Unclaimed Distribution under Section 7.5(e) of the Plan.

10. Fractional Shares

No fractional shares or number of the Offered New Equity shall be issued or distributed under the Plan. The actual Distribution of shares or number of the Offered New Equity shall be rounded to the next higher or lower whole number as follows: (i) fractions less than one-half (½) shall be rounded to the next lower whole number and (ii) fractions equal to or greater than one-half (½) shall be rounded to the next higher whole number. The total amount of shares or number of Offered New Equity to be distributed hereunder shall be adjusted as necessary to account for such rounding. No consideration shall be provided in lieu of fractional shares or numbers that are rounded down.

11. No Interest

Other than as provided by section 506(b) of the Bankruptcy Code or as specifically provided for in the Plan, the Confirmation Order, or another Final Order of the Bankruptcy Court, postpetition interest shall not accrue or be paid on Claims and no Holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim or right. Additionally, and without limiting the foregoing, interest shall not accrue or be paid on any Claim or Disputed Claim with respect to the period from and after the Effective Date; provided, however, that nothing in this Section 7.11 shall limit any rights of any governmental unit (as defined in section 101(27) of the Bankruptcy Code) to interest under sections 503, 506(b), 1129(a)(9)(A), or 1129(a)(9)(C) of the Bankruptcy Code or as otherwise provided for under Applicable Law.

12. Special Distribution Provisions for TruPS Claims

a. Service of TruPS Indenture Trustees; In General

Except with respect to SRGL Exclusively Held TruPS Claims, Distributions on account of the TruPS Claims shall be made by the Distribution Trustee to (i) the applicable TruPS Indenture Trustee or (ii) with the prior written consent of such TruPS Indenture Trustee, through the facilities of a Securities Depository or Custodian, by means of book-entry exchange through the facilities of a Securities Depository or Custodian in accordance with the customary practices of such Securities Depository or Custodian, as applicable. If a Distribution is made to the TruPS Indenture Trustee, the TruPS Indenture Trustee, in its capacity as a disbursing agent, shall administer the Distributions in accordance with the terms of this Plan, the relevant TruPS Indenture, the relevant TruPS Declaration and any other applicable TruPS Documents.

b. Distributions Relating to SRGL Exclusively Held TruPS

Distributions on account of the SRGL Exclusively Held TruPS Claims shall be made by the Distribution Trustee directly to SRGL in accordance with the Netting Protocol. The

Debtors, in consultation with the Committee and the Purchaser, will use reasonable best efforts to agree with the Joint Liquidators on a mechanism (such mechanism, the "Netting Protocol") that will, first, provide for SRGL to receive its Distribution on the SRGL Exclusively Held TruPS Claims; second, allow the Joint Liquidators to establish applicable reserves; and third, ensure that any distribution from the SRGL estate to the Distribution Trust in respect of the SALIC Claims will be distributed pro rata to all Holders of Allowed Claims in Classes 4, 5, 6 and 7, except for SRGL, in order to prevent an endless series of payments from the Distribution Trust to SRGL on account of the SRGL TruPS Claims and from SRGL back to the Distribution Trust in respect of the SALIC Claims. Any subsequent distributions made on the SALIC Claims shall also follow the Netting Protocol. The Debtors will disclose the proposed Netting Protocol on or before the date fixed for the filing of the Plan Supplement. For the avoidance of doubt, nothing in this Section 7.6(b) is intended to or shall prejudice any rights of SRGL, the Debtors, the Distribution Trustee or any other Entity as to whether such a Netting Protocol is necessary in connection with Distributions to be made on account of the SRGL TruPS Claims or what Netting Protocol is appropriate. Notwithstanding anything to the contrary in this Section 7.5(g)(ii) or in any Netting Protocol, the Cayman Islands Court shall retain subject matter jurisdiction and authority over all matters in the SRGL Winding Up Proceeding, including, but not limited to, any matters relating to reserves to be established by the Joint Liquidators and the timing of distributions to be made to claim holders in connection with the SRGL Winding Up Proceeding.

13. ~~2.~~ Additional ~~Procedures~~ Procedures Regarding Distributions from the Distribution Trust

~~Procedures~~Additional procedures regarding Distributions from the Distribution Trust to Holders of Allowed Claims shall be governed by the Distribution Trust Agreement.

14. ~~3.~~ Allocation of Distributions between Principal and Interest

Except as otherwise provided in the Plan, to the extent that any Claim entitled to a Distribution under the Plan is comprised of indebtedness and accrued but unpaid interest thereon, such Distribution shall be allocated first to the principal amount (as determined for U.S. federal income tax purposes) of the Claim ~~first~~, and then to accrued but unpaid interest.

~~J. Provisions for Resolving Contingent, Unliquidated or Disputed Claims~~

~~1. Right to Object to Claims~~

~~The Distribution Trustee shall have the authority, but not the obligation, to object to, litigate, and settle, the amount, priority or the extent of any Administrative Claim, Secured Claim, Priority Claim, SHI TruPS Claim, SHI General Unsecured Claim, SALIC TruPS Claim, SALIC General Unsecured Claim, or Subordinated Claim (including, with respect to any other of the foregoing, to argue that such Claim constitutes a Subordinated Claim). Notwithstanding anything to the contrary herein, subject to the terms and conditions set forth in the Distribution Trust Agreement, and notwithstanding any requirements that may be imposed pursuant to~~

~~Bankruptcy Rule 9019, except insofar as a Claim is Allowed under the Plan on and after the Effective Date, the Distribution Trustee shall have the authority, but not the obligation, to: (1) file, withdraw or litigate to judgment objections to and requests for estimation of Claims; (2) settle or compromise any Disputed Claim without any further notice to or action, order or approval by the Bankruptcy Court; and (3) administer and adjust the Claims register to reflect any such settlements or compromises without any further notice to or action, order or approval by the Bankruptcy Court. The Distribution Trustee shall succeed to any pending objections to Claims filed by the Debtors prior to the Effective Date, and, at the Distribution Trustee's election, any other pending objections to Claims filed by any other party, and shall have and retain any and all rights and defenses the Debtors had immediately prior to the Effective Date with respect to any Disputed Claim, including pursuant to the DT Post-Closing Rights. The Reorganized Debtors shall provide commercially reasonable assistance and cooperation to the Distribution Trustee in connection with the Distribution Trustee's prosecution of objections to Claims, including, without limitation, access to the books and records of the Debtors or the Reorganized Debtors (as the case may be) and other information reasonably requested by the Distribution Trustee to enable the Distribution Trustee to perform its obligations under the Distribution Trust Agreement, including pursuant to the DT Post-Closing Rights.~~

~~2. Deadline for Objecting to Claims~~

~~Objections by any Person to any prepetition Claims must be Filed with the Bankruptcy Court, and a copy of the objection must be served on the subject Creditor, before the expiration of the Claims Objection Deadline (unless such period is further extended by subsequent orders of the Bankruptcy Court); otherwise such Claims shall be deemed Allowed in accordance with section 502 of the Bankruptcy Code. The objection shall notify the Creditor of the deadline for responding to such objection.~~

~~3. Deadline for Responding to Claim Objections~~

~~Within twenty-one (21) days after service of an objection, or such other date as is indicated on such objection or the accompanying notice thereof, the Creditor whose Claim was objected to must File a written response to the objection with the Bankruptcy Court and serve a copy on the Distribution Trustee. Failure to file a written response within such time period shall constitute a waiver and release of that portion of the subject Claim that was subject to the objection, and shall constitute cause for the Bankruptcy Court to enter a default judgment against the non-responding Creditor or grant the relief requested in the Claim objection.~~

~~4. Right to Request Estimation of Claims~~

~~Pursuant to section 502(c) of the Bankruptcy Code, the Debtors, the Reorganized Debtors, and the Distribution Trustee may request estimation or liquidation of any Disputed Claim that is contingent or unliquidated or any Disputed Claim arising from a right to an equitable remedy or breach of performance~~

15. Manner of Making New Equity or Cash Election

The Plan affords New Equity Eligible Holders the opportunity to make the New Equity Election or the Cash Election. Each New Equity Eligible Beneficial Holder must elect to take its entire Distribution (other than for its applicable percentage of the Distribution Trust Assets Proceeds) either exclusively in the form of Offered New Equity (by making the New Equity Election) or exclusively in the form of Cash (by making the Cash Election). Notwithstanding the foregoing, the Holder of the Allowed SFL Note Claim, if the SFL Note Clam Allowance Conditions have been satisfied, shall be entitled to: (a) apply its Allowed SFL Note Claim amount entirely to the New Equity Election; (b) apply its Allowed SFL Note Claim amount entirely to the Cash Election; or (c) allocate its Allowed SFL Note Claim Amount between the New Equity Election and the Cash Election.

A New Equity Election will be recognized as valid only if the electing New Equity Eligible Holder checks the box for the "New Equity Election" on its Ballot and such Ballot is otherwise properly completed and timely received by the Voting Agent in accordance with the requirements of the Disclosure Statement Order. Any New Equity election that is not properly made as set forth herein shall be disregarded and such New Equity Eligible Holder shall be deemed to have made the Cash Election. Except as otherwise agreed in writing by (a) if prior to the Effective Date, by the Debtors, the Committee and the Purchaser or (b) if on or after the Effective Date, the Distribution Trustee and the Reorganized Debtors, all New Equity Elections and Cash Elections (including any deemed Cash Elections) will be final and irrevocable after the Voting Deadline.

K. Settlement, Discharge, Release, Injunction and Related Provisions

1. Compromise and Settlement of Claims, Interests, and Controversies

Pursuant to sections 105(a), 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the Distributions and other benefits provided pursuant to the Plan, which Distributions and other benefits shall be irrevocable and not subject to challenge upon the Effective Date, the provisions of the Plan, and the Distributions and other benefits provided hereunder, shall constitute a good-faith compromise and settlement of all Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim or Interest may have with respect to any Allowed Claim or Interest, or any Distribution to be made on account of such Allowed Claim or Interest. Without limiting the foregoing, the Plan incorporates and is predicated upon the good-faith compromise and settlement of (i) any disputes regarding the appropriate allocation of general and administrative costs across the Debtors' assets, (ii) any disputes regarding the allocation of the Plan Funding Payment and any other value received by the Debtors under the Stock Purchase Agreement between the Debtors' Estates, and (iii) any disputes regarding whether and, if so, to what extent the Debtors' assets and liabilities should be pooled for voting, distribution and other purposes into a single, substantively consolidated estate.

The Debtors acknowledge that litigation over these matters likely would be expensive and protracted, thereby jeopardizing the Debtors' ability to successfully reorganize and substantially reducing any prospect of meaningful distributions for the Debtors' Creditors. Further, the Debtors acknowledge the existence of colorable arguments that could be made by parties in interest to support differing positions with respect to the foregoing matters. Although such arguments each have various factual and legal strengths and weaknesses, the timing and outcome of any attempt to litigate such disputes is not free from doubt.

By way of example, allocating asset value between the Debtors' Estates is a complex and difficult task that, in the absence of the proposed settlements embodied in the Plan, would put the Debtors' reorganization at risk. On the one hand, arguments exist that significant value from the restructuring transactions should be allocated to SHI's estate because SHI is the direct holder of 100% of the Interests in SRUS, a Delaware chartered reinsurance company. On the other hand, arguments exist that the existing Interests in SRUS have value only because of the existence of SALIC and the retrocession arrangements that exist between SALIC and SRUS.

As discussed in Section III.C.2.b. hereof, SALIC is a Cayman Islands chartered reinsurance company to which SRUS has retroceded a significant portion of its reinsurance obligations pursuant to the SRUS Retrocession Agreements. Because SRUS, as retrocedent, has retroceded a portion of its reinsurance liabilities to SALIC, as retrocessionaire, pursuant to the SRUS Retrocession Agreements, SRUS's capital and reserve requirements are materially less than they would otherwise be. Although SALIC in turn must hold capital and reserves in respect of the business it assumes from SRUS, the amount of capital held by SALIC under its jurisdictional requirements is less than would be required to be held at SRUS under SRUS's jurisdictional requirements. As such, were SRUS to not have the benefit of the SRUS Reinsurance Agreements with SALIC, SRUS would be required to hold substantially more capital than it currently holds, which requirement could cause the insolvency of SRUS. Additional historical benefits of this arrangement between SALIC and SRUS include favorable tax treatment and increased investment latitude at SALIC. SALIC, therefore, contributes in important, value-maximizing ways to Scottish Re's overall business. Given the financial setbacks that Scottish Re has experienced in recent years, it is far from clear that SRUS, as a stand-alone Delaware chartered reinsurer, would be viable as a going concern without the ability to continue its retrocession relationship with SALIC.

Assuming that SALIC contributes value to the overall Scottish Re enterprise through its performance under the SRUS Retrocession Agreements and other means, the extent of that contribution is not readily quantifiable. Without SALIC, SRUS—and by extension SHI—might have little or no value and become subject to adverse regulatory action. On the other hand, it is conceivable that SHI might have independent value to a transaction partner that already has the offshore reinsurance platform in place to supplant SALIC in the role it currently occupies.

After due deliberation and consideration of various alternatives for implementing Distributions to Holders of Allowed Claims under the Plan, the Debtors have determined in the

exercise of their sound business judgment that it would be prohibitively difficult and expensive to attempt an allocation of the Plan Funding Payment and other available assets between the Debtors' Estates. Taking into account the time constraints under which these Chapter 11 Cases are being conducted, the relatively small amount of funds relative to the size of the overall pools of Claims subject to compromise under the Plan and the aforementioned expense and difficulty of attempting an allocation of distributable value between the Debtors' Estates, the Debtors propose the following Plan settlement as in the best interests of their respective Estates, Creditors and other parties in interest:

- For purposes of voting on and confirmation of the Plan, the Debtors' Chapter 11 Cases and Estates shall be deemed entirely separate, with each Debtor continuing to have separate classes of Claims and Interests, consisting of only Claims against or Interests in, as applicable, that specific Debtor. For the avoidance of doubt, pursuant to Section 5.8 of the Plan, each Debtor does reserve the right to collapse separate classes of Claims against that particular Debtor, and the Debtors reserve the right to seek Confirmation on a "per plan" basis as set out in Section 5.5 of the Plan.

- For purposes of Distribution under the Plan, Holders of Allowed SHI TruPS Claims (Class 4), Allowed SHI General Unsecured Claims (Class 5), Allowed SALIC TruPS Claims (Class 6) and Allowed SALIC General Unsecured Claims (Class 7), in full and final satisfaction, discharge and release of such Claims, will receive Distribution Trust ~~Interests~~Assets on a ratable basis without regard to whether such Claims originated against SHI or SALIC. As such, eventual Distributions of the Distribution Trust Assets or proceeds thereof likewise will not take into account whether a given Distribution Trust ~~Interest~~Asset was received on account of an Allowed Claim against SHI or SALIC.

- Under this settlement construct, any guarantees by SALIC of the payment, performance or collection of obligations of SHI (e.g., any TruPS Parent Guarantees provided by SALIC) shall not be disregarded and shall be treated as separate obligations of SALIC that give rise to separate and distinct Claims against SALIC. For the avoidance of doubt, under the terms of the Plan, the Holders of such Claims are entitled only to receive Distribution Trust ~~Interests~~Assets and, from and after the Effective Date, shall have no rights or claims against the Reorganized Debtors or their respective property or interests in property.

- For the avoidance of doubt, the Plan provides that Intercompany Claims shall not receive a Distribution of Distribution Trust ~~Interests~~Assets and shall not otherwise be entitled to any of the Distribution Trust Assets. Instead, Intercompany Claims shall be paid, adjusted, continued, settled,

reinstated, discharged, eliminated, or otherwise managed, in each case to the extent determined to be appropriate by the applicable Debtor(s) or Reorganized Debtor(s) and certain of their non-debtor Affiliates.

The Plan shall be deemed a motion to approve the good-faith compromise and settlement of all such Claims, Interests, and controversies pursuant to Bankruptcy Rule 9019, and the entry of the Confirmation Order shall constitute the Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Court that such compromise or settlement is in the best interests of the Debtors, their Estates, and Holders of Claims and Interests and is fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Court, after the Effective Date, the Distribution Trustee may compromise and settle Claims against, and Interests in, the Debtors and their Estates and Causes of Action against other Entities.

Under section 1123(b)(3)(A) of the Bankruptcy Code and Rule 9019 of the Bankruptcy Rules, a settlement should be approved if it represents a reasonable compromise that is in the collective best interests of all constituencies in light of the risks of continued litigation. The settlement need not afford the best possible recovery to any particular constituency, but instead need only represent a recovery that falls within a reasonable range of litigation possibilities. The Debtors believe that the foregoing settlement, which does not allow either SALIC or SHI Creditors to receive all that they would like to receive, falls within a reasonable range of litigation outcomes and is in the collective best interest of all stakeholders in light of the costs, delay, and risks of litigation.

2. Releases by the Debtors in Favor of Third Parties

As of the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, the Debtors, the Reorganized Debtors, and any Person or Entity seeking to exercise the rights of the Estates, including, without limitation the Distribution Trust, the Distribution Trustee, any successor to the Debtors or any Estate representative appointed or selected pursuant to section 1123(b)(3) of the Bankruptcy Code, hereby forever release, waive and discharge, and shall be deemed to forever release, waive, and discharge each of the Released Parties from any and all Claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities whatsoever, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, at equity, or otherwise, that are based in whole or in part on any act, omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the conduct of the Debtors' business, ~~the Reorganized Debtors,~~ the Chapter 11 Cases, the Disclosure Statement, the Plan, or other documents implementing the Plan, provided, however, that nothing in Section 10.2 of the Plan shall be deemed to release, or otherwise to prohibit the Reorganized Debtors or the Distribution

Trustee from asserting and enforcing, any Claims, obligations, suits, judgments, demands, debts, rights, causes of action, or liabilities any of them may hold related to, or arising out of, the Plan, the DT Post-Closing Rights, the SALIC Claims, the Retained Causes of Action (solely as to the Reorganized Debtors), Causes of Action that are Distribution Trust Assets (solely as to the Distribution Trustee), the Stock Purchase Agreement, the Restructuring Implementation Agreement, ~~the Plan Sponsorship Agreement,~~ the Distribution Trust Agreement, and the other documents implementing the Plan, provided, further, that nothing in Section 10.2 of the Plan (i) shall be deemed to release, or otherwise to prohibit the Reorganized Debtors or the Distribution Trustee, or anyone claiming through them from enforcing any confidentiality or non-disclosure agreement or any Claim, right or cause of action related thereto, (ii) shall be deemed to release, impair, or otherwise affect any parties' rights or interests under any Executory Contract or Unexpired Lease that is assumed by the Reorganized Debtors, and all such rights and interests shall be unaffected by the Plan and Section 10.2 (subject, however, to the effects of Section 8.3(a), (c), and (h) of the Plan); ~~or~~ (iii) shall be deemed to release any Intercompany Claims; (iv) shall be deemed to release any Causes of Action specifically identified in the Plan as Distribution Trust Assets; or (v) shall be deemed to release any Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct, actual fraud, or gross negligence as determined by a Final Order; or (vi) shall be deemed to release any Person's rights under the Plan.

Entry of the Confirmation Order shall constitute the Court's approval, pursuant to Bankruptcy Rule 9019, of the Releases by the Debtors described in this Article VI.H.2, which includes by reference each of the related provisions and definitions contained herein, and, further, shall constitute the Court's finding that such releases are: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims released by such releases; (3) in the best interests of the Debtors and all holders of Claims and Interests; (4) fair, equitable and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Debtors, the Estates or the Distribution Trust asserting any Claim or Cause of Action released pursuant to such releases.

3. Releases by Holders of Claims and Interests

In furtherance of the release provisions of the Plan, **to the fullest extent permitted by law and except as otherwise specifically provided in the Plan, for good and valuable consideration, including the contributions of the Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, effective as of the Effective Date, (i) Holders of Claims who vote to accept the Plan, (ii) Holders of Claims who are Unimpaired under the Plan, (iii) Holders of Claims entitled to vote on the Plan who do not submit a ballot and do not timely object to or opt-out of the releases, and (iv) each of the ~~Plan Sponsor~~Purchaser, the Joint Liquidators, SRGL, and for each of the foregoing, their respective Representatives (other than with respect to SRGL and the SRGL Equity Holders), hereby release, waive and discharge, and shall be deemed to forever release, waive, and discharge the Released**

Parties of any and all Claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities whatsoever in connection with or related to the Debtors, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, at equity, or otherwise, including those that any of the Debtors, the Reorganized Debtors, the Estates, or their Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Interest or other Entity based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the conduct of the Debtors' business, the Chapter 11 Cases, the Disclosure Statement, the Plan or the documents implementing the Plan, and the negotiation, formulation, or preparation thereof, the solicitation of votes with respect to the Plan, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any of the Debtors and any Released Party, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, or upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct, actual fraud, or gross negligence as determined by a Final Order.

Each Person or Entity providing releases under the Plan, including the Debtors, the Estates, and the Holders of Claims (regardless of whether such Holder is a Released Party), shall be deemed to have granted the releases set forth above notwithstanding that such Person or Entity may hereafter discover facts in addition to, or different from, those which it now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and such Person or Entity expressly waives any and all rights that it may have under any statute or common law principle which would limit the effect of such releases to those Claims or Causes of Action actually known or suspected to exist at the time of execution of such release.

Under the Plan, the "Released Parties" means each of: (a) the Debtors; (b) the Reorganized Debtors; (c) the Official Committee (including the current and former Official Committee members in their capacities as such); (d) the Purchaser; (e) the Stalking Horse; (f) the Joint Liquidators; (g) SRGL; (h) the Voting Agent; and (i) for each of the foregoing, all of their respective Representatives; *provided, however*, that "Released Parties" specifically excludes the SRGL Equity Holders, and their respective Representatives, in their capacity as such.

Entry of the Confirmation Order shall constitute the Court's approval, pursuant to Bankruptcy Rule 9019, of the Releases by Holders of Claims and Interests described in this Article VI.H.3, which includes by reference each of the related provisions and definitions contained herein, and, further, shall constitute the Court's finding that such releases are: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims released by such releases; (3) in the best interests

of the Debtors and all Holders of Claims and Interests; (4) fair, equitable and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Releasing Parties asserting any Claim or Cause of cation released pursuant to such releases.

4. Discharge and Discharge Injunction

a. Discharge of Claims

On and after the Effective Date: (~~i~~a) the rights afforded in the Plan and the treatment of all Claims and Interests shall be in exchange for and in complete satisfaction, discharge, and release of all Claims and Interests of any nature whatsoever, including any interest accrued on such Claims from and after the Petition Date, against the Debtors, the Reorganized Debtors or any of their assets, property, or estate; (~~ii~~b) the Plan shall bind all Holders of Claims and Interests, notwithstanding whether any such Holders failed to vote to accept or reject the Plan or voted to reject the Plan; (~~iii~~c) all Claims and Interests shall be satisfied, discharged, and released, and the Debtors' and Reorganized Debtors' liability with respect thereto shall be extinguished completely, including any liability of the kind specified under Bankruptcy Code section 502(g); and (~~iv~~d) all entities shall be precluded from asserting against the Debtors, the Reorganized Debtors, the Estates, the Distribution Trust, the Distribution Trustee their successors and assigns, and their assets and properties any other Claims or Interests based upon any documents, instruments, or any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date, provided, however, that the foregoing discharge ~~shall not apply to the Retained Causes of Action and~~ shall not apply to ability of Holders of Allowed Claims to recover from the Distribution Trust on account of such Allowed Claims and/or ~~Distribution Trust~~ Interests, all in accordance with the terms of the Plan and Distribution Trust Agreement.

b. Discharge and Plan Injunctions

Except as provided in the Plan, to the fullest extent permitted by law, or the Confirmation Order, as of the Effective Date, all Persons that have held, currently hold, may hold, or allege that they hold, a Claim, Interest, or other debt or liability that is satisfied, released and discharged pursuant to the terms of the Plan are permanently enjoined from taking any of the following actions against the Debtors, the Reorganized Debtors, the Distribution Trust, the Distribution Trustee and their respective subsidiaries or their property on account of any such discharged Claims, debts, liabilities or rights: (i) commencing or continuing, in any manner or in any place, any action or other proceeding; (ii) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order; (iii) creating, perfecting, or enforcing any Lien or encumbrance; (iv) asserting a setoff, right of subrogation, or recoupment of any kind against any debt, liability, or obligation due to the Debtors or the Reorganized Debtors; or (v) commencing or continuing any action or other proceeding of any kind, in each such case in any manner,

in any place, or against any Person that does not comply with or is inconsistent with the provisions of the Plan.

Except as provided in the Plan or the Confirmation Order, as of the Effective Date, all Persons that have held, currently hold, or may hold, a Claim, Interest, obligation, suit, judgment, damage, demand, debt, right, cause of action, or liability that is released pursuant to Article X of the Plan are permanently enjoined from taking any of the following actions on account of such released Claims, Interests, obligations, suits, judgments, damages, demands, debts, rights, causes of action, or liabilities or rights: (i) commencing or continuing, in any manner or in any place, any action or other proceeding; (ii) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order; (iii) creating, perfecting, or enforcing any Lien or encumbrance; (iv) asserting a setoff against any debt, liability, or obligation due to any Released Party; or (v) commencing or continuing any action, in any manner, in any place, or against any Person or Entity that does not comply with or is inconsistent with the provisions of the Plan.

Without limiting the effect of the foregoing provisions of Section 10.4 of the Plan upon any Person or Entity, by accepting distributions pursuant to the Plan, each Holder of an Allowed Claim shall be deemed to have specifically consented to the injunctions set forth in Section 10.4 of the Plan.

5. Exculpation

The Plan contains standard exculpation provisions applicable to the key parties in interest with respect to their conduct in the Chapter 11 Cases. Specifically, the Plan provides that, **to the fullest extent permitted by law and except as otherwise specifically provided in the Plan, each of the Exculpated Parties will not have or incur any liability for any act or omission in connection with, or arising out of, the formulation, negotiation, preparation, dissemination, implementation or pursuit of approval of the Plan, the Disclosure Statement, the Restructuring Implementation Agreement, the Stock Purchase Agreement, ~~the Plan Sponsorship Agreement,~~ the Plan Supplement or any documents, instruments or agreements implementing or related to the foregoing, or the solicitation of votes for or Confirmation of the Plan, or the consummation of the Plan, the Restructuring Implementation Agreement, the Stock Purchase Agreement, ~~the Plan Sponsorship Agreement,~~ the Plan Supplement, or the transactions contemplated, implemented and effectuated thereby or the administration of the Plan or the property to be distributed under the Plan, or any other act or omission during the administration of the Debtors' Estates or in contemplation of the Chapter 11 Cases, except for willful misconduct, actual fraud or gross negligence as determined by a Final Order, and in all respects, will be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan~~; provided, however, that the foregoing exculpation shall not apply to the Retained Causes of Action~~.**

The exculpations contained in the Plan are appropriate and are standard in a Chapter 11 Cases. The exculpations are appropriately limited in scope, applying only to acts and omissions occurring after the Petition Date and in connection with the Chapter 11 Cases or the Plan and conferring only a qualified immunity by excluding acts or omissions which are the result of fraud, gross negligence or willful misconduct. Moreover, these exculpations have, in the Debtors' view, been earned. The beneficiaries of the exculpations have made significant contributions to the Debtors' reorganization, which contributions have allowed for the formulation of the Plan which resolves many complicated issues between the Debtors and other interested parties and which, in the Debtors' view, provides for the best possible recoveries for Claims against the Debtors. In the Debtors' view, the beneficiaries of the exculpations would not have contributed as they did without the prospect of the limited immunity reflected in the exculpations. The Debtors are also unaware of any valid Causes of Action against any of the beneficiaries of the exculpations. In view of the foregoing, the exculpations are appropriate and in the best interests of the Estates.

6. Post-Effective Date Indemnification

The Plan provides that Indemnification Obligations of the Debtors that are owed to ~~directors, officers, agents and employees of the Debtors (or the Estates) who served or were employed by the Debtors at any time after the Petition Date and prior to the Effective Date~~Indemnified D&O Parties will be deemed to be, and will be treated as though they are, Executory Contracts that are assumed by the Reorganized Debtors pursuant to section 365 of the Bankruptcy Code, and such Indemnification Obligations shall not be discharged or otherwise impaired by Confirmation of the Plan.

From and after the ~~Effective~~Closing Date, to the extent permitted by ~~applicable law~~Applicable Law, the certificate of incorporation, certificate of formation, bylaws or limited liability company operating agreement (or similar organizational documents) of each SALIC Group Company shall continue to contain provisions no less favorable with respect to indemnification, advancement of expenses and exculpation of each ~~present and former director and officer of each of the SALIC Group Companies (collectively, the "~~Indemnified D&O ~~Parties")~~Party than are set forth in the organizational documents of the SALIC Group Companies as of the ~~Petition Date~~date hereof, which provisions shall not be amended, repealed or otherwise modified for a period of six (6) years after the ~~Effective~~Closing Date in any manner that would adversely affect the rights thereunder of any such individual.

For a period of six (6) years from and after the ~~Effective~~Closing Date, to the extent that the Indemnified D&O Parties are not otherwise covered as ~~beneficiaries~~insureds under an existing policy of directors' and officers' liability insurance in accordance with the requirements set forth in ~~section~~Section 5.8(b) of the Stock Purchase Agreement, ~~the Plan Sponsor~~Purchaser shall cause the SALIC Group Companies to maintain in effect policies of directors' and officers' liability insurance comparable to those maintained by the SALIC Group Companies or SRGL with respect to matters existing or occurring at or prior to the ~~Effective~~Closing Date; provided, that ~~Plan Sponsor~~Purchaser or the SALIC Group Companies may substitute therefor policies of

at least the same coverage containing terms and conditions that are not less advantageous than the existing policies (including with respect to the period covered); provided, further, that in lieu of maintaining the current policies of directors' and officers' liability insurance, ~~the Plan Sponsor~~Purchaser may (or may cause the SALIC Group Companies to) purchase "tail" coverage or otherwise replace such policies with coverage with a scope, policy limits and retained coverage not less favorable than the scope, policy limits and retained coverage currently provided. Notwithstanding the foregoing, at Purchaser's direction and in satisfaction of Purchaser's obligations under Section 5.8(b) of the Stock Purchase Agreement, SALIC shall obtain such "tail" coverage in respect of SALIC's existing policy of directors' and officers' liability insurance identified in Section 3.15 of the SALIC Disclosure Schedules (Policy No. ELU154535-18) on terms acceptable to Purchaser, to be effective as of the Closing Date, provided that the cost of such coverage shall be funded from unrestricted Cash.

L. Conditions Precedent to Confirmation of the Plan and Occurrence of the Effective Date

1. Conditions to Confirmation

The Confirmation Order will not be effective unless the final version of the Plan, Plan Supplement, and any other documents, or schedules thereto, including the ~~Filed~~filed Confirmation Order, shall have been filed in form and substance acceptable to the ~~Plan Sponsor~~Purchaser in its reasonable discretion, and the Restructuring Implementation Agreement shall not have been terminated and shall be in full force and effect.

2. Conditions to Effectiveness

Unless the following conditions (except with respect to the Distribution Trust Agreement and the Restructuring Implementation Agreement) are waived by the ~~Plan Sponsor~~Purchaser, the Plan will not be effective unless: (a) the conditions to Confirmation above have either been satisfied, or (except with respect to the Restructuring Implementation Agreement) waived by the ~~Plan Sponsor~~Purchaser; (b) the Confirmation Order has been entered by the Bankruptcy Court, is not subject to appeal, and no stay or injunction is in effect with respect thereto; (c) the Closing shall have occurred or shall occur simultaneously with the Effective Date; (d) the ~~Plan Sponsor~~Purchaser shall acquire the New ~~SALIC~~ Equity ~~and~~(subject to the New ~~SHI~~ Equity Election), directly or indirectly, free and clear of all Liens, Claims, and Interests and in accordance with the Plan; (e) the Distribution Trust Agreement shall have been executed by all parties thereto; ~~and~~ (f) the Restructuring Implementation Agreement shall not have been terminated and shall be in full force and effect; and (g) the Purchaser shall have demonstrated to the reasonable satisfaction of the Debtors and the Committee that all actions have occurred or will occur on or before the Effective Date necessary to fund the Plan Funding Payment to the Distribution Trust and the Recapitalization Funding Payment to Reorganized SALIC, each as provided in the Plan and the Stock Purchase Agreement; and (h) all governmental, judicial, and third party approvals and consents that are required in connection with the transactions contemplated by the Plan shall have been obtained, not subject to unfulfilled conditions, and shall be in full force and effect.

M. Modification, Revocation or Withdrawal of the Plan

The Plan may be amended, modified, or supplemented by the Debtors, subject to the terms of the ~~Plan Sponsorship Agreement, the~~ Stock Purchase Agreement~~,~~ and the Restructuring Implementation Agreement, in the manner provided for by section 1127 of the Bankruptcy Code or as otherwise permitted by law, without additional disclosure pursuant to section 1125 of the Bankruptcy Code, except as otherwise ordered by the Bankruptcy Court. In addition, after the Confirmation Date, so long as such action does not materially and adversely affect the treatment of Holders of Allowed Claims pursuant to the Plan, the Debtors, subject to the terms of~~ the Plan Sponsorship Agreement,~~ the Stock Purchase Agreement~~,~~ and the Restructuring Implementation Agreement, may remedy any defect or omission or reconcile any inconsistencies in the Plan or the Confirmation Order with respect to such matters as may be necessary to carry out the purposes or effects of the Plan, and any Holder of a Claim that has accepted the Plan shall be deemed to have accepted the Plan as amended, modified, or supplemented. Subject to the terms of~~ the Plan Sponsorship Agreement,~~ the Stock Purchase Agreement~~,~~ and the Restructuring Implementation Agreement, prior to the Effective Date, the Debtors may make appropriate technical adjustments and modifications to the Plan without further order or approval of the Bankruptcy Court; provided, that such technical adjustments and modifications do not adversely affect in a material way the treatment of Holders of Claims under the Plan.

N. Retention of Jurisdiction

The Plan provides that under sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding entry of the Confirmation Order and occurrence of the Effective Date, except as otherwise ordered by the Bankruptcy Court, or contemplated by the RIA Order or Restructuring Implementation Agreement, the Bankruptcy Court will retain jurisdiction over all matters arising out of, and related to, the Chapter 11 Cases and the Plan to the fullest extent permitted by law, including, among other things, jurisdiction to:

(a) allow, disallow, determine, liquidate, classify, estimate, or establish the priority, secured, unsecured, or subordinated status of any Claim or Interest not otherwise Allowed under the Plan (other than personal injury or wrongful death Claims, unless agreed by the Holder), including the resolution of any request for payment of any Administrative Claim and the resolution of any objections to the Allowance or priority of Claims;

(b) hear and determine all applications for compensation and reimbursement of expenses of Professionals under the Plan or under sections 327, 328, 330, 331, 503(b), 1103, and 1129(a)(4) of the Bankruptcy Code; provided, however, that from and after the Effective Date, the payment of the fees and expenses of the professionals of the Reorganized Debtors or the Distribution Trust shall be made in the ordinary course of business and shall not be subject to the approval of the Bankruptcy Court;

(c) hear and determine all matters with respect to the assumption or rejection of any Executory Contract or Unexpired Lease to which a Debtor is a party or with respect to

which a Debtor may be liable, including, if necessary, the nature or amount of any required Cure or the liquidation or Allowance of any Claims arising therefrom;

(d) effectuate performance of and payments under the provisions of the Plan and enforce remedies upon any default under the Plan;

(e) hear and determine any and all adversary proceedings, motions, applications, and contested or litigated matters arising out of, under, or related to, the Chapter 11 Cases or the Plan;

(f) enter such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, and other agreements or documents created in connection with the Plan, the Disclosure Statement or the Confirmation Order;

(g) hear and determine disputes arising in connection with the interpretation, implementation, consummation, or enforcement of the Plan, including disputes arising under agreements, documents, or instruments executed in connection with the Plan;

(h) consider any modifications of the Plan, cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

(i) issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Person or Entity with the implementation, consummation, or enforcement of the Plan or the Confirmation Order;

(j) enter and implement such orders as may be necessary or appropriate if the Confirmation Order is for any reason reversed, stayed, revoked, modified, or vacated;

(k) hear and determine any matters arising in connection with or relating to the Plan, the Plan Supplement, the schedules to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with the Plan, the Plan Supplement, the Schedules to the Plan, the Disclosure Statement, or the Confirmation Order;

(l) hear and determine any matters arising in connection with or relating to the Distribution Trust, the interpretation, implementation or operation of the Distribution Trust Agreement or the consummation of the transactions contemplated thereby;

(m) enforce, interpret, and determine any disputes arising in connection with any stipulations, orders, judgments, injunctions, releases, exculpations, indemnifications, and rulings entered in connection with the Chapter 11 Cases (whether or not the Chapter 11 Cases have been closed);

(n) except as otherwise limited in the Plan, recover all assets of the Debtors and property of the Estates, wherever located;

(o) hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

(p) hear and determine all disputes involving the existence, nature, or scope of the Debtors' discharge;

(q) hear and determine such other matters as may be provided in the Confirmation Order or as may be authorized under, or not inconsistent with, provisions of the Bankruptcy Code;

(r) hear and determine matters relating to the Stock Purchase Agreement and the Restructuring Implementation Agreement, to the extent provided for in such documents; and

(s) enter a final decree closing the Chapter 11 Cases.

If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising in, arising under, or related to the Chapter 11 Cases, including the matters set forth in Section 11.1 of the Plan, the provisions of Article XI of the Plan will have no effect upon and will not control, prohibit, or limit the exercise of jurisdiction by any other court having jurisdiction with respect to such matter.

O. Miscellaneous Provisions

1. Legally Binding Effect

The provisions of the Plan shall bind all Creditors and Interest Holders, whether or not they accept the Plan and wherever located. On and after the Effective Date, all Holders of Claims and Interests shall be precluded and enjoined from asserting any Claim against or Interest in the Debtors or their assets or properties based on any transaction or other activity of any kind that occurred prior to the Effective Date except as may be expressly provided for by the Plan.

2. Exemption from Transfer Taxes

Pursuant to section 1146 of the Bankruptcy Code and the Plan, any of the following acts or any similar act otherwise contemplated in the Plan will not be subject to any stamp tax, transfer tax, filing or recording tax, or other similar tax: (a) the issuance, transfer or exchange of notes, debt instruments and equity securities under or in connection with the Plan; (b) the creation, assignment, recordation or perfection of any lien, pledge, other security interest or other instruments of transfer; (c) the making or assignment of any lease; (d) the creation, execution and delivery of any agreements or other documents creating or evidencing the formation of the Reorganized Debtors or the issuance or ownership of any interest in the

Reorganized Debtors; or (e) the making or delivery of any deed or other instrument of transfer under the Plan in connection with the vesting of the Debtors' assets in the Reorganized Debtors or the Distribution Trust or Distribution Trustee pursuant to or in connection with the Plan, including, without limitation, merger agreements, stock purchase agreement, agreements of consolidation, restructuring, disposition, liquidation or dissolution, and transfers of tangible property.

3. Securities Exemption

Any rights issued under, pursuant to or in effecting the Plan, including, without limitation, the New ~~SALIC~~ Equity ~~and~~, the New SHI Equity ~~or~~and any beneficial interests in the Distribution Trust ~~Interests~~, and the offering and issuance thereof by any party, including without limitation the Debtors ~~or~~, the Estates, or New Holdco (if applicable), shall be exempt from Section 5 of the Securities Act of 1933, if applicable, and from any state or federal securities laws requiring registration for offer or sale of a security or registration or licensing of an issuer of, underwriter of, or broker or dealer in, a security, and shall otherwise enjoy all exemptions available for Distributions of securities under a plan of reorganization in accordance with all ~~applicable law~~Applicable Law, including without limitation section 1145 of the Bankruptcy Code. If the issuance of the New ~~SALIC~~ Equity and the New SHI Equity does not qualify for an exemption under section 1145 of the Bankruptcy Code, the New ~~SALIC~~ Equity and the New SHI Equity shall be issued in a manner that qualifies for any other available exemption from registration, whether as a private placement under Section 4(a)(2) of the Securities Act and/or the safe harbor provisions promulgated thereunder, Regulation D of 1993, or otherwise.

4. Defects, Omissions and Amendments of the Plan

The Plan may be amended, modified, or supplemented by the Debtors, subject to the terms of the ~~Plan Sponsorship Agreement, the~~ Stock Purchase Agreement~~,~~ and the Restructuring Implementation Agreement, in the manner provided for by section 1127 of the Bankruptcy Code or as otherwise permitted by law, without additional disclosure pursuant to section 1125 of the Bankruptcy Code, except as otherwise ordered by the Bankruptcy Court. In addition, after the Confirmation Date, so long as such action does not materially and adversely affect the treatment of Holders of Allowed Claims pursuant to the Plan, the Debtors, subject to the terms of ~~the Plan Sponsorship Agreement,~~ the Stock Purchase Agreement~~,~~ and the Restructuring Implementation Agreement, may remedy any defect or omission or reconcile any inconsistencies in the Plan or the Confirmation Order with respect to such matters as may be necessary to carry out the purposes or effects of the Plan, and any Holder of a Claim that has accepted the Plan shall be deemed to have accepted the Plan as amended, modified, or supplemented. Subject to the terms of ~~the Plan Sponsorship Agreement,~~ the Stock Purchase Agreement~~,~~ and the Restructuring Implementation Agreement, prior to the Effective Date, the Debtors may make appropriate technical adjustments and modifications to the Plan without further order or approval of the Bankruptcy Court; provided, that such technical adjustments and modifications do not adversely affect in a material way the treatment of Holders of Claims under the Plan.

5. Due Authorization by Creditors

Each and every Creditor who elects to participate in the Distributions provided for herein warrants that the Creditor is authorized to accept in consideration of its Claim against the Debtors the Distributions provided for in the Plan, and that there are no outstanding commitments, agreements, or understandings, express or implied, that may or can in any way defeat or modify the rights conveyed or obligations undertaken by the Creditor under the Plan.

6. Filing of Additional Documentation

No later than ~~[_____]~~seven (7) calendar days prior to the Voting Deadline, subject to the terms of the ~~Plan Sponsorship Agreement, the~~ Stock Purchase Agreement~~,~~ and the Restructuring Implementation Agreement and subject to approval in form and substance by the Purchaser, the Debtors may file with the Bankruptcy Court such Plan Supplement, agreements and other documents as may be reasonably necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan or any Plan Document, which shall also constitute "Plan Documents."

7. Dissolution of the Official Committee

On the Effective Date, the Official Committee shall dissolve and all members, employees, or agents thereof shall be released and discharged from all rights and duties arising from or related to the Chapter 11 Cases, provided, however, that (a) the Official Committee and its respective Professionals shall be retained with respect to applications Filed or to be Filed by Professionals pursuant to sections 330 and 331 of the Bankruptcy Code and (b) the Distribution Trust shall be deemed the successor of the Official Committee with respect to any motions seeking to enforce the Plan and the transactions contemplated hereunder or the Confirmation Order and any pending appeals and related proceedings.

8. Governing Law

Except to the extent the Bankruptcy Code or the Bankruptcy Rules are applicable, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with the laws of the State of Delaware, without giving effect to the principles of conflicts of law thereof.

9. Successors and Assigns

The rights, benefits and obligations of any Entity named or referred to in the Plan or any Plan Document shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such Entity.

10. Transfer of Claims

Any transfer of a Claim shall be in accordance with Bankruptcy Rule 3001(e) and the terms of Section 12.10 of the Plan. Notice of any such transfer shall be forwarded to the Debtors by registered or certified mail, as set forth in Section 12.11 of the Plan. Both the transferee and transferor shall execute any notice, and the signatures of the parties shall be acknowledged before a notary public. The notice must clearly describe the interest in the Claim to be transferred. No transfer of a partial Claim shall be allowed. All transfers must be of one hundred percent (100%) of the transferor's interest in the Claim.

11. Notices

All notices, requests, and demands required or permitted to be provided to the Debtors, the ~~Plan Sponsor~~Purchaser, the Reorganized Debtors, the Official Committee, or the Distribution Trust under the Plan shall be in writing and shall be deemed to have been duly given or made (a) when actually delivered (i) by certified mail, return receipt requested, (ii) by hand delivery or (iii) by mail, postage prepaid or, (b) in the case of notice by facsimile transmission, when received and confirmed, addressed (in all instances, with a simultaneous copy by electronic mail, which shall not independently constitute notice) as follows:

(a) If to the Debtors, at:

Scottish Holdings, Inc.
Scottish Annuity & Life Insurance Company (Cayman) Ltd.
14120 Ballantyne Corporate Place, Suite 300
Charlotte, NC 28277
Facsimile: (704) 752-7736
Attn: Gregg Klingenberg, Chief Executive Officer
Gregg.Klingenberg@scottishre.com

with copies to:

Hogan Lovells US LLP
875 Third Avenue
New York, NY 10022
Facsimile: (212) 918-3100
Attn: Peter Ivanick, Esq.
Lynn W. Holbert, Esq.
John D. Beck, Esq.
Email: peter.ivanick@hoganlovells.com
lynn.holbert@hoganlovells.com
john.beck@hoganlovells.com

-and-

Morris, Nichols, Arsht & Tunnell LLP
1201 N. Market St., 16th Floor
PO Box 1347
Wilmington, DE 19899-1347
Facsimile: (302) 658-3989
Attn: Eric D. Schwartz, Esq.
Gregory W. Werkheiser, Esq.
Matthew B. Harvey, Esq.
Email: eschwartz@mnat.com
gwerkheiser@mnat.com
mharvey@mnat.com

-and-

Mayer Brown LLP
1221 Avenue of the Americas
New York, New York 10020
Telephone: (212) 506-2227
Facsimile: (212) 262-1910
Email: fmonaco@mayerbrown.com
srooney@mayerbrown.com
Attn: Stephen G. Rooney, Esq.
Francis R. Monaco, Esq.

(b) If to the ~~Plan Sponsor~~Purchaser or the Reorganized Debtors, at:

~~HSCM Bermuda Fund Ltd.~~
Hildene Re Holdings, LLC
c/o ~~Hudson Structured Capital Management Ltd.~~Hildene Capital Management, LLC
700 Canal Street, Suite 12C
Stamford, CT 06902
Telephone: (203) 517-2500
Email: dhoffman@hildenecap.com
jnam@hildenecap.com
Attention: David Hoffman, General Counsel
Jennifer Nam, Deputy General Counsel

~~One Dock Street, Suite 404~~
~~Stamford, Connecticut 06902~~
~~Attn: Ajay Mehra, General Counsel~~
~~Email: ajay.mehra@hscm.com~~
with a copy to:

~~Sidley Austin LLP~~Kramer Levin Naftalis & Frankel LLP
~~787 Seventh~~1177 Avenue of the Americas
New York, New York ~~10019~~10036
Telephone: (212) 715-9100
Facsimile: (212) ~~839-5599~~715-8000
~~Attn: Dennis M. Manfredi, Esq.~~
~~Lee S. Attanasio, Esq.~~
Email: ~~dmanfredi@sidley~~ szide@kramerlevin.com
~~lattanasio@sidley~~
ewechsler@kramerlevin.com
ayerramalli@kramerlevin.com
smerl@kramerlevin.com
Attention: Stephen Zide, Esq.
Ernest S. Wechsler, Esq.
Anupama Yerramalli, Esq.
Seth R. Merl, Esq.

(c) If to the Official Committee, at:

Pepper Hamilton LLP
Hercules Plaza, Suite 5100
1313 Market Street
P.O. Box 1709
Wilmington, DE 19899-1709 (Courier Deliveries: 19801-1151)
Facsimile: (302) 421-8390
Attn: David M. Fournier, Esq.
H. Peter Haveles Jr., Esq.
John Henry Schanne II, Esq.
Email: fournierd@pepperlaw.com
havelesp@pepperlaw.com
schannej@pepperlaw.com

(d) If to the Distribution ~~Trust, at:~~ Trustee, at the contact information to be supplied in the notice of the occurrence of the Effective Date.

~~[TBD]~~

~~*with a copy to:*~~

~~[TBD]~~

12. U.S. Trustee Fees and Reports

The Debtors will pay pre-confirmation fees owed to the U.S. Trustee on or before the Effective Date of the Plan. After Confirmation, the Distribution Trustee will file with the court and serve on the U.S. Trustee quarterly financial reports in a format prescribed by the U.S. Trustee, and the Distribution Trustee will pay from the Distribution Trust post-confirmation quarterly fees to the U.S. Trustee until a final decree is entered or the case is converted or dismissed as provided in 28 U.S.C. § 1930(a)(6).

13. Implementation

The Debtors, the Reorganized Debtors, the ~~Plan Sponsor~~Purchaser, and the Distribution Trustee shall be authorized to perform all reasonable, necessary and authorized acts to consummate the terms and conditions of the Plan and the Plan Documents.

14. No Admissions

Notwithstanding anything herein to the contrary, nothing contained in the Plan shall be deemed an admission by the Debtors with respect to any matter set forth herein, including, without limitation, liability on any Claim or Interest or the propriety of the classification of any Claim or Interest.

15. SRGL Consent Rights Reserved

For the avoidance of doubt, all SRGL Consent Rights relating to Specified Restructuring Documents are reserved in their entirety. Nothing herein shall affect SRGL's rights under the Restructuring Implementation Agreement, all of which are incorporated herein by reference, including in respect of the Restructuring Documents and the Specified Restructuring Documents. Without limiting the generality of the foregoing, (a) the Restructuring Documents shall, unless otherwise expressly indicated in the Restructuring Implementation Agreement, be consistent in all material respects with the Restructuring Implementation Agreement, and (b) the Specified Restructuring Documents shall be consistent in all material respects with the Restructuring Implementation Agreement and subject to the SRGL Consent Rights. Notwithstanding anything to the contrary in the Restructuring Implementation Agreement, nothing set forth in the Restructuring Implementation Agreement or this Plan shall operate as a waiver or release of (i) the Admitted SALIC/SRGL Revolver Claim; (ii) SALIC/SRGL Claims; or (iii) any Causes of Action against the SRGL Equity Holders.

16. Substantial Consummation

The Plan shall be deemed substantially consummated on the Effective Date.

17. Final Decree

On full consummation and performance of the Plan and Plan Documents, the Distribution Trustee may request the Bankruptcy Court to enter a final decree closing the Chapter 11 Cases and such other orders that may be necessary and appropriate.

VIII. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

The Debtors believe that the sale and restructuring contemplated by the Plan maximizes value for Holders of Allowed Claims. Prior to filing these Chapter 11 Cases, the Debtors considered (a) whether they could borrow enough funds to meet deferred TruPS interest charges due in the first quarter of 2018 and still have enough capital to operate; (b) ~~an~~a complete equitization plan whereby SALIC would simply distribute 100% of the equity of the Reorganized Debtors to Holders of Allowed Claims; and (c) liquidation.

If the Plan is not confirmed, there are no available alternatives to the Plan that will prevent conversion of these Chapter 11 Cases to liquidation cases under chapter 7 of the Bankruptcy Code. This is because, if the transaction contemplated by the Plan does not occur as a result of the Plan failing to receive the requisite votes and, thus, failing to be confirmed, or as the result of the Plan failing for other reasons, the Debtors are unlikely to have enough available cash or assets to persist through a second effort to devise another chapter 11 plan and to take the action necessary to confirm such an alternative chapter 11 plan. In addition, even if the Debtors were able to fund the afore-mentioned actions with respect to a second effort to confirm a chapter 11 plan, the Debtors are unlikely to have the cash or assets necessary to continue operating in chapter 11 through the period of time, which could be several months, that would be necessary to obtain regulatory approval of an alternative plan. Moreover, as explained herein, the Debtors have considered a variety of options for restructuring and do not believe that any alternative to the Plan is viable, other than liquidation, as described below.

In respect of (a), the Debtors concluded they did not have sufficient projected cash flow to ~~make a borrowing of~~borrow the requisite ~~size~~amount feasible. In connection with (b), the Debtors concluded (i) that the reorganized company would require a significant infusion of capital; and (ii) that whoever provided that capital would do so only in return for the vast majority of the voting stock of Reorganized Debtors, thereby leaving the Holders of Allowed Claims only a *de minimis* and potentially illusory recovery~~; and (iii) that regulatory approval of the Debtors' new capital structure would be difficult or impossible to obtain if the capital was provided by one or more of the Holders of Allowed Claims~~. Notwithstanding those conclusions, in connection with the Auction, the Debtors remained open to receiving alternative proposals in the nature of loans or capital infusions that might make equitization possible.

Liquidation, either piecemeal or of the entire company, would trigger a significant increase in Claims against the Debtors. As a result of the increase in Claims that would be asserted in a liquidation of the Debtors, the *pro rata* distribution of the Debtors' assets in

payment of all Claims in a liquidation would be significantly less than the Distribution the Debtors anticipate paying to Holders of Allowed Claims under the Plan.

Claims against SALIC would proliferate in a liquidation of the Debtors because, *inter alia*, liquidation would result in rejection and breach by SALIC of its reinsurance obligations to its cedents, including SRUS. Rejection of SALIC's Reinsurance Treaties would result in large and difficult to quantify rejection damages claims by third party cedents and SRUS. Moreover, SRUS would be forced to recapture the risks previously transferred to SALIC under the SRUS Retrocession Agreements. As a result of this recapture, the capital requirements imposed on SRUS by relevant insurance laws and regulations would substantially increase. Because SRUS lacks the capital necessary to meet such increased capital requirements, seizure of SRUS by the Delaware DOI would be virtually inevitable for the reasons discussed below.

The Delaware Insurance Code and Delaware insurance regulations require that insurers maintain adequate capital and surplus, and as a monitoring tool, require that these insurers calculate and report their "risk based capital" ("RBC") levels to the Delaware DOI. The Delaware Insurance Code defines RBC as the amount of capital that each insurer is required to calculate and report, and defines certain RBC "levels" to monitor the financial safety of an insurer. Each RBC level implicates a corresponding level of intervention statutorily required by the Delaware DOI. The Delaware Insurance Code defines "authorized control level RBC" as the amount that each insurer is required to calculate based upon its existing liabilities and to report to the Delaware DOI, and defines other "levels" that are based on multiples of authorized control level RBC. SRUS's authorized control level RBC for year end 2017 was 382%. If the SRUS Retrocession Agreements with SALIC were rejected, as would be the case in a liquidation of the Debtors, it is anticipated that SRUS's RBC would fall below "mandatory control level" RBC, which is 70% or less of authorized control level RBC (defined as a "mandatory control level event"). Upon the occurrence of such mandatory control level event, the Delaware DOI is statutorily required to seize SRUS for purposes of rehabilitation or liquidation.

Seizure of SRUS in either a rehabilitation or liquidation proceeding by the Delaware DOI would in turn trigger another substantial increase in claims against SALIC because the seizure of SRUS would trigger claims under the SALIC-SRUS Net Worth Maintenance Agreement by SRUS's creditors, including the Delaware DOI as receiver for SRUS, for the inevitable shortfall in payments to creditors in the SRUS insolvency proceedings.

Prior to filing, the Debtors performed projections to compare anticipated distributions to Holders of Allowed Claims under the proposed plan with projected distributions to Holders of Allowed Claims in a liquidation that occurred at or about the filing date using corporate liquidity as the hypothetical source of liquidation distributions. ~~Using corporate liquidity of [_____], the~~The Debtors projected that Holders of Allowed Claims would receive one-third to one-half of the distributions projected under the Plan due to the increase in reinsurance and net worth maintenance claims described above. As set forth below, a hypothetical chapter 7 liquidation in the near future would result in even lower recoveries for Holders of Allowed Claims because Available Cash has been and will continue to be consumed

as a result of costs of operation, professional fees and the cost of meeting SALIC reinsurance obligations during the pendency of the Chapter 11 Cases.

IX. RISK FACTORS

THE IMPLEMENTATION OF THE PLAN IS SUBJECT TO A NUMBER OF MATERIAL RISKS, INCLUDING THOSE ENUMERATED BELOW. IN EVALUATING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN, HOLDERS OF ALLOWED CLAIMS AGAINST THE DEBTORS SHOULD READ AND CAREFULLY CONSIDER THE RISK FACTORS SET FORTH BELOW, AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT (AND THE DOCUMENTS DELIVERED TOGETHER HEREWITH AND/OR INCORPORATED BY REFERENCE HEREIN), BEFORE DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN. THESE RISK FACTORS SHOULD NOT, HOWEVER, BE REGARDED AS CONSTITUTING THE ONLY ~~RISK~~RISKS ASSOCIATED WITH THE PLAN AND ITS IMPLEMENTATION, OR ALTERNATIVES TO THE PLAN.

A. Certain Bankruptcy Law Considerations

1. Non-Confirmation of the Plan and Non-Occurrence of the Effective Date

The Distributions to Holders of Allowed Claims are dependent upon the successful Confirmation and consummation of the Plan. Failure of either event to occur in a timely manner could adversely affect the Distributions to Holders of Allowed Claims, as the Debtors' ability to fund their operations may be harmed by protracted bankruptcy proceedings and such delays may reduce the amount of net Cash available to fund Distributions to Holders of Allowed Claims. As noted below, failure to confirm and consummate the Plan on or before the Outside Closing Date (as defined in the Stock Purchase Agreement and currently projected to be December 9, 2018) gives the ~~Plan Sponsor~~Purchaser the right to terminate the Stock Purchase Agreement and walk away from the transaction.

Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation and requires, among other things, that Confirmation of the Plan not be followed by a need for further financial reorganization and that the value of Distributions to dissenting creditors and shareholders not be less than the value of distributions such creditors and shareholders would receive if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code.

Although the Debtors believe that the Plan will satisfy all requirements for Confirmation under the Bankruptcy Code, there can be no assurance that the Bankruptcy Court will reach the same conclusion. Moreover, there can be no assurance that modifications to the Plan will not be required for Confirmation or that such modifications will not be sufficiently material as to necessitate the re-solicitation of votes on the Plan.

In the event that any Class of Claims entitled to vote fails to accept the Plan in accordance with section 1126(c) and 1129(a)(8) of the Bankruptcy Code, the Debtors, subject to the terms of the Plan~~,~~ and the Stock Purchase Agreement~~, and the Plan Sponsorship Agreement,~~ reserve the rights: (a) to request that the Bankruptcy Court confirm the Plan in accordance with section 1129(b) of the Bankruptcy Code; and/or (b) to modify the Plan in accordance with Sections 5.5 and 12.4 thereof. While the Debtors believe that the Plan satisfies the requirements for non-consensual Confirmation under section 1129(b) of the Bankruptcy Code, because it does not "discriminate unfairly" and is "fair and equitable" with respect to the Classes that reject or are deemed to reject the Plan, there can be no assurance that the Bankruptcy Court will reach the same conclusion. There can be no assurance that any such challenge to the requirements for non-consensual Confirmation will not delay the Debtors' emergence from Chapter 11 or prevent Confirmation of the Plan.

Moreover, there can be no assurance with respect to timing of the Effective Date. The occurrence of the Effective Date is subject to certain conditions precedent as described in Section 9.2 of the Plan and in the Stock Purchase Agreement. In particular, the Plan and the Stock Purchase Agreement make regulatory approvals of the transaction in Delaware by the Delaware DOI in accordance with Chapter 101 of Title 29 and Chapter 50 of Title 18 of the Delaware Code Annotated, the Cayman Islands, Bermuda and Ireland conditions precedent to ~~Plan Sponsor~~the Purchaser's obligation to close and to consummation of the Plan. There can be no assurances that such regulatory approvals will be granted or that such approvals will be timely. Under the Stock Purchase Agreement, the ~~Plan Sponsor~~Purchaser has the right to walk away if all conditions precedent, including Confirmation of the Plan and all regulatory approvals, do not occur on or before the Outside Closing Date (as defined in the Stock Purchase Agreement).

If the Confirmation Order is vacated, (a) the Plan shall be null and void in all respects; (b) any settlement of Claims provided for in the Plan shall be null and void without further order of the Bankruptcy Court; and (c) the time within which the Debtors may assume and assign or reject all Executory Contracts and Unexpired Leases shall be extended for a period of one hundred twenty (120) days after the date the Confirmation Order is vacated.

If the Effective Date of the Plan does not occur, there can be no assurance that the Bankruptcy Case will continue rather than be converted to a Chapter 7 liquidation case or that any alternative plan of reorganization would be on terms as favorable to the Holders of Claims against the Debtors as the terms of the Plan.

If the Plan is not confirmed, SALIC would have to be liquidated either in chapter 11 or chapter 7. Such liquidation would result in the immediate termination of SALIC's reinsurance agreements and would cause all cedents, including SRUS, to "recapture" all of the business previously ceded to SALIC. Once the recaptured business is returned to the books of SRUS, SRUS would be required to maintain increased reserves to support those liabilities. As a result of the increased reserves coupled with the increase in required capital, SRUS's RBC level

would plummet to a level mandating an immediate and irreversible seizure of SRUS by the Delaware DOI.

If such a seizure of SRUS by the Delaware DOI were to occur, there would be a substantial increase in claims against SALIC because: (i) the seizure of SRUS would trigger claims under the SALIC-SRUS Net Worth Maintenance Agreement by SRUS's creditors, including the Delaware DOI as receiver for SRUS and SRUS's ceding company creditors; and (ii) liquidation of SALIC would result in the termination and recapture of all SRUS and third party reinsurance treaties with SALIC. As SALIC would no longer be able to perform under such treaties, all of SALIC's cedents, including SRUS through its receiver (and separate from the SALIC-SRUS Net Worth Maintenance Agreement claims described above), would be able to assert substantial termination claims for the loss of coverage under the terminated treaties.

The Debtors have calculated the percentage of distributions to the TruPS if the restructuring and sale moves forward, as compared to the distribution percentage that would be paid equally and ratably to the TruPS and SALIC's reinsurance creditors if SALIC is not sold and instead was to liquidate. If the sale does not occur, claims against SALIC would increase dramatically because of the seizure of SRUS, which would trigger the increase in claims (as described above). As a result of this increase in claims, *pari passu* distributions to all creditors would be substantially lower than the Plan will provide to TruPS Holders, as evidenced by the Liquidation Analysis annexed hereto.

1. Non-Consensual Confirmation

In the event that any impaired class of claims or equity interests does not accept or is deemed not to accept a plan of reorganization, a bankruptcy court may nevertheless confirm such plan at the proponent's request if at least one impaired class has voted to accept the plan (with such acceptance being determined without including the vote of any "insider" in such class), and as to each impaired class that has not accepted the plan, the bankruptcy court determines that the plan "does not discriminate unfairly" and is "fair and equitable." Should any Class vote to reject the Plan, then these requirements must be satisfied with respect to such rejecting Classes. The Debtors believe that the Plan satisfies these requirements.

2. Parties in Interest May Object to the Debtors' Classification of Claims and Interests

Section 1122 of the Bankruptcy Code provides that a debtor may place a claim or an equity interest in a particular class under a plan only if such claim or equity interest is substantially similar to the other claims or equity interests in such class. The Debtors believe that the classification of Claims and Interests in the Plan complies with the Bankruptcy Code requirements because the Debtors classified Claims and Interests, each encompassing Claims or Interests, as applicable, that are substantially similar to the other Claims and Interests in each such Class. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

3. Claims Could Be More Than Projected

There can be no assurance that the estimated Allowed amount of Claims in certain Classes will not be significantly more than projected, which in turn, could cause the value of distributions to creditors to be reduced substantially. Inevitably, some assumptions will not materialize, and unanticipated events and circumstances may affect the ultimate results. Certain Claims asserted against the Debtors are contingent and unliquidated and are the subject of potential litigation against the Debtors and/or non-Debtors. These potential litigations involve contingencies and uncertainties, such as the apportionment of liability among the Debtors and the co-defendants. The resolution and/or estimation of these claims for distribution purposes could have a material effect on the estimated recoveries set forth herein. Therefore, the actual amount of Allowed Claims may vary from the Debtors' projections and feasibility analysis, and the variation may be material.

4. Amounts Available for Distribution Could Differ

The recovery on account of general unsecured claims depends on the amount of funds in the Available Plan Funding Payment. The estimate of available funds relies on numerous estimates and assumptions, including estimates of the total amount of the Debtors Administrative Claims and the assumptions regarding the ongoing performance of the Debtors' businesses and operating expenses. While the Debtors believe that their assumptions and estimates are reasonable, unanticipated or unforeseen events could occur which could result in such estimates materially increasing or decreasing.

B. Risks Relating to Necessary Regulatory and Foreign Approvals

The Stock Purchase Agreement provides that the Purchaser may terminate the Stock Purchase Agreement if any governmental authority enjoins or otherwise prohibits the consummation of transaction or any material portion thereof. In addition, the Stock Purchase Agreement further provides that receipt of (i) of necessary approvals from the Cayman Islands Court and the Bermuda Court and (ii) all regulatory approvals from the relevant insurance regulators and other governmental authorities will be conditions precedent to the obligations of the Purchaser to consummate the Stock Purchase Agreement. Any delay in consummating the transactions embodied therein due to governmental or regulatory approvals processes, or failure to obtain such approvals, could prolong the chapter 11 cases (or result in a liquidation of the Debtors), and reduce recoveries available to creditors.

C. Additional Factors to be Considered

1. No Duty to Update

The statements contained in this Disclosure Statement are made by the Debtors as of the date hereof, unless otherwise specified herein, and the delivery of this Disclosure Statement after that date does not imply that there has been no change in the information set forth

herein since that date. The Debtors have no duty to update this Disclosure Statement unless otherwise ordered to do so by the Bankruptcy Court.

2. No Representations Outside this Disclosure Statement Are Authorized

No representations concerning or related to the Debtors, or the chapter 11 cases, once commenced, or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your acceptance or rejection of the Plan that are other than as contained in, or included with, this Disclosure Statement should not be relied upon by you in arriving at your decision.

3. Forward-Looking Statements Are Not Assured, and Actual Results May Vary

This Disclosure Statement contains forward-looking statements. These forward-looking statements are based on the current expectations and observations of the Debtors' management, and include factors that could cause actual results to differ materially such as: the Debtors' ability to meet current operating needs; the effects of the Bankruptcy Court rulings in the chapter 11 cases and the outcome of the case in general; the length of time the Debtors will operate under the chapter 11 cases; the pursuit by the Debtors' various creditors, equity holders and other constituents of its interests in the chapter 11 cases; risks associated with third party motions in the chapter 11 cases, which may interfere with the ability to consummate the Plan; the increased administrative and restructuring costs related to the chapter 11 cases; the Debtors' ability to arrange and consummate financing or sale transactions or to access capital; the timing and realization of the recoveries of assets and the payments of Claims and the amount of expenses projected to recognize such recoveries and reconcile such Claims; the occurrence of any event, change or other circumstance that could give rise to the termination of the Stock Purchase Agreement; and the other factors described in this Section IX.

4. No Legal or Tax Advice Is Provided to You by This Disclosure Statement

The contents of this Disclosure Statement should not be construed as legal, business or tax advice. Each Holder of Claims against the Debtors should consult his, her or its own legal counsel and accountants as to legal, tax and other matters concerning such Holder's Claims. This Disclosure Statement is not legal or tax advice to you and may not be relied upon for any purpose other than to determine how to vote on the Plan or object to confirmation of the Plan.

5. No Admission Made

Nothing contained herein or in the Plan will constitute an admission of, or will be deemed evidence of, the tax or other legal effects of the Plan on the Debtors or holders of Claims or Interests.

X. CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

A. Disclaimers

THE FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. ALL HOLDERS OF CLAIMS AGAINST AND INTERESTS IN THE DEBTORS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE TRANSACTIONS CONTEMPLATED BY THE PLAN, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL OR FOREIGN TAX LAWS AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

This discussion is provided for information purposes only, and is based on provisions of the Internal Revenue Code of 1986, as amended (the "IRC"), Treasury Regulations promulgated thereunder, judicial authorities, and current administrative rulings and practice, all as in effect on the date hereof. Legislative, judicial, or administrative changes or interpretations enacted or promulgated after the date hereof could alter or modify the analyses set forth below with respect to the U.S. federal income tax consequences of the Plan. Any such changes or interpretations may be retroactive and could significantly, and adversely, affect the U.S. federal income tax consequences of the Plan.

The following summary does not address the U.S. federal income tax consequences to holders of Claims not entitled to vote to accept or reject the Plan or to holders of Interests in the Debtors. In addition, to the extent that the following discussion relates to the consequences to holders of Claims entitled to vote to accept or reject the Plan, it is limited to holders that are United States persons within the meaning of the IRC.

This discussion does not address all aspects of U.S. federal income taxation that may be relevant to a particular holder in light of its particular facts and circumstances, or to certain types of holders subject to special treatment under the IRC. Examples of holders subject to special treatment under the IRC are governmental entities and entities exercising governmental authority, foreign companies, persons who are not citizens or residents of the United States, banks and certain other financial institutions, broker-dealers, insurance companies, tax-exempt organizations, real estate investment trusts, small business investment companies, regulated investment companies, holders that are or hold their Claims through a partnership or other pass-through entity, dealers in securities or foreign currency, persons that have a functional currency other than the U.S. dollar, and persons holding Claims that are a hedge against, or that are hedged against, currency risk or that are part of a straddle, constructive sale, or conversion transaction. This discussion does not address the state, local or foreign tax consequences of the Plan.

The tax treatment of Holders of Claims and the character, amount and timing of income, gain or loss recognized as a consequence of the Plan and the Distributions provided for by the Plan may vary, depending upon the following factors, among others: (i) whether the Claim

or portion thereof constitutes a Claim for principal or interest; (ii) the type of consideration, if any, received by the holder in exchange for the Claim, and whether the holder receives Distributions under the Plan in more than one taxable year; (iii) whether the holder is a citizen or resident of the United States for tax purposes, is otherwise subject to U.S. federal income tax on a net basis, or falls into any special class of taxpayers, such as those that are excluded from this discussion as noted above; (iv) the manner in which the holder acquired the Claim; (v) the length of time that the Claim has been held; (vi) whether the Claim was acquired at a discount; (vii) whether the holder has taken a bad debt deduction or a worthless securities deduction (as applicable) with respect to the Claim or any portion thereof in the current or prior taxable years; (viii) whether the holder has previously included in gross income accrued but unpaid interest with respect to the Claim; (ix) the method of tax accounting of the holder; (x) whether the Claim is an installment obligation for U.S. federal income tax purposes; (xi) whether the Claim is considered a "security" for U.S. federal income tax purposes; and/or (xii) whether the "market discount" rules apply to the holder. Therefore, each holder should consult such holder's own tax advisor for tax advice with respect to that holder's particular situation and circumstances, and the particular tax consequences to such holder of the transactions contemplated by the Plan.

A significant amount of time may elapse between the date of the Disclosure Statement and the receipt of a final Distribution under the Plan. Events occurring after the date of the Disclosure Statement, such as new or additional tax legislation, court decisions, or administrative changes, could affect the U.S. federal income tax consequences of the Plan and the transactions contemplated thereunder. No ruling has been or will be sought from the U.S. Internal Revenue Service (the "IRS") with respect to any of the tax aspects of the Plan, and no opinion of counsel has been or will be obtained by the Debtors with respect thereto. No representations are being made regarding the particular tax consequences of the confirmation or implementation of the Plan as to any holder of a Claim. This discussion is not binding upon the IRS or other taxing authorities. No assurance can be given that the IRS or another authority would not assert, or that a court would not sustain, a different position from any discussed herein.

THE FOLLOWING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN, AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE FOLLOWING DISCUSSION IS FOR INFORMATION PURPOSES ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A HOLDER'S PARTICULAR CIRCUMSTANCES. ACCORDINGLY, EACH HOLDER OF A CLAIM AGAINST OR INTEREST IN THE DEBTORS IS STRONGLY URGED TO CONSULT SUCH HOLDER'S TAX ADVISOR REGARDING THE FEDERAL, STATE, LOCAL AND FOREIGN INCOME TAX CONSEQUENCES OF THE PLAN.

B. Certain U.S. Federal Income Tax Consequences to Holders of Claims in Classes 4, 5, ~~6,~~6 and 7

Pursuant to the Plan, Holders of Allowed Claims in Classes 4, 5, ~~6,~~6 and 7 will receive interests in the Distribution Trust (from which such Holders may be entitled to distributions from time to time).

The following discussion is generally limited to U.S. Holders of Allowed Claims in Classes 4, 5, ~~6,~~6 and 7. As used in this discussion, the term "U.S. Holder" means a beneficial owner of such Claims that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if a court within the United States is able to exercise primary jurisdiction over its administration and one or more U.S. persons have authority to control all of its substantial decisions, or if the trust has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

If a partnership or other entity taxable as a partnership for U.S. federal income tax purposes holds Claims, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. If you are a partner in a partnership holding any of such instruments, you should consult your own tax advisor.

1. Gain or Loss

In general, a U.S. Holder will recognize gain or loss with respect to its Allowed Claim in an amount equal to the difference between (i) the sum of the amount of any cash and the fair market value of any other property received by such holder, including, as discussed below, its Distribution Trust ~~Interest~~Assets (other than any consideration attributable to a Claim for accrued but unpaid interest and (ii) the adjusted tax basis of the Allowed Claims in Classes 4, 5, ~~6,~~6 and 7 exchanged therefor (other than basis attributable to accrued but unpaid interest previously included in such holder's taxable income). *See also* Section X.B.2.—"Character of Gain or Loss." As discussed below, the amount of cash or other property received in respect of Allowed Claims in Classes 4, 5, ~~6,~~6 and 7 for accrued but unpaid interest will be taxed as ordinary income, except to the extent previously included in income by a U.S. Holder under its method of accounting. *See* Section X.B.3.— "Distributions in Respect of Accrued But Unpaid Interest."

As discussed below (*see* Section X.B.4.— "Tax Treatment of a Distribution Trust and Holders of Distribution Trust ~~Interests~~Assets"), each U.S. Holder that receives ~~a~~ Distribution Trust ~~Interest~~Assets will be treated for U.S. federal income tax purposes as directly receiving, and as a direct owner of, its respective share of the Distribution Trust Assets (both cash and other property) consistent with its economic rights in the Distribution Trust, subject to the liabilities for which the Distribution Trust has responsibility for payment. Pursuant to the Plan, the Distribution Trustee will in good faith value the assets transferred to the Distribution Trust, and all parties to the Distribution Trust (including Holders of Claims receiving Distribution Trust ~~Interests~~Assets) must consistently use such valuation for all U.S. federal income tax purposes.

A U.S. Holder's share of any proceeds received by a Distribution Trust upon the sale or other disposition of the assets of the Distribution Trust (other than any such amounts received as a result of the subsequent disallowance of Disputed Claims) should not be included, for U.S. federal income tax purposes, in the holder's amount realized in respect of its Allowed General Claim in Class 4, 5, 6 or 7 but should be separately treated as amounts realized in respect of such holder's ownership interest in the underlying assets of the Distribution Trust. *See* Section X.B.4.— "Tax Treatment of a Distribution Trust and Holders of Distribution Trust ~~Interests~~Assets," below.

A U.S. Holder may become entitled to an increased share of the Distribution Trust Assets in the event of a subsequent disallowance of a Disputed Claim. It is possible that a U.S. Holder may be taxed on such increased share as Disputed Claims are resolved. The imputed interest provisions of the Tax Code may apply to treat a portion of such increased share as imputed interest. In addition, it is possible that any loss realized by a U.S. Holder in satisfaction of its Allowed Claim in Class 4, 5, 6 or 7 may be deferred until all Disputed Claims are determined.

A U.S. Holder's aggregate tax basis in its respective share of the Distribution Trust Assets will equal the fair market value of its interest in the Distribution Trust increased by its share of the Debtors' liabilities to which the underlying assets remain subject upon transfer to the Distribution Trust, and the U.S. Holder's holding period generally will begin the day following establishment of the Distribution Trust.

2. Character of Gain or Loss

Where gain or loss is recognized by a U.S. Holder, the character of such gain or loss as long-term or short-term capital gain or loss or as ordinary income or loss will be determined by a number of factors, including the tax status of the holder, whether the Allowed Claim in Class 4, 5, 6 or 7 constitutes a capital asset in the hands of the holder and how long it has been held, whether the Allowed Claim in Class 4, 5, 6 or 7 was acquired at a market discount, and whether and to what extent the holder previously claimed a bad debt deduction.

A U.S. Holder that purchased its Allowed Claim in Class 4, 5, 6 or 7 from a prior holder at a "market discount" (relative to the principal amount of the Claims at the time of acquisition) may be subject to the market discount rules of the Tax Code. In general, a debt

instrument is considered to have been acquired with "market discount" if its holder's adjusted tax basis in such debt instrument is less than its stated principal amount. The *de minimis* amount is equal to 0.25% of the sum of all remaining payments to be made on the debt instrument, excluding qualified stated interest, multiplied by the number of remaining whole years to maturity. Generally, qualified stated interest is a stated amount of interest payable in cash at least annually.

Under these rules, any gain recognized on the exchange of Allowed Claims in Classes 4, 5, ~~6,~~6 and 7 (other than in respect of a Claim for accrued but unpaid interest) generally will be treated as ordinary income to the extent of the market discount accrued (on a straight line basis or, at the election of the U.S. Holder, on a constant yield basis) during the U.S. Holder's period of ownership, unless the U.S. Holder elected to include the market discount in income as it accrued. If a U.S. Holder of Allowed Claims in Class 4, 5, 6 or 7 did not elect to include market discount in income as it accrued and, thus, under the market discount rules, was required to defer all or a portion of any deductions for interest on debt incurred or maintained to purchase or carry its Allowed Claims in Class 4, 5, 6 or 7, such deferred amounts would become deductible at the time of the exchange.

3. Distributions in Respect of Accrued but Unpaid Interest

In general, to the extent that any consideration received pursuant to the Plan by a U.S. Holder is received in satisfaction of accrued interest during its holding period, such amount will be taxable to the U.S. Holder as interest income (if not previously included in the U.S. Holder's gross income). Conversely, a U.S. Holder generally recognizes a deductible loss to the extent any accrued interest claimed was previously included in its gross income and is not paid in full.

The Plan provides that consideration received in respect of any Claim is allocable first to the principal amount of the Claim (as determined for U.S. federal income tax purposes) and then, to the extent of any excess, to the remainder of the Claim, including any Claim for accrued but unpaid interest (in contrast, for example, to a *pro rata* allocation of a portion of the exchange consideration received between principal and interest, or an allocation first to accrued but unpaid interest). *See* Section ~~7.7~~7.14 of the Plan. There is no assurance that the IRS will respect such allocation for U.S. federal income tax purposes. You are urged to consult your own tax advisor regarding the allocation of consideration and the inclusion and deductibility of accrued but unpaid interest for U.S. federal income tax purposes.

4. Tax Treatment of Distribution Trust and Holders of Distribution Trust ~~Interests~~Assets

As indicated above, the Debtors will transfer the Distribution Trust Assets, subject to certain liabilities as provided by the Plan, to the Distribution Trust for the benefit of Holders of Allowed Claims in Classes 4, 5, ~~6,~~6 and 7 (whether Allowed as of or after the Effective Date).

a. Classification of a Distribution Trust

The Distribution Trust is intended to qualify as a "liquidating trust" for U.S. federal income tax purposes (other than in respect of any portion of the Distribution Trust Assets allocable to, or retained on account of, Disputed Claims, as discussed below). In general, a liquidating trust is not a separate taxable entity but rather is treated for U.S. federal income tax purposes as a "grantor trust" (i.e., a pass-through entity). The IRS, in Revenue Procedure 94-45, 1994-2 C.B. 684, sets forth the general criteria for obtaining an IRS ruling as to the grantor trust status of a liquidating trust under a chapter 11 plan. Any liquidating trust will be structured with the intention of complying with such general criteria. Pursuant to the Plan, and in conformity with Revenue Procedure 94-45, all parties (including, without limitation, the Debtors, the Distribution Trustee and Distribution Trust Beneficiaries) shall treat the transfer of Distribution Trust Assets to a Distribution Trust as (1) a transfer of Distribution Trust Assets (subject to any obligations relating to those assets) directly to Distribution Trust Beneficiaries (other than to the extent Distribution Trust Assets are allocable to Disputed Claims), followed by (2) the transfer by such beneficiaries to a Distribution Trust of Distribution Trust Assets in exchange for ~~Distribution Trust Interests~~beneficial interests therein. Accordingly, except in the event of contrary definitive guidance, Distribution Trust Beneficiaries shall be treated for U.S. federal income tax purposes as the grantors and owners of their respective share of Distribution Trust Assets (other than any Distribution Trust Assets allocable to Disputed Claims).

While the following discussion assumes that the Distribution Trust will be so treated for U.S. federal income tax purposes, no ruling is being requested from the IRS concerning the tax status of the Distribution Trust as a grantor trust in connection with the confirmation of the Plan. Accordingly, there can be no assurance that the IRS would not take a contrary position to the classification of the Distribution Trust as a grantor trust. If the IRS were to challenge successfully such classification, the U.S. federal income tax consequences to the Distribution Trust and the Holders of Allowed Claims in Classes 4, 5, ~~6,~~6 and 7 could vary from those discussed herein.

b. General Tax Reporting by a Distribution Trust and Beneficiaries

For all U.S. federal income tax purposes, all parties must treat the Distribution Trust as a grantor trust of which the holders of Distribution Trust ~~Interests~~Assets are the owners and grantors, and treat the Distribution Trust Beneficiaries as the direct owners of an undivided interest in the Distribution Trust Assets (other than any assets allocable to Disputed Claims), consistent with their economic interests therein. The Distribution Trustee will file tax returns for the Distribution Trust treating such Distribution Trust as a grantor trust pursuant to section 1.671- 4(a) of the Treasury Regulations. The Distribution Trustee also shall annually send to each holder of ~~a~~ Distribution Trust ~~Interest~~Assets a separate statement regarding the receipts and expenditures of the Distribution Trust as relevant for U.S. federal income tax purposes.

Allocations of taxable income of the Distribution Trust (other than taxable income allocable to any assets allocable to, or retained on account of, Disputed Claims, if such income is

otherwise taxable to the Distribution Trust) among the Distribution Trust Beneficiaries shall be determined by reference to the manner in which an amount of cash equal to such taxable income would be distributed (were such cash permitted to be distributed at such time) if, immediately prior to such deemed distribution, the Distribution Trust had distributed all its assets (valued at their tax book value, and, if applicable, other than assets allocable to Disputed Claims) to the Distribution Trust Beneficiaries, adjusted for prior taxable income and loss and taking into account all prior and concurrent distributions from the Distribution Trust. Similarly, taxable loss of the Distribution Trust shall be allocated by reference to the manner in which an economic loss would be borne immediately after a liquidating distribution of the remaining Distribution Trust Assets. The tax book value of the Distribution Trust Assets for purposes of allocating taxable income and loss shall equal their fair market value on the date of the transfer of the Distribution Trust Assets to the Distribution Trust, adjusted in accordance with tax accounting principles prescribed by the Tax Code, applicable Treasury Regulations, and other applicable administrative and judicial authorities and pronouncements.

As soon as reasonably practicable after the transfer of Distribution Trust Assets to the Distribution Trust, the Distribution Trustee shall make a good faith valuation of the Distribution Trust Assets. All parties to the Distribution Trust (including, without limitation, the Debtors and the Distribution Trust Beneficiaries) must consistently use such valuation for all U.S. federal income tax purposes. The valuation will be made available, from time to time, as relevant for tax reporting purposes.

Taxable income or loss allocated to a Distribution Trust Beneficiary will be treated as income or loss with respect to such Distribution Trust Beneficiary's undivided interest in the Distribution Trust Assets, and not as income or loss with respect to its prior Claim. The character of any income and the character and ability to use any loss will depend on the particular situation of the Distribution Trust Beneficiary. It is currently unknown whether and to what extent the Distribution Trust ~~Interests~~Assets will be transferable.

The U.S. federal income tax obligations of a U.S. Holder with respect to its Distribution Trust ~~Interest~~Assets are not dependent on the Distribution Trust distributing any cash or other proceeds. Thus, a U.S. Holder may incur a U.S. federal income tax liability with respect to its allocable share of Distribution Trust income even if the Distribution Trust does not make a concurrent distribution to the holder. In general, other than in respect of cash retained on account of Disputed Claims, a distribution of cash by the Distribution Trust will not be separately taxable to a Distribution Trust Beneficiary since the beneficiary is already regarded for U.S. federal income tax purposes as owning the underlying assets (and was taxed at the time the cash was earned or received by the Distribution Trust). Holders are urged to consult their tax advisors regarding the appropriate U.S. federal income tax treatment of any subsequent distributions of cash originally retained by the Distribution Trust on account of Disputed Claims.

The Distribution Trustee will comply with all applicable governmental withholding requirements (*see* Section 7.5(f) of the Plan). Thus, in the case of any Distribution Trust Beneficiaries that are not U.S. persons, the Distribution Trustee may be required to

withhold up to 30% of the income or proceeds allocable to such persons, depending on the circumstances (including whether the type of income is subject to a lower treaty rate). As indicated above, the foregoing discussion of the U.S. federal income tax consequences of the Plan does not generally address the consequences to non-U.S. Holders; accordingly, such Holders should consult their tax advisors with respect to the U.S. federal income tax consequences of the Plan, including owning an interest in the Distribution Trust.

c. Tax Reporting for Assets Allocable to Disputed Claims

Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary (including the receipt by the Distribution Trustee of an IRS private letter ruling if the Distribution Trustee so requests one, or the receipt of an adverse determination by the IRS upon audit if not contested by the Distribution Trustee), the Distribution Trustee (A) will elect to treat any Distribution Trust Assets allocable to, or retained on account of, Disputed Claims as a "disputed ownership fund" governed by section 1.468B-9 of the Treasury Regulations, and (B) to the extent permitted by applicable law, will report consistently for state and local income tax purposes.

Accordingly, so treated, any amounts allocable to, or retained on account of, Disputed Claims will be subject to tax annually on a separate entity basis on any net income earned with respect to the Distribution Trust Assets in such reserves (including any gain recognized upon the disposition of such assets). All Distributions from such assets (which Distributions will be net of the expenses, including taxes, relating to the retention or disposition of such assets) will be treated as received by Holders in respect of their Allowed Claims in Classes 4, 5, ~~6,~~6 and 7 as if distributed by the Debtors. All parties (including, without limitation, the Debtors, the Distribution Trustee and the Distribution Trust Beneficiaries) will be required to report for tax purposes consistently with the foregoing.

5. Information Reporting and Backup Withholding

Payments of interest and any other reportable payments, possibly including amounts received pursuant to the Plan and payments of proceeds from the sale, retirement or other disposition of the exchange consideration, may be subject to "backup withholding" [(currently at a rate of ~~28~~24%)] if a recipient of those payments fails to furnish to the payor certain identifying information and, in some cases, a certification that the recipient is not subject to backup withholding. Backup withholding is not an additional tax. Any amounts deducted and withheld generally should be allowed as a credit against that recipient's U.S. federal income tax, provided that appropriate proof is timely provided under rules established by the IRS. Furthermore, certain penalties may be imposed by the IRS on a recipient of payments who is required to supply information but who does not do so in the proper manner. Backup withholding generally should not apply with respect to payments made to certain exempt recipients, such as corporations and financial institutions. Information may also be required to be provided to the IRS concerning payments, unless an exemption applies. You should consult your

own tax advisor regarding your qualification for exemption from backup withholding and information reporting and the procedures for obtaining such an exemption.

Treasury Regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer's claiming a loss in excess of certain thresholds. You are urged to consult your own tax advisor regarding these regulations and whether the contemplated transactions under the Plan would be subject to these regulations and require disclosure on your tax return.

XI. CONFIRMATION OF THE PLAN

A. The Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing on Confirmation of the Plan. Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to Confirmation of the Plan.

The Bankruptcy Court has scheduled a Confirmation Hearing to commence on [~~———~~August 22,] 2018 at [~~———~~10:00 a.m.] (Eastern Time), before the Honorable Laurie Selber Silverstein, United States Bankruptcy Judge, in the United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, 6th Floor, Courtroom No. 2, Wilmington, Delaware 19801. The Confirmation Hearing may be adjourned from time to time without further notice except for an announcement of the adjourned date made at the Confirmation Hearing or any adjournment thereof or in a notice of hearing agenda filed in connection therewith.

Objections to Confirmation of the Plan must be Filed and served so that they are actually received by no later than [~~———~~August 10,] 2018 at [~~———~~4:00 p.m.] (Eastern Time). Unless objections to Confirmation of the Plan are timely served and filed in compliance with the procedures approved by the Bankruptcy Court, they may not be considered by the Bankruptcy Court.

B. Requirements for Confirmation of the Plan

At the Confirmation Hearing, the Bankruptcy Court must determine that the requirements for Confirmation as set forth in section 1129 of the Bankruptcy Code have been satisfied, including among others the following:

- The Plan complies with the applicable provisions of the Bankruptcy Code.
- The Debtors have complied with the applicable provisions of the Bankruptcy Code.
- The Plan has been proposed in good faith and not by any means forbidden by law.

- To the extent applicable, any payment made or promised by the Debtors or by a Person issuing securities or acquiring property under the Plan for services or for costs and expenses in, or in connection with, the Chapter 11 Cases, or in connection with the Plan and incident to the Chapter 11 Cases, has been disclosed to the Bankruptcy Court, and any such payment made before Confirmation of the Plan is reasonable, or if such payment is to be fixed after Confirmation of the Plan, such payment is subject to the approval of the Bankruptcy Court as reasonable.

- To the extent applicable, the Debtors have disclosed or will disclose in the Plan Supplement (a) the identity and affiliations of (i) any individual proposed to serve, after Confirmation of the Plan, as a director, officer, or voting trustee of the Reorganized Debtors, (ii) any affiliate of the Debtors participating in a joint plan with the Debtors, or (iii) any successor to the Debtors under the Plan (and the appointment to, or continuance in, such office of such individual(s) is consistent with the interests of Holders of Claims or Interests and with public policy), and (b) the identity of any insider that will be employed or retained by the Debtors and the nature of any compensation for such insider.

- With respect to each Class of Claims or Interests, each Holder of an Impaired Claim or Impaired Interest either has accepted the Plan or will receive or retain under the Plan, on account of the Claims or Interests held by such Holder, property of a value, as of the Effective Date, that is not less than the amount that such Holder would receive or retain if the Debtor were liquidated on such date under chapter 7 of the Bankruptcy Code.

- The Plan provides that Administrative Claims and Priority Non-Tax Claims will be paid in full on the Effective Date, except to the extent that the Holder of any such Claim has agreed to another less favorable treatment.

- If any Class is Impaired under the Plan, at least one Class that is Impaired has accepted the Plan, determined without including any acceptance of the Plan by insiders holding Claims in such Class.

- Confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successor to the Debtors under the Plan, unless such liquidation or reorganization is proposed in the Plan.

The Debtors believe that, upon receipt of the votes required to confirm the Plan, the Plan will satisfy the statutory requirements of chapter 11 of the Bankruptcy Code, that the Debtors have complied or will have complied with all of the requirements of chapter 11 and of

section 1129, and that the Plan has been proposed and submitted to the Bankruptcy Court in good faith.

C. Feasibility of the Plan

In connection with Confirmation of the Plan, the Bankruptcy Court will be required to determine that the Plan is feasible pursuant to section 1129(a)(11) of the Bankruptcy Code, which means that the Confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtors.

The Debtors and the ~~Plan Sponsor~~Purchaser believe that the Plan meets the feasibility requirement set forth in section 1129(a)(11) of the Bankruptcy Code, as Confirmation is not likely to be followed by liquidation or the need for further financial reorganization of the Reorganized Debtors. In connection with the development of the Plan and for the purposes of determining whether the Plan satisfies this feasibility standard, the ability of the Reorganized Debtors to satisfy its financial obligations while maintaining sufficient liquidity and capital resources has been examined.

D. Acceptance of the Plan

As a condition to Confirmation, the Bankruptcy Code requires that each Class of Impaired Claims vote to accept the Plan, except under certain circumstances.

Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a class of impaired claims as acceptance by holders of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of claims in that class, but for that purpose counts only those who actually timely and properly vote to accept or to reject the Plan. Thus, Holders of Claims in each of Classes 4, 5, ~~6,~~6 and 7 will have voted to accept the Plan only if two-thirds (2/3) in amount and a majority in number of the Claims actually voting in each Class cast their ballots in favor of acceptance. Holders of Claims who fail to vote are not counted as either accepting or rejecting the Plan, except as provided in Section 5.7 of the Plan.

A vote may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that acceptance or rejection was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

E. Best Interests Test

Even if a plan is accepted by each class of claims and interests, the Bankruptcy Code requires a bankruptcy court to determine that the plan is in the best interests of all holders of claims or interests that are impaired by the plan and that have not accepted the plan. The "best interests" test, as set forth in section 1129(a)(7) of the Bankruptcy Code, requires a bankruptcy court to find either that all members of an impaired class of claims or interests have accepted the plan or that the plan will provide a member who has not accepted the plan with a recovery of

property of a value, as of the effective date of the plan, that is not less than the amount that such Holder would recover if the debtor were liquidated under chapter 7 of the Bankruptcy Code.

To calculate the probable distribution to holders of each impaired class of claims and interests if a debtor were liquidated under chapter 7, a bankruptcy court must first determine the aggregate dollar amount that would be generated from the debtor's assets if its chapter 11 case was converted to a chapter 7 case under the Bankruptcy Code. This "liquidation value" would consist primarily of the proceeds from a forced sale of the debtor's assets by a chapter 7 trustee and available liquid assets on hand.

The amount of liquidation value available to unsecured creditors would be reduced by, first, the claims of secured creditors to the extent of the value of their collateral and, second, by the costs and expenses of liquidation, as well as by other administrative expenses and costs of both the chapter 7 case and the chapter 11 case. Costs of liquidation under chapter 7 of the Bankruptcy Code would include the compensation of a trustee, as well as of counsel and other professionals retained by the trustee, asset disposition expenses, all unpaid expenses incurred by the debtor in its chapter 11 case (such as compensation of attorneys, financial advisors, and accountants) that are allowed in the chapter 7 cases, litigation costs, and claims arising from the operations of the debtor during the pendency of the chapter 11 case. The liquidation itself would trigger certain priority payments that otherwise would be due in the ordinary course of business. Those priority claims would be paid in full from the liquidation proceeds before the balance would be made available to pay general unsecured claims or to make any distribution in respect of equity security interests. The liquidation would also prompt the rejection of a large number of executory contracts and unexpired leases and thereby significantly enlarge the total pool of unsecured claims by reason of resulting rejection damages claims. The Debtors submit that reorganization under chapter 11 of the Bankruptcy Code would result in superior recoveries for creditors than a liquidation under chapter 7 of the Bankruptcy Code.

Once the bankruptcy court ascertains the recoveries in liquidation of secured creditors and priority claimants, it must determine the probable distribution to general unsecured creditors and equity security holders from the remaining available proceeds in liquidation. If such probable distribution has a value greater than the distributions to be received by such creditors and equity security holders under the plan, then the plan is not in the best interests of creditors and equity security holders.

For purposes of the best interests test, in order to determine the amount of liquidation value available to Creditors, the Debtors have prepared a liquidation analysis (the "Liquidation Analysis"), a copy of which is annexed as **Exhibit ~~[ ]~~2** to this Disclosure Statement.[5] Based on the Liquidation Analysis, the Debtors believe that Holders of Allowed General Unsecured Claims would recover less in a liquidation than under the Plan.

The Debtors note that any liquidation analysis with respect to the Debtors is inherently speculative. The Debtors' assets, on a going concern basis or on a standalone basis,

[5] ~~[Forthcoming]~~

are subject to significant valuation uncertainties ~~for multiple reasons including, but not limited to, [ ]~~. The Liquidation Analysis necessarily contains estimates of the net proceeds that would be received from a sale of such assets conducted on an expedited timeframe. Further, the Liquidation Analysis necessarily contains estimates of the amount of Claims that will ultimately become Allowed Claims. As the Debtors have not yet reviewed and fully analyzed all Claims and Interests, the estimates of Claims underlying the Liquidation Analysis are based upon the Debtors' review of its books and records and of certain Proofs of Claim, and include estimates of a number of Claims that are contingent, disputed, and/or unliquidated. The estimate of the amount of Allowed Claims set forth in the Liquidation Analysis should not be relied on for any other purpose, including, without limitation, any determination of the value of any Distribution to be made on account of Allowed Claims under the Plan.

Notwithstanding the difficulty in quantifying recoveries on Allowed Claims with precision, the Debtors believe that Holders of Claims that are Impaired will receive equal or greater value as of the Effective Date than such Holders would receive in a chapter 7 liquidation. Accordingly, the Debtors believe that the Plan satisfies the "best interests" test of section 1129 of the Bankruptcy Code.

F. Confirmation without Acceptance of All Impaired Classes: The "Cramdown" Alternative

In the event that one of Classes 4, 5, ~~6,~~6 and 7 does not vote to accept the Plan, the Debtors will seek Confirmation of the Plan pursuant to the "cramdown" provisions of the Bankruptcy Code. Specifically, section 1129(b) of the Bankruptcy Code provides that a plan can be confirmed even if the plan is not accepted by all impaired classes, as long as at least one impaired class of claims has accepted it. The Bankruptcy Court may confirm a plan at the request of the debtors if the plan "does not discriminate unfairly" and is "fair and equitable" as to each impaired class that has not accepted the plan. A plan does not discriminate unfairly within the meaning of the Bankruptcy Code if a dissenting class is treated equally with respect to other classes of equal rank.

The Debtors believe the Plan does not discriminate unfairly with respect to the Claims and Interests in Classes 4, 5, ~~6,~~6 and 7.

A plan is fair and equitable as to a class of unsecured claims that rejects a plan if the plan provides (i) for each holder of a claim included in the rejecting class to receive or retain on account of that claim property that has a value, as of the effective date of the plan, equal to the allowed amount of such claim or (ii) that the holder of any claim or interest that is junior to the claims of such class will not receive or retain on account of such junior claim or interest any property at all.

A plan is fair and equitable as to a class of equity interests that rejects a plan if the plan provides (i) that each holder of an interest included in the rejecting class receive or retain on account of that interest property that has a value, as of the effective date of the plan, equal to the greatest of the allowed amount of any fixed liquidation preference to which such holder is

entitled, any fixed redemption price to which such holder is entitled or the value of such interest or (ii) that the holder of any interest that is junior to the interests of such class will not receive or retain under the plan on account of such junior interest any property at all.

The Debtors believe that the Plan meets the "fair and equitable" requirements of section 1129(b) of the Bankruptcy Code with respect to Holders of Claims in Classes 4, 5, 6, 7 and 8, and Holders of Interests in Class ~~10~~9 and that the Plan satisfies the foregoing requirements for nonconsensual confirmation of the Plan.

XII. CONCLUSION AND RECOMMENDATION

For all of the reasons set forth in this Disclosure Statement, the Debtors and the ~~Plan Sponsor~~Purchaser believe that Confirmation and consummation of the Plan is preferable to all other alternatives. Accordingly, the Debtors and the ~~Plan Sponsor~~Purchaser urge all Holders of Claims in Classes 4, 5, ~~6,~~6 and 7 to vote to **ACCEPT** the Plan, and to complete and return their ballots so that they will be **RECEIVED** on or before ~~5~~4:00 ~~p.m.~~ (Eastern Time) on [~~_____~~August 13], 2018~~].~~

Scottish Holdings, Inc.
Scottish Annuity & Life Insurance Company (Cayman) Ltd.

/s/ Gregg Klingenberg
Gregg Klingenberg
Chief Executive Officer

~~11783077.20~~

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Statistics:	
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Moved to	56
Style change	0
Format changed	0
Total changes	1877

EXHIBIT E

Plan Redline

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
SCOTTISH HOLDINGS, INC., *et al.*,	Case No. 18-10160 (LSS)
Debtors.[1]	Jointly Administered

FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF SCOTTISH HOLDINGS, INC., AND SCOTTISH ANNUITY & LIFE INSURANCE COMPANY (CAYMAN) LTD.

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Dated: ~~April 18,~~June 15, 2018
Wilmington, Delaware

[1] The Debtors, along with the last four digits of their federal tax identification numbers, are as follows: Scottish Holdings, Inc. (4408) and Scottish Annuity & Life Insurance Company (Cayman) Ltd. (3285). The Debtors' mailing address for purposes of these Chapter 11 Cases is 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277.

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THIS IS NOT A SOLICITATION OF VOTES TO ACCEPT OR REJECT THE PLAN IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND WITHIN THE MEANING OF SECTION 1126 OF THE BANKRUPTCY CODE. 11 U.S.C. §§ 1125, 1126. A DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT. THE INFORMATION IN THE PLAN AND THE DISCLOSURE STATEMENT IS SUBJECT TO WITHDRAWAL, CHANGE AND ~~SUPPLEMENT~~MAY BE SUPPLEMENTED. THE ~~FILINGS~~FILING OF THE DISCLOSURE STATEMENT AND PLAN ~~ARE~~IS WITHOUT PREJUDICE TO ANY CONSENT RIGHTS THAT THE ~~PLAN SPONSOR~~PURCHASER MAY HAVE PURSUANT TO THE STOCK PURCHASE ~~AGREEMENT AND THE PLAN SPONSORSHIP~~ AGREEMENT AND ANY CONSENT RIGHTS THAT SRGL MAY HAVE UNDER THE TERMS OF THE RESTRUCTURING IMPLEMENTATION AGREEMENT OR THE RIA ORDER. THE PLAN AND THE DISCLOSURE STATEMENT ARE NOT AN OFFER TO SELL ANY SECURITIES AND ARE NOT SOLICITING AN OFFER TO BUY ANY

Scottish Holdings, Inc. ("SHI") and Scottish Annuity & Life Insurance Company (Cayman) Ltd. ("SALIC"), debtors and debtors in possession (the "Debtors") in these Chapter 11 Cases, jointly propose this Plan. Reference is made to the Disclosure Statement in support of the Plan for a discussion of the Debtors' history, business, property and results of operations, and for a summary of the Plan and certain related matters.

Before voting to accept or reject the Plan, all Creditors are encouraged to read the Plan and the Disclosure Statement in their entirety, as well as the Stock Purchase Agreement and Restructuring Implementation Agreement, the terms of which are incorporated into the Plan by reference and form integral parts of the Plan. No materials, other than the Disclosure Statement and any exhibits and schedules thereto or referenced therein, have been approved by the Debtors or the Bankruptcy Court for use in soliciting acceptances or rejections of the Plan.

I. SUMMARY OF THE PLAN

An overview of the Plan is set forth in the Disclosure Statement. Generally, the Plan provides for, among other things, the following: (1) the reorganization and recapitalization of the Debtors and certain of their non-debtor Affiliates through a new money contribution of $12,500,000 by the ~~Plan Sponsor~~Purchaser in the form of the Recapitalization Funding Payment; (2) the funding of distributions to the Debtors' creditors through an additional new money contribution of $~~12,500,000~~21,500,000 by the ~~Plan Sponsor~~Purchaser in the form of the Plan Funding Payment subject to reduction by the amount of the TruPS Returned Cash; (3) in exchange for the foregoing payments and other consideration, the issuance or assignment to the Purchaser of one hundred percent (100%) of the New Equity, subject to downward adjustment to no less than seventy percent (70%), to the extent that eligible unsecured creditors elect to receive their pro rata share of up to thirty percent (30%) of the New Equity, in lieu of a cash distribution under the Plan ~~Sponsor of all of the equity interests of the Debtors~~; (4) the assumption by the Reorganized Debtors of all or substantially all reinsurance treaties ~~in~~for which SALIC acts as reinsurer or retrocessionaire; ~~and (5) the distribution to Holders of Allowed Claims of beneficial~~

~~interests in a trust that will make distributions of Cash from the Plan Funding Payment and other assets that may be transferred to the Distribution Trust on such Allowed Claims in accordance with the priority scheme established by the Bankruptcy Code.The reorganization of the Debtors and their estates described herein will be implemented by: (1) vesting the Plan Sponsor with 100% direct ownership of SALIC and indirect ownership of SHI and certain of the Debtors' non-debtor Affiliates, (2) creating~~(5) creation of the Distribution Trust (a) for payment of all Secured Claims, Administrative Claims, and Priority Claims to the extent Allowed and not paid or otherwise satisfied prior to the Effective Date, and (b) for the benefit of Holders of SHI TruPS Claims, SHI General Unsecured Claims, SALIC TruPS Claims and SALIC General Unsecured Claims, all to the extent Allowed; and (~~3~~6) funding of the Distribution Trust with the Distribution Trust Assets, ~~including~~ the Available Plan ~~Funding Payment (net of any Closing Date Plan Distributions).~~ Distribution Funding Amount and the Distribution Trust Reserves.

Pursuant to sections 105(a), 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good faith compromise of all Claims, Interests and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim may have with respect to any Allowed Claim, or any distribution to be made on account of such Allowed Claim, as well as the allocation of the Plan Funding Payment among the Debtors' Estates and Creditors. In addition, the Plan contains certain, release, injunction and exculpation provisions all as set forth in Article X of the Plan.

II. DEFINITIONS AND INTERPRETATION

2.1 All capitalized terms used but not defined elsewhere in the Plan have the meanings assigned to them in the Glossary of Defined Terms attached as **Exhibit A** to the Plan. Any capitalized term used and not otherwise defined by the Plan has the meaning ascribed to that term in the Bankruptcy Code and/or Bankruptcy Rules.

2.2 For purposes of the Plan, any reference in the Plan to an existing document or exhibit Filed or to be Filed means that document or exhibit as it may have been or may be amended, supplemented, or otherwise modified.

2.3 The words "herein," "hereof" and "hereunder" and other words of similar import refer to the Plan as a whole and not to any particular section, subsection or clause contained in the Plan, unless the context requires otherwise. Whenever from the context it appears appropriate, each term stated in either the singular or the plural includes the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender include the masculine, feminine and the neuter.

2.4 Captions and headings to articles, sections and exhibits are inserted for convenience of reference only and are not intended to be part of or to affect the interpretation of the Plan.

2.5 The rules of construction set forth in section 102 of the Bankruptcy Code shall

apply.

2.6 In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

III. CLASSIFICATION OF CLAIMS AND INTERESTS

3.1. Introduction

All Claims and Interests, except Administrative Claims and Priority Tax Claims, are placed in the Classes set forth below. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims have not been classified, and the treatment of such unclassified Claims is set forth below in Section 4.1 of the Plan.

A Claim or Interest is placed in a particular Class only to the extent that the Claim or Interest falls within the description of that Class, and is classified in other Classes to the extent that any portion of the Claim or Interest falls within the description of such other Classes. A Claim is also placed in a particular Class for the purpose of receiving Distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that Class and such Claim has not been paid, released, or otherwise settled prior to the Effective Date.

3.2. Unclassified Claims

(a) Administrative Claims

(b) Priority Tax Claims

3.3. Classification of Claims and Interests

The following table designates the Classes of Claims against and Interests in the Debtors and specifies which Classes are: (a) Impaired and Unimpaired under the Plan; (b) entitled to vote to accept or reject the Plan in accordance with section 1126 of the Bankruptcy Code; and (c) deemed to accept or reject the Plan:

Class	Type of Claim or Interest	Impairment	Entitled to Vote
Class 1	Secured Claims	Unimpaired	No (deemed to accept)~~.~~
Class 2	Priority Non-Tax Claims	Unimpaired	No (deemed to accept)~~.~~
Class 3	Intercompany Claims	Unimpaired	No (deemed to accept)~~.~~
Class 4	SHI TruPS Claims	Impaired	Yes~~.~~
Class 5	SHI General Unsecured Claims	Impaired	Yes~~.~~
Class 6	SALIC TruPS Claims & SFL Claims	Impaired	Yes~~.~~
Class 7	SALIC General Unsecured Claims	Impaired	Yes~~.~~
Class 8	Subordinated Claims	Impaired	No (deemed to reject)~~.~~
Class 9	SHI Existing Equity Interests	Impaired	No (deemed to reject)
Class ~~9~~10	SALIC Existing Equity Interests	Unimpaired	No (deemed to accept)~~.~~

~~Class 10~~	~~SHI Existing Equity Interests~~	~~Impaired~~	~~No (deemed to reject).~~

IV. TREATMENT OF CLAIMS AND INTERESTS

4.1. Unclassified Claims

(a) Administrative Claims

Except to the extent that an Allowed Administrative Claim has been satisfied prior to the Effective Date, and except as otherwise provided for herein (including Section 4.1(c)(ii) with respect to Professional Fee Claims), each Holder of an Allowed Administrative Claim shall be entitled to receive in full, final and complete settlement, release, and discharge of such Claim, either (i) to the extent such Administrative Claim is Allowed as of the Effective Date, payment in full in Cash of the unpaid portion of such Allowed Administrative Claim as a Closing Date Plan Distribution on the Effective Date, or as soon as reasonably practicable thereafter, or (ii) to the extent such Administrative Claim is Allowed after the Effective Date, payment in full in Cash of the unpaid portion of such Allowed Administrative Claim from the Distribution Trust, in an amount equal to the unpaid portion of such claim, at such time as such Administrative Claim is Allowed, or as soon as reasonably practicable thereafter.

(b) Priority Tax Claims

Except to the extent that an Allowed Priority Tax Claim has been satisfied prior to the Effective Date, each Holder of an Allowed Priority Tax Claim shall be entitled to receive, in full, final and complete settlement, release, and discharge of such Claim, at the election of the Debtors or the Distribution Trustee, one of the following treatments: (i) to the extent such Priority Tax Claim is Allowed as of the Effective Date, payment in full in Cash of the unpaid portion of such Allowed Priority Tax Claim as a Closing Date Plan Distribution on the Effective Date, or as soon as reasonably practicable thereafter; (ii) to the extent such Priority Tax Claim is Allowed after the Effective Date, payment in full in Cash of the unpaid portion of such Allowed Priority Tax Claim from the Distribution Trust, in an amount equal to the unpaid portion of such claim, at such time as such Priority Tax Claim is Allowed, or as soon as reasonably practicable thereafter; or (iii) or such other treatment or payment from the Distribution Trust as permitted under section 1129(a)(9)(C) of the Bankruptcy Code.

(c) Other Provisions Governing Administrative Claims

i. *General Provisions*~~:~~. Except as otherwise provided in this Article IV, requests for payment of Administrative Claims must be included within an application (setting forth the amount of, and basis for, such Administrative Claims, together with documentary evidence) and Filed and served on respective counsel for the Debtors, the Reorganized Debtors, the ~~Plan Sponsor~~Purchaser, and the Distribution Trustee no later than the applicable Administrative Claims Bar Date. Holders of Administrative Claims (including, without limitation, Holders of any Claims for federal, state or local taxes) that are required to File a request for payment of such Claims and that do not File such requests by the applicable

Administrative Claims Bar Date shall be forever barred from asserting such Claims against the Debtors, Reorganized Debtors, the ~~Plan Sponsor,~~Purchaser, the Distribution Trust or any of their respective property. Requests for payments of Administrative Claims included within a Proof of Claim are of no force and effect, and are deemed disallowed in their entirety as of the Effective Date, and shall be satisfied only to the extent such Administrative Claim is subsequently Filed in a timely fashion as provided by this subsection and subsequently becomes an Allowed Claim.

ii. *Professionals*~~:~~. All Professionals or other entities requesting compensation or reimbursement of expenses pursuant to sections 327, 328, 330, 331, 503(b) and 1103 of the Bankruptcy Code for services rendered before the Effective Date (including, without limitation, any compensation requested by any Professional or any other Entity for making a substantial contribution in the Chapter 11 Cases) shall File an application for final allowance of compensation and reimbursement of expenses no later than thirty (30) days after the Effective Date and simultaneously serve such application on counsel for the following entities ~~and their counsel, if any~~: the ~~Debtors, the~~ Reorganized Debtors, the ~~Plan Sponsor~~Purchaser, the Official Committee, the Distribution Trustee, and the U.S. Trustee.

Objections, if any, to a Professional's application for compensation or reimbursement of expenses must be filed no later than twenty-one (21) days after the date the application is filed, and simultaneously served on the ~~following entities~~ applicant (and ~~their~~its counsel, if any) and counsel for the following entities: the ~~Debtors, the~~ Reorganized Debtors, the ~~Plan Sponsor~~Purchaser, the Official Committee, the Distribution Trustee, and the U.S. Trustee~~, and the Professional(s) to whose application(s) the objection is addressed~~. If no objections are received, the Bankruptcy Court may enter a final order approving the applications and authorizing final Allowance and payment of compensation and reimbursement of expenses without a hearing. If any objection cannot be resolved consensually, the Bankruptcy Court will hold a hearing on the affected application(s).

The amount of compensation and reimbursement of expenses Allowed by the Bankruptcy Court (less (i) amounts previously received by the Professional in respect of interim compensation and (ii) any unapplied retainer or advance held by the Professional) shall be paid ~~from~~by the Distribution ~~Trust~~Trustee from the Professional Fee Reserve.

Any professional fees and reimbursements or expenses incurred by the Distribution Trust subsequent to the Effective Date may be paid in accordance with the Distribution Trust Agreement. Any professional fees and reimbursements or expenses incurred by the Reorganized Debtors subsequent to the Effective Date may be paid without further order of, or application to, the Bankruptcy Court.

(d) Indenture Trustee Fees

i. *Indenture Trustee Fees Incurred through the Confirmation Date.* On the Effective Date, the Debtors shall pay all undisputed Indenture Trustee Fees of the TruPS Indenture Trustees incurred through the Confirmation Date as set forth in section 6.1(b)(1). For a TruPS Indenture Trustee to be eligible to have its Indenture Trustee Fees incurred through the

Confirmation Date paid on the Effective Date or as soon as reasonably practicable after the Effective Date, on or before the thirtieth (30th) day after the Confirmation Date, such TruPS Indenture Trustee must serve the Debtors, the Committee and the Purchaser with invoices setting forth in reasonable detail (but subject to appropriate redactions to preserve confidentiality or any applicable privileges or protections) the Indenture Trustee Fees for which such TruPS Indenture Trustee seeks payment. If none of the Debtors, the Committee or the Purchaser has served the applicable TruPS Indenture Trustee with a written objection to the TruPS Indenture Trustee Fees set forth in such invoices within ten (10) Business Days after the date of service of such invoices, then the subject Indenture Trustee Fees shall be paid to the applicable TruPS Indenture Trustee on or as soon as reasonably practicable after the Effective Date as set forth in Section 6.1(b)(1), without the need for application to, or approval by, any court. Each Indenture Trustee will not assert its Charging Lien to the extent that it receives payment of its Indenture Trustee Fees.

ii. *Indenture Trustee Fees Incurred During the Period from the Confirmation Date through the Effective Date.*

A. Prior to the Effective Date, the Debtors, in consultation with the Purchaser, the Committee and each of the TruPS Indenture Trustees, will make a good faith estimate of the Indenture Trustee Fees incurred and expected to be incurred during the period from the Confirmation Date through the Effective Date. On the Effective Date, the Indenture Trustee Fee Reserve shall be funded with such estimated amount in accordance with section 6.3(g) of the Plan.

B. For a TruPS Indenture Trustee to be eligible to have its Indenture Trustee Fees incurred during the period commencing from the Confirmation Date through the Effective Date paid from the Indenture Trustee Fee Reserve (and if such Indenture Trustee Fee Reserve proves to be inadequate, the Available Plan Distribution Funding Amount), on or before the thirtieth (30th) day after the Effective Date, such TruPS Indenture Trustee must serve the Distribution Trustee and the Purchaser with invoices setting forth in reasonable detail (but subject to appropriate redactions to preserve confidentiality or any applicable privileges or protections) the Indenture Trustee Fees for which such TruPS Indenture Trustee seeks payment. If the Distribution Trustee or the Purchaser has not served the applicable TruPS Indenture Trustee with a written objection to the TruPS Indenture Trustee Fees set forth in such invoices within ten (10) Business Days after the date of service of such invoices, then the subject Indenture Trustee Fees shall be paid from the Indenture Trustee Fee Reserve (or the Available Plan Distribution Funding Amount if the Indenture Trustee Fee Reserve is inadequate) to the applicable TruPS Indenture Trustee within ten (10) Business Days after the expiration of such objection period, without the need for application to, or approval by, any court.

iii. *Indenture Trustee Fees Incurred Following the Effective Date.* Prior to the Effective Date, the Debtors, in consultation with the Purchaser, the Committee and each of the TruPS Indenture Trustees, will make a good faith estimate of the Indenture Trustee Fees expected to be incurred following the Effective Date and the Indenture Trustee Fee Reserve shall be funded with such estimated amount in accordance with section 6.3(g) of the Plan. No TruPS Indenture Trustee shall be eligible to receive payment from the Distribution Trust or

SRGL or to maintain a Charging Lien, for Indenture Trustee Fees incurred after the Effective Date for fees or expenses relating to the SHST II TruPS, the SHST II TruPS Documents, the GPIC TruPS, the GPIC TruPS Documents or any Distributions made on account of Claims arising from the SHST II TruPS, the SHST II Debentures, the GPIC TruPS, the GPIC Debentures or any other TruPS Document related to the foregoing TruPS transactions.

iv. *Indenture Trustee Fee Cap.* The aggregate amount of Indenture Trustee Fees recoverable from the Debtors and the Distribution Trust by the TruPS Indenture Trustees shall not exceed [$_____] (the "Indenture Trustee Fee Cap"). The Indenture Trustee Fee Cap may be increased upon the consent of the Debtors, the Committee and the Purchaser at any time prior to the Effective Date and upon the consent of the Distribution Trustee and the Purchaser on or after the Effective Date.

v. *Disputes Regarding Indenture Trustee Fees.* If the Debtors or Reorganized Debtors (as applicable), the Committee, the Purchaser or the Distribution Trustee disputes any requested Indenture Trustee Fees, such party shall notify the applicable TruPS Indenture Trustee, and, upon such notification, the applicable TruPS Indenture Trustee may (a) assert its Charging Lien to pay the disputed portion of the Indenture Trustee Fees and/or (b) submit such dispute for resolution to the Bankruptcy Court. If the dispute is not resolved in the TruPS Indenture Trustee's favor, any amounts for which the TruPS Indenture Trustee asserted its charging lien on account of such disputed Indenture Trustee Fees must be returned. Notwithstanding the pendency of an objection to a portion of a TruPS Indenture Trustee's Indenture Trustee Fees, the Debtors or Distribution Trust, as applicable, shall pay any undisputed portion of Indenture Trustee. Nothing herein shall be deemed to impair, waive, discharge, or negatively affect any Charging Lien for any fees, costs and expenses not paid by the Debtors or the Distribution Trustee and otherwise claimed by a TruPS Indenture Trustee pursuant to the procedures set forth in this Section 4.1(d) of the Plan; provided, however, that no TruPS Indenture Trustee shall be eligible to receive payment from the Distribution Trust or maintain a Charging Lien for Indenture Trustee Fees incurred after the Effective Date for services related to Distributions to SRGL on account of its holdings of SHST II TruPS, GPIC TruPS or any corresponding SRGL TruPS Claims.

4.2. Unimpaired Classes of Claims and Interests

(a) Class 1 – Secured Claims

i. *Classification.* Class 1 consists of all Secured Claims, to the extent such Claims have not already been satisfied during the Chapter 11 Cases.

ii. *Treatment.* Unless a Holder of an Allowed Secured Claim agrees to lesser treatment, on the Effective Date, or as soon as reasonably practicable thereafter, each Holder of an Allowed Secured Claim shall receive one of the following treatments on account of such Allowed Secured Claim, at the option of the Debtors or the Distribution Trustee, as applicable~~, and, if required, with the consent of the Plan Sponsor~~: (a) reinstatement of the Allowed Secured Claim as against any collateral or proceeds thereof held by the Distribution

Trust; (b) with the consent of the Purchaser, reinstatement of the Allowed Secured Claim as against any collateral or proceeds thereof held by the Reorganized Debtors; (c) in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Allowed Secured Claim, Cash equal to the full Allowed amount of such ~~Claim, or (d)~~Secured Claim, with such Cash to be paid (i) as a Closing Date Plan Distribution to the extent that such Secured Claim is Allowed as of the Effective Date or (ii) from the assets of the Distribution Trust to the extent that such Secured Claim is allowed after the Effective Date; or (d) with the consent of the Purchaser as to any asset that is not a Distribution Trust Asset, delivery of the collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code.

iii. *Voting.* Class 1 is Unimpaired and the Holders of Claims in Class 1 will be conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Claims in Class 1 will not be entitled to vote to accept or reject the Plan.

(b) Class 2 – Priority Non-Tax Claims

i. *Classification.* Class 2 consists of all Priority Non-Tax Claims, to the extent such Claims have not already been satisfied during the Chapter 11 Cases.

ii. *Treatment.* Unless a Holder of an Allowed Priority Non-Tax Claim agrees to lesser treatment, on the Effective Date, or as soon as reasonably practicable thereafter, each Holder of an Allowed Priority Non-Tax Claim shall receive in full, final and complete satisfaction, settlement, release, and discharge of such Allowed Priority Non-Tax Claim, either: (i) to the extent such Priority Non-Tax Claim is Allowed as of the Effective Date, payment in full in Cash of the unpaid portion of such Allowed Priority Non-Tax Claim as a Closing Date Plan Distribution on the Effective Date, or as soon as reasonably practicable thereafter, or (ii) to the extent such Priority Non-Tax Claim is Allowed after the Effective Date, payment in full in Cash of the unpaid portion of such Allowed Priority Non-Tax Claim from the Distribution Trust at such time as such Priority Non-Tax Claim is Allowed, or as soon as reasonably practicable thereafter.

iii. *Voting.* Class 2 is Unimpaired and the Holders of Claims in Class 2 will be conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Claims in Class 2 will not be entitled to vote to accept or reject the Plan.

(c) Class 3 – Intercompany Claims

i. *Classification.* Class 3 consists of all Intercompany Claims, to the extent such Claims have not already been satisfied during the Chapter 11 Cases.

ii. *Treatment.* Intercompany Claims shall be paid, adjusted, continued, settled, reinstated, discharged, eliminated, or otherwise managed, in each case to the extent determined to be appropriate by the applicable Debtor(s) or Reorganized Debtor(s) and

certain of their non-debtor Affiliates with the consent of the Purchaser. For the avoidance of doubt, Intercompany Claims shall not receive a ~~distribution of~~ Distribution ~~Trust Interests~~ and shall not otherwise be entitled to any of the assets of the Distribution Trust.

iii. *Voting.* Class 3 is Unimpaired and the Holders of Claims in Class 3 will be conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Claims in Class 3 will not be entitled to vote to accept or reject the Plan.

(d) Class ~~9~~10 – SALIC Existing Equity Interests

i. *Classification.* Class ~~9~~10 consists of all SALIC Existing Equity Interests.

ii. *Treatment.* SALIC Existing Equity Interests are Unimpaired by the Plan and will be treated in accordance with the Stock Purchase Agreement, the ~~Plan Sponsorship Agreement~~New SALIC Shares Issuance Documents, the Share Surrender Documents, and the Restructuring Implementation Agreement, as provided in Section 6.1 of the Plan.

iii. *Voting.* Class ~~9~~10 is Unimpaired and the Holders of Interests in Class ~~9~~10 will be conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Interests in Class ~~9~~10 will not be entitled to vote to accept or reject the Plan.

4.3. Impaired Voting Classes of Claims

(a) Class 4 – SHI TruPS Claims

i. *Classification.* Class 4 consists of all SHI TruPS Claims.

ii. *Allowance.* The SHI TruPS Claims shall be allowed as follows (inclusive of all principal amount issued pursuant to the applicable TruPS Indentures and related documents and accrued but unpaid interest as of the Petition Date at the applicable rates specified in the applicable TruPS Indentures and related documents, other than Indenture Trustee Fees), and shall not be subject to objection, challenge, reduction, offset, avoidance, setoff, recharacterization, impairment, subordination (whether equitable, contractual or otherwise) except as provided herein, counterclaim, cross-claim, defense or disallowance under Applicable Law:

TruPS Debenture Issuance	TruPS Indenture Trustee	Holder of Allowed SHI TruPS Claim	Principal	Interest through Petition Date	Total Allowed SHI TruPS Claim
SHST I TruPS Debentures	U.S. Bank, as Indenture Trustee	U.S. Bank, as Indenture Trustee, on behalf of	$18,042,000.00	$4,805,863.87	$22,847,863.87

TruPS Debenture Issuance	TruPS Indenture Trustee	Holder of Allowed SHI TruPS Claim	Principal	Interest through Petition Date	Total Allowed SHI TruPS Claim
		Beneficial Holders			
SHST II TruPS Debentures	U.S. Bank, as Indenture Trustee	U.S. Bank, as Indenture Trustee, exclusively for SRGL	$20,619,000.00	$5,528,239.88	$26,147,239.88
GPIC TruPS Debentures	BNYM, as Indenture Trustee	BNYM, as Indenture Trustee, exclusively for SRGL	$10,310,000.00	$2,561,006.29	$12,873,506.29
SHST III TruPS Debentures	U.S. Bank, as Indenture Trustee	U.S. Bank, as Indenture Trustee, on behalf of Beneficial Holders	$32,990,000.00	$8,310,979.84	$41,300,979.84
TOTAL			**$81,961,000.00**	**$21,206,089.88**	**$99,870,213.87**

iii. ~~ii.~~ *Treatment.* ~~Unless a Holder of an Allowed SHI TruPS Claim agrees to lesser treatment, on the Effective Date, or as soon as reasonably practicable thereafter, each Holder of an Allowed SHI TruPS Claim will receive, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Claim, a Pro Rata Share of Distribution Trust Interests. Each Holder of an Allowed SHI TruPS Claim shall be paid in Cash from the Distribution Trust on the Distribution Date for its Pro Rata Share of Distribution Trust Interests, after payment in full, or a reserve being established for, all Administrative Claims, Priority Claims, and Secured Claims, all in accordance with the Distribution Trust Agreement.~~

A. With respect to Eligible SHI TruPS Claims, on or as soon as reasonably practicable after the DT Initial Distribution Date and the DT Subsequent Distribution Dates (as applicable), in full and final satisfaction of and in exchange for all Eligible SHI TruPS Claims, each Beneficial Holder of TruPS on account of its Allocated Portion of SHI TruPS Claim will receive (to be distributed in accordance with the procedures set forth in Sections 6.1(f) & (g), 6.3(i), 7.5 and 7.6 of this Plan):

(1) If such Beneficial Holder is a New Equity Eligible Beneficial Holder, the following:

(a) Either (x) if the Beneficial Holder makes the New Equity Election, then the Beneficial Holder's TruPS Claims Equity Distribution Amount; or (y) if the Beneficial Holder makes the Cash Election, the Beneficial Holder's TruPS/GUC Claims Cash Distribution Amount; and

(b) The Beneficial Holder's applicable percentage of the Distribution Trust Asset Proceeds, calculated as the amount of such New Equity Eligible Beneficial Holder's Allocated Portion of the Allowed Eligible SHI TruPS Claim divided by the TruPS/GUC Claims Aggregate Amount.

(2) If such Beneficial Holder is SRGL, the following:

(a) SRGL's TruPS/GUC Claims Cash Distribution Amount; and

(b) SRGL's applicable percentage of the Distribution Trust Assets Proceeds, calculated as the amount of SRGL's Allocated Portion of the Allowed Eligible SHI TruPS Claim divided by the TruPS/GUC Claims Aggregate Amount.

B. With respect to SRGL Exclusively Held SHI TruPS Claims, on or as soon as reasonably practicable after the DT Initial Distribution Date and the DT Subsequent Distribution Dates (as applicable), in full and final satisfaction of and in exchange for all SRGL Exclusively Held SHI TruPS Claims, SRGL shall receive (to be distributed in accordance with the procedures set forth in Sections 6.1(f) & (g), 6.3(i), 7.5 and 7.6 of this Plan):

(1) SRGL's TruPS/GUC Claims Cash Distribution Amount; and

(2) SRGL's applicable percentage of the Distribution Trust Assets Proceeds, calculated as the amount of the Allowed SRGL Exclusively Held SHI TruPS Claims divided by TruPS/GUC Claims Aggregate Amount.

iv. ~~iii.~~ *Voting*. Class 4 is Impaired, and the Holders of Allowed Class 4 Claims will be entitled to vote to accept or reject the Plan.

(b) Class 5 – SHI General Unsecured Claims

i. *Classification.* Class 5 consists of all SHI General Unsecured Claims.

ii. *Treatment.* ~~Unless a Holder of an Allowed SHI General Unsecured Claim agrees to lesser treatment, on the Effective Date, or as soon as reasonably practicable thereafter, each Holder of an Allowed SHI General Unsecured Claim will receive~~

A. On or as soon as reasonably practicable after the DT Initial

Distribution Date and the DT Subsequent Distribution Dates (as applicable), in full and final satisfaction~~, compromise, settlement, release, and discharge of and in exchange for such Claim, a Pro Rata Share of Distribution Trust Interests. Each Holder of an Allowed SHI General Unsecured Claim shall be paid in Cash from the Distribution Trust on the Distribution Date for its Pro Rata Share of Distribution Trust Interests, after payment in full, or a reserve being established for, all Administrative Claims, Priority Claims, and Secured Claims, all in accordance with the Distribution Trust Agreement.~~ of and in exchange for all SHI General Unsecured Claims, each Holder of an Allowed SHI General Unsecured Claim shall receive:

(1) The Holder's TruPS/GUC Claims Cash Distribution Amount; and

(2) The Holder's applicable percentage of the Distribution Trust Assets Proceeds, calculated as the amount of the Allowed Amount of the Holder's SHI General Unsecured Claims divided by the TruPS/GUC Claims Aggregate Amount.

iii. *Voting.* Class 5 is Impaired, and the Holders of Allowed Class 5 Claims will be entitled to vote to accept or reject the Plan.

(c) Class 6 – SALIC TruPS Claims & SFL Note Claim

i. *Classification.* Class 6 consists of all SALIC TruPS Claims and the SFL Note Claim.

ii. *Allowance.*

A. SALIC TruPS Claims: The SALIC TruPS Claims shall be allowed as follows (inclusive of all principal amount issued pursuant to the applicable TruPS Indentures and related documents and accrued but unpaid interest as of the Petition Date at the applicable rates specified in the applicable TruPS Indentures and related documents, other than Indenture Trustee Fees), and shall not be subject to objection, challenge, reduction, offset, avoidance, setoff, recharacterization, impairment, subordination (whether equitable, contractual or otherwise) except as provided herein, counterclaim, cross-claim, defense or disallowance under Applicable Law:

TruPS Debenture Issuance	TruPS Indenture Trustee	Holder of Allowed SALIC TruPS Claim	Principal	Interest through Petition Date	Total Allowed SALIC TruPS Claim
SHST I Debentures	U.S. Bank, as Indenture Trustee	U.S. Bank, as Indenture Trustee, on behalf of Beneficial	$18,042,000.00	$4,805,863.87	$22,847,863.87

TruPS Debenture Issuance	TruPS Indenture Trustee	Holder of Allowed SALIC TruPS Claim	Principal	Interest through Petition Date	Total Allowed SALIC TruPS Claim
		Holders			
SHST II Debentures	U.S. Bank, as Indenture Trustee	U.S. Bank, as Indenture Trustee, exclusively for SRGL	$20,619,000.00	$5,528,239.88	$26,147,239.88
GPIC Debentures	BNYM, as Indenture Trustee	BNYM, as Indenture Trustee, exclusively for SRGL	$10,310,000.00	$2,561,006.29	$12,873,506.29
SHST III Debentures	U.S. Bank, as Indenture Trustee	U.S. Bank, as Indenture Trustee, on behalf of Beneficial Holders	$32,990,000.00	$8,310,979.84	$41,300,979.84
SFLST I Debentures	WTC, as Indenture Trustee	Wilmington Trust Company, as Indenture Trustee, on behalf of Beneficial Holders	$51,547,000.00	$11,989,041.32	$63,536,041.32
TOTAL			**$133,508,000.00**	**$33,195,131.20**	**$166,705,631.20**

B. SFL Note Claim: If the Holder of the SFL Note Claim (1) votes the SFL Note Claim to accept the Plan, (2) does not object to confirmation of the Plan, and (3) does not opt out of the "Releases by Holders of Claims and Interests" set forth in Section 10.3 of the Plan (together, the "SFL Note Claim Allowance Conditions"), then upon the occurrence of the Effective Date, the SFL Note Claim shall be deemed Allowed as a Class 6 Claim in the amount of $63,536,014.32, and shall not be subject to objection, challenge, reduction, offset, avoidance, setoff, recharacterization, impairment, subordination (whether equitable, contractual or otherwise) except as provided herein, counterclaim, cross-claim, defense or disallowance under Applicable Law, and shall be entitled, at such Holder's option to make (i) the New Equity Election; (ii) the Cash Election; or (iii) elect to allocate its Claim between the New Equity Election or the Cash Election. If the Holder of the SFL Note Claim fails to satisfy one or more of the SFL Note Claim Allowance Conditions, then, unless otherwise agreed in a writing signed by an authorized representative of the Debtors (or, if on or after the Effective Date, the Distribution

Trustee) and consented to by the Purchaser (which consent shall not be unreasonably withheld) or adjudicated by a Final Order of the Bankruptcy Court, the SFL Note Claim shall (a) remain fully subject to objection, challenge, reduction, offset, avoidance, setoff, recharacterization, impairment, subordination (whether equitable, contractual or otherwise), counterclaim, cross-claim, defense or disallowance under Applicable Law and treated as a Disputed Claim and (b) be deemed to have made the Cash Election and will be reserved for in Cash as a Disputed Claim. For the avoidance of doubt, after the Effective Date, the Distribution Trustee shall have the sole right and authority, but not the obligation, to object to, litigate, and settle the amount, priority or extent of the SFL Note Claim and to make a Cash Distribution thereon to the extent Allowed.

iii. ~~ii.~~ *Treatment*. ~~Unless a Holder of an Allowed SALIC TruPS Claim agrees to lesser treatment, on the Effective Date, or as soon as reasonably practicable thereafter, each Holder of an Allowed SALIC TruPS Claim will receive, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for such Claim, a Pro Rata Share of Distribution Trust Interests. Each Holder of an Allowed SALIC TruPS Claim shall be paid in Cash from the Distribution Trust on the Distribution Date for its Pro Rata Share of Distribution Trust Interests, after payment in full, or a reserve being established for, all Administrative Claims, Priority Claims, and Secured Claims, all in accordance with the Distribution Trust Agreement.~~:

A. With respect to Eligible SALIC TruPS Claims, on or as soon as reasonably practicable after the DT Initial Distribution Date and the DT Subsequent Distribution Dates (as applicable), in full and final satisfaction of and in exchange for all Eligible SALIC TruPS Claims, each Beneficial Holder of TruPS on account of its Allocated Portion of SALIC TruPS Claim arising from or relating to the TruPS issuance for which it is a Beneficial Holder shall receive (to be distributed in accordance with the procedures set forth in Sections 6.1(f) & (g), 6.3(i), 7.5 and 7.6 of this Plan):

(1) If such Beneficial Holder is a New Equity Eligible Beneficial Holder, the following:

(a) Either (x) if the Beneficial Holder makes the New Equity Election, then the Beneficial Holder's TruPS Claims Equity Distribution Amount; or (y) if the Beneficial Holder makes the Cash Election, the Beneficial Holder's TruPS/GUC Claims Cash Distribution Amount; and

(b) The Beneficial Holder's applicable percentage of the Distribution Trust Asset Proceeds, calculated as the amount of such New Equity Eligible Beneficial Holder's Allocated Portion of the Allowed Eligible SALIC TruPS Claim divided by the TruPS/GUC Claims Aggregate Amount.

(2) If such Beneficial Holder is SRGL, the following:

(a) SRGL's TruPS/GUC Claims Cash Distribution Amount; and

(b) SRGL's applicable percentage of the Distribution Trust Assets Proceeds, calculated as the amount of SRGL's Allocated Portion of the Allowed Eligible SALIC TruPS Claim divided by the TruPS/GUC Claims Aggregate Amount.

B. With respect to SRGL Exclusively Held SALIC TruPS Claims, on or as soon as reasonably practicable after the DT Initial Distribution Date and the DT Subsequent Distribution Date(s) (as applicable), in full and final satisfaction of and in exchange for all SRGL Exclusively Held SALIC TruPS Claims, SRGL shall receive (to be distributed in accordance with the procedures set forth in Sections 6.1(f) & (g), 6.3(i), 7.5 and 7.6 of this Plan):

(1) SRGL's TruPS/GUC Claims Cash Distribution Amount; and

(2) SRGL's applicable percentage of the Distribution Trust Assets Proceeds, calculated as the amount of the Allowed SRGL Exclusively Held SALIC TruPS Claims divided by the TruPS/GUC Claims Aggregate Amount.

C. With respect to the SFL Note Claim, on or as soon as reasonably practicable after the DT Initial Distribution Date and the DT Subsequent Distribution Dates (as applicable), in full and final satisfaction of and in exchange for all SFL Claims, the Holder of the SFL Note Claim shall receive (to be distributed in accordance with the procedures set forth in Sections 6.1(f) & (g), 6.3(i), 7.5 and 7.6 of this Plan) the following:

(1) If the SFL Note Claim Allowance Conditions are satisfied, then

(a) Either (a) if the Holder of the Allowed SFL Note Claim makes the New Equity Election, such Holder's TruPS Claims Equity Distribution Amount; or (b) if the Holder of the Allowed SFL Note Claim makes the Cash Election, such Holder's TruPS/GUC Claims Cash Distribution Amount; and

(b) SFL's applicable percentage of the Distribution Trust Assets Proceeds, calculated as the amount of such New Equity Eligible Beneficial Holder's Allocated Portion of the Allowed SFL Claim divided by the TruPS/GUC Claims Aggregate Amount.

(2) If the SFL Note Claim Allowance Conditions are not satisfied, then subject to and upon the Allowance of the SFL Claim post-Effective Date:

(a) The Holder of the Allowed SFL Note Claim's TruPS/GUC Claims Cash Distribution Amount; and

(b) The Holder of the Allowed SFL Note Claim's applicable percentage of the Distribution Trust Assets Proceeds, calculated as the amount of the Allowed SFL Claim divided by the TruPS/GUC Claims Aggregate Amount.

D. ~~iii.~~ Voting. Class 6 is Impaired, and the Holders of Allowed Class 6 Claims will be entitled to vote to accept or reject the Plan.

(d) Class 7 – SALIC General Unsecured Claims

i. *Classification.* Class 7 consists of all SALIC General Unsecured Claims.

ii. *Treatment.* ~~Unless a Holder of an Allowed SALIC General Unsecured Claim agrees to lesser treatment, on the Effective Date, or as soon as reasonably practicable thereafter, each Holder of an Allowed SALIC General Unsecured Claim will receive~~

A. On or as soon as reasonably practicable after the DT Initial Distribution Date and the DT Subsequent Distribution Dates (as applicable), in full and final satisfaction~~, compromise, settlement, release, and discharge of and in exchange for such Claim, a Pro Rata Share of Distribution Trust Interests. Each Holder of an Allowed SALIC General Unsecured Claim shall be paid in Cash from the Distribution Trust on the Distribution Date for its Pro Rata Share of Distribution Trust Interests, after payment in full, or a reserve being established for, all Administrative Claims, Priority Claims, and Secured Claims, all in accordance with the Distribution Trust Agreement.~~ of and in exchange for all Allowed SALIC General Unsecured Claims, each Holder of an Allowed SALIC General Unsecured Claim shall receive:

(1) The Holder's TruPS/GUC Claims Cash Distribution Amount; and

(2) The Holder's applicable percentage of the Distribution Trust Assets Proceeds, calculated as the amount of the Allowed Amount of the Holder's SALIC General Unsecured Claims divided by the TruPS/GUC Claims Aggregate Amount.

iii. *Voting.* Class 7 is Impaired, and the Holders of Allowed Class 7 Claims will be entitled to vote to accept or reject the Plan.

4.4. Impaired Non-Voting Classes of Claims and Interests

(a) Class 8 – Subordinated Claims

i. *Classification.* Class 8 consists of all Subordinated Claims.

ii. *Treatment.* Holders of ~~Allowed~~ Subordinated Claims will not receive or retain any property on account of such Claims. On the Effective Date, Subordinated Claims shall be deemed automatically cancelled, released, and extinguished without further action by any Debtor ~~or~~, any Reorganized Debtor or the Distribution Trustee, and the obligations of the Debtors thereunder shall be forever discharged.

iii. *Voting.* Class 8 is Impaired, and each Holder of ~~an Allowed~~a Subordinated Claim will be conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of ~~Allowed~~ Subordinated Claims shall not be entitled to vote on the Plan.

(b) Class ~~10~~9 – SHI Existing Equity Interests

i. *Classification.* Class ~~10~~9 consists of all SHI Existing Equity Interests.

ii. *Treatment.* All SHI Existing Equity Interests will be cancelled and reissued at the direction of the ~~Plan Sponsor~~Purchaser as described in Section 6.1 of the Plan.

iii. *Voting.* Class ~~10~~9 is Impaired, and each Holder of an SHI Existing Equity Interest will be conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of SHI Existing Equity Interests shall not be entitled to vote on the Plan.

V. ACCEPTANCE REQUIREMENTS

5.1. Impaired Classes of Claims Entitled to Vote

Holders of Allowed Claims in each Impaired Class that will receive a Distribution are entitled to vote as a Class to accept or reject the Plan. Accordingly, only the votes of Holders of Claims in Classes 4, 5, ~~6,~~6 and 7 shall be solicited with respect to the Plan. A Holder of a Disputed Claim which has not been temporarily allowed for purposes of voting on the Plan may vote only such Disputed Claim in an amount equal to the portion, if any, of such Claim shown as fixed, liquidated, and undisputed in the Schedules.

5.2. Acceptance by an Impaired Class

In accordance with section 1126(c) of the Bankruptcy Code, and except as provided in section 1126(e) of the Bankruptcy Code, an Impaired Class shall have accepted the Plan if the Plan is accepted by the Holders of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims in such Class that have timely and properly voted to accept or reject the Plan.

5.3. Presumed Acceptance by Unimpaired Classes

Classes 1, 2, 3, and ~~9~~10 are Unimpaired under the Plan. Under section 1126(f) of the Bankruptcy Code, Holders of such Unimpaired Claims and Interests are conclusively presumed to have accepted the Plan, and the votes of Holders of such Claims and Interests shall not be solicited.

5.4. Presumed Rejection by Impaired Classes Not Receiving Any Distribution under the Plan

Classes 8 and ~~10~~9 are Impaired under the Plan, and Holders of Claims and Interests in such Classes will not receive or retain any property under the Plan on account of such Claims or Interests. Under section 1126(f) of the Bankruptcy Code, Holders of such Claims and Interests are conclusively presumed to have rejected the Plan, and the votes of Holders of such Claims and Interests shall not be solicited.

5.5. Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code

To the extent that any Impaired Class rejects the Plan or is deemed to have rejected the Plan, the Debtors shall request Confirmation of the Plan under section 1129(b) of the Bankruptcy Code. The Debtors, subject to the terms of the Plan, ~~the Plan Sponsorship Agreement,~~ the Stock Purchase Agreement, and the Restructuring Implementation Agreement, reserve the right to alter, amend, modify, revoke, or withdraw the Plan, the Plan Supplement, or any schedule or exhibit, including to amend or modify it to satisfy the requirements of section 1129(b) of the Bankruptcy Code, if necessary.

In connection with requesting Confirmation of the Plan under section 1129(b) of the Bankruptcy Code, the Debtors, with the consent of the ~~Plan Sponsor~~Purchaser, reserve the right to seek Confirmation of the Plan on a "per plan" basis (as opposed to a "per debtor" basis) consistent with *In re Matter of Transwest Resort Properties, Inc.*, 881 F.3d 724 (9th Cir. 2018).

5.6. Elimination of Vacant Classes

Any Class that, as of the date of commencement of the Confirmation Hearing, does not contain any Allowed Claim or Interest, or any Claim temporarily allowed under Bankruptcy Rule 3018, shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan, and disregarded for purposes of determining whether the Plan satisfies section 1129(a)(8) of the Bankruptcy Code with respect to such Class.

5.7. Presumed Acceptance by Voting Classes in Which No Votes Are Cast

If a Class contains Claims eligible to vote and no Holder of a Claim eligible to vote in such Class votes to accept or reject the Plan, the Plan shall be presumed accepted by the Holders of such Claims in such Class.

5.8. Consolidation of Classes

To the extent permitted under section 1122 of the Bankruptcy Code, and subject to the terms of ~~the Plan Sponsorship Agreement,~~ the Stock Purchase Agreement~~,~~ and the Restructuring Implementation Agreement, the Debtors reserve the right to consolidate one or more Classes of Claims, including for purposes of sections 1126, 1129(a)(8), 1129(a)(10) or 1129(~~a)(10~~b) of the Bankruptcy Code.

5.9. Separate Classes of Secured Claims

Although all Secured Claims have been placed in one Class for purposes of nomenclature within the Plan, each Secured Claim, to the extent secured by a Lien on Collateral different from the Collateral securing another Secured Claim, shall be treated as being in a separate sub-Class for the purposes of receiving Distributions.

VI. MEANS FOR IMPLEMENTATION OF THE PLAN

6.1. Plan Transactions

(a) Stock Purchase Agreement Closing

On or prior to the Effective Date, and as a condition to the Effective Date, each of the actions, transactions, and deliveries described in the Stock Purchase Agreement shall occur and shall have occurred, including, without limitation, the actions, transactions, and deliveries described in section 2.4 of the Stock Purchase Agreement. ~~Specifically, upon the Effective Date, the Plan Funding Payment shall be allocated as follows: (a) first, to fund all Closing Date Plan Distributions required to be made to Holders of Allowed Secured Claims, Allowed Administrative Claims, and Allowed Priority Claims on or as soon as practicable after the Effective Date to the extent that such Distributions are not otherwise fully funded from the unrestricted Cash then available to SALIC and SHI; (b) second, to fund a professional fee reserve in an amount that the Debtors estimate in good faith, after consultation with the relevant Professionals, to be necessary to pay in full all amounts then owing or that may later become owing to such Professionals for professional fees and expenses incurred through the Effective Date (the "Professional Fee Reserve"); and (c) third, to fund a reserve in an amount estimated by the Debtors, after consultation with the Distribution Trustee and the Plan Sponsor, to be necessary to cover the costs of administration of the Distribution Trust (the "Trust Administration Reserve"). The portion of the Plan Funding Payment remaining after the Closing Date Plan Distributions, the Professional Fee Reserve and the Trust Administration Reserve each have been fully funded shall be placed into the Distribution Trust and distributed in accordance with the Distribution Trust Agreement.~~

(b) Funding, Allocation and Use of Plan Funding Payment; Allocation and Use of Debtors' Unrestricted Cash

On the Effective Date, the Plan Funding Payment shall be funded by the Purchaser in accordance with the terms of the Stock Purchase Agreement and this Plan and allocated and used as follows (such waterfall, the "Allocation/Use Priorities"):

(1) First, to fund (a) all Closing Date Plan Distributions, (b) the Indenture Trustee Fees payable as set forth in section 4.1(d)(i), and (c) the Indenture Trustee Fee Reserve on account of the Pre-Effective Date Indenture Trustee Fee Estimate, to the extent such amounts in (a)-(c) are not fully funded from the unrestricted Cash of SALIC and SHI; provided however that such amounts shall be funded on or before the Effective Date from the unrestricted Cash of SALIC and SHI to the extent of such unrestricted Cash;

(2) Second, to fund the Professional Fee Reserve;

(3) Third, to fund the Trust Administration Reserve;

(4) Fourth, to fund the Disputed Claims Reserve to be maintained by the Distribution Trust;

(5) Fifth, to fund the Indenture Trustee Fee Reserve on account of the Post-Effective Date Indenture Trustee Fee Estimate;

(6) Sixth, to fund Distributions to the Holders of Allowed SHI General Unsecured Claims, Allowed SALIC General Unsecured Claims, Allowed SHI TruPS Claims (that make the Cash Election), Allowed SALIC TruPS Claims (that make the Cash Election), and Allowed SFL Note Claim (if the Cash Election is made or deemed to have been made) with such Distributions to be made on the DT Initial Distribution Date or DT Subsequent Distribution Dates, as applicable.

The Plan Funding Payment shall be adjusted downward by the TruPS Returned Cash on account of any amount of the Available Plan Funding Distribution Amount allocable to Allowed TruPS Claims that elect to receive the New Equity. For the avoidance of doubt, the Purchaser shall not fund the TruPS Returned Cash. Any portion of the Plan Funding Payment that is subsequently released from the Disputed Claims Reserve, the Professional Fee Reserve, the Trustee Administration Reserve, or the Indenture Trustee Fee Reserve on account of the Post-Effective Date Indenture Trustee Fee Estimate, shall be released by the Distribution Trustee pro rata to (x) the Purchaser on account of the TruPS Returned Cash and (y) Holders of Allowed SHI General Unsecured Claims, Allowed SALIC General Unsecured Claims, Allowed SHI TruPS Claims (that make the Cash Election), Allowed SALIC TruPS Claims (that make the Cash Election), and Allowed SFL Note Claim (if the Cash Election is made or deemed to have been made). Any portion of the Indenture Trustee Fee Reserve on account of the Pre-Effective Date Indenture Trustee Fee Estimate that has not been paid to satisfy Indenture Trustee Fees shall be returned to the Reorganized Debtors to the extent that such amount was funded with unrestricted

cash of SALIC and SHI. Except as stated in Section 6.1(b)(1) of the Plan, the unrestricted Cash of SALIC and SHI shall remain with the Reorganized Debtors.

(c) Funding of Recapitalization Funding Payment

On the Effective Date, the Recapitalization Funding Payment shall be funded to Reorganized SALIC by the Purchaser in accordance with the terms of the Stock Purchase Agreement and this Plan. The Recapitalization Funding Payment shall not be used to make Distributions.

(d) Cancellation of SHI Existing Equity Interests; Issuance of New SHI Equity

~~Additionally, on~~On the Effective Date, all SHI Existing Equity Interests shall be cancelled and ~~reissued as New SHI Equity to the Plan Sponsor,~~New SHI Equity shall be issued to the Purchaser or to another entity at the direction of the ~~Plan Sponsor in its sole discretion; provided that, unless otherwise specified by the Plan Sponsor, the New SHI Equity shall be issued to Reorganized SALIC. All property of the Debtors and their Estates shall vest automatically in the Reorganized Debtors or the Distribution Trust as described in Section 6.2 of the Plan.~~Purchaser in its sole discretion. Unless the Purchaser determines otherwise in its sole discretion, the New SHI Equity shall be deemed immediately contributed by the Purchaser to Reorganized SALIC.

(e) Final Share Surrender

On the Effective Date and immediately following the New SALIC Equity issuance to Purchaser, in accordance with the terms and conditions of the Restructuring Implementation Agreement, the Stock Purchase Agreement and this Plan, SRGL shall complete the Final Share Surrender (as defined in the Restructuring Implementation Agreement). For the avoidance of doubt, as a result of the Plan, SRGL as the holder of the SALIC Existing Equity Interests shall not receive or retain any property under the Plan on account of such SALIC Existing Equity Interests.

(f) New Equity Issuance and Distribution

On the Effective Date, without further act or action under Applicable Law (other than as required by Applicable Law of the Cayman Islands with respect to SRGL and SALIC and provided for in the Restructuring Implementation Agreement and the RIA Order), in accordance with the terms and conditions of the Stock Purchase Agreement, the Restructuring Implementation Agreement, the RIA Order and this Plan, the New Equity shall be issued and distributed by Reorganized SALIC or New Holdco, as applicable. Such New Equity shall be issued and distributed free and clear of all Liens, Claims and other Interests, except as expressly provided in this Plan.

On or before the deadline established by the Disclosure Statement Order for the filing of the Plan Supplement, the Purchaser shall File a notice stating whether the New Equity

will be issued by Reorganized SALIC or New Holdco, which notice may be Filed as part of the Plan Supplement. Any recipient or subsequent holder of shares of New Equity shall be required to enter into the Stockholders Agreement, whether such recipient or holder acquires such shares as of the Effective Date or subsequent thereto. The New Corporate Governance Documents (including the Stockholders Agreement) will include certain restrictions on transfers of the New Equity, which shall be reasonably acceptable to the Purchaser in consultation with the Committee and the Debtors, and disclosed in the Plan Supplement.

The New Equity when issued or distributed as provided in the Plan, will be duly authorized, validly issued and, if applicable, fully paid and nonassessable. Each Distribution and issuance of such New Equity shall be governed by the terms and conditions set forth in the Plan applicable to such Distribution or issuance and by the terms and conditions of the instruments evidencing or relating to such Distribution or issuance, which terms and conditions shall bind each Person receiving such Distribution or issuance.

The Debtors, the Purchaser, the Indenture Trustees, the Committee, SRGL, the Voting Agent, and each of their respective Representatives have, and upon Confirmation of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code and Applicable Law with regard to the distribution of the New Equity under the Plan, and therefore are not, and on account of such distributions will not be, liable at any time for the violation of any Applicable Law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan. Upon entry of the Confirmation Order, all provisions of the Plan addressing distribution of the New Equity shall be deemed necessary and proper.

(g) Distribution of Offered New Equity

On the Effective Date as soon as practicable thereafter, the Offered New Equity shall be distributed to all New Equity Eligible Holders that make the New Equity Election.

On the Effective Date, all New Equity, other than the Offered New Equity that is distributed to New Equity Eligible Holders that do make the New Equity Election, shall be distributed to the Purchaser.

Any shares of Offered New Equity that, as of the Effective Date, have not already been distributed to (or earmarked for distribution to) New Equity Eligible Holders or the Holder of the Allowed SFL Note Claim, shall be distributed to the Purchaser.

6.2. Vesting of Estate Property

On the Effective Date, all property of the Debtors and their Estates shall vest automatically in the Reorganized Debtors or the Distribution Trust as described in this section of the Plan.

On the Effective Date, except as otherwise expressly provided in the Confirmation Order, the Distribution Trust Assets, the Available Plan Distribution Funding

Amount and the Distribution Trust Reserves shall automatically vest in the Distribution Trust free and clear of all Claims, Liens and Interests (other than the Purchaser and Reorganized Debtors' respective reversionary interests in the Distribution Trust Reserves).

Except for the Distribution Trust Assets, the Available Plan Distribution Funding Amount and the Distribution Trust Reserves, or as otherwise expressly provided in the Confirmation Order, pursuant to sections 1123(b)(3) and 1141(b)–(c) of the Bankruptcy Code, on the Effective Date, all of the property and assets of each Debtor shall automatically vest in the respective Reorganized Debtor, free and clear of all Claims, Liens and Interests. The Reorganized Debtors may operate their business and may use, acquire, and dispose of such property free of any restrictions of the Bankruptcy Code, the Bankruptcy Rules, and the Bankruptcy Court. As of the Effective Date, all such property of the Reorganized Debtors shall be free and clear of all Claims, Liens and Interests, except as specifically provided in the Confirmation Order, and the Reorganized Debtors shall receive the benefit of any and all discharges and injunctions under the Plan.

6.3. The Distribution Trust

(a) Execution of Distribution Trust Agreement

On or prior to the Effective Date, the Debtors shall execute the Distribution Trust Agreement, and shall take all other necessary steps to establish the Distribution Trust, which shall be for the payment of Allowed Administrative Claims, Allowed Priority Claims, and Allowed Secured Claims not satisfied by Closing Date Plan Distributions, and for the benefit of the Distribution Trust Beneficiaries. In the event of any conflict between the terms of this Section 6.3(a) and the terms of the Distribution Trust Agreement as such conflict relates to the establishment of the Distribution Trust, the terms of this Section 6.3(a) shall govern. The Distribution Trust Agreement may provide powers, duties and authorities in addition to those explicitly stated herein, but only to the extent that such powers, duties, and authorities do not affect the status of the Distribution Trust as a "liquidating trust" for United States federal income tax purposes. The Distribution Trust Agreement shall be Filed with the Plan Supplement.

(b) Purpose of the Distribution Trust

The Distribution Trust shall be established for the sole purpose of liquidating and distributing the assets of the Debtors contributed to such Distribution Trust in accordance with Treas. Reg. § 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business.

(c) Distribution Trust Assets and Other Property

The Distribution Trust shall consist of the Distribution Trust Assets, the Available Plan Distribution Funding Amount and the Distribution Trust Reserves. On the Effective Date, all of the Distribution Trust Assets, the Available Plan Distribution Funding Amount and the Distribution Trust Reserves shall transfer to and be vested in the Distribution

Trust. All attorney-client privilege associated with the Retained Causes of Action remains with and vests in the Reorganized Debtors.

(d) The Administration of the Distribution Trust and Authority and Powers of the Distribution Trustee

The Distribution Trust shall be administered by the Distribution Trustee pursuant to the Distribution Trust Agreement. The initial Distribution Trustee shall be ~~identified~~a Person selected by the Committee and reasonably acceptable to the Debtors and the Purchaser. The identity of the initial Distribution Trustee will be disclosed in the Plan Supplement, and any successor Distribution Trustee shall be appointed in the manner set forth in the Distribution Trust Agreement. In the event of any inconsistency between the Plan and the Distribution Trust Agreement as such conflict relates to anything other than the establishment of the Distribution Trust, the ~~Distribution Trust Agreement~~Plan shall control. All compensation for the Distribution Trustee and other costs of administration for the Distribution Trust shall be paid from the ~~Distribution~~ Trust ~~Assets~~Administration Reserve in accordance with this Plan and the Distribution Trust Agreement. The Distribution Trustee shall be a representative of each Debtor's Estate in accordance with section 1123(b)(3)(B) of the Bankruptcy Code for the purposes of the DT Post-Closing Rights.

(e) Mutual Cooperation

As the Reorganized Debtors or the Distribution Trustee may reasonably request, each shall use commercially reasonable efforts to cooperate with the other with respect to the implementation of the Plan (including, without limitation, the resolution of Disputed Claims, the determination of taxes and the preparation and filing of tax returns), with all reasonable out-of-pocket expenses incurred by the (i) Reorganized Debtors in connection ~~therewith being borne by the Distribution Trust~~with a request by the Distribution Trustee made pursuant to this paragraph being borne by the Distribution Trustee and (ii) Distribution Trustee in connection with a request by the Reorganized Debtors made pursuant to this paragraph being borne by the Reorganized Debtors; *provided, however,* that neither party shall be required to (i) provide information, records or employees or other personnel under circumstances which the providing party believes in its sole reasonable determination may waive privilege, confidentiality or a similar protection or expose it to material liability to any person or may prejudice any legal interest of the providing party, or (ii) take any action that in the providing party's reasonable determination unreasonably interferes with its business. For the avoidance of doubt, nothing herein is intended to limit the DT Post-Closing Rights of the Distribution Trust and the Distribution Trustee.

(f) Establishment and Funding of Distribution Trust Reserves

On the Effective Date, the following Distribution Trust Reserves shall be established and funded from the Plan Funding Payment, each in accordance with the Allocation/Use Priorities:

i. *Disputed Claims Reserve.* The Disputed Claims Reserve shall be established and funded with Cash (including an amount for the SFL Note Claim if the SFL Note Claim Allowance Conditions are not met as of the Effective Date) in an amount sufficient to cover pro rata distributions to each Disputed Claim that, as of the Effective Date, is neither an Allowed Claim nor a Disallowed Claim, and includes, without limitation, a Claim that is the subject of a timely objection or request for estimation with the Bankruptcy Court, which has not been withdrawn, settled or overruled by a Final Order; *provided, however,* that if the Disputed Claim is an Administrative Claim (other than a Professional Fee Claim), Priority Claim or Secured Claim, an amount sufficient to cover payment in full of the Face Amount of such Disputed Claim shall be funded to the Disputed Claims Reserve; provided further, that if any dispute arises regarding any increase or reduction of the Disputed Claims Reserve, the Distribution Trustee shall consult with the Purchaser and shall obtain approval of the Bankruptcy Court, which shall have jurisdiction and power to set the amount of the reserve applying the principals of section 502(c) of the Bankruptcy Code to estimate any Claim.

ii. *Professional Fee Reserve.* The Professional Fee Reserve shall be established and funded in an amount that the Debtors estimate in good faith, after consultation with the relevant Professionals, the Purchaser, and the Committee, to be necessary to pay in full all amounts then owing or that may later become owing to such Professionals for professional fees and expenses incurred through the Effective Date. For the avoidance of doubt, the estimated amount initially funded to the Professional Fee Reserve is not intended as and shall not be deemed to be a cap on the funds available to pay or satisfy Allowed Administrative Claims of Professionals for compensation or reimbursement of expenses. Following the Effective Date, the Distribution Trustee shall have the discretion to increase the Professional Fee Reserve as the Distribution Trustee deems necessary or appropriate to pay or satisfy Allowed Administrative Claims of Professionals for compensation or reimbursement of expenses.

For the avoidance of doubt, the KBW Reserved Funds will not be part of the Professional Fee Reserve. Subject to the Bankruptcy Court's entry of an Order approving its Contingent Fee (as defined in the KBW Retention Order), the KBW Reserved Funds shall be distributed directly to KBW. If a Final Order is entered denying KBW's final application for allowance and payment of compensation and reimbursement of expenses or reducing the amount otherwise payable to KBW to such a degree that KBW is not entitled to the KBW Reserved Funds, then the KBW Reserved Funds shall be disbursed to Reorganized SALIC.

iii. *Trust Administration Reserve.* The Trust Administration Reserve shall be established and funded an amount, mutually agreed by the Debtors, the Committee, and the Purchaser, estimated in good faith to be necessary to cover the costs of administration of the Distribution Trust, including to (a) fund the reasonable fees and expenses of the Distribution Trustee and any employees, attorneys, accountants, financial advisors, consultants, other professional persons or independent contractors that the Distribution Trustee may engage to assist him, her or it in the discharge of the Distribution Trustee's duties under the Plan and the Distribution Trust Agreement, including, without limitation, fees and expenses related to prosecution and resolution of Causes of Action and objections to Claims; (b) fund premium payments for an errors and omissions insurance policy for the benefit of the Distribution Trust,

the Distribution Trustee and the Distribution Trustee's agents and representatives, (c) meet contingent liabilities and to maintain the value of the Distribution Trust Assets during liquidation, (d) pay other reasonably incurred or anticipated expenses (including, without limitation, any taxes imposed on or payable by the Distribution Trust or in respect of the Distribution Trust Assets, including with respect to such assets as are allocable to Disputed Claims), and (e) satisfy other liabilities incurred or anticipated by such Distribution Trust in accordance with the Plan or Distribution Trust Agreement.

(g) Establishment and Funding of the Indenture Trustee Fee Reserve.

i. The Indenture Trustee Fee Reserve shall have two accounts for each of (a) the Pre-Effective Date Indenture Trustee Fee Estimate and (b) the Post-Effective Date Indenture Trustee Fee Estimate. The Indenture Trustee Fee Reserve shall be established and funded, in the following manner:

A. For the Pre-Effective Date Indenture Trustee Fee Estimate, first, from the unrestricted Cash available to SALIC and SHI, and to the extent not fully funded from the unrestricted Cash of SALIC and SHI, then from the Plan Funding Payment, in an amount that the Debtors estimate in good faith, after consultation with the Purchaser and the relevant TruPS Indenture Trustees, to be necessary to pay in full, but subject to the relevant Indenture Trustee Fee Caps, and

B. For the Post-Effective Date Indenture Trustee Fees, from the Plan Funding Payment. For the avoidance of doubt, the Distribution Trustee shall be under no obligation to reserve any amount in the Indenture Trustee Fees Reserve on account of post-Effective Date Indenture Trustee Fees that may be incurred by the TruPS Indenture Trustees for the SHST II Debentures or the GPIC Debentures.

ii. The Indenture Trustee Fee Reserve shall be held by the Distribution Trust and administered by the Distribution Trustee, but shall not constitute a Distribution Trust Reserve.

iii. Any remaining funds in the Indenture Trustee Fee Reserve after payment and satisfaction of all Indenture Trustee Fees, shall be released in accordance with Section 6.1(b) of the Plan.

(h) ~~(f)~~ Cash Investments

The Distribution Trustee may invest Cash (including any earnings thereon or proceeds therefrom); *provided, however,* that such investments are investments permitted to be made by a "liquidating trust" within the meaning of Treas. Reg. § 301.7701-4(d), as reflected therein, or under applicable IRS guidelines, rulings or other controlling authorities.

(i) ~~(g)~~ Distributions to Holders of Claims and Distribution Trust Beneficiaries

The Distribution Trustee shall be responsible for making all ~~distributions~~Distributions to Holders of Allowed Claims required to be made on or after the Effective Date pursuant to the Plan~~.~~; *provided,* that the Reorganized Debtors or the Disbursing Agent (as applicable) shall make the Distributions to Holders of Allowed Claims on the Effective Date on behalf of the Distribution Trustee. The Distribution Trustee will make all distributions to Holders of Allowed Claims as required by this Plan at: (i) the address of any such Holder on the books and records of the Debtors or their agents; or (ii) at the address in any written notice of address change delivered to the Debtors or the Disbursing Agent, including any addresses included on any transfer of Claim filed pursuant to Bankruptcy Rule 3001.

i. *DT Initial Distribution*

~~After~~As soon as reasonably practicable after (i) funding of all Distribution Trust Reserves, (ii) the Indenture Trustee Reserve (as applicable) and (ii) payment in full (or reserving for payment in full) of all Allowed Administrative Claims, Allowed Priority Claims, and Allowed Secured Claims, ~~each as and when Allowed,~~ the Distribution Trustee shall distribute to the Holders of Allowed Claims in Classes 4, 5, ~~6,~~6 and 7 on account of their ~~Distribution Trust Interests all~~Allowed Claims their pro rata share of the Available ~~Cash (including the~~ Plan Distribution Funding ~~Payment (less Closing Date Plan Distributions) and treating any permissible investment as Cash for this purpose), less such amounts that may be reasonably necessary to (a) meet contingent liabilities and to maintain the value of the~~Amount and Distribution Trust Asset Proceeds, as applicable to Allowed Claims.

ii. *DT Subsequent Distribution*

After completion of the DT Initial Distribution, the Distribution Trustee shall make the DT Subsequent Distribution(s) in a reasonably timely manner after Distribution Trust Assets ~~during liquidation, (b) pay reasonably incurred or anticipated expenses (including, without limitation, any taxes imposed on or payable by the Distribution Trust or in respect of the Distribution Trust Assets, including with respect to such assets as are allocable to Disputed Claims), or (c) satisfy other liabilities incurred or anticipated by such Distribution Trust in accordance with the Plan or Distribution Trust Agreement~~Proceeds become available. Such DT Subsequent Distributions shall be made no less frequently than every twelve (12) months; *provided, however,* that the Distribution Trustee shall not be required to make a Distribution pursuant to this Section 6.3(~~g~~h)(ii) of the Plan if the Distribution Trustee determines that the expense associated with making the Distribution would likely utilize a substantial portion of the amount to be distributed, thus making the Distribution impracticable.

~~**(h) Distributions between the Debtors' Estates and the Estate of SRGL**~~

~~The Debtors, in consultation with the Committee and the Plan Sponsor, will agree with the Joint Liquidators on a mechanism that will insure that any distribution from the SRGL estate to the Distribution Trust in respect of the SALIC Claims will be distributed pro rata to all~~

~~Holders of Allowed Claims in Classes 4, 5, 6, and 7 except SRGL in order to prevent an endless series of payments from the Distribution Trust to SRGL on account of SRGL's TruPS claim and from SRGL back to the Distribution Trust in respect of the SALIC Claims. The Debtors will disclose the mechanism prior to or as a part of the Plan Supplement. For the avoidance of doubt, nothing in this Section 6.3(h) is intended to or shall prejudice any rights of SRGL, the Debtors or any other Entity as to whether such a mechanism is necessary in connection with distributions to be made on account of SRGL's TruPS claim or what mechanism is appropriate.~~

~~**(i) Treatment of TruPS Documents**~~

~~Nothing in the Plan is intended to impair, nor shall the Plan impair, the right of any indenture trustee or institutional trustee from recovering from Plan Distributions made on account of TruPS Claims any valid fees and expenses under the TruPS Documents.~~

~~[The TruPS Indentures shall continue in effect solely for the purposes of (a) allowing Holders of Claims to receive the treatment as provided herein; (b) preserving any rights of the TruPS Indenture Trustees to indemnification or contribution from Holders of the Debentures under the TruPS Indentures or any direction provided by Holders of the Debentures under any of the TruPS Indentures, each as applicable; (c) permitting each of the TruPS Indenture Trustees to maintain or assert any right or Charging Lien it may have against distributions pursuant to the terms of the TruPS Indentures to recover unpaid fees and expenses (including the fees and expenses of their respective counsel, agents, and advisors) of the TruPS Indenture Trustees; (d) enforcing any rights and remedies as between Holders of the Debentures thereunder or as between any Holder of the Debentures and the applicable TruPS Indenture Trustee; (e) the payment from the Distribution Trust of reasonable and documented fees and expenses incurred by the TruPS Indenture Trustees; and (f) preserving all rights and obligations of parties, other than against the Debtors or Reorganized Debtors.]~~

~~[On and after the Effective Date, all duties and responsibilities of the TruPS Indenture Trustees under the applicable TruPS Indentures shall be discharged except to the extent required in order to effectuate the Plan.]~~

~~[For the avoidance of doubt, nothing contained in the Plan or the Confirmation Order shall in any way limit or affect the standing of the TruPS Indenture Trustees to appear and be heard in the Chapter 11 Cases on and after the Effective Date.]~~

~~[For the avoidance of doubt, any and all rights of the TruPS Indenture Trustees reserved or preserved under the Plan are reserved and preserved as against the Holders of the Debentures or Distribution Trust, and not the Reorganized Debtors.]~~

(j) Federal Income Tax Treatment of Distribution Trust

Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary (including the receipt of an adverse determination by the IRS upon audit if not contested by such Distribution Trustee), for all U.S. federal income tax purposes, all parties (including, without limitation, the Debtors, the Distribution Trustee and Distribution

Trust Beneficiaries) shall treat the transfer of Distribution Trust Assets, the Available Plan Distribution Funding Amount and the Distribution Trust Reserves to the Distribution Trust as (1) a transfer of ~~Distribution Trust Assets~~property (subject to any and all Allowed Administrative Claims, Allowed Priority Claims, and Allowed Secured Claims to the extent not satisfied by the Debtors on or prior to the Effective Date, that are payable by the Distribution Trust pursuant to the Plan), followed by (2) the transfer by such beneficiaries to the Distribution Trust of Distribution Trust Assets ~~in exchange for~~, the Available Plan Distribution Funding Amount and the Distribution Trust ~~Interests~~Reserves. Accordingly, except in the event of contrary definitive guidance, Distribution Trust Beneficiaries shall be treated for U.S. federal income tax purposes as the grantors and owners of their respective share of Distribution Trust Assets ~~(other than such~~, the Available Plan Distribution Funding Amount and the Distribution Trust ~~Assets as are~~Reserves (other than that which is allocable to Disputed Claims). The foregoing treatment shall also apply, to the extent permitted by ~~applicable law~~Applicable Law, for state and local income tax purposes. For the avoidance of doubt, the term "party" as herein used shall not include the United States or any agency or department thereof, or any officer or employee thereof acting in such capacity. The Distribution Trustee shall not take any action inconsistent with the purposes of the Distribution Trust and the qualification of the Distribution Trust as a "liquidating trust" for U.S. federal income tax purposes.

(k) Tax Reporting

i. The Distribution Trustee shall file tax returns for the Distribution Trust treating such Distribution Trust as a grantor trust pursuant to Treas. Reg. § 1.671-4(a) and in accordance with this Section 6.3. The Distribution Trustee also shall annually send or otherwise provide to each Holder of the Distribution Trust Interest a separate statement regarding the receipts and expenditures of the Distribution Trust as relevant for U.S. federal income tax purposes.

ii. Allocations of Distribution Trust taxable income among Distribution Trust Beneficiaries (other than taxable income allocable to any assets allocable to, or retained on account of, Disputed Claims, if such income is otherwise taxable at the Distribution Trust) shall be determined by reference to the manner in which an amount of Cash representing such taxable income would be distributed (were such Cash permitted to be distributed at such time) if, immediately prior to such deemed Distribution, the Distribution Trust had distributed all its assets (valued at their tax book value, other than, if applicable, assets allocable to Disputed Claims) to the Holders of Distribution Trust Interests, adjusted for prior taxable income and loss and taking into account all prior and concurrent Distributions from the Distribution Trust. Similarly, taxable loss of the Distribution Trust shall be allocated by reference to the manner in which an economic loss would be borne immediately after a hypothetical liquidating distribution of the remaining Distribution Trust Assets, Available Plan Distribution Funding Amount and Distribution Trust Reserves. The tax book value of the Distribution Trust Assets, the Available Plan Distribution Funding Amount and the Distribution Trust Reserves for purpose of this paragraph shall equal their fair market value on the date ~~Distribution Trust Assets~~such assets are transferred to the Distribution Trust, adjusted in accordance with tax accounting principles prescribed by the IRC, the applicable Treasury Regulations, and other applicable administrative

and judicial authorities and pronouncements.

iii. As soon as reasonably practicable after the Distribution Trust Assets, the Available Plan Distribution Funding Amount and the Distribution Trust Reserves are transferred to the Distribution Trust, the Distribution Trustee shall make a good faith valuation of the Distribution Trust Assets, the Available Plan Distribution Funding Amount and the Distribution Trust Reserves. Such valuation shall be made available from time to time to all parties to the Distribution Trust (including, without limitation, the Debtors (or, as the case may be, the Reorganized Debtors), and the Distribution Trust Beneficiaries), to the extent relevant to such parties for tax purposes, and shall be used consistently by such parties for all U.S. federal income tax purposes.

iv. Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary (including the receipt by the Distribution Trustee of a private letter ruling if the Distribution Trustee so requests one, or the receipt of an adverse determination by the IRS upon audit if not contested by such Distribution Trustee), the Distribution Trustee (i) shall treat any Distribution Trust ~~Assets~~Reserves allocable to Disputed Claims as a "disputed ownership fund" governed by Treas. Reg. § 1.468B-9 (and make any necessary elections with respect thereto) and (ii) to the extent permitted by ~~applicable law~~Applicable Law, shall report consistently for state and local income tax purposes. All parties (including the Distribution Trustee, the Debtors and Distribution Trust Beneficiaries) shall report for U.S. federal, state and local income tax purposes consistently with the foregoing.

v. The Distribution Trustee shall be responsible for payment, out of the Distribution Trust Assets, the Available Plan Distribution Funding Amount and the Distribution Trust Reserves, of any taxes imposed on the Distribution Trust or its assets (including with respect to assets allocable to Disputed Claims).

vi. The Distribution Trustee may request an expedited determination of taxes of the Distribution Trust, including any reserve for Disputed Claims, or of the Debtors as to whom the Distribution Trust was established, under section 505(b) of the Bankruptcy Code for all tax returns filed for, or on behalf of, such Distribution Trust or the Debtors for all taxable periods through the dissolution of such Distribution Trust.

(l) Dissolution

i. The Distribution Trustee and Distribution Trust shall be discharged or dissolved, as the case may be, at such time as (i) all of the Distribution Trust Assets, the Available Plan Distribution Funding Amount and the Distribution Trust Reserves have been expended or distributed pursuant to the Plan and the Distribution Trust Agreement, (ii) the Distribution Trustee determines, in its sole discretion, that the administration of any remaining Distribution Trust Assets, Available Plan Distribution Funding Amount or Distribution Trust Reserves is not likely to yield sufficient additional Distribution Trust proceeds to justify further pursuit, or (iii) all Distributions required to be made by the Distribution Trustee under the Plan and the Distribution Trust Agreement have been made; provided, however, that in no event shall

the Distribution Trust be dissolved later than three (3) years from the creation of such Distribution Trust pursuant to this Section 6.3 of the Plan, unless the Bankruptcy Court, upon motion within the six-month period prior to the third (3rd) anniversary (or within the six-month period prior to the end of an extension period), determines that a fixed period extension (not to exceed three (3) years, together with any prior extensions, without a favorable private letter ruling from the IRS or an opinion of counsel in form and substance satisfactory to the Distribution Trustee that any further extension would not adversely affect the status of the trust as the Distribution Trust for U.S. federal income tax purposes) is necessary to facilitate or complete the recovery and liquidation of the Distribution Trust Assets.

ii. If at any time the Distribution Trustee determines, in reliance upon such professionals as the Distribution Trustee may retain, that the expense of administering the Distribution Trust so as to make a final Distribution to Distribution Trust Beneficiaries is likely to exceed the value of the assets remaining in such Distribution Trust, such Distribution Trustee may apply to the Bankruptcy Court for authority to (i) reserve any amount necessary to dissolve such Distribution Trust, (ii) donate any balance to a charitable organization (A) described in section 501(c)(3) of the IRC, (B) exempt from U.S. federal income tax under section 501(a) of the IRC, (C) not a "private foundation", as defined in section 509(a) of the IRC, and (D) that is unrelated to the Debtors, such Distribution Trust, and any insider of such Distribution Trustee, and (iii) dissolve such Distribution Trust.

6.4. The Reorganized Debtors

(a) Continued Corporate Existence

Except as otherwise provided in the Plan, each of the Debtors, as Reorganized Debtors, shall continue to exist after the Effective Date as a corporate entity, with all of the powers of a corporation or limited company, as the case may be, under ~~applicable law~~Applicable Law in the jurisdiction in which such Debtor is incorporated or organized and pursuant to the New Corporate Governance Documents. After the Effective Date, the Reorganized Debtors may operate their business and use, acquire, and dispose of property without the supervision of the Bankruptcy Court, free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

The New Corporate Governance Documents shall be consistent with section 1123(a)(6) of the Bankruptcy Code, to the extent applicable, and in form and substance acceptable to the ~~Plan Sponsor~~Purchaser.

(b) Directors and Officers of the Reorganized Debtors

The officers and the members of each board of directors of each of the Reorganized Debtors shall be selected and appointed in the sole discretion of the ~~Plan Sponsor~~Purchaser. To the extent required by section 1129(a)(5) of the Bankruptcy Code, the identity of such officers and members shall be disclosed prior to the Confirmation Hearing.

Except to the extent that a member of the board of directors of a Debtor continues to serve as a director of such Debtor following the Effective Date, the members of the board of directors of each Debtor prior to the Effective Date, in their capacities as such, shall have no continuing obligations to the Reorganized Debtors on or after the Effective Date and each such member will be deemed to have resigned or shall otherwise cease to be a director of the applicable Debtor on the Effective Date without any further action required on the part of any such Debtor or member. Commencing on the Effective Date, each of the directors of each of the Reorganized Debtors shall serve pursuant to the terms of the applicable organizational documents of such Reorganized Debtor and may be replaced or removed in accordance with such organizational documents.

~~Subject~~Except as otherwise provided in the Stock Purchase Agreement with respect to the Employment Agreements (as defined therein), subject to the discretion of the Reorganized Debtors' boards of directors, the Reorganized Debtors shall enter into new employment agreements with key executives on a case-by-case basis.

(c) Corporate Action

On the Effective Date, the adoption and filing of the New Corporate Governance Documents, the appointment of officers of the Reorganized Debtors, and all actions contemplated by the Plan will be authorized and approved in all respects pursuant to the Plan. On the Effective Date, pursuant to section 1142(b) of the Bankruptcy Code and section 303 of the Delaware General Corporation Law (to the extent applicable) and any comparable provision of other Applicable Law, the appropriate officers or directors of each Reorganized Debtor shall be authorized and directed to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated by the Plan with like effect as if exercised and taken by unanimous action of the directors and stockholders of each Debtor.

(d) Effectuating Documents; Further Transactions

On the Effective Date or as soon as reasonably practicable thereafter, the Reorganized Debtors and/or the ~~Plan Sponsor~~Purchaser may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, or necessary or appropriate to effectuate the Plan, including: (1) the execution and delivery of appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution or liquidation to the extent consistent with the terms of the Plan and the Plan Documents; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any asset, property, right, liability, debt or obligation on terms consistent with the terms of the Plan and Plan Documents or having other terms to which the Debtors, the Reorganized Debtors, the ~~Plan Sponsor~~Purchaser, and other applicable parties may agree; (3) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion or dissolution pursuant to applicable state law; and (4) all other actions that the ~~Plan Sponsor~~Purchaser and any other applicable Entities determine to be necessary or appropriate, including making filings or recordings that may be required by ~~applicable law~~Applicable Law.

6.5. Retained Causes of Action

Except to the extent any Claim against an Entity is expressly waived, relinquished, exculpated, released, compromised or settled in the Plan or by a Final Order or is a Distribution Trust Asset, all ~~causes~~Causes of ~~action~~Action of the Debtors (the "Retained Causes of Action") shall, in accordance with section 1123(b) of the Bankruptcy Code, vest in and be retained by the Reorganized Debtors~~, and the~~. The applicable Reorganized Debtors ~~shall retain and may enforce all rights to commence and pursue any and all retained causes of action, whether~~(with respect to the Retained Causes of Action and any Causes of Action arising ~~before or after the Petition Date,~~after the Petition Date), in accordance with section 1123(b) of the Bankruptcy Code, shall retain and may enforce, sue on, settle, or compromise (or decline to do any of the foregoing) all Claims, rights, Causes of Action, suits, and proceedings, whether in law or in equity, whether known or unknown, that they each may respectively hold against any Person without the approval of the Bankruptcy Court and the Reorganized Debtors' rights to commence, prosecute ~~or settle such causes of action~~, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. For the avoidance of doubt, all Causes of Action against the SRGL Equity Holders shall not be Retained Causes of Action, and shall be transferred to and vest in the Distribution Trust. On the Effective Date, all Causes of Action that are Distribution Trust Assets shall, in accordance with Section 1123(b) of the Bankruptcy Code, vest in the Distribution Trust, and the Distribution Trust may enforce, sue on, settle, or compromise (or decline to do any of the foregoing) all such Claims, rights, Causes of Action, suits, and proceedings, whether in law or in equity, known or unknown, without approval of the Bankruptcy Court, and the Distribution Trust's rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date.

6.6. The Closing

The Closing as defined in the Stock Purchase Agreement shall be subject to the conditions in the Stock Purchase Agreement, including, without limitation, the conditions to closing set out in Article VII of the Stock Purchase Agreement and the actions and deliveries set out in section 2.4 of the Stock Purchase Agreement, unless waived in accordance with the Stock Purchase Agreement. The Closing shall occur simultaneously with the Effective Date of the Plan.

6.7. Cancellation of Agreements, Securities and Other Documents Relating to TruPS Transactions & SFL Note; Surrender of Instruments

Except for purposes of evidencing a right to a Distribution under the Plan or otherwise as provided in the Plan, the Confirmation Order or the Distribution Trust Agreement, on the Effective Date, the TruPS Indentures, the TruPS Debentures, the TruPS Declarations, the TruPS Sponsor Guarantees, the TruPS Parent Guarantees, all other TruPS Documents, the SFL Note and all corresponding documents issued in connection with such documents shall be deemed automatically cancelled, terminated and of no further force or effect, without further act

or action under any applicable agreement, law, regulation, order, or rule and the obligations of the Debtors, the TruPS Indenture Trustees, and the TruPS Institutional Trustees, as applicable, thereunder shall be deemed terminated; *provided, however*, that TruPS Indentures and TruPS Declarations shall continue in effect only as follows: (1) for the TruPS Indenture Trustees and the TruPS Institutional Trustees to discharge any responsibilities they have under the Plan, the Confirmation Order, the Distribution Trust Agreement, the TruPS Indentures, the TruPS Parent Guarantees, the TruPS Sponsor Guarantees and the TruPS Declarations in connection with Distributions to be made to be made to the Holders of the TruPS Debentures, the Beneficial Holders of TruPS and SRGL in accordance with the terms of the Plan (including Sections 4.3(a), and 4.3(c) thereof), the Confirmation Order, the Distribution Trust Agreement, the TruPS Indentures, the TruPS Declarations and, as to SRGL only, the Restructuring Implementation Agreement and RIA Order, it being understood that the TruPS Indentures, the TruPS Parent Guarantees, the TruPS Sponsor Guarantees and the TruPS Declarations shall continue in effect only so long as is necessary to permit such Distributions to be made; (2) to allow each TruPS Indenture Trustee and any predecessor trustee under any of the TruPS Indentures to exercise its Charging Lien for the payment of its fees and expenses incurred post-Closing and for indemnification as provided in the applicable TruPS Indentures; (3) to preserve any rights of the TruPS Indenture Trustees pursuant to any direction provided by Holders of the TruPS pursuant to the terms of the TruPS documents; and (4) solely with respect to the SFLST I TruPS Indenture, the SFLST I TruPS Debentures, the SFLST I Trust Declaration, the SFLST I TruPS Sponsor Guarantee, and any other SFLST I TruPS Documents (except the SFLST I TruPS Parent Guarantee), the foregoing SFLST I TruPS Documents shall not be deemed cancelled, terminated or of no force or effect as against SFL. For the avoidance of doubt, nothing in this Section 6.7 is intended to or shall extinguish or impair any liability or obligation of SFL under any SFLST I TruPS Document.

As a condition to receiving any Distribution, on or before the DT Initial Distribution Date, the Holder of a TruPS Claim evidenced by a Certificate, instrument, note or debenture shall (a) surrender such Certificate, instrument, note or debenture representing such Claim, including, without limitation, any guarantees, and (b) execute and deliver such other documents as may be necessary to effectuate the Plan. Notwithstanding the foregoing, to the extent, if any, that SRGL is a Holder of a TruPS Claim evidenced by a Certificate, instrument, note or debenture, SRGL shall be deemed to have surrendered such Certificate, instrument, note or debenture representing such Claim as of the Effective Date and shall not be subject to such condition. If the record holder of a Certificate, instrument, note or debenture is a Securities Depository or Custodian, and such Certificate, instrument, note or debenture is represented by a global security held by or on behalf of a Securities Depository or Custodian, then the beneficial holder of such Certificate, instrument, note or debenture shall be deemed to have surrendered such holder's Certificate, instrument, note, debenture or other evidence of indebtedness upon surrender of such global security by the Securities Depository or Custodian.

The Distribution Trustee shall have the right to withhold any Distribution to be made to or on behalf of Holder of a TruPS Claim evidenced by a Certificate, instrument, note or debenture that is required to be surrendered by the terms of this Plan but is not timely surrendered (or deemed surrendered) unless and until (a) such Certificates, instruments, notes or

debentures, including any such guarantees, are surrendered, or (b) any relevant holder provides to the Distribution Trustee an affidavit of loss or such other documents as may be required by the Distribution Trustee together with an appropriate indemnity in the customary form. Any such holder who fails to surrender such Certificates, instruments, notes or debentures, including any such guarantees, or otherwise fails to deliver an affidavit of loss and indemnity within three (3) months of the Effective Date, shall be deemed to have no further Claim against the Debtors, the Distribution Trust, their respective property or any TruPS Indenture Trustee or TruPS Institutional Trustee in respect of such Claim and shall not participate in any Distribution, and the Distribution that would otherwise have been made to such holder shall be distributed *pro-rata* to all Holders who held a Claim pursuant to the applicable TruPS Indenture and either (a) surrendered (or were deemed to surrender) the Certificate, instrument, note or debenture representing such Claim, including, without limitation, any guarantees or (b) satisfactorily provided the Distribution Trustee with an affidavit of loss or such other documents as may be required by the Distribution Trustee, together with an appropriate indemnity in the customary form.

6.8. ~~6.7.~~ Comprehensive Settlement of Claims and Controversies

Pursuant to sections 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good faith compromise of all Claims, Interests and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim may have with respect to any Allowed Claim, or any distribution to be made on account of such Allowed Claim, as well as the allocation of the Plan Funding Payment among the Debtors' Estates and Creditors. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Court that such compromise or settlement is in the best interests of the Debtors, their Estates, and Holders of Claims and Interests and is fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Court, after the Effective Date, the Reorganized Debtors or the Distribution Trustee, as applicable, may compromise and settle Claims against, and Interests in, the Debtors and their Estates and Causes of Action against other entities.

VII. ~~RESOLVING CONTINGENT, UNLIQUIDATED OR DISPUTED CLAIMS~~ CLAIMS RESOLUTION & DISTRIBUTIONS

7.1. Right to Object to Claims

The Distribution Trustee shall have the authority, but not the obligation, to object to, litigate, and settle, the amount, priority or the extent of any Administrative Claim, Secured Claim, Priority Claim, ~~SHI TruPS Claim,~~ SHI General Unsecured Claim, ~~SALIC TruPS Claim,~~ SALIC General Unsecured Claim, SFL Claim (if not settled before the Effective Date) or Subordinated Claim (including, with respect to any other of the foregoing, to argue that such Claim constitutes a Subordinated Claim). Notwithstanding anything to the

contrary herein, subject to the terms and conditions set forth in the Distribution Trust Agreement, and notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, except insofar as a Claim is Allowed under the Plan on and after the Effective Date, the Distribution Trustee shall have the authority, but not the obligation, to: (1) file, withdraw or litigate to judgment objections to and requests for estimation of Claims; (2) settle or compromise any Disputed Claim without any further notice to or action, order or approval by the Bankruptcy Court; and (3) administer and adjust the Claims register to reflect any such settlements or compromises without any further notice to or action, order or approval by the Bankruptcy Court. The Distribution Trustee shall succeed to any pending objections to Claims filed by the Debtors prior to the Effective Date, and, at the Distribution Trustee's election, any other pending objections to Claims filed by any other party, and shall have and retain any and all rights and defenses the Debtors had immediately prior to the Effective Date with respect to any Disputed Claim, including pursuant to the DT Post-Closing Rights. The Reorganized Debtors shall provide commercially reasonable assistance and cooperation to the Distribution Trustee in connection with the Distribution Trustee's prosecution of objections to Claims, including, without limitation, access to the books and records of the Debtors or the Reorganized Debtors (as the case may be) and other information reasonably requested by the Distribution Trustee to enable the Distribution Trustee to perform its obligations under the Distribution Trust Agreement, including pursuant to the DT Post-Closing Rights.

7.2. Deadline for Objecting to Claims

Objections to Claims must be Filed with the Bankruptcy Court, and a copy of the objection must be served on the subject Creditor, before the expiration of the Claims Objection Deadline (unless such period is further extended by subsequent orders of the Bankruptcy Court); otherwise such Claims shall be deemed Allowed in accordance with section 502 of the Bankruptcy Code. The objection shall notify the Creditor of the deadline for responding to such objection.

7.3. Deadline for Responding to Claim Objections

Within twenty-one (21) days after service of an objection, or such other date as is indicated on such objection or the accompanying notice thereof, the Creditor whose Claim was objected to must File a written response to the objection with the Bankruptcy Court and serve a copy on the Distribution Trustee. Failure to file a written response within such time period shall constitute a waiver and release of that portion of the subject Claim that was subject to the objection, and shall constitute cause for the Bankruptcy Court to enter a default judgment against the non-responding Creditor or grant the relief requested in the Claim objection.

7.4. Right to Request Estimation of Claims

Pursuant to section 502(c) of the Bankruptcy Code, the Debtors, the Reorganized Debtors, and the Distribution Trustee may request estimation or liquidation of

any Disputed Claim that is contingent or unliquidated or any Disputed Claim arising from a right to an equitable remedy or breach of performance.

7.5. Distribution Procedures Regarding Allowed Claims

(a) In General

~~The~~Other than Closing Date Plan Distributions and initial distributions of New Equity to New Equity Eligible Holders that make the New Equity Election, the Distribution Trustee shall make all Distributions required to be made under the Plan, including Distributions from the Distribution Trust. Each Creditor or Holder receiving any Distribution from the Distribution Trust shall be deemed to have ratified and become bound by the terms and conditions of the Distribution Trust Agreement.

(b) Distributions on Allowed Claims Only~~; Distributions Only from Distribution Trust~~

Distributions from the Distribution Trust shall be made only to the Holders of Allowed Claims. Until a Disputed Claim becomes an Allowed Claim, the Holder of that Disputed Claim shall not receive a Distribution. Other than as specifically set forth in section 6.1(b)(i), Allowed Claims shall not be entitled to distributions from any source other than the Plan Funding Payment or the Distribution Trust.

(c) ~~Place and Manner of Payments~~Method of Distributions

i. *Use of Distribution Agent.* The Reorganized Debtors with respect to Closing Date Plan Distributions and initial Distributions of Offered New Equity and the Distribution Trustee with respect to Distributions from the Distribution Trust shall have the authority, in their respective sole discretion, to enter into agreements with a third-party Distribution Agent to facilitate the Distributions required hereunder. For the avoidance of doubt, Prime Clerk, LLC, which was previously engaged to serve as the Debtors' Voting Agent, is an acceptable choice to serve as the Distribution Agent and shall be engaged as the shared Distribution Agent in the event that Reorganized Debtors and Distribution Trustee both want to use the services of a Distribution Agent and cannot agree to an alternate choice. The Distribution Trustee shall be authorized, but not directed, to pay to any third-party Distribution Agent all reasonable and documented fees and expenses of such Distribution Agent without the need for any approvals, authorizations, actions, or consents. The Distribution Agent shall be authorized, but not directed, to submit detailed invoices to the Debtors or the Reorganized Debtors, as applicable, for all fees and expenses for which the Distribution Agent seeks reimbursement and the Distribution Trustee shall pay those amounts from the Trust Administration Reserve that it, in its sole discretion, deems reasonable, and shall object in writing to those fees and expenses, if any, that the Distribution Trustee deems to be unreasonable. In the event that the Distribution Trustee objects to all or any portion of the amounts requested to be reimbursed in a Distribution Agent's invoice, the Distribution Trustee and such Distribution Agent shall endeavor, in good faith, to reach mutual agreement on the amount of the appropriate payment of such disputed fees

or expenses. In the event that the Distribution Trustee and a Distribution Agent are unable to resolve any differences regarding disputed fees or expenses, either party shall be authorized to move to have such dispute heard by the Bankruptcy Court.

ii. *Cash Distributions.* Except as otherwise specified in the Plan~~, Distributions from Available Cash~~ or the Distribution Trust Agreement (with respect to Distributions other than Closing Date Plan Distributions), any Distribution of Cash made by the Reorganized Debtors as a Closing Date Plan Distribution or made by the Distribution Trustee from the Available Plan Funding Distribution Amount shall be made by mailing such Distribution to the Creditor or Holder, as applicable, at the address listed in any Proof of Claim filed by ~~the Creditor~~such Entity or at such other address as such ~~Creditor~~Entity shall have specified for payment purposes in a written notice received by the Reorganized Debtors or Distribution Trustee, as applicable, at least twenty-one (21) days before a Distribution Date. If a Creditor or Holder has not filed a Proof of Claim or sent the Distribution Trustee a written notice of payment address, then the Distribution(s) for such ~~Creditor~~Entity will be mailed to the address identified in the Schedules. ~~The Distribution Trustee shall distribute any Cash~~Notwithstanding the foregoing, any Cash may be distributed by wire, check, or such other method as ~~it deems~~the Distribution Trustee or Reorganized Debtors, as applicable, deem appropriate under the circumstances. An Cash Distribution to be made to SRGL under the Plan shall be made by wire transfer unless otherwise agreed by SRGL.

iii. *Offered New Equity Distributions.* On or as soon as practicable after the Effective Date, the Reorganized Debtors shall distribute to the New Equity Eligible Holders that have made the New Equity Election a Distribution of each such holder's TruPS Claims Equity Distribution Amount.

iv. *Tax Information Required for Distributions.* Before receiving any Distributions, all Creditors and Holders, at the request of the Reorganized Debtors or Distribution Trustee, as applicable, must provide written notification of their respective Federal Tax Identification Numbers or Social Security Numbers to the ~~Distribution Trustee~~requesting Entity; otherwise, the Reorganized Debtors or Distribution Trustee, as applicable, may suspend Distributions to any Creditors or Holders who have not provided their Federal Tax Identification Numbers or Social Security Numbers.

(d) Undeliverable Distributions

If a Distribution ~~made from Available Cash to any Creditor~~ is returned as undeliverable, the Distribution Trustee shall use reasonable efforts to determine such Creditor's or Holder's then current address. If the Distribution Trustee cannot determine, or is not notified of, a Creditor's or Holder's then current address within six (6) months after the Effective Date, the Distribution reserved for such Creditor or Holder shall be deemed an unclaimed Distribution, and Section 7.5(e) of the Plan shall be applicable thereto.

(e) Unclaimed Distributions

If the current address for a Creditor or Holder entitled to a Distribution ~~from Available Cash~~(whether in the form of Cash or Offered New Equity) under the Plan has not been determined within six (6) months after the Effective Date or such ~~Creditor~~Entity has otherwise not been located, or if ~~a Creditor~~such Entity has not submitted a valid Federal Tax Identification Number or Social Security Number to the Distribution Trustee within six (6) months after the Effective Date, then such Creditor or Holder, as applicable, (i) shall no longer be a Creditor or Holder and (ii) shall be deemed to have released such Claim~~.~~ and Interest, if any. If such Unclaimed Distribution consists of Cash, then the Cash shall remain property of the Distribution Trust and be used or distributed in accordance with the terms of this Plan and the Distribution Trust Agreement. If such Unclaimed Distribution consists of New Equity, then such New Equity shall not be issued to the forfeiting Claim Holder and shall instead be issued to the Purchaser.

(f) Taxes; Withholding

In connection with the Plan, any party issuing any instrument or making any Distribution described in the Plan shall comply with all applicable withholding and reporting requirements imposed by any federal, state, or local taxing authority, and all Distributions and all related agreements shall be subject to any such withholding or reporting requirements. Notwithstanding the foregoing, each Holder of an Allowed Claim or any other Person that receives a Distribution shall have responsibility for any taxes imposed by any Governmental Unit, including, without limitation, income, withholding, and other taxes, on account of such Distribution. Any party issuing any instrument or making any Distribution has the right, but not the obligation, to not make a Distribution until such Holder has made arrangements satisfactory to such issuing or disbursing party for payment of any such tax obligations. The Distribution Trustee, in the exercise of its sole discretion and judgment, may enter into agreements with taxing or other authorities for the payment of such amounts that may be withheld in accordance with the provisions of this section. Any party entitled to receive any property as an issuance or distribution under the Plan shall, upon request, by the Debtors or Distribution Trustee, as applicable, provide an appropriate Form W-9 or (if the payee is a foreign Person, as applicable) Form W-8. If such request is made and such party fails to comply before the date that is 180 days after the request is made, the amount of such Distribution shall irrevocably revert to the Distribution Trust, and any Claim in respect of such Distribution shall be discharged and forever barred from assertion against the Debtors, the Reorganized Debtors, the Distribution Trust and their respective property.

(g) Special Distribution Provisions for TruPS Claims

i. *Service of TruPS Indenture Trustees; In General.*

Except with respect to SRGL Exclusively Held TruPS Claims, Distributions on account of the TruPS Claims shall be made by the Distribution Trustee to (i) the applicable TruPS Indenture Trustee or (ii) with the prior written consent of such TruPS Indenture Trustee,

through the facilities of a Securities Depository or Custodian, by means of book-entry exchange through the facilities of a Securities Depository or Custodian in accordance with the customary practices of such Securities Depository or Custodian, as applicable. If a Distribution is made to the TruPS Indenture Trustee, the TruPS Indenture Trustee, in its capacity as a disbursing agent, shall administer the Distributions in accordance with the terms of this Plan, the relevant TruPS Indenture, the relevant TruPS Declaration and any other applicable TruPS Documents.

ii. *Distributions Relating to SRGL Exclusively Held TruPS*

Distributions on account of the SRGL Exclusively Held TruPS Claims shall be made by the Distribution Trustee directly to SRGL in accordance with the Netting Protocol. The Debtors, in consultation with the Committee and the Purchaser, will us reasonable best efforts to agree with the Joint Liquidators on a mechanism (such mechanism, the "Netting Protocol") that will, first, provide for SRGL to receive its Distribution on the SRGL Exclusively Held TruPS Claims; second, allow the Joint Liquidators to establish applicable reserves; and third, ensure that any distribution from the SRGL estate to the Distribution Trust in respect of the SALIC/SRGL Claims and Admitted SALIC/SRGL Revolver Claim, will be distributed pro rata to all Holders of Allowed Claims in Classes 4, 5, 6 and 7, except for SRGL, in order to prevent an endless series of payments from the Distribution Trust to SRGL on account of the SRGL TruPS Claims and from SRGL back to the Distribution Trust in respect of the SALIC/SRGL Claims and Admitted SALIC/SRGL Revolver Claim. Any subsequent distributions made on the SALIC/SRGL Claims, including the Admitted SALIC/SRGL Revolver Claim, shall also follow the Netting Protocol. The Debtors will disclose the proposed Netting Protocol on or before the date fixed for the filing of the Plan Supplement. For the avoidance of doubt, nothing in this Section 7.6(b) is intended to or shall prejudice any rights of SRGL, the Debtors, the Distribution Trustee or any other Entity as to whether such a Netting Protocol is necessary in connection with Distributions to be made on account of the SRGL TruPS Claims or what Netting Protocol is appropriate. Notwithstanding anything to the contrary in this Section 7.5(g)(ii) or in any Netting Protocol, the Cayman Islands Court shall retain subject matter jurisdiction and authority over all matters in the SRGL Winding Up Proceeding, including, but not limited to, any matters relating to reserves to be established by the Joint Liquidators and the timing of distributions to be made to claim holders in connection with the SRGL Winding Up Proceeding.

(h) ~~7.6.~~ Additional Procedures Regarding Distributions from the Distribution Trust

~~Procedures~~Additional procedures regarding Distributions from the Distribution Trust to Holders of Allowed Claims shall be governed by the Distribution Trust Agreement.

(i) ~~7.7.~~ Allocation of Distributions between Principal and Interest

Except as otherwise provided in the Plan, to the extent that any Claim entitled to a Distribution under the Plan is comprised of indebtedness and accrued but unpaid interest thereon, such Distribution shall be allocated first to the principal amount (as

determined for U.S. federal income tax purposes) of the Claim ~~first~~, and then to accrued but unpaid interest.

7.6. Manner of Making New Equity or Cash Election

The Plan affords New Equity Eligible Holders the opportunity to make the New Equity Election or the Cash Election. Each New Equity Eligible Beneficial Holder must elect to take its entire Distribution (other than for its applicable percentage of the Distribution Trust Assets Proceeds) either exclusively in the form of Offered New Equity (by making the New Equity Election) or exclusively in the form of Cash (by making the Cash Election). Notwithstanding the foregoing, the Holder of the Allowed SFL Note Claim, if the SFL Note Clam Allowance Conditions have been satisfied, shall be entitled to: (a) apply its Allowed SFL Note Claim amount entirely to the New Equity Election; (b) apply its Allowed SFL Note Claim amount entirely to the Cash Election; or (c) allocate its Allowed SFL Note Claim Amount between the New Equity Election and the Cash Election.

A New Equity Election will be recognized as valid only if the electing New Equity Eligible Holder checks the box for the "New Equity Election" on its Ballot and such Ballot is otherwise properly completed and timely received by the Voting Agent in accordance with the requirements of the Disclosure Statement Order. Any New Equity election that is not properly made as set forth herein shall be disregarded and such New Equity Eligible Holder shall be deemed to have made the Cash Election. Except as otherwise agreed in writing by (a) if prior to the Effective Date, by the Debtors, the Committee and the Purchaser or (b) if on or after the Effective Date, the Distribution Trustee and the Reorganized Debtors, all New Equity Elections and Cash Elections (including any deemed Cash Elections) will be final and irrevocable after the Voting Deadline.

7.7. Claims Paid or Payable by Third Parties

(a) Claims Paid by Third Parties

To the extent a Holder has received a Distribution on account of a Claim and also receives payment from a party that is not a Debtor or the Distribution Trustee on account of such Claim, such Holder shall, within 30 calendar days of receipt thereof, repay and/or return the Distribution to the Distribution Trustee to the extent the recipient-Holder's total recovery on account of such Claim from the third party and under this Plan exceeds the amount of the Holder's Allowed Claim as of the date of any such distribution under this Plan.

Any such Claim shall be expunged from the official claims register without a claims objection having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court, to the extent that the Holder receives payment in full on account of such Claim; *provided, however*, that to the extent the non-Debtor party making the payment is subrogated to such Holder's Claim, the non-Debtor party shall have a 30-calendar-day grace period to notify the Distribution Trustee of such subrogation rights and, if they are valid and enforceable, the expungement will be reversed to the extent of such subrogation rights.

(b) Claims Payable by Third Parties

To the extent that one or more of the Debtors' insurers agrees to satisfy a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, such Claim may be expunged on the official claims register (in each case to the extent of any agreed-upon satisfaction) by the Clerk of Court or Distribution Trustee, as applicable, without a claims objection having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

7.8. Foreign Currency Exchange Rate

As of the Effective Date, any Claim asserted in a currency other than U.S. dollars shall be automatically deemed converted to the equivalent U.S. dollar value using the exchange rate on the Petition Date, as quoted at 4:00 p.m., mid-range spot rate of exchange for the applicable currency as published in The Wall Street Journal, Eastern Edition, on the day after the Petition Date.

7.9. Setoff

Except as otherwise provided in this Plan, the Restructuring Implementation Agreement, the RIA Order or another Final Order of the Bankruptcy Court, (a) nothing contained in this Plan shall constitute a waiver or release by the Debtors, the Reorganized Debtors, the Distribution Trustee or the Distribution Trust of any right of setoff or recoupment that any of the foregoing Entities may have against any Entity, and (b) to the extent permitted by Applicable Law, the Distribution Trustee or Reorganized Debtors, as applicable, may setoff or recoup (but shall not be required to do so) against any Claim (and any Interest) and the payments or other Distributions to be made under the Plan in respect of such Claim (or Interest), claims of any nature whatsoever that the Debtors may have against the Holder of such Claim or Interest.

7.10. De Minimis Distributions

If any interim Distribution under the Plan to the holder of an Allowed Claim or Interest would be less than $100.00 or a fractional number of Offered New Equity, the Distribution Trustee or Reorganized Debtors, as applicable, may withhold such Distribution until the next Subsequent Distribution Date or the date of a final Distribution, as applicable, is made to such Holder. If any final Distribution under the Plan to the holder of an Allowed Claim or Interest would be less than $25.00 or a fractional number of Offered New Equity, then such Distribution may be canceled in its entirety. Any unclaimed Distributions pursuant to this Section 7.9 shall be treated as an Unclaimed Distribution under Section 7.5(e) of the Plan.

7.11. Fractional Shares

No fractional shares or number of the Offered New Equity shall be issued or distributed under the Plan. The actual Distribution of shares or number of the Offered New Equity shall be rounded to the next higher or lower whole number as follows: (i) fractions less than one-half (½) shall be rounded to the next lower whole number and (ii) fractions equal to or

greater than one-half (½) shall be rounded to the next higher whole number. The total amount of shares or number of Offered New Equity to be distributed hereunder shall be adjusted as necessary to account for such rounding. No consideration shall be provided in lieu of fractional shares or numbers that are rounded down.

7.12. No Interest

Other than as provided by section 506(b) of the Bankruptcy Code or as specifically provided for in the Plan, the Confirmation Order, or another Final Order of the Bankruptcy Court, postpetition interest shall not accrue or be paid on Claims and no Holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim or right. Additionally, and without limiting the foregoing, interest shall not accrue or be paid on any Claim or Disputed Claim with respect to the period from and after the Effective Date; provided, however, that nothing in this Section 7.11 shall limit any rights of any governmental unit (as defined in section 101(27) of the Bankruptcy Code) to interest under sections 503, 506(b), 1129(a)(9)(A), or 1129(a)(9)(C) of the Bankruptcy Code or as otherwise provided for under Applicable Law.

VIII. EXECUTORY CONTRACTS AND UNEXPIRED LEASES

8.1. Assumption of Executory Contracts

~~On the Effective Date~~Except as may be otherwise set forth in the Plan, all Executory Contracts not identified on the ~~Assumption~~Rejection Schedule (or previously assumed or rejected by a Debtor) shall be deemed assumed ~~by the applicable Reorganized Debtor. The Assumption Schedule shall be filed with, and as a part of, the Plan Supplement, and may be amended by the Plan Sponsor (i) to remove any Executory Contract no later than the Effective Date, and (ii) to add any Executory Contract, with the consent of such counterparty, no later than the Effective Date.~~ on the Effective Date. Entry of the Confirmation Order shall constitute approval of ~~the assumption of~~ such ~~Executory Contracts~~assumptions under sections 365 and 1123 of the Bankruptcy Code.

For the avoidance of doubt, unless otherwise expressly provided in the Plan, the Plan Supplement or the Confirmation Order, all SRUS Retrocession Agreements, Third-Party Reinsurance Agreements, Trust Agreements, and any and all other reinsurance treaties and trust agreements shall be deemed assumed by SALIC.

8.2. Rejection of Executory Contracts

~~Except as may be otherwise set forth in the Plan~~On the Effective Date, all Executory Contracts ~~not~~ identified on the ~~Assumption~~Rejection Schedule ~~(or previously assumed or rejected by a Debtor) shall be deemed rejected on the Effective Date.~~ shall be deemed rejected. The Rejection Schedule shall be filed with, and as a part of, the Plan Supplement, and may be amended by the Purchaser (i) to remove any Executory Contract no later than the Effective Date, and (ii) to add any Executory Contract, with the consent of such counterparty, no later than 45 days after the Confirmation Date. Entry of the Confirmation Order

shall constitute approval of the rejection of such ~~rejections~~Executory Contracts under sections 365 and 1123 of the Bankruptcy Code.

8.3. Procedures Related to Assumption of Executory Contracts

(a) Establishment of Cure Amounts

The Cure Amounts associated with the assumption of the Executory Contracts pursuant to Section 8.1 of the Plan are specified in the Assumption Schedule (as may be amended), and each such amount shall conclusively be deemed to be the full and total monetary and nonmonetary performance, if any, required to be rendered in order to assume such Executory Contract pursuant to section 365(b)(1) of the Bankruptcy Code, unless the counterparty to an Executory Contract identified on the Assumption Schedule Files and serves a timely Contract Objection consistent with the procedures in Section 8.3(b) of the Plan. If a Contract Objection is timely Filed and served in accordance with such procedures, the Cure Amount for such Executory Contract shall be the amount agreed to among the objecting counterparty and the Debtors, with the consent of the ~~Plan Sponsor~~Purchaser, or as determined by Final Order of the Bankruptcy Court.

(b) Counterparty Objections

Any counterparty to an Executory Contract identified on the Assumption Schedule that objects to assumption of such Executory Contract must File an objection (a "Contract Objection") within ~~[_____]~~twenty-one (21) days (the "Contract Objection Deadline") of the Assumption Schedule being Filed with the Bankruptcy Court. A Contract Objection must, at a minimum: (i) identify all bases for the objection, including, without limitation, by specifying whether and on what bases the counterparty objects to (a) the Cure Amount specified in the Assumption Schedule, and (b) the provision of adequate assurance of future performance under the Executory Contract; (ii) if objecting to the Cure Amount, identify with specificity the Cure Amount the counterparty believes is required, and include all appropriate documentation in support thereof; and (iii) if objecting to the provision of adequate assurance of future performance under the Executory Contract, identify with specificity what the counterparty believes is necessary to provide adequate assurance of future performance under the Executory Contract.

The ~~Plan Sponsor~~Purchaser shall be a party in interest with respect to, and shall have the right to examine, respond to, and contest, any Contract Objection.

If an objection concerning an Executory Contract listed on the Assumption Schedule pertaining solely to the Cure Amount has not been resolved by the Bankruptcy Court by the Effective Date, such Executory Contract may, in the Reorganized Debtors' discretion (and with the consent of the ~~Plan Sponsor~~Purchaser), be deemed assumed by the Reorganized Debtors effective as of the Effective Date; *provided, however,* the Reorganized Debtors may revoke an assumption of any such Executory Contract within fourteen (14) days after entry of an order by the Bankruptcy Court adjudicating the Contract Objection for such Executory Contract by Filing

a notice of such revocation with the Bankruptcy Court and serving a copy on the counterparty(ies) to such Executory Contract. Any Executory Contract identified in a revocation notice shall be deemed rejected retroactively as of the Effective Date.

(c) Effect of Failure to Timely File a Contract Objection

Unless a Contract Objection is timely Filed and served by the counterparty to an Executory Contract by the Contract Objection Deadline, such counterparty shall be: (i) deemed to have waived and released any right to assert an objection to the Cure Amount and to have otherwise consented to the assumption of such Executory Contract; (ii) forever barred from objecting to the assumption of such Executory Contract or the failure of the ~~Plan Sponsor~~Purchaser or the Reorganized Debtors to provide adequate assurance of future performance; and (iii) forever barred and estopped from asserting or claiming any Cure Amount, other than the Cure Amount listed on the Assumption Schedule.

(d) Payment of Cure Amounts

Within thirty (30) days after the Effective Date, the Reorganized Debtors shall pay, in Cash (or as otherwise agreed or ordered by the Bankruptcy Court), all Cure Amounts related to Executory Contracts listed on the Assumption Schedule that are assumed pursuant to this Section 8.3, other than Cure Amounts that are subject to a Contract Objection pending on the Effective Date; *provided,* that subject to the revocation rights described in Section 8.3(b) above, the Reorganized Debtors shall pay all Cure Amounts that are subject to a Contract Objection on the Effective Date within fourteen (14) days after entry of an order by the Bankruptcy Court resolving the objection or approving an agreement between the parties concerning the Cure Amount. For the avoidance of doubt, funding of Cure Amounts shall be subject to sections 2.2(b), 2.3(f) and 2.4(e) of the Stock Purchase Agreement; in particular, the amount contributed by the ~~Plan Sponsor~~Purchaser for payment of the Cure Amounts shall not exceed $100,000 and the Recapitalization Funding Payment shall be used by the Reorganized Debtors to pay any amounts in respect of the Cure Amounts in excess of $100,000.

(e) No Admission of Liability

Neither the inclusion nor exclusion of any Executory Contract by the Debtors on the Assumption Schedule, nor anything contained in the Plan, shall constitute an admission by the Debtors that any such contract or lease is in fact an Executory Contract or that the Debtors, the Reorganized Debtors, the ~~Plan Sponsor~~Purchaser or Distribution Trust has any liability thereunder.

(f) Reservation of Rights

Nothing in the Plan shall waive, excuse, limit, diminish, or otherwise alter any of the defenses, claims, causes of action, or other rights of the Debtors, the Reorganized Debtors or Distribution Trust under any executory or non-executory contract or any unexpired or expired lease, nor shall any provision of the Plan increase, augment, or add to any of the duties,

obligations, responsibilities, or liabilities of the Debtors or the Reorganized Debtors under any such contract or lease.

(g) Rejection Claim Bar Date

Each Claim resulting from the rejection of an Executory Contract pursuant to Section 8.2 of the Plan shall be Filed with the Bankruptcy Court no later than the Rejection Claim Bar Date; *provided, however,* any party whose Executory Contract is rejected pursuant to a revocation notice pursuant to Section 8.3(b) above may File a rejection damage Claim arising out of such rejection within thirty (30) days after the Filing of the revocation notice with the Bankruptcy Court. Any Claim resulting from the rejection of an Executory Contract not Filed by the applicable deadline shall be discharged and forever barred, and shall not be entitled to any Distributions under the Plan. The Distribution Trustee shall have the right to object to any rejection damage Claim. All rejection damage Claims shall be treated in Class 5 or 7, respectively, and shall be paid out of the Distribution Trust.

(h) Continuing Obligations Owed to the Debtors

Any continuing obligations of third parties to the Debtors under insurance policies, contracts, or leases that have otherwise ceased to be executory or have otherwise expired on or prior to the Effective Date, including, without limitation, continuing obligations to pay insured claims, to defend against and process claims, to refund premiums or overpayments, to provide indemnification, contribution or reimbursement, to grant rights of first refusal, to maintain confidentiality, or to honor releases, will continue and will be binding on such third parties, notwithstanding any provision to the contrary herein, unless otherwise specifically terminated by the Debtors or the Reorganized Debtors, or by order of the Bankruptcy Court.

To the extent any insurance policy under which the insurer has a continuing obligation to pay the Debtors or a third party on behalf of the Debtors is held by the Bankruptcy Court to be an Executory Contract, such insurance policy will be treated as though it is an Executory Contract that is assumed by the Reorganized Debtors pursuant to section 365 of the Bankruptcy Code and Sections 8.1 and 8.3 of the Plan.

(i) Postpetition Contracts

The Debtors will not be required to assume or reject any contract or lease entered into by the Debtors after the Petition Date. Any such contract or lease will continue in effect in accordance with its terms after the Effective Date, unless the Reorganized Debtors have obtained a Final Order of the Bankruptcy Court approving rejection of such contract or lease. Contracts or leases entered into after the Petition Date will be performed by the Reorganized Debtors in the ordinary course of their business.

IX. CONDITIONS PRECEDENT TO CONFIRMATION OF THE PLAN AND OCCURRENCE OF THE EFFECTIVE DATE

9.1. Conditions to Confirmation

The Confirmation Order will not be effective unless the final version of the Plan, Plan Supplement, and any other documents, or schedules thereto, including the filed Confirmation Order, shall have been filed in form and substance acceptable to the ~~Plan Sponsor~~Purchaser in its reasonable discretion, and the Restructuring Implementation Agreement shall not have been terminated and shall be in full force and effect.

9.2. Conditions to Effectiveness

Unless the following conditions (except with respect to the Distribution Trust Agreement and the Restructuring Implementation Agreement) are waived by the ~~Plan Sponsor~~Purchaser, the Plan will not be effective unless: (a) the conditions to Confirmation above have either been satisfied, or (except with respect to the Restructuring Implementation Agreement) waived by the ~~Plan Sponsor~~Purchaser; (b) the Confirmation Order has been entered by the Bankruptcy Court, is not subject to appeal, and no stay or injunction is in effect with respect thereto; (c) the Closing shall have occurred or shall occur simultaneously with the Effective Date; (d) the ~~Plan Sponsor~~Purchaser shall acquire the New ~~SALIC~~ Equity ~~and~~(subject to the New ~~SHI~~ Equity Election), directly or indirectly, free and clear of all Liens, Claims, and Interests and in accordance with the Plan; (e) the Distribution Trust Agreement shall have been executed by all parties thereto; ~~and~~ (f) the Restructuring Implementation Agreement shall not have been terminated and shall be in full force and effect; and (g) the Purchaser shall have demonstrated to the reasonable satisfaction of the Debtors and the Committee that all actions have occurred or will occur on or before the Effective Date necessary to fund the Plan Funding Payment to the Distribution Trust and the Recapitalization Funding Payment to Reorganized SALIC, each as provided in the Plan and the Stock Purchase Agreement; and (h) all governmental, judicial, and third party approvals and consents that are required in connection with the transactions contemplated by the Plan shall have been obtained, not subject to unfulfilled conditions, and shall be in full force and effect.

X. SETTLEMENT, DISCHARGE, RELEASE, INJUNCTION AND RELATED PROVISIONS

10.1. Compromise and Settlement of Claims, Interests, and Controversies

As discussed in detail in the Disclosure Statement and as otherwise provided herein, pursuant to sections 105(a), 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to the Plan, which distributions and other benefits shall be irrevocable and not subject to challenge upon the Effective Date, the provisions of the Plan, and the distributions and other benefits provided hereunder, shall constitute a good-faith compromise and settlement of all Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that a holder of a Claim or Interest may have with respect to any Allowed Claim or Interest, or any distribution to be made on account of such Allowed Claim or Interest. Without limiting the foregoing, the Plan

incorporates and is predicated upon the good-faith compromise and settlement of (i) any disputes regarding the appropriate allocation of general and administrative costs across the Debtors' assets, (ii) any disputes regarding the allocation of the Plan Funding Payment and any other value received by the Debtors under the Stock Purchase Agreement between the Debtors' Estates, and (iii) any disputes regarding whether and, if so, to what extent the Debtors' assets and liabilities should be pooled for voting, distribution and other purposes into a single, substantively consolidated estate.

The Plan shall be deemed a motion to approve the good-faith compromise and settlement of all such Claims, Interests, and controversies pursuant to Bankruptcy Rule 9019, and the entry of the Confirmation Order shall constitute the Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Court that such compromise or settlement is in the best interests of the Debtors, their Estates, and holders of Claims and Interests and is fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Court, after the Effective Date, the Distribution Trustee may compromise and settle Claims against, and Interests in, the Debtors and their Estates and Causes of Action against other Entities.

10.2. Releases by the Debtors in Favor of Third Parties

As of the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, the Debtors, the Reorganized Debtors, and any Person or Entity seeking to exercise the rights of the Estates, including, without limitation the Distribution Trust, the Distribution Trustee, any successor to the Debtors or any Estate representative appointed or selected pursuant to section 1123(b)(3) of the Bankruptcy Code, hereby forever release, waive and discharge, and shall be deemed to forever release, waive, and discharge each of the Released Parties from any and all Claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities whatsoever, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, at equity, or otherwise, that are based in whole or in part on any act, omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the conduct of the Debtors' business, ~~the Reorganized Debtors,~~ the Chapter 11 Cases, the Disclosure Statement, the Plan, or other documents implementing the Plan, *provided, however,* that nothing in this Section 10.2 of the Plan shall be deemed to release, or otherwise to prohibit the Reorganized Debtors or the Distribution Trustee from asserting and enforcing, any Claims, obligations, suits, judgments, demands, debts, rights, causes of action, or liabilities any of them may hold related to, or arising out of, the Plan, the DT Post-Closing Rights, the SALIC Claims, the Admitted SALIC/SRGL Revolver Claim, the Retained Causes of Action (solely as to the Reorganized Debtors), Causes of Action that are Distribution Trust Assets (solely as to the Distribution Trustee), the Stock Purchase Agreement, the Restructuring Implementation Agreement, ~~the Plan Sponsorship Agreement,~~ the Distribution Trust Agreement, and the other documents implementing the Plan, *provided, further,* that nothing in this Section 10.2 of the Plan; (i)

shall be deemed to release, or otherwise to prohibit the Reorganized Debtors or the Distribution Trustee, or anyone claiming through them from enforcing any confidentiality or non-disclosure agreement or any Claim, right or cause of action related thereto, (ii) shall be deemed to release, impair, or otherwise affect any parties' rights or interests under any Executory Contract or Unexpired Lease that is assumed by the Reorganized Debtors, and all such rights and interests shall be unaffected by the Plan and this Section 10.2 (subject, however, to the effects of Section 8.3(a), (c), and (h) of the Plan); ~~or~~ (iii) shall be deemed to release any Intercompany Claims; (iv) shall be deemed to release any Causes of Action specifically identified in this Plan as Distribution Trust Assets; (v) shall be deemed to release any Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct, actual fraud, or gross negligence as determined by a Final Order; or (vi) shall be deemed to release any Person's rights under the Plan.

Entry of the Confirmation Order shall constitute the Court's approval, pursuant to Bankruptcy Rule 9019, of the Releases by the Debtors described in this Section 10.2 which includes by reference each of the related provisions and definitions contained herein, and, further, shall constitute the Court's finding that such releases are: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims released by such releases; (3) in the best interests of the Debtors and all holders of Claims and Interests; (4) fair, equitable and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Debtors, the Estates or the Distribution Trust asserting any Claim or cause of action released pursuant to such releases.

10.3. Releases by Holders of Claims and Interests

To the fullest extent permitted by law and except as otherwise specifically provided in the Plan, for good and valuable consideration, including the contributions of the Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, effective as of the Effective Date, (i) Holders of Claims who vote to accept the Plan, (ii) Holders of Claims who are Unimpaired under the Plan, (iii) Holders of Claims entitled to vote on the Plan who do not submit a ballot and do not timely object to or opt-out of the releases, and (iv) each of the ~~Plan Sponsor~~Purchaser, the Joint Liquidators, SRGL, and for each of the foregoing, their respective Representatives (other than with respect to SRGL, the SRGL Equity Holders), hereby release, waive and discharge, and shall be deemed to forever release, waive, and discharge the Released Parties of any and all Claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities whatsoever in connection with or related to the Debtors, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, at equity, or otherwise, including those that any of the Debtors, the Reorganized Debtors, the Estates, or their Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of

any Claim or Interest or other Entity based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the conduct of the Debtors' business, the Chapter 11 Cases, the Disclosure Statement, the Plan or the documents implementing the Plan, and the negotiation, formulation, or preparation thereof, the solicitation of votes with respect to the Plan, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any of the Debtors and any Released Party, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, or upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct, actual fraud, or gross negligence as determined by a Final Order.

Each Person or Entity providing releases under the Plan, including the Debtors, the Estates, and the Holders of Claims (regardless of whether such Holder is a Released Party), shall be deemed to have granted the releases set forth above notwithstanding that such Person or Entity may hereafter discover facts in addition to, or different from, those which it now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and such Person or Entity expressly waives any and all rights that it may have under any statute or common law principle which would limit the effect of such releases to those Claims or causes of action actually known or suspected to exist at the time of execution of such release.

Entry of the Confirmation Order shall constitute the Court's approval, pursuant to Bankruptcy Rule 9019, of the Releases by Holders of Claims and Interests described in this Section 10.3, which includes by reference each of the related provisions and definitions contained herein, and, further, shall constitute the Court's finding that such releases are: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims released by such releases; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Releasing Parties asserting any claim or cause of action released pursuant to such releases.

10.4. Discharge and Discharge Injunction

(a) Discharge of Claims

On and after the Effective Date: (a) the rights afforded in the Plan and the treatment of all Claims and Interests shall be in exchange for and in complete satisfaction, discharge, and release of all Claims and Interests of any nature whatsoever, including any interest accrued on such Claims from and after the Petition Date, against the Debtors, the Reorganized Debtors or any of their assets, property, or estate; (b) the Plan shall bind all Holders of Claims and Interests, notwithstanding whether any such Holders failed to vote to accept or reject the Plan or voted to reject the Plan; (c) all Claims and

Interests shall be satisfied, discharged, and released, and the Debtors' and Reorganized Debtors' liability with respect thereto shall be extinguished completely, including any liability of the kind specified under Bankruptcy Code section 502(g); and (d) all entities shall be precluded from asserting against the Debtors, the Reorganized Debtors, the Estates, the Distribution Trust, the Distribution Trustee their successors and assigns, and their assets and properties any other Claims or Interests based upon any documents, instruments, or any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date, provided, however, that the foregoing discharge ~~shall not apply to the Retained Causes of Action and~~ shall not apply to ability of Holders of Allowed Claims to recover from the Distribution Trust on account of such Allowed Claims and/or ~~Distribution Trust~~ Interests, all in accordance with the terms of the Plan and Distribution Trust Agreement.

(b) Discharge Injunction

Except as provided in the Plan, to the fullest extent permitted by law, or the Confirmation Order, as of the Effective Date, all Persons that have held, currently hold, may hold, or allege that they hold, a Claim, Interest, or other debt or liability that is satisfied, released and discharged pursuant to the terms of the Plan are permanently enjoined from taking any of the following actions against the Debtors, the Reorganized Debtors, the Distribution Trust, the Distribution Trustee and their respective subsidiaries or their property on account of any such discharged Claims, debts, liabilities or rights: (i) commencing or continuing, in any manner or in any place, any action or other proceeding; (ii) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order; (iii) creating, perfecting, or enforcing any Lien or encumbrance; (iv) asserting a setoff, right of subrogation, or recoupment of any kind against any debt, liability, or obligation due to the Debtors or the Reorganized Debtors; or (v) commencing or continuing any action or other proceeding of any kind, in each such case in any manner, in any place, or against any Person that does not comply with or is inconsistent with the provisions of the Plan.

Except as provided in the Plan or the Confirmation Order, as of the Effective Date, all Persons that have held, currently hold, or may hold, a Claim, Interest, obligation, suit, judgment, damage, demand, debt, right, cause of action, or liability that is released pursuant to Article X of the Plan are permanently enjoined from taking any of the following actions on account of such released Claims, Interests, obligations, suits, judgments, damages, demands, debts, rights, causes of action, or liabilities or rights: (i) commencing or continuing, in any manner or in any place, any action or other proceeding; (ii) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order; (iii) creating, perfecting, or enforcing any Lien or encumbrance; (iv) asserting a setoff against any debt, liability, or obligation due to any Released Party; or (v) commencing or continuing any action, in any manner, in any place, or against any Person or Entity that does not comply with or is inconsistent with the provisions of the Plan.

Without limiting the effect of the foregoing provisions of this Section 10.4 of the Plan upon any Person or Entity, by accepting distributions pursuant to the Plan, each Holder of an Allowed Claim shall be deemed to have specifically consented to the injunctions set forth in this Section 10.4 of the Plan.

10.5. Exculpation

To the fullest extent permitted by law and except as otherwise specifically provided in the Plan, each of the Exculpated Parties will not have or incur any liability for any act or omission in connection with, or arising out of, the formulation, negotiation, preparation, dissemination, implementation or pursuit of approval of the Plan, the Disclosure Statement, the Restructuring Implementation Agreement, the Stock Purchase Agreement, ~~the Plan Sponsorship Agreement,~~ the Plan Supplement or any documents, instruments or agreements implementing or related to the foregoing, or the solicitation of votes for or Confirmation of the Plan, or the consummation of the Plan, the Restructuring Implementation Agreement, the Stock Purchase Agreement, ~~the Plan Sponsorship Agreement,~~ the Plan Supplement, or the transactions contemplated, implemented and effectuated thereby or the administration of the Plan or the property to be distributed under the Plan, or any other act or omission during the administration of the Debtors' Estates or in contemplation of the Chapter 11 Cases, except for willful misconduct, actual fraud or gross negligence as determined by a Final Order, and in all respects, will be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan~~; provided, however, that the foregoing exculpation shall not apply to the Retained Causes of Action~~.

10.6. Post-Effective Date Indemnification

Indemnification Obligations of the Debtors that are owed to ~~directors, officers, agents and employees of the Debtors (or the Estates) who served or were employed by the Debtors at any time after the Petition Date and prior to the Effective Date~~Indemnified D&O Parties will be deemed to be, and will be treated as though they are, Executory Contracts that are assumed by the Reorganized Debtors pursuant to section 365 of the Bankruptcy Code, and such Indemnification Obligations shall not be discharged or otherwise impaired by Confirmation of the Plan.

From and after the ~~Effective~~Closing Date, to the extent permitted by ~~applicable law~~Applicable Law, the certificate of incorporation, certificate of formation, bylaws or limited liability company operating agreement (or similar organizational documents) of each SALIC Group Company shall continue to contain provisions no less favorable with respect to indemnification, advancement of expenses and exculpation of each ~~present and former director and officer of each of the SALIC Group Companies (collectively, the "~~Indemnified D&O ~~Parties")~~Party than are set forth in the organizational documents of the SALIC Group Companies as of the ~~Petition Date~~date hereof, which provisions shall not be amended, repealed or otherwise modified for a period of six (6) years after the ~~Effective~~Closing Date in any manner that would adversely affect the rights thereunder of any such individual.

For a period of six (6) years from and after the ~~Effective~~Closing Date, to the extent that the Indemnified D&O Parties are not otherwise covered as ~~beneficiaries~~insureds under an existing policy of directors' and officers' liability insurance in accordance with the requirements set forth in ~~section~~Section 5.8(b) of the Stock Purchase Agreement, ~~the Plan Sponsor~~Purchaser shall cause the SALIC Group Companies to maintain in effect policies of directors' and officers' liability insurance comparable to those maintained by the SALIC Group Companies or SRGL with respect to matters existing or occurring at or prior to the ~~Effective~~Closing Date; ~~provided,~~*provided,* that ~~Plan Sponsor~~Purchaser or the SALIC Group Companies may substitute therefor policies of at least the same coverage containing terms and conditions that are not less advantageous than the existing policies (including with respect to the period covered); ~~provided,~~*provided, further,* that in lieu of maintaining the current policies of directors' and officers' liability insurance, ~~the Plan Sponsor~~Purchaser may (or may cause the SALIC Group Companies to) purchase "tail" coverage or otherwise replace such policies with coverage with a scope, policy limits and retained coverage not less favorable than the scope, policy limits and retained coverage currently provided. Notwithstanding the foregoing, at Purchaser's direction and in satisfaction of Purchaser's obligations under Section 5.8(b) of the Stock Purchase Agreement, SALIC shall obtain such "tail" coverage in respect of SALIC's existing policy of directors' and officers' liability insurance identified in Section 3.15 of the SALIC Disclosure Schedules (Policy No. ELU154535-18) on terms acceptable to Purchaser, to be effective as of the Closing Date, provided that the cost of such coverage shall be funded from unrestricted Cash of SALIC and SHI.

XI. RETENTION OF JURISDICTION

11.1. Retention of Jurisdiction

Pursuant to sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding entry of the Confirmation Order and occurrence of the Effective Date, except as otherwise ordered by the Bankruptcy Court, or contemplated by the RIA Order or Restructuring Implementation Agreement, the Bankruptcy Court will retain jurisdiction over all matters arising out of, and related to, the Chapter 11 Cases and the Plan to the fullest extent permitted by law, including, among other things, jurisdiction to:

(a) allow, disallow, determine, liquidate, classify, estimate, or establish the priority, secured, unsecured, or subordinated status of any Claim or Interest not otherwise Allowed under the Plan (other than personal injury or wrongful death Claims, unless agreed by the Holder), including the resolution of any request for payment of any Administrative Claim and the resolution of any objections to the Allowance or priority of Claims;

(b) hear and determine all applications for compensation and reimbursement of expenses of Professionals under the Plan or under sections 327, 328, 330, 331, 503(b), 1103, and 1129(a)(4) of the Bankruptcy Code; provided, however, that from and after the Effective Date, the payment of the fees and expenses of the professionals of the Reorganized Debtors or the Distribution Trust shall be made in the ordinary course of business and shall not be subject to the approval of the Bankruptcy Court;

(c) hear and determine all matters with respect to the assumption or rejection of any Executory Contract or Unexpired Lease to which a Debtor is a party or with respect to which a Debtor may be liable, including, if necessary, the nature or amount of any required Cure or the liquidation or Allowance of any Claims arising therefrom;

(d) effectuate performance of and payments under the provisions of the Plan and enforce remedies upon any default under the Plan;

(e) hear and determine any and all adversary proceedings, motions, applications, and contested or litigated matters arising out of, under, or related to, the Chapter 11 Cases or the Plan;

(f) enter such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, and other agreements or documents created in connection with the Plan, the Disclosure Statement or the Confirmation Order;

(g) hear and determine disputes arising in connection with the interpretation, implementation, consummation, or enforcement of the Plan, including disputes arising under agreements, documents, or instruments executed in connection with the Plan;

(h) consider any modifications of the Plan, cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

(i) issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Person or Entity with the implementation, consummation, or enforcement of the Plan or the Confirmation Order;

(j) enter and implement such orders as may be necessary or appropriate if the Confirmation Order is for any reason reversed, stayed, revoked, modified, or vacated;

(k) hear and determine any matters arising in connection with or relating to the Plan, the Plan Supplement, the schedules to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with the Plan, the Plan Supplement, the Schedules to the Plan, the Disclosure Statement, or the Confirmation Order;

(l) hear and determine any matters arising in connection with or relating to the Distribution Trust, the interpretation, implementation or operation of the Distribution Trust Agreement or the consummation of the transactions contemplated thereby;

(m) enforce, interpret, and determine any disputes arising in connection with any stipulations, orders, judgments, injunctions, releases, exculpations, indemnifications, and rulings entered in connection with the Chapter 11 Cases (whether or not the Chapter 11 Cases have been closed);

(n) except as otherwise limited in the Plan, recover all assets of the Debtors and property of the Estates, wherever located;

(o) hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

(p) hear and determine all disputes involving the existence, nature, or scope of the Debtors' discharge;

(q) hear and determine such other matters as may be provided in the Confirmation Order or as may be authorized under, or not inconsistent with, provisions of the Bankruptcy Code;

(r) hear and determine matters relating to the Stock Purchase Agreement and the Restructuring Implementation Agreement, to the extent provided for in such documents; and

(s) enter a final decree closing the Chapter 11 Cases.

If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising in, arising under, or related to the Chapter 11 Cases, including the matters set forth in Section 11.1 of the Plan, the provisions of Article XI of the Plan will have no effect upon and will not control, prohibit, or limit the exercise of jurisdiction by any other court having jurisdiction with respect to such matter.

11.2. Limitation on Jurisdiction

In no event shall the provisions of the Plan be deemed to confer in the Bankruptcy Court jurisdiction greater than that established by the provisions of 28 U.S.C. §§ 157 and 1334, as well as the applicable circumstances that continue jurisdiction for defense and enforcement of the Plan and Plan Documents. For the avoidance of doubt, however, such jurisdiction shall be deemed, by the entry of the Confirmation Order, to:

(a) Permit entry of a final judgment by the Bankruptcy Court in any core proceeding referenced in 28 U.S.C. § 157(b) and to hear and resolve such proceedings in accordance with 28 U.S.C. § 157(c) and any and all related proceedings, including, without limitation, (i) all proceedings concerning disputes with, or Causes of Action or Claims against, any Entity that the Distribution Trust, the Debtors or the Reorganized Debtors or their successors or assigns, may have, and (ii) any and all Causes of Action or other Claims against any Entity for harm to or with respect to (x) any property of the Estates, or (y) any property of the Estate liened or transferred by the Debtors to any other Entity;

(b) Include jurisdiction over the recovery of any property of the Estates (or property transferred by the Debtors with Bankruptcy Court approval) from any Entity wrongly asserting ownership, possession or control of the same, whether pursuant to sections 542, 543, 549, 550 of the Bankruptcy Code or otherwise, as well as to punish any violation of the

automatic stay under section 362 of the Bankruptcy Code or any other legal rights of the Debtors under or related to the Bankruptcy Code; and

(c) Permit the taking of any default judgment against any Entity that has submitted itself to the jurisdiction of the Bankruptcy Court.

XII. MISCELLANEOUS PROVISIONS

12.1. Legally Binding Effect

The provisions of the Plan shall bind all Creditors and Interest Holders, whether or not they accept the Plan and wherever located. On and after the Effective Date, all Holders of Claims and Interests shall be precluded and enjoined from asserting any Claim against or Interest in the Debtors or their assets or properties based on any transaction or other activity of any kind that occurred prior to the Effective Date except as may be expressly provided for by the Plan.

12.2. Exemption from Transfer Taxes

Pursuant to section 1146 of the Bankruptcy Code and the Plan, any of the following acts or any similar act otherwise contemplated in the Plan will not be subject to any stamp tax, transfer tax, filing or recording tax, or other similar tax: (a) the issuance, transfer or exchange of notes, debt instruments and equity securities under or in connection with the Plan; (b) the creation, assignment, recordation or perfection of any lien, pledge, other security interest or other instruments of transfer; (c) the making or assignment of any lease; (d) the creation, execution and delivery of any agreements or other documents creating or evidencing the formation of the Reorganized Debtors or the issuance or ownership of any interest in the Reorganized Debtors; or (e) the making or delivery of any deed or other instrument of transfer under the Plan in connection with the vesting of the Debtors' assets in the Reorganized Debtors or the Distribution Trust or Distribution Trustee pursuant to or in connection with the Plan, including, without limitation, merger agreements, stock purchase agreement, agreements of consolidation, restructuring, disposition, liquidation or dissolution, and transfers of tangible property.

12.3. Securities Exemption

Any rights issued under, pursuant to or in effecting the Plan, including, without limitation, the New ~~SALIC~~ Equity ~~and~~, the New SHI Equity ~~or~~and any beneficial interests in the Distribution Trust ~~Interests~~, and the offering and issuance thereof by any party, including without limitation the Debtors ~~or~~, the Estates, or New Holdco (if applicable), shall be exempt from Section 5 of the Securities Act of 1933, if applicable, and from any state or federal securities laws requiring registration for offer or sale of a security or registration or licensing of an issuer of, underwriter of, or broker or dealer in, a security, and shall otherwise enjoy all exemptions available for Distributions of securities under a plan of reorganization in accordance with all ~~applicable law~~Applicable Law, including without limitation section 1145 of the Bankruptcy Code. If the issuance of the New ~~SALIC~~ Equity and the New SHI Equity does not qualify for an exemption under section 1145 of the Bankruptcy Code, the New ~~SALIC~~ Equity and the New SHI

Equity shall be issued in a manner that qualifies for any other available exemption from registration, whether as a private placement under Section 4(a)(2) of the Securities Act and/or the safe harbor provisions promulgated thereunder, Regulation D of 1993, or otherwise.

12.4. Defects, Omissions and Amendments of the Plan

The Plan may be amended, modified, or supplemented by the Debtors, subject to the terms of the ~~Plan Sponsorship Agreement, the~~ Stock Purchase Agreement~~,~~ and the Restructuring Implementation Agreement, in the manner provided for by section 1127 of the Bankruptcy Code or as otherwise permitted by law, without additional disclosure pursuant to section 1125 of the Bankruptcy Code, except as otherwise ordered by the Bankruptcy Court. In addition, after the Confirmation Date, so long as such action does not materially and adversely affect the treatment of Holders of Allowed Claims pursuant to the Plan, the Debtors, subject to the terms of ~~the Plan Sponsorship Agreement,~~ the Stock Purchase Agreement~~,~~ and the Restructuring Implementation Agreement, may remedy any defect or omission or reconcile any inconsistencies in the Plan or the Confirmation Order with respect to such matters as may be necessary to carry out the purposes or effects of the Plan, and any Holder of a Claim that has accepted the Plan shall be deemed to have accepted the Plan as amended, modified, or supplemented. Subject to the terms of ~~the Plan Sponsorship Agreement,~~ the Stock Purchase Agreement~~,~~ and the Restructuring Implementation Agreement, prior to the Effective Date, the Debtors may make appropriate technical adjustments and modifications to the Plan without further order or approval of the Bankruptcy Court; *provided,* that such technical adjustments and modifications do not adversely affect in a material way the treatment of Holders of Claims under the Plan.

12.5. Due Authorization by Creditors

Each and every Creditor who elects to participate in the Distributions provided for herein warrants that the Creditor is authorized to accept in consideration of its Claim against the Debtors the Distributions provided for in the Plan, and that there are no outstanding commitments, agreements, or understandings, express or implied, that may or can in any way defeat or modify the rights conveyed or obligations undertaken by the Creditor under the Plan.

12.6. Filing of Additional Documentation

No later than ~~[_____]~~seven (7) calendar days prior to the Voting Deadline, subject to the terms of the ~~Plan Sponsorship Agreement, the~~ Stock Purchase Agreement~~,~~ and the Restructuring Implementation Agreement and subject to approval in form and substance by the Purchaser, the Debtors may file with the Bankruptcy Court such Plan Supplement, agreements and other documents as may be reasonably necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan or any Plan Document, which shall also constitute "Plan Documents."

12.7. Dissolution of the Official Committee

On the Effective Date, the Official Committee shall dissolve and all members, employees, or agents thereof shall be released and discharged from all rights and duties arising from or related to the Chapter 11 Cases, provided, however, that (a) the Official Committee and its respective Professionals shall be retained with respect to applications Filed or to be Filed by Professionals pursuant to sections 330 and 331 of the Bankruptcy Code and (b) the Distribution Trust shall be deemed the successor of the Official Committee with respect to any motions seeking to enforce the Plan and the transactions contemplated hereunder or the Confirmation Order and any pending appeals and related proceedings.

12.8. Governing Law

Except to the extent the Bankruptcy Code or the Bankruptcy Rules are applicable, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with the laws of the State of Delaware, without giving effect to the principles of conflicts of law thereof.

12.9. Successors and Assigns

The rights, benefits and obligations of any Entity named or referred to in the Plan or any Plan Document shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such Entity.

12.10. Transfer of Claims

Any transfer of a Claim shall be in accordance with Bankruptcy Rule 3001(e) and the terms of this Section 12.10. Notice of any such transfer shall be forwarded to the Debtors by registered or certified mail, as set forth in Section 12.11 hereof. Both the transferee and transferor shall execute any notice, and the signatures of the parties shall be acknowledged before a notary public. The notice must clearly describe the interest in the Claim to be transferred. No transfer of a partial Claim shall be allowed. All transfers must be of one hundred percent (100%) of the transferor's interest in the Claim.

12.11. Notices

All notices, requests, and demands required or permitted to be provided to the Debtors, the ~~Plan Sponsor~~Purchaser, the Reorganized Debtors, the Official Committee, or the Distribution Trust under the Plan shall be in writing and shall be deemed to have been duly given or made (a) when actually delivered (i) by certified mail, return receipt requested, (ii) by hand delivery or (iii) by mail, postage prepaid or, (b) in the case of notice by facsimile transmission, when received and confirmed, addressed (in all instances, with a simultaneous copy by electronic mail, which shall not independently constitute notice) as follows:

(a) If to the Debtors, at:

Scottish Holdings, Inc.
Scottish Annuity & Life Insurance Company (Cayman) Ltd.
14120 Ballantyne Corporate Place, Suite 300
Charlotte, NC 28277
Facsimile: (704) 752-7736
Attn: Gregg Klingenberg, Chief Executive Officer
Gregg.Klingenberg@scottishre.com

with copies to:

Hogan Lovells US LLP
875 Third Avenue
New York, NY 10022
Facsimile: (212) 918-3100
Attn: Peter Ivanick, Esq.
Lynn W. Holbert, Esq.
John D. Beck, Esq.
Email: peter.ivanick@hoganlovells.com
lynn.holbert@hoganlovells.com
john.beck@hoganlovells.com

-and-

Morris, Nichols, Arsht & Tunnell LLP
1201 N. Market St., 16th Floor
PO Box 1347
Wilmington, DE 19899-1347
Facsimile: (302) 658-3989
Attn: Eric D. Schwartz, Esq.
Gregory W. Werkheiser, Esq.
Matthew B. Harvey, Esq.
Email: eschwartz@mnat.com
gwerkheiser@mnat.com
mharvey@mnat.com

-and-

Mayer Brown LLP
1221 Avenue of the Americas
New York, New York 10020
Telephone: (212) 506-2227
Facsimile: (212) 262-1910
Email: fmonaco@mayerbrown.com
srooney@mayerbrown.com
Attn: Stephen G. Rooney, Esq.
Francis R. Monaco, Esq.

(b) If to the ~~Plan Sponsor~~Purchaser or the Reorganized Debtors, at:

~~HSCM Bermuda Fund Ltd.~~
Hildene Re Holdings, LLC
c/o ~~Hudson Structured Capital Management Ltd.~~Hildene Capital Management, LLC
700 Canal Street, Suite 12C
Stamford, CT 06902
Telephone: (203) 517-2500
Email: dhoffman@hildenecap.com
jnam@hildenecap.com
Attention: David Hoffman, General Counsel
Jennifer Nam, Deputy General Counsel

~~One Dock Street, Suite 404~~
~~Stamford, Connecticut 06902~~
~~Attn: Ajay Mehra, General Counsel~~
~~Email: ajay.mehra@hsem.com~~
with a copy to:

~~Sidley Austin LLP~~Kramer Levin Naftalis & Frankel LLP
~~787 Seventh~~1177 Avenue of the Americas
New York, New York ~~10019~~10036
Telephone: (212) 715-9100
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~~Attn: Dennis M. Manfredi, Esq.~~
~~Lee S. Attanasio, Esq.~~
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ayerramalli@kramerlevin.com
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Attention: Stephen Zide, Esq.
Ernest S. Wechsler, Esq.

Anupama Yerramalli, Esq.
Seth R. Merl, Esq.

(c) If to the Official Committee, at:

Pepper Hamilton LLP
Hercules Plaza, Suite 5100
1313 Market Street
P.O. Box 1709
Wilmington, DE 19899-1709 (Courier Deliveries: 19801-1151)
Facsimile: (302) 421-8390
Attn: David M. Fournier, Esq.
H. Peter Haveles Jr., Esq.
John Henry Schanne II, Esq.
Email: fournierd@pepperlaw.com
havelesp@pepperlaw.com
schannej@pepperlaw.com

(d) If to the Distribution ~~Trust, at:~~Trustee, at the contact information to be supplied in the notice of the occurrence of the Effective Date.

~~[TBD]~~

~~*with a copy to:*~~

~~[TBD]~~

12.12. U.S. Trustee Fees and Reports

The Debtors will pay pre-confirmation fees owed to the U.S. Trustee on or before the Effective Date of the Plan. After confirmation, the Distribution Trustee will file with the court and serve on the U.S. Trustee quarterly financial reports in a format prescribed by the U.S. Trustee, and the Distribution Trustee will pay from the Distribution Trust post-confirmation quarterly fees to the U.S. Trustee until a final decree is entered or the case is converted or dismissed as provided in 28 U.S.C. § 1930(a)(6).

12.13. Implementation

The Debtors, the Reorganized Debtors, the ~~Plan Sponsor~~Purchaser, and the Distribution Trustee shall be authorized to perform all reasonable, necessary and authorized acts to consummate the terms and conditions of the Plan and the Plan Documents.

12.14. No Admissions

Notwithstanding anything herein to the contrary, nothing contained in the Plan shall be deemed an admission by the Debtors with respect to any matter set forth herein, including, without limitation, liability on any Claim or Interest or the propriety of the classification of any Claim or Interest.

12.15. SRGL Consent Rights Reserved

For the avoidance of doubt, all SRGL Consent Rights relating to Specified Restructuring Documents are reserved in their entirety. Nothing herein shall affect SRGL's rights under the Restructuring Implementation Agreement, all of which are incorporated herein by reference, including in respect of the Restructuring Documents and the Specified Restructuring Documents. Without limiting the generality of the foregoing, (a) the Restructuring Documents shall, unless otherwise expressly indicated in the Restructuring Implementation Agreement, be consistent in all material respects with the Restructuring Implementation Agreement, and (b) the Specified Restructuring Documents shall be consistent in all material respects with the Restructuring Implementation Agreement and subject to the SRGL Consent Rights. Notwithstanding anything to the contrary in the Restructuring Implementation Agreement, nothing set forth in the Restructuring Implementation Agreement or this Plan shall operate as a waiver or release of (i) the Admitted SALIC/SRGL Revolver Claim; (ii) SALIC/SRGL Claims; or (iii) any Causes of Action against the SRGL Equity Holders.

12.16. Substantial Consummation

The Plan shall be deemed substantially consummated on the Effective Date.

12.17. Final Decree

On full consummation and performance of the Plan and Plan Documents, the Distribution Trustee may request the Bankruptcy Court to enter a final decree closing the Chapter 11 Cases and such other orders that may be necessary and appropriate.

Scottish Holdings, Inc.
Scottish Annuity & Life Insurance Company (Cayman) Ltd.

/s/ Gregg Klingenberg
Gregg Klingenberg
Chief Executive Officer

~~11783083.9~~

Exhibit A

Glossary of Defined Terms

EXHIBIT A
Glossary of Defined Terms

1.1 "Administrative Claim" means a Claim for any costs or expenses of administration of the Estates under sections 503(b), 507(b) or 1114(e)(2) of the Bankruptcy Code, including, without limitation, for: (a) any actual and necessary costs and expenses incurred after the Petition Date of preserving the Estates and operating the businesses of the Debtors; (b) any payment to be made under the Plan to cure a default on an assumed Executory Contract or assumed Unexpired Lease; (c) any postpetition cost, indebtedness or contractual obligation duly and validly incurred or assumed by the Debtors in the ordinary course of its business or by order of the Bankruptcy Court; (d) any Allowed Claims that are entitled to be treated as Administrative Claims pursuant to a Final Order under section 546(c)(2)(A) of the Bankruptcy Code; (e) any Allowed Claims of Professionals in the Chapter 11 Cases; and (f) any fees and charges assessed against the Estate under chapter 123 of title 28 of the United States Code, 28 U.S.C. §§ 1911–1930.

1.2 "Administrative Claims Bar Date" means, (i) for any Administrative Claim (other than a Professional Fee Claim) incurred prior to the Confirmation Date, the date that is thirty (30) days after the Confirmation Date or such earlier deadline applicable to such Administrative Claim as established by order of the Bankruptcy Court entered before the Confirmation Date ; or (ii) for any Administrative Claim (other than a Professional Fee Claim) incurred between the Confirmation Date and the Effective Date, the date that is thirty (30) days after the Effective Date or such earlier deadline applicable to such Administrative Claim as established by order of the Bankruptcy Court entered before the Effective Date.

1.1 ~~1.3~~ "Admitted SALIC/SRGL Revolver Claim" shall have the meaning set forth in paragraph 11 of the RIA Order.

1.2 "Affiliate" means "affiliate" as defined in section 101(2) of the Bankruptcy Code. With respect to any Person that is not a Debtor, the term "Affiliate" shall apply to such person as if the Person were a Debtor.

1.3 "Allocated Portion" means with respect to a particular issuance of TruPS, the portion of the TruPS Claim allocable on a pro rata basis to a Beneficial Holder on account of its beneficial ownership of such TruPS, as determined in accordance with the applicable TruPS Declaration.

1.4 "Allocation/Use Priorities" means the waterfall described in Section 6.1(b) of the Plan.

1.5 ~~1.4~~ "Allowed" or "Allowance" means with respect to any Claim (including any Administrative Claim) or portion thereof (to the extent such Claim is not Disputed or Disallowed) or any Interest (a) any Claim or Interest, proof of which (i) was timely Filed with the Bankruptcy Court or its duly appointed claims agent, (ii) was deemed timely filed pursuant to section 1111(a) of the Bankruptcy Code, or (iii) by the Bar Date Order or other Final Order, was not required to be Filed; (b) any Claim or Interest that has been, or hereafter is, listed in the Schedules as liquidated in an amount other than zero or unknown and not Disputed or Contingent

(or as to which the applicable Proof of Claim has been withdrawn or Disallowed); and (c) any Claim or Interest which has been allowed (whether in whole or in part) by the Plan, the Restructuring Implementation Agreement or the RIA Order or other Final Order (but only to the extent so allowed), and, in (a) and (b) above, as to which no objection to the allowance thereof, or action to subordinate, avoid, classify, reclassify, expunge, estimate or otherwise limit recovery with respect thereto, has been Filed within the applicable period of limitation fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules or a Final Order; (d) any Claim or Interest allowed under or pursuant to the terms of the Plan; (e) any Claim arising from the recovery of property under sections 550 or 553 of the Bankruptcy Code which has been allowed in accordance with section 502(h) of the Bankruptcy Code; (f) a Claim relating to a rejected Executory Contract or Unexpired Lease that either (i) is not a Disputed Claim or (ii) has been allowed by a Final Order, in either case only if a Proof of Claim has been Filed by the applicable Bar Date or has otherwise been deemed timely Filed under applicable law; or (g) which is a Professional Claim for which a fee award amount has been approved by order of the Bankruptcy Court; provided, however, that Claims or Interests allowed solely for the purpose of voting to accept or reject the Plan pursuant to an order of the Bankruptcy Court shall not be considered "Allowed" hereunder. For the avoidance of doubt, a Proof of Claim Filed after the Bar Date or a request for payment of an Administrative Claim Filed after the Administrative Claims Bar Date, as applicable, shall not be Allowed for any purposes whatsoever absent entry of a Final Order allowing such late-filed Claim.

1.6 ~~1.5 "Assumption Schedule" means that certain schedule annexed to the Plan Supplement and identifying any Executory Contract or Unexpired Lease to be assumed by the Reorganized Debtors effective as of the Effective Date, as well as the corresponding Cure Amount, if any.~~"Applicable Law" means any foreign, domestic, state, federal, national, international, multinational, regional or local law, statute, ordinance, rule, regulation, writ, directive, treaty, order, judgment, decree, injunction or other legally binding obligation imposed by or on behalf of a Governmental Unit.

1.7 ~~1.6~~ "Available ~~Cash~~Plan Distribution Funding Amount" means all of the ~~Cash held by the Distribution Trust, including the~~ Plan Funding Payment ~~disbursed from or on behalf of the Plan Sponsor or the Debtors to the Distribution Trust on the Effective Date, and any proceeds of any Distribution Trust Assets~~*less* the amounts set forth in Sections 6.1(b)(1) through (5) of the Plan.

1.8 ~~1.7~~ "Ballantyne" means Ballantyne Re II plc.

1.9 ~~1.8~~ "Ballot" means each of the ballot forms distributed to each Holder of a Claim or Interest entitled to vote to accept or reject the Plan on which the Holder indicates either acceptance or rejection of the Plan and (when applicable) any election for treatment of such Claim under the Plan.

1.10 ~~1.9~~ "Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as codified in title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as in effect on the Petition Date, together with all amendments and modifications thereto that were subsequently made applicable to the Chapter 11 Cases.

1.11 ~~1.10~~ "Bankruptcy Court" means the United States Bankruptcy Court for the District of Delaware or such other court as may have jurisdiction over the Chapter 11 Cases.

1.12 ~~1.11~~ "Bankruptcy Rules" means, when referenced generally, (i) the Federal Rules of Bankruptcy Procedure and the Official Bankruptcy Forms, as amended and promulgated under section 2075 of title 28 of the United States Code, (ii) the applicable Federal Rules of Civil Procedure, as amended and promulgated under section 2072 of title 28 of the United States Code, (iii) the applicable Local Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court for the District of Delaware, and (iv) any standing orders governing practice and procedure issued by the Bankruptcy Court, each as in effect on the Petition Date, together with all amendments and modifications thereto that were subsequently made applicable to the Chapter 11 Cases or proceedings therein, as the case may be; provided, however, when a specific Bankruptcy Rule is referenced (e.g., Bankruptcy Rule 9019), such reference shall be to such Rule under the Federal Rules of Bankruptcy Procedure.

1.13 ~~1.12~~ "Bar Date" means, for any Claim, the date set by the Bankruptcy Court by the Bar Date Order as the last day for Filing a Proof of Claim on account of such Claim against the Debtors in the Chapter 11 Cases.

1.14 ~~1.13~~ "Bar Date Order" means the *Order (A) Establishing Bar Dates For Filing Proofs Of Claim, (B) Approving The Form And Manner For Filing Proofs Of Claim, (C) Approving Notice Thereof, And (D) Granting Related Relief* entered by the Bankruptcy Court on March 28, 2018, at Docket No. 189.

1.15 "Beneficial Holder" means, with respect to any TruPS, the person or entity having "beneficial ownership" of such TruPS (as determined pursuant to Rule 13d-3 of the Securities Exchange Act of 1934).

1.16 "BNYM" means The Bank of New York Mellon Trust Company, N.A., as trustee.

1.17 ~~1.14~~ "Business Day" means any day, excluding Saturdays, Sundays, or "legal holidays" (as defined in Bankruptcy Rule 9006(a)), on which commercial banks are open for business in Wilmington, Delaware.

1.18 ~~1.15~~ "Cash" or "$" means legal tender of the United States of America or the equivalent thereof, including bank deposits, checks and cash equivalents.

1.19 "Cash Election" means an election made by a New Equity Eligible Holder to take its Distribution from the Plan Funding Payment under the Plan in the form of Cash, which shall be made by checking the "Cash Distribution" box on its timely completed and submitted Ballot. In the event that a New Equity Eligible Holder fails to make an election or fails to submit a Ballot, then such New Equity Eligible Holder shall be deemed to have made the Cash Election.

1.20 ~~1.16~~ "Causes of Action" means any and all ~~actions~~Claims, causes of action, ~~Claims, rights, defenses, liabilities, obligations, executions, choses in action, controversies, rights (including rights to legal remedies, rights to equitable remedies, rights to payment), suits, debts, damages, judgments, remedies, demands, setoffs, defenses, recoupments, crossclaims, counterclaims, third-party claims, indemnity claims, contribution claims or any other claims~~

~~whatsoever, whether known or unknown, reduced to judgment or not reduced to judgment,~~controversies, obligations, suits, judgments, damages, demands, debts, rights, preference actions, fraudulent conveyance actions and other claims or causes of action under sections 510, 544, 545, 546, 547, 548, 549, 550 and 553 of the Bankruptcy Code and other similar state law claims and causes of action, Liens, indemnities, guaranties, suits, liabilities, judgments, accounts, defenses, offsets, powers, privileges, licenses and franchises of any kind or character whatsoever, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, suspected or unsuspected, disputed or undisputed, secured or unsecured, ~~choate or inchoate, existing or hereafter arising, suspected or unsuspected, foreseen or unforeseen, and whether asserted or~~ assertable directly~~, indirectly or derivatively, at law, in equity or otherwise, based on whole or in part upon any act or omission or other event occurring prior to the Petition Date or during the course of the Chapter 11 Cases, including through the Effective Date~~ or derivatively, whether arising before, on, or after the Petition Date, in contract or in tort, arising in law, equity or pursuant to any other theory of law. For the avoidance of doubt, Causes of Action also includes: (a) any right of setoff, counterclaim or recoupment and any claim on contracts or for breaches of duties imposed by law or in equity; (b) the right to object to Claims or Interests; (c) any claim pursuant to sections 362 or chapter 5 of the Bankruptcy Code; (d) any claim or defense including fraud, mistake, duress and usury, and any other defenses set forth in section 558 of the Bankruptcy Code; and (e) any state law fraudulent transfer claim.

1.21 ~~1.17~~ "Cayman Islands Court" means the Grand Court of the Cayman Islands, Financial Services Division.

1.22 ~~1.18~~ "Cayman Islands Winding Up Proceedings" means winding up proceedings of SRGL in the Cayman Islands Court.

1.23 "Cerberus" means Cerberus Capital Management, L.P., and SRGL Acquisition.

1.24 "Certificate" means any instrument evidencing a Claim or Interest.

1.25 ~~1.19~~ "Chapter 11 Cases" mean the jointly administered chapter 11 cases of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd., Case No. 18-10160 (LSS) in the United States Bankruptcy Court for the District of Delaware.

1.26 ~~1.20~~ "Charging Lien" means any Lien or other priority in payment to which a TruPS Indenture Trustee is entitled under the terms of a TruPS Indenture to assert against ~~distributions~~Distributions to be made to Holders of Claims under such TruPS Indenture.

1.27 ~~1.21~~ "Claim" has same meaning as "claim" under section 101(5) of the Bankruptcy Code section.

1.28 ~~1.22~~ "Claims Objection Deadline" means the date that is one hundred eighty (180) days after the Effective Date or such later date as may be extended by order of the Bankruptcy Court.

1.29 ~~1.23~~ "Class" means a category of Holders of Claims or Interests pursuant to section 1122(a) of the Bankruptcy Code, as described in Articles III and IV of the Plan.

1.30 ~~1.24~~ "Closing" has the meaning as defined in the Stock Purchase Agreement.

1.31 ~~1.25~~ "Closing Date" has the meaning as defined in the Stock Purchase Agreement.

1.32 "Closing Date Plan Distributions" means ~~distributions~~Distributions, and the Cash to be distributed on account thereof, to the Holders of Secured Claims, Administrative Claims, Priority Claims, and Priority Non-Tax Claims all to the extent Allowed as of the Effective Date, provided that in no event shall the aggregate of Closing Date Plan Distributions exceed the Plan Funding Payment.

1.33 ~~1.26~~ "Confirmation" means the entry of the Confirmation Order on the docket of the Chapter 11 Cases, subject to all conditions specified having been (a) satisfied, or (b) waived.

1.34 ~~1.27~~ "Confirmation Date" means the date upon which the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Cases, within the meaning of Bankruptcy Rules 5003 and 9021.

1.35 ~~1.28~~ "Confirmation Hearing" means the hearing held by the Bankruptcy Court pursuant to section 1128 of the Bankruptcy Code to consider Confirmation of the Plan, as such hearing may be adjourned or continued from time to time.

1.36 ~~1.29~~ "Confirmation Order" means the order of the Bankruptcy Court confirming the Plan pursuant to, among others, section 1129 of the Bankruptcy Code, which shall be in form and substance reasonably acceptable to the Purchaser.

1.37 ~~1.30~~ "Contract Objection" has the meaning set forth in Section 8.3(b) of the Plan.

1.38 ~~1.31~~ "Contract Objection Deadline" has the meaning set forth in Section 8.3(b) of the Plan.

1.39 ~~1.32~~ "Creditor" means any Holder of a Claim.

1.40 ~~1.33~~ "Cure" means the Distribution of Cash, or such other property as may be agreed upon by the parties or ordered by the Bankruptcy Court, with respect to the assumption or assumption and assignment of an Executory Contract or Unexpired Lease, pursuant to Bankruptcy Code section 365(b), in an amount equal to all unpaid monetary obligations, without interest, or such other amount as may be agreed upon by the parties, under such Executory Contract or Unexpired Lease, to the extent such obligations are enforceable under the Bankruptcy Code and applicable bankruptcy law and as determined pursuant to Section 8.3 of the Plan.

1.41 ~~1.34~~ "Cure Amount" means, for any Executory Contract or Unexpired Lease, the amount of the Cure asserted by the Debtors or the counterparty, as applicable.

~~1.35 "Debentures" means:~~

~~(i) with respect to the SHST I TruPS, that certain Floating Rate Junior Subordinated Deferrable Interest Debenture between Scottish Holdings, Inc., and State Street Bank and Trust Company of Connecticut, National Association, due 2032 (the "SHST I TruPS~~

~~Debentures");~~

~~(ii) with respect to the SHST II TruPS, that certain Floating Rate Junior Subordinated Deferrable Interest Debenture between Scottish Holdings, Inc., and U.S. Bank National Association, due 2033 (the "SHST II TruPS Debentures");~~

~~(iii) with respect to the GPIC TruPS, that certain Floating Rate Junior Subordinated Note Due 2033 between Scottish Holdings, Inc., and JPMorgan Chase Bank (the "GPIC TruPS Note");~~

~~(iv) with respect to the SHST III TruPS, that certain Floating Rate Junior Subordinated Deferrable Interest Debenture between Scottish Holdings, Inc., and U.S. Bank National Association, due 2034 (the "SHST III TruPS Debentures"); and~~

~~(v) with respect to the SFLST I TruPS, that certain Floating Rate Junior Subordinated Deferrable Interest Debenture between Scottish Financial (Luxembourg) S.à r.l. and Wilmington Trust Company, due 2034 (the "SFLST I TruPS Debentures").~~

1.42 ~~1.36~~ "Debtors" means Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd., the debtors and debtors in possession in these Chapter 11 Cases.

1.43 ~~1.37~~ "Delaware DOI" means the Delaware Department of Insurance.

1.44 ~~1.38~~ "Disallowed" means, with respect to any Claim or Interest or portion thereof, any Claim against or Interest in a Debtor which is not Allowed and: (i) has been disallowed, in whole or part, by a Final Order; (ii) has been withdrawn by agreement of the Holder thereof and the applicable Debtor(s), in whole or in part; (iii) has been withdrawn, in whole or in part, by the Holder thereof; (iv) if listed in the Schedules as zero or as Disputed, contingent or unliquidated and in respect of which a Proof of Claim or a Proof of Interest, as applicable, has not been timely Filed or deemed timely Filed pursuant to the Plan, the Bankruptcy Code or any Final Order or other applicable law; (v) has been reclassified, expunged, subordinated or estimated to the extent that such reclassification, expungement, subordination or estimation results in a reduction in the Filed amount of any Proof of Claim or Proof of Interest; (vi) is evidenced by a Proof of Claim or a Proof of Interest which has been Filed, or which has been deemed to be Filed under applicable law or order of the Bankruptcy Court or which is required to be Filed by order of the Bankruptcy Court but as to which such Proof of Claim or Proof of Interest was not timely or properly Filed; (vii) is unenforceable to the extent provided in section 502(b) of the Bankruptcy Code; (viii) where the holder of a Claim is a Person or Entity from which property is recoverable under sections 542, 543, 550, or 553 of the Bankruptcy Code or that is a transferee of a transfer avoidable under sections 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code, unless such Person, Entity or transferee has paid the amount, or turned over any such asset or property, for which such Person, Entity or transferee is liable under section 522(i), 542, 543, 550, or 553 of the Bankruptcy Code; or (ix) is for reimbursement or contribution that is contingent as of the time of allowance or disallowance of such claim. In each case a Disallowed Claim is disallowed only to the extent of disallowance, withdrawal, reclassification, expungement, subordination or estimation.

1.45 ~~1.39~~ "Disallowed Claim" means a Claim, or any portion thereof, that is Disallowed.

1.46 ~~1.40~~ "Disclosure Statement" means the disclosure statement for the Plan, as amended, supplemented or modified from time to time, describing the Plan, that is prepared and distributed in accordance with, among others, sections 1125, 1126(b) and 1145 of the Bankruptcy Code, Bankruptcy Rule 3018 and other applicable law.

1.47 "Disclosure Statement Order" means the order of the Bankruptcy Court approving the Disclosure Statement and solicitation procedures with respect to the Plan.

1.48 ~~1.41~~ "Disputed" means, with respect to any Claim, including Priority Claims and Administrative Claims, that has not been Allowed, (a) if no Proof of Claim has been Filed by the applicable Bar Date or has otherwise been deemed timely Filed under applicable law: (i) a Claim that is listed on the Debtor's Schedules as other than disputed, contingent or unliquidated, but as to which the Debtors or Reorganized Debtors or, prior to the Effective Date, any other party in interest, has Filed an objection by the Claims Objection Deadline, and such objection has not been withdrawn or denied by a Final Order; or (ii) a Claim that is listed on the Debtors' Schedules as disputed, contingent or unliquidated; or (b) if a Proof of Claim or request for payment of an Administrative Claim has been Filed by the applicable Bar Date or has otherwise been deemed timely Filed under applicable law: (i) a Claim for which no corresponding Claim is listed on the Debtor's Schedules; (ii) a Claim for which a corresponding Claim is listed on the Debtor's Schedules as other than disputed, contingent or unliquidated, but the nature or amount of the Claim as asserted in the Proof of Claim varies from the nature and amount of such Claim as it is listed on the Schedules; (iii) a Claim for which a corresponding Claim is listed on the Debtor's Schedules as disputed, contingent or unliquidated; (iv) a Claim for which an objection has been Filed by the ~~Debtord~~Debtors or Reorganized ~~Debtord~~Debtors or, prior to the Effective Date, any other party in interest, by the Claims Objection Deadline, and such objection has not been withdrawn or denied by a Final Order; or (v) a tort claim.

1.49 ~~1.42~~ "Disputed Claim Amount" means (a) if a liquidated amount is set forth in the Proof of Claim relating to a Disputed Claim that has not been Allowed, (i) the liquidated amount set forth in the Proof of Claim relating to the Disputed Claim; (ii) an amount agreed to by the Debtors or the Reorganized Debtors, as applicable, and the Holder of such Disputed Claim; or (iii) if a request for estimation is Filed by any party, the amount at which such Disputed Claim is estimated by the Bankruptcy Court; (b) if no liquidated amount is set forth in the Proof of Claim relating to a Disputed Claim, (i) an amount agreed to by the Debtors or the Reorganized Debtors, as applicable, and the Holder of such Disputed Claim or (ii) the amount estimated by the Bankruptcy Court with respect to such Disputed Claim; or (c) zero, if the Disputed Claim was listed on the Schedules as unliquidated, contingent or disputed and no Proof of Claim was Filed, or deemed to have been Filed, by the applicable Bar Date and the Claim has not been resolved by written agreement of the parties or an order of the Court.

1.50 "Disputed Claims Reserve" means, Cash set aside by the Distribution Trustee in the amount required pursuant to Section 6.3(f)(i) of the Plan for each Disputed Claim that, as of the Effective Date, is neither an Allowed Claim nor a Disallowed Claim, and includes, without limitation, a Claim that is the subject of a timely objection or request for estimation with the

Bankruptcy Court, which has not been withdrawn, settled or overruled by a Final Order; *provided, however*, if any dispute arises regarding any increase or reduction of the Disputed Claims Reserve, the Distribution Trustee shall consult with the Purchaser and the Reorganized Debtors, and obtain approval of the Bankruptcy Court, which shall have jurisdiction and power to set the amount of the reserve applying the principals of section 502(c) of the Bankruptcy Code to estimate any claim.

1.51 ~~1.43~~ "Distribution" means any distribution pursuant to the Plan to the Holders of Allowed Claims or Interests.

1.52 ~~1.44~~ "Distribution Date" means~~, when used with respect to an Allowed Claim or an Allowed Interest, any date after the Effective Date upon which a Distribution is made by the Distribution Trustee in accordance with the Plan.~~ (a) with respect to Distributions made as Closing Date Plan Distributions, the Effective Date, (b) with respect to a DT Initial Distribution, the DT Initial Distribution Date, and (c) with respect to a DT Subsequent Distribution, the DT Subsequent Distribution Date.

1.53 ~~1.45~~ "Distribution Trust" means the trust to be formed on or prior to the Effective Date in accordance with the provisions of Section 6.3 of the Plan and the Distribution Trust Agreement for the payment of Allowed Claims and for the benefit of the Distribution Trust Beneficiaries as set forth herein.

1.54 ~~1.46~~ "Distribution Trust Agreement" means the trust agreement that establishes the Distribution Trust and governs the powers, duties, and responsibilities of the Distribution Trustee. The Distribution Trust Agreement shall be part of the Plan Supplement, and shall be in form and substance reasonably acceptable to the Committee, the Debtors and the Purchaser.

1.55 ~~1.47~~ "Distribution Trust Assets" means: (a) the ~~Plan Funding Payment (less Closing Date Plan Distributions), (b) the~~Admitted SALIC/SRGL ~~Claims~~Revolver Claim; (~~c~~b) all DT Post-Closing Rights; ~~and~~ (~~d) to the extent not previously abandoned by order of the Bankruptcy Court,~~c) the SFL Shares; and (d) any and all Causes of Action against the SRGL Equity Holders.

1.56 "Distribution Trust Asset Proceeds" means the proceeds of the Distribution Trust Assets, net of expenses incurred in preserving and/or monetizing such Distribution Trust Assets.

1.57 ~~1.48~~ "Distribution Trust Beneficiaries" means the Holders of Allowed Claims in Classes 4, 5, 6, and 7, whether Allowed on or after the Effective Date.

1.58 ~~1.49~~ "Distribution Trust ~~Interests" means the non-certificated beneficial interests of the Distribution Trust allocable to Holders of Claims in Classes 4, 5, 6, and 7 in accordance with the terms and conditions of the Distribution Trust Agreement, which shall not be transferable~~Reserves" means the Disputed Claims Reserve, the Professional Fee Reserve, the Trust Administration Reserve.

~~1.50 "DT Post-Closing Rights" has meaning as defined in the Stock Purchase Agreement.~~

1.59 ~~1.51~~ "Distribution Trustee" the Person appointed under the Plan and Distribution Trust Agreement to administer the Distribution Trust, which Person shall be selected by the Committee and reasonably acceptable to the ~~Plan Sponsor~~Debtors and the Purchaser; *provided, however*, that the Distribution Trustee shall not take any action inconsistent with the purposes of the Distribution Trust and the qualification of the Distribution Trust as a "liquidating trust" for U.S. federal income tax purposes.

1.60 "DT Initial Distribution" means the Distribution set forth in section 6.3()(i).

1.61 "DT Initial Distribution Date" means, for Distributions of New Equity, the Effective Date, and for Distributions of Cash, the date that is as soon as reasonably practicable after the Administrative Claims Bar Date, when Distributions from the Distribution Trust shall commence to Holders of Allowed Claims.

1.62 "DT Subsequent Distribution" means after the completion of the DT Initial Distribution, the distributions to the Holders of Allowed Claims in Classes 4, 5, 6 and 7 on account of their Allowed Claims from Distribution Trust Asset Proceeds; *provided, however,* as set forth in the Plan, that the Distribution Trustee shall not be required to make a Distribution pursuant to this Section 6.3(i) of the Plan if the Distribution Trustee determines that the expense associated with making the Distribution would likely utilize a substantial portion of the amount to be distributed, thus making the Distribution impracticable.

1.63 "DT Subsequent Distribution Date" means any later date that a Distribution not made on the DT Initial Distribution Date is made.

1.64 "DT Post-Closing Rights" has meaning as defined in the Stock Purchase Agreement.

1.65 ~~1.52~~ "Effective Date" means any Business Day following the date on which all conditions to consummation set forth in Section 9.1 of the Plan have been satisfied or, if capable of being duly and expressly waived, as provided in Section 9.2 of the Plan, any conditions to the occurrence of consummation set forth in the Plan ~~has~~have been satisfied or waived.

1.66 "Eligible SALIC TruPS Claims" means all TruPS Claim against SALIC arising from or relating to the SHST I TruPS, the SHST III TruPS or the SFLST I TruPS.

1.67 "Eligible SHI TruPS Claims" means all TruPS Claim against SHI arising from or relating to the SHST I TruPS or the SHST III TruPS.

1.68 ~~1.53~~ "Entity" means a Person, estate, trust, Governmental Unit, and U.S. Trustee, within the meaning of Bankruptcy Code section 101(15).

1.69 ~~1.54~~ "Estates" means the estates of the Debtors in the Chapter 11 Cases created pursuant to section 541 of the Bankruptcy Code.

1.70 ~~1.55~~ "Exculpated Parties" means (a) the Debtors, (b) the Reorganized Debtors, (c) the Official Committee (including the current and former Official Committee members in their capacities as such); (d) the ~~Plan Sponsor; (e) the Joint Liquidators; (f) SRGL; and (g~~Voting

Agent; and (e) for each of the foregoing, ~~all officers, directors, employees, members, attorneys, actuaries, financial advisors, accountants, investment bankers, agents, professionals, and representatives~~their respective Representatives, each to the extent that they held such office or capacity during the pendency of the Chapter 11 Cases; *provided, however,* that, the SRGL Equity Holders shall not be an Exculpated Party or a Representative of an Exculpated Party.

1.71 ~~1.56~~ "Executory Contract" means any contract or Unexpired Lease to which the Debtor is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

1.72 "Face Amount" means the outstanding amount of any Certificate or Claim.

1.73 ~~1.57~~ "File," "Filed" or "Filing," means, respectively, file, filed or filing with the Bankruptcy Court in the Chapter 11 Cases; provided, however, that with respect to Proofs of Claim and Proofs of Interest only, "Filed" shall mean delivered and received in the manner provided by the Bar Date Order or as otherwise established by order of the Bankruptcy Court.

1.74 ~~1.58~~ "Final Order" means an order, ruling, judgment, the operation or effect of a judgment or other decree issued and entered by the Bankruptcy Court or by any state or other federal court or other court of competent jurisdiction which has not been reversed, vacated, stayed, modified or amended and as to which (i) the time to appeal or petition for review, rehearing, certiorari, reargument or retrial has expired and as to which no appeal or petition for review, rehearing, certiorari, reargument or retrial is pending or (ii) any appeal or petition for review, rehearing, certiorari, reargument or retrial has been finally decided and no further appeal or petition for review, rehearing, certiorari, reargument or retrial can be taken or granted; provided, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed with respect to such order or judgment shall not cause such order or judgment not to be a Final Order.

1.75 ~~1.59~~ "General Unsecured Claim" means any unsecured Claim that is not an Administrative Claim, Priority Claim, Priority Tax Claim, Professional Fee Claim, Secured Claim, a claim for U.S. Trustee Fees, Intercompany Claim, or Subordinated Claim.

1.76 "General Unsecured Creditor" means any Holder of a General Unsecured Claim.

1.77 "Governmental Unit" has the meaning of such term under Bankruptcy Code section 101(27).

1.78 "GPIC TruPS" has the meaning ascribed to such term in the definition of "TruPS".

1.79 "GPIC TruPS Debentures" has the meaning ascribed to such term in the definition of "TruPS Debentures".

1.80 ~~1.60~~ "Holder" means the legal or beneficial holder of a Claim or Interest (and, when used in conjunction with a Class or type of Claim or Interest, means a Holder of a Claim or Interest in such Class or of such type). Additionally, in reference to the Distribution Trust, the term "Holder" means the legal or beneficial holder of an Allowed Claim.

1.81 ~~1.61~~ "Impaired" means, when used with reference to a Claim or Interest, a Claim or Interest that is impaired within the meaning of section 1124 of the Bankruptcy Code.

1.82 ~~1.62~~ "Impaired Class" means a Class of Claims or Interests that are Impaired.

1.83 ~~1.63~~ "Indemnified D&O Parties" ~~has the meaning~~means each present and former director and officer of each of the SALIC Group Companies, as set forth in Section ~~10.5~~5.8(a) of the ~~Plan~~Stock Purchase Agreement.

1.84 ~~1.64~~ "Indemnification Obligation" means any Claim against or obligation of the Debtors to indemnify, reimburse, advance expenses or provide contribution to or with respect to any present or former officers, directors or employees pursuant to by-laws, articles of incorporation, agreements, contracts, common law or otherwise as may be in existence immediately prior to the Effective Date.

1.85 "Indenture Trustee Fee Reserve" means the reserve to be established at the Distribution Trust and funded on or before the Effective Date in an amount that the Debtors estimate in good faith, after consultation with the Purchaser, the Committee, and the relevant TruPS Indenture Trustees, to be necessary to pay in full, but subject to the relevant Indenture Trustee Fee Caps, (a) any amounts payable to the TruPS Indenture Trustees for Indenture Trustee Fees incurred prior to the Effective Date but not paid to the relevant Indenture Trustees as Closing Date Plan Distributions and (b) any amounts reasonably estimated to be incurred after the Effective Date for TruPS Indenture Trustees for the SHST I Debentures, the SHST III Debentures and the SFLST I Debentures. For the avoidance of doubt, the Distribution Trustee shall be under no obligation to reserve any amount in the Indenture Trustee Fees Reserve on account of post-Effective Date Indenture Trustee Fees that may be incurred by the TruPS Indenture Trustees for the SHST II Debentures or the GPIC Debentures.

1.86 "Indenture Trustee Fees" means the reasonable and documented fees and out-of-pocket expenses of the TruPS Indenture Trustees that are recoverable by such TruPS Indenture Trustees in accordance with the terms of their respective TruPS Indentures. For the avoidance of doubt, the Indenture Trustee Fees are subject in all respects to the applicable Indenture Trustee Fee Cap.

1.87 "Indenture Trustee Fee Cap" is defined in Section 4.1(d)(iv) of this Plan.

1.88 "Insider" has the meaning set forth in section 101(31) of the Bankruptcy Code.

1.89 ~~1.65~~ "Intercompany Claims" means all Claims between or among any Debtors and any other SALIC Group Company. For the avoidance of doubt, Claims by or against SFL and SRGL are not Intercompany Claims for purpose of the Plan.

1.90 ~~1.66~~ "Interest" means the legal, equitable, contractual interests, equity interests or ownership interests, or other rights of any Person in the Debtors including all capital stock, stock certificates, common stock, preferred stock, partnership interests, limited liability company or membership interests, rights, treasury stock, options, warrants, contingent warrants, convertible or exchangeable securities, investment securities, subscriptions or other agreements and contractual rights to acquire or obtain such an interest or share in the Debtors, partnership

interests in the Debtors' stock appreciation rights, conversion rights, repurchase rights, redemption rights, dividend rights, preemptive rights, subscription rights and liquidation preferences, puts, calls, awards or commitments of any character whatsoever relating to any such equity, common stock, preferred stock, ownership interests or other shares of capital stock of the Debtors or obligating the Debtors to issue, transfer or sell any shares of capital stock whether or not certificated, transferable, voting or denominated "stock" or a similar security.

1.91 ~~1.67~~ "Joint Liquidators" has the meaning set forth in the Restructuring Implementation Agreement.

1.92 "KBW" means Keefe, Bruyette & Woods, Inc., the Debtors' investment banker.

1.93 "KBW Reserved Funds" means, as contemplated by Paragraph 3 of the KBW Retention Order, Cash set aside in the amount of $300,000 by the Debtors in the client trust account of their bankruptcy counsel on account of Monthly Service Fees otherwise due KBW for March, April and May, 2018.

1.94 "KBW Retention Order" means that certain *Order under Sections 327(a), 328(a) and 1107(b) of the Bankruptcy Code, Bankruptcy Rules 2014 and 2016, and Local Rules 2014-1 and 2016-2(h) Authorizing Retention and Employment of Keefe, Bruyette & Woods, Inc. as Debtors' Investment Banker nunc pro tunc to the Petition Date*, entered in the Chapter 11 Cases on March 12, 2018 (D.I. 155).

1.95 ~~1.68~~ "Lien" means, with respect to any asset or property (or the rents, revenues, income, profits or proceeds therefrom), and in each case, whether the same is consensual or nonconsensual or arises by contract, operation of law, legal process or otherwise: (a) any and all mortgages or hypothecation to secure payment of a debt or performance of an obligation, liens, pledges, attachments, charges, leases evidencing a capitalizable lease obligation, conditional sale or other title retention agreement, or other security interest or encumbrance or other legally cognizable security devices of any kind in respect of any asset or property, or upon the rents, revenues, income, profits or proceeds therefrom; or (b) any arrangement, express or implied, under which any asset or property is transferred, sequestered or otherwise identified for the purpose of subjecting or making available the same for the payment of debt or performance of any other obligation in priority to the payment of general unsecured Creditors.

1.96 "Mass Mutual" means Massachusetts Mutual Life Insurance Company, MassMutual Capital Partners LLC, Benton Street Partners I, L.P., Benton Street Partner II, L.P., and Benton Street Partners III, L.P.

1.97 ~~1.69~~ "New Corporate Governance Documents" means the corporate governance documents for the Reorganized Debtors and New Holdco (if applicable), including charters, bylaws, memoranda and article of association, operating agreements, or other organization or formation documents, as applicable, including, but not limited to, the Stockholders Agreement. For the avoidance of doubt, all New Corporate Governance Documents shall be in form and substance acceptable to the ~~Plan Sponsor~~Purchaser in the ~~Plan Sponsor~~Purchaser's sole discretion (other than that such New Corporate Governance Documents must not be materially inconsistent with the terms of the Plan).

1.98 "New Equity" means (i) if the Purchaser elects for SALIC to issue New SALIC Equity pursuant to the Plan, the New SALIC Equity; or (ii) if the Purchaser elects in accordance with Section 6.1(f) of this Plan to form New Holdco and for New Holdco to issue its voting capital stock or membership interests, the voting capital stock of or membership interests in New Holdco, as applicable.

1.99 "New Equity Election" means an election made by a New Equity Eligible Holder to take its Distribution in the form of Offered New Equity, which shall be made by checking the "New Equity Distribution" box on its timely completed and submitted Ballot. In the event that a New Equity Eligible Holder fails to make a New Equity Election or fails to submit a Ballot, then such New Equity Eligible Holder shall be deemed to have made the Cash Election.

1.100 "New Equity Eligible Beneficial Holder" means a Beneficial Holder of TruPS other than SRGL.

1.101 "New Equity Eligible Holders" means (i) all New Equity Eligible Beneficial Holders and (ii) the SFL Receiver with respect to the SFL Note Claim, the extent that the SFL Note Claim has become an Allowed Class 6 Claim.

1.102 "New Holdco" means a newly organized Entity, which, if organized by the Purchaser, shall have 100% of the New SALIC Equity as its primary asset and shall engage in no business other than to act as a holding company for such New SALIC Equity.

1.103 ~~1.70~~ "New SALIC Equity" means 19,999,999,999 Ordinary Shares of SALIC to be issued ~~to the Plan Sponsor on~~under the terms of the Plan, the Restructuring Implementation Agreement, the Share Surrender Documents, the New SALIC Shares Issuance Documents, ~~the Plan Sponsorship Agreement~~ and the Stock Purchase Agreement.

1.104 ~~1.71~~ "New SHI Equity" means 100% of the new common stock of SHI to be issued to, or at the direction of, the ~~Plan Sponsor.~~Purchaser.

1.105 "New SALIC Shares Issuance Documents" means each of the documents, directions and resolutions reasonably required of SALIC to effectuate the New SALIC Shares Issuance. The New SALIC Shares Issuance Documents shall be in form and substance reasonably satisfactory to the Purchaser, and otherwise subject to the SRGL Consent Rights.

1.106 "Offered New Equity" refers to the thirty percent (30%) of New Equity to be offered to New Equity Eligible Holders pursuant to the Plan.

~~1.72 "New SALIC Shares Issuance Documents" has the meaning as set forth in the Restructuring Implementation Agreement.~~

1.107 ~~1.73~~ "Official Committee" means the Official Committee of Unsecured Creditors appointed by the U.S. Trustee in the Chapter 11 Cases pursuant to section 1102(a) of the Bankruptcy Code, as the membership of such committee is constituted and reconstituted from time to time.

1.108 "Ordinary Shares" shall have the meaning ascribed to such term in the Stock Purchase Agreement.

1.109 ~~1.74~~ "Orkney Re II" means Orkney Re II plc.

1.110 ~~1.75~~ "Person" means and includes a natural person, individual, partnership, corporation (as defined in section 101(a) of the Bankruptcy Code), or organization including, without limitation, corporations, limited partnerships, limited liability companies, general partnerships, joint ventures, joint stock companies, trusts, land trusts, business trusts, unincorporated organizations or associations, Official Committee, or ad hoc committee, or other organizations, irrespective of whether they are legal entities, governmental bodies (or any agency, instrumentality or political subdivision thereof), or any other form of legal entities; provided, however, the term "Person" does not include Governmental Units, except that a Governmental Unit that (a) acquires an asset from a Person (i) as a result of the operation of a loan guarantee agreement or (ii) as receiver or liquidating agent of a Person; (b) is a guarantor of a pension benefit payable by or on behalf of a Debtor or an Affiliate of a Debtor; or (c) is the legal or beneficial owner of an asset of (i) an employee pension benefit plan that is a governmental plan, as defined in section 414(d) of the Internal Revenue Code of 1986 or (ii) an eligible deferred compensation plan, as defined in section 457(b) of the Internal Revenue Code of 1986, shall be considered for purposes of section 1102 of the Bankruptcy Code to be a Person with respect to such asset or such benefit.

1.111 ~~1.76~~ "Petition Date" means January 28, 2018, the date on which each Debtor Filed its petition for relief commencing the Chapter 11 Cases.

1.112 ~~1.77~~ "Plan" means the Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd., as it may be altered, amended, modified or supplemented from time to time including in accordance with its terms, any Plan Supplement, the Bankruptcy Code or the Bankruptcy Rules.

1.113 ~~1.78~~ "Plan Documents" means, collectively, those material documents executed or to be executed in order to consummate the transactions contemplated under the Plan, including without limitation the Plan Supplement, which shall be Filed with the Bankruptcy Court in advance of the Confirmation Hearing, which shall be in form and substance reasonably acceptable to the Purchaser.

1.114 ~~1.79~~ "Plan Funding Payment" means an amount equal to ~~twelve~~twenty-one million five hundred thousand dollars ($~~12,500,000~~21,500,000), subject to downward adjustment in an amount equal to the TruPS Returned Cash, which shall be funded ~~into the Distribution Trust at Closing and shall constitute Distribution Trust Assets.~~ ~~1.80 "Plan Sponsor" means HSCM Bermuda Fund Ltd., a Bermuda limited company, and its designees, successors and assigns.~~by Purchaser to the Distribution Trust (subject to the payments and reserves provided for in Sections 6.1(b)(1) through (5) of the Plan on the Effective Date as provided in the SPA and as a condition to occurrence of the Effective Date.

1.115 ~~1.81~~ "Plan Sponsorship Agreement" means that certain Plan Sponsorship Agreement among the ~~Plan Sponsor~~Stalking Horse and the Debtors, dated as of January 28,

2018, and approved by order of the Bankruptcy Court entered on February 27, 2018, at Docket No. ~~115, as such Plan Sponsorship Agreement may be amended from time to time.~~115.

1.116 ~~1.82 "Plan Supplement" means the supplement to the Plan to be Filed hereafter to supplement or clarify aspects of the Plan.~~"Plan Supplement" means the supplement to the Plan to be Filed hereafter to supplement or clarify aspects of the Plan, and which shall include, among others: (a) the following documents, each of which shall be in form and substance acceptable to the Purchaser, (i) the Rejection Schedule, (ii) the New Corporate Governance Documents, (iii) the identity of any individual proposed to serve, after Confirmation of the Plan, as a director, officer, or voting trustee of the Reorganized Debtors, (iv) the identity of any insider that will be employed or retained by the Reorganized Debtors and the nature of any compensation for such insider, and (v) a notice stating whether the New Equity will be issued by Reorganized SALIC or New Holdco; and (vi) the Stockholders Agreement; and (b) the Distribution Trust Agreement, which shall be in form and substance reasonably acceptable to the Debtors, the Committee and the Purchaser; and (c) the identity of the Distribution Trustee (who shall be a Person selected by the Committee that is reasonably acceptable to the Debtors and the Purchaser) and the material terms of the Distribution Trustee's proposed compensation if not already set forth in the Distribution Trust Agreement.

1.117 "Pre-Effective Date Indenture Trustee Fee Estimate" means any amounts reasonably estimated to be incurred after the Confirmation Date for the TruPS Indenture Trustees for Indenture Trustee Fees incurred prior to the Effecive Date but not paid to the relevant Indenture Trustees on the Effective Date.

1.118 "Post-Effective Date Indenture Trustee Fee Estimate" means any amounts reasonably estimated to be incurred after the Effective Date for TruPS Indenture Trustees for the SHST I Debentures, the SHST III Debentures and the SFLST I Debentures ("Post-Effective Date Indenture Trustee Fees").

1.119 ~~1.83~~ "Priority Claims" means any and all Priority Tax Claims and Priority Non-Tax Claims.

1.120 ~~1.84~~ "Priority Non-Tax Claim" means any and all Allowed Claims accorded priority in right of payment under section 507(a) of the Bankruptcy Code, other than a Priority Tax Claim.

1.121 ~~1.85~~ "Priority Tax Claim" means any and all Claims of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

1.122 ~~1.86~~ "Professional" means any professional employed in these Chapter 11 Cases pursuant to Bankruptcy Code sections 327, 328, or ~~1103.~~1103, or for which compensation and reimbursement has been Allowed by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code.

1.123 ~~1.87~~ "Professional Fee Claim" means a Claim of a Professional for compensation for services rendered or reimbursement of costs, expenses, or other charges incurred after the Petition Date and on or before the Effective Date.

1.124 ~~1.88~~ "Professional Fee Reserve" means a professional fee reserve to be maintained by the Distribution Trust in an amount mutually agreed by the Debtors, the Committee, and the Purchaser, and estimated in good faith, after consultation with the relevant Professionals, to be necessary to pay in full all amounts then owing or that may later become owing to such Professionals for professional fees and expenses incurred through the Effective Date.

1.125 "Proof of Claim" means a proof of claim Filed with the Bankruptcy Court or its duly appointed claims agent in connection with the Chapter 11 Cases pursuant to section 501 of the Bankruptcy Code.

1.126 ~~1.89 "Pro Rata Share" means, with respect to any Allowed Claim in Classes 4, 5, 6, and 7, the ratio (expressed as a percentage) of the amount of such Allowed Claim to the aggregate amount of all Allowed Claims in Classes 4, 5, 6, and 7, plus the Disputed Claim Amount of all other Disputed Claims to be satisfied by the Distribution Trust.~~ "Purchaser" means Hildene Re Holdings, LLC, and its permitted designees, successors and assigns.

1.127 ~~1.90~~ "Recapitalization Funding Payment" means an amount equal to twelve million five hundred thousand dollars ($12,500,000), which shall be utilized by Reorganized SALIC to recapitalize the SALIC Group Companies after Closing, as such amount is reduced on a dollar-for-dollar basis by any Cure Amounts paid by the Debtors on behalf of the ~~Plan Sponsor~~Purchaser in excess of $100,000 in accordance with Section 2.2(b) of the Stock Purchase Agreement.

1.128 "Reinstate," "Reinstated" or "Reinstatement" means with respect to Claims and Interests, that the Claim or Interest shall be rendered unimpaired in accordance with section 1124 of the Bankruptcy Code.

1.129 "Rejection Schedule" means that certain schedule annexed to the Plan Supplement and identifying any Executory Contract or Unexpired Lease to be rejected by the Reorganized Debtors effective as of the Effective Date, as well as the corresponding Cure Amount, if any.

1.130 ~~1.91~~ "Rejection Claim Bar Date" means the date that is thirty (30) days after the Effective Date.

1.131 ~~1.92~~ "Released Parties" means: (a) the Debtors; (b) the Reorganized Debtors; (c) the Official Committee (including the current and former Official Committee members in their capacities as such); (d) the ~~Plan Sponsor~~Purchaser; (e) the Stalking Horse; (f) the Joint Liquidators; (~~f) SRGL; and (g~~g) SRGL; (h) the Voting Agent; and (i) for each of the foregoing, all of their respective Representatives~~.~~; *provided, however,* that "Released Parties" specifically excludes the SRGL Equity Holders, and their respective Representatives, in their capacity as such.

1.132 ~~1.93~~ "Reorganized Debtors" means Reorganized SALIC and Reorganized SHI, and for the avoidance of doubt, includes New Holdco.

1.133 ~~1.94~~ "Reorganized SALIC" means SALIC as reorganized upon the Effective Date pursuant to the Plan.

1.134 ~~1.95~~ "Reorganized SHI" means SHI as reorganized upon the Effective Date pursuant to the Plan.

1.135 ~~1.96~~ "Representatives" means, with respect to an Entity, all of that Entity's current and former managed and controlled affiliates, subsidiaries, officers, directors, managers, managing members, principals, shareholders, members, partners, employees, agents, advisors, attorneys, professionals, accountants, investment bankers, consultants and other representatives and such persons' respective heirs, executors, estates, servants and nominees, in each case in their capacity as such.

1.136 ~~1.97~~ "Restructuring Documents" has the meaning set forth in the Restructuring Implementation Agreement.

1.137 ~~1.98~~ "Restructuring Implementation Agreement" means that certain Restructuring Implementation Agreement among the Debtors and SRGL, made January 28, 2018, and approved by the RIA Order, as such Restructuring Implementation Agreement may be amended from time to time and as confirmed by SRGL in accordance with section 6.1(c) of the Stock Purchase Agreement. A copy of the Restructuring Implementation Agreement is annexed to the Plan as **Exhibit C~~.~~-1** and the evidence of such confirmation is annexed to the Plan as **Exhibit C-2**.

1.138 ~~1.99~~ "Retained Causes of Action" shall have the meaning set forth in Section 6.5 of the Plan.

1.139 ~~1.100~~ "RIA Order" means the *Order Authorizing Debtors To Assume Restructuring Implementation Agreement And Related Relief* entered by the Bankruptcy Court on March 19, 2018, at Docket No. ~~170~~170 (as may be amended).

1.140 ~~1.101~~ "SALIC" means Scottish Annuity & Life Insurance Company (Cayman) Ltd.

1.141 ~~1.102~~ "SALIC Existing Equity Interests" means all issued and outstanding Ordinary Shares of SALIC existing prior to the Effective Date.

1.142 ~~1.103~~ "SALIC General Unsecured Claim" means any Claim against SALIC that is not an Administrative Claim, Secured Claim, Priority Claim, Intercompany Claim, ~~SALIC~~ TruPS Claim, SFL Claim, SFL Note Claim, or Subordinated Claim. ~~For the avoidance of doubt, the SFL Note shall constitute a SALIC General Unsecured Claim.~~

1.143 ~~1.104~~ "SALIC Group Companies" means SALIC, SHI, SRD, SRUS and SRLB.

1.144 ~~1.105~~ "SALIC TruPS Claim" means, other than any Subordinated Claim, any and all TruPS Claims related to the TruPS Parent Guarantees, but does not include Indenture Trustee Fees.

1.145 ~~1.106~~ "SALIC Claims" has the meaning as set forth in the Restructuring Implementation Agreement.

1.146 ~~1.107~~ "Schedules" means the schedules of assets and liabilities, schedules of Executory Contracts and Unexpired Leases and statements of financial affairs Filed by the Debtors pursuant to section 521 of the Bankruptcy Code and in substantial accordance with the Official Bankruptcy Forms, as the same may have been amended, modified or supplemented from time to time.

1.147 ~~1.108~~ "Scottish Re" means the Debtors collectively with their non-debtor affiliates.

1.148 ~~1.109~~ "Secured Claim" means a Claim that is secured by a Lien which is not subject to avoidance under the Bankruptcy Code or otherwise invalid under the Bankruptcy Code or applicable state law, on property in which the Estate has an interest, or a Claim that is subject to setoff under section 553 of the Bankruptcy Code; to the extent of the value of the Holder's interest in the Estate's interest in such property or to the extent of the amount subject to setoff, as applicable; as determined by a Final Order pursuant to section 506(a) of the Bankruptcy Code, or in the case of setoff, pursuant to section 553 of the Bankruptcy Code, or in either case as otherwise agreed upon in writing by the Debtors or the Reorganized Debtors and the Holder of such Claim. The amount of any Claim that exceeds the value of the Holder's interest in the Estate's interest in property or the amount subject to setoff shall be treated as an SHI General Unsecured Claim or SALIC General Unsecured Claim, as applicable.

1.149 "Security Depository or Custodian" means a securities depository or custodian or any nominee for such a securities depository or custodian, *e.g.*, Depository Trust Company and its nominee Cede & Co.

1.150 ~~1.110~~ "SFL" means Scottish Financial (Luxembourg) S.á r.l.

1.151 "SFL Claims" any and all Claims and Causes of Action owned or held by SFL or the SFL Receiver on SFL's behalf against SALIC or SHI, including, but not limited, to the SFL Note Claim.

1.152 ~~1.111~~ "SFL Note" means that certain Floating Rate Junior Subordinated Deferrable Interest Debenture of Scottish Re (Dublin) Limited, dated December 15, 2004, as amended, in the original principal amount of fifty-one million five hundred and forty-seven thousand dollars ($51,547,000) issued by SRD, as obligor, to SFL, as obligee, and subsequently assigned to, and assumed by, SALIC, as obligor, as such note may have been amended from time to time.

1.153 "SFL Note Claim" mean any and all Claims and Causes of Action against any of the Debtors arising out of or relating to the SFL Note, including, but not limited to, any amendment to the SFL Note or any payment made or not made on account of the SFL Note.

1.154 "SFL Note Claim Allowance Conditions" has the meaning ascribed to such term in Section 4.3(c)(ii)(B) of this Plan.

1.155 "SFL Receiver" means Max Mailliet, as insolvency receiver for SFL in its bankruptcy proceeding in Luxembourg or any successor thereto.

1.156 ~~1.112~~ "SFL Shares" means the 47,046 shares of SFL, representing all of the issued and outstanding equity interest in SFL.

1.157 "SFLST I TruPS" has the meaning ascribed to such term in the definition of "TruPS".

1.158 "SFLST I TruPS Debentures" has the meaning ascribed to such term in the definition of "TruPS Debentures".

1.159 ~~1.113~~ "Share Surrender Documents" has the meaning set forth in the Restructuring Implementation Agreement.

1.160 ~~1.114~~ "SHI" means Scottish Holdings, Inc.

1.161 ~~1.115~~ "SHI Existing Equity Interests" means all issued and outstanding common shares of SHI existing prior to the Effective Date.

1.162 ~~1.116~~ "SHI General Unsecured Claim" means any Claim against SHI that is not an Administrative Claim, Secured Claim, Priority Claim, Intercompany Claim, ~~SHI~~ TruPS Claim, SFL Claim, SFL Note Claim, or Subordinated Claim.

1.163 ~~1.117~~ "SHI TruPS Claim" means, other than any Subordinated Claim, any and all TruPS Claims related to the SHST I TruPS, the SHST II TruPS, the GPIC TruPS, and the SHST III TruPS but does not include Indenture Trustee Fees.

1.164 "SHST I TruPS" has the meaning ascribed to such term in the definition of "TruPS"

1.165 "SHST I TruPS Debentures" has the meaning ascribed to such term in the definition of "TruPS Debentures".

1.166 "SHST II TruPS" has the meaning ascribed to such term in the definition of "TruPS".

1.167 "SHST II TruPS Debentures" has the meaning ascribed to such term in the definition of "TruPS Debentures".

1.168 "SHST III TruPS" has the meaning ascribed to such term in the definition of "TruPS".

1.169 "SHST III TruPS Debentures" has the meaning ascribed to such term in the definition of "TruPS Debentures".

1.170 ~~1.118~~ "SLD" means Security Life of Denver Insurance Company, a claimant in these Chapter 11 Cases.

1.171 ~~1.119~~ "Specified Restructuring Documents" has the meaning set forth in the Restructuring Implementation Agreement.

1.172 ~~1.120~~ "SRD" means Scottish Re (Dublin) dac.

1.173 ~~1.121~~ "SRGL" means Scottish Re Group Limited.

1.174 ~~1.122~~ "SRGL Consent Rights" has the meaning set forth in the Restructuring Implementation Agreement.

1.175 "SRGL Equity Holders" means each person that (i) holds or at any time held any direct or indirect equity interest of any kind in SRGL, including without limitation Cerberus, MassMutual and their current and former affiliates and subsidiaries and assigns holding or having held a direct or indirect equity interest of any kind in SRGL, or (ii) at any time received directly or indirectly any Transfer (or proceeds thereof) from any Debtors pursuant to, or on account of any such direct or equity interest in SRGL, including without limitation any transferee of a kind reference in Section 550 of the Bankruptcy Code.

1.176 "SRGL Exclusively Held SALIC TruPS Claims" means all SALIC TruPS Claim arising from or relating to the SHST II TruPS or the GPIC TruPS, of which SRGL is the sole Beneficial Holder.

1.177 "SRGL Exclusively Held SHI TruPS Claims" means all SHI TruPS Claim arising from or relating to the SHST II TruPS or the GPIC TruPS, of which SRGL is the sole Beneficial Holder.

1.178 "SRGL Exclusively Held TruPS Claims" means all SRGL Exclusively Held SHI TruPS Claims and all SRGL Exclusively Held SALIC TruPS Claims.

1.179 ~~1.123~~ "SRGL Revolving Credit Agreement" means that certain Revolving Credit Agreement, dated as of September 20, 2009, by and between SALIC, as lender, and SRGL, as borrower, as amended, novated, supplemented, extended, or restated from time to time.

1.180 ~~1.124~~ "SRGL Revolver Facility" means the credit facility provided for under the SRGL Revolving Credit Agreement.

1.181 ~~1.125~~ "SRGL Revolver Facility Documents" means the SRGL Revolving Credit Agreement, together with any related agreement, instrument, report or other document executed in connection therewith or otherwise evidencing Claims or other obligations arising thereunder, each as amended, novated, supplemented, extended, or restated from time to time.

1.182 ~~1.126~~ "SRGL TruPS Claims" has the meaning set forth in the Restructuring Implementation Agreement.

1.183 ~~1.127~~ "SRLB" means Scottish Re Life (Bermuda) Limited.

1.184 ~~1.128~~ "SRUS" means Scottish Re (U.S.), Inc.

1.185 "Stalking Horse" means HSCM Bermuda Fund Ltd.

1.186 ~~1.129~~ "Stock Purchase Agreement" means that certain Stock Purchase Agreement by and among SALIC, SHI and the ~~Plan Sponsor~~Purchaser, dated as of ~~January 28,~~June [ ], 2018, and Filed with the Bankruptcy Court on ~~January 31,~~June [], 2018, at Docket No. ~~27-2,~~[ ], as such Stock Purchase Agreement may be amended from time to time. A copy of the Stock Purchase Agreement is annexed to the Plan as **Exhibit B**.

1.1 ~~1.130~~ "Stockholders Agreement" means the agreement among (x) Reorganized SALIC or New Holdco, on the one hand, and (y) each holder of New Equity, on the other hand, whether as of the Effective Date or subsequent thereto, to be set forth in the Plan Supplement.

1.2 "Subordinated Claims" means any Claims arising under section 510(b) of the Bankruptcy Code or other Claims that are subordinated to general unsecured claims under the Bankruptcy Code; *provided, however,* for the avoidance of doubt, that the SHI TruPS Claims, the SALIC TruPS Claims and the SFL Note Claim shall not be classified or treated as Subordinated Claims for purposes of the Plan.

1.3 "Transfer" means to sell, resell, reallocate, use, pledge, assign, transfer, hypothecate, participate, donate, or otherwise encumber or dispose of, directly or indirectly (including through derivatives, options, swaps, pledges, forward sales, or other transactions); provided, however, that holding Certificates in an account with a broker-dealer where the brokerdealer holds a security interest or other encumbrance over property in the account generally, which security interest or other encumbrance is released upon transfer of such securities, shall not constitute a "Transfer" under the Plan.

1.4 ~~1.131~~ "TruPS" means:

(i) the undivided beneficial interests, having an aggregate liquidation amount of $17,500,000.00, in Scottish Holdings Statutory Trust I, a Connecticut statutory trust ("SHST I"), issued pursuant to that certain Amended and Restated Declaration of Trust, dated as of December 4, 2002, among State Street Bank and Trust Company of Connecticut, National Association, as institutional trustee, the administrators of the issuer named therein, SHI as the sponsor of the issuer, and the holders from time to time of undivided beneficial interests in the assets of the issuer (the "SHST I TruPS");

(ii) the undivided beneficial interests, having an aggregate liquidation amount of $20,000,000.00, in Scottish Holdings, Inc. Statutory Trust II, a Connecticut statutory trust ("SHST II"), issued pursuant to that certain Amended and Restated Declaration of Trust, dated as of October 29, 2003, among U.S. Bank National Association, as institutional trustee, the administrators of the issuer named therein, SHI as the sponsor of the issuer, and the holders from time to time of undivided beneficial interests in the assets of the issuer (the "SHST II TruPS");

(iii) the undivided preferred beneficial interests, having an aggregate liquidation amount of $10,000,000.00, in GPIC Holdings Inc. Statutory Trust, a Delaware statutory trust ("GPIC"), issued pursuant to that certain Amended and Restated Trust Agreement dated as of

November 14, 2003, among JPMorgan Chase Bank as property trustee, Chase Manhattan Bank USA, National Association as Delaware trustee, the administrators of the issuer named therein, SHI as the sponsor of the issuer, and the holders from time to time of undivided beneficial interests in the assets of the issuer (the "GPIC TruPS");

(iv) the undivided beneficial interests, having an aggregate liquidation amount of $32,000,000.00, in Scottish Holdings, Inc. Statutory Trust III, a Connecticut statutory trust ("SHST III"), issued pursuant to that certain Amended and Restated Declaration of Trust, dated as of May 12, 2004, among U.S. Bank National Association, as institutional trustee, the administrators of the issuer named therein, SHI as the sponsor of the issuer, and the holders from time to time of undivided beneficial interests in the assets of the issuer (the "SHST III TruPS"); and

(v) the undivided beneficial interests, having an aggregate liquidation amount of $50,000,000.00, in SFL Statutory Trust I, a Delaware statutory trust ("SFLST I," and collectively with SHST I, SHST II, GPIC, and SHST III, the "TruPS Trusts"), issued pursuant to that certain Amended and Restated Declaration of Trust, dated as of December 15, 2004, among Wilmington Trust Company, as institutional trustee, the administrators of the issuer named therein, SFL as the sponsor of the issuer, and the holders from time to time of undivided beneficial interests in the assets of the issuer (the "SFLST I TruPS").

1.5 ~~1.132~~ "TruPS Claims" means Claims of any Person relating to or arising out of any TruPS, TruPS Junior Subordinated Debentures or TruPS Documents, including any Claims relating to or arising out of any TruPS Documents. For the avoidance of doubt, TruPS Claims shall include all of the Claims set forth in the preceding sentence that could be asserted by one or more of the several parties thereto without duplication. When referring to TruPS Claims arising out of a particular TruPS issuance, the words "TruPS Claims" will be preceded by the name of the applicable TruPS issuance (*e.g.*, "SHST I TruPS Claims").

1.6 "TruPS Claims Aggregate Amount" means (i) all Allowed SHI TruPS Claims, (ii) all Allowed SALIC TruPS Claims, and (iii) $63,536,014.32 on account of the SFL Note Claim.

1.7 "TruPS Claims Equity Distribution Amount" means (i) with respect to a Beneficial Holder of TruPS, the amount of the Offered New Equity to be distributed to a Beneficial Holder that elects to receive New Equity under Section 4.3 of the Plan, calculated based on such Beneficial Holder's Allocated Portion of the Allowed TruPS Claim in respect of which it is a Beneficial Holder divided by the TruPS Claims Aggregate Amount; and (ii) with respect to the Holder of the SFL Note Claim, for which the SFL Claims Allowance Conditions have been satisfied, the amount of the Offered New Equity to be distributed on account of the Allowed SFL Note Claim, if the Holder thereof elects to receive New Equity under Section 4.3 of the Plan, calculated based on the portion of the Allowed SFL Note Claim for which the New Equity Election has been made divided by the TruPS Claims Aggregate Amount.

1.8 "TruPS Debentures" means:

(i) with respect to the SHST I TruPS, that certain Floating Rate Junior Subordinated Deferrable Interest Debenture between Scottish Holdings, Inc., and State Street

Bank and Trust Company of Connecticut, National Association, due 2032 (the "SHST I TruPS Debentures");

(ii) with respect to the SHST II TruPS, that certain Floating Rate Junior Subordinated Deferrable Interest Debenture between Scottish Holdings, Inc., and U.S. Bank National Association, due 2033 (the "SHST II TruPS Debentures");

(iii) with respect to the GPIC TruPS, that certain Floating Rate Junior Subordinated Note Due 2033 between Scottish Holdings, Inc., and JPMorgan Chase Bank (the "GPIC TruPS Debentures");

(iv) with respect to the SHST III TruPS, that certain Floating Rate Junior Subordinated Deferrable Interest Debenture between Scottish Holdings, Inc., and U.S. Bank National Association, due 2034 (the "SHST III TruPS Debentures"); and

(v) with respect to the SFLST I TruPS, that certain Floating Rate Junior Subordinated Deferrable Interest Debenture between Scottish Financial (Luxembourg) S.à r.l. and Wilmington Trust Company, due 2034 (the "SFLST I TruPS Debentures").

1.9 ~~1.133~~ "TruPS Declarations" means:

(i) with respect to the SHST I TruPS, that certain Amended and Restated Declaration of Trust by and among State Street Bank and Trust Company of Connecticut, National Association, as Institutional Trustee, Scottish Holdings, Inc., as Sponsor, and Paul Goldean and Oscar R. Scofield, as Administrators, dated as of December 4, ~~2002.~~2002 (the "SHST I Trust Declaration").

(ii) with respect to the SHST II TruPS, that certain Amended and Restated Declaration of Trust by and among U.S. Bank National Association, as Institutional Trustee, Scottish Holdings, Inc., as Sponsor, and Paul Goldean and Oscar R. Scofield, as Administrators, dated as of October 29, ~~2003.~~2003 (the "SHST II Trust Declaration").

(iii) with respect to the GPIC TruPS, that certain Amended and Restated Declaration of Trust by and among Scottish Holdings, Inc., as Depositor, JPMorgan Chase Bank, as Property Trustee, Chase Manhattan Bank USA, National Association, as Delaware Trustee, and The Administrative Trustees Named [T]Herein, as Administrative Trustees, dated as of November 14, ~~2003.~~2003 (the "GPIC Trust Declaration").

(iv) with respect to the SHST III TruPS, that certain Amended and Restated Declaration of Trust by and among U.S. Bank National Association, as Institutional Trustee, Scottish Holdings, Inc., as Sponsor, and Paul Goldean and Oscar R. Scofield, as Administrators, dated as of May 12, ~~2004.~~2004 (the "SHST III Trust Declaration").

(v) with respect to the SFLST I TruPS, that certain Amended and Restated Declaration of Trust by and among Wilmington Trust Company, as Institutional Trustee, Wilmington Trust Company, as Delaware Trustee, Scottish Financial (Luxembourg) S.à r.l., as Sponsor, and Paul Goldean and George Scott, as Administrators, dated as of December 15, ~~2004.~~2004 (the "SFLST Trust Declaration").

1.10 ~~1.134~~ "TruPS Documents" means collectively all TruPS Indentures, all documents evidencing TruPS ~~Junior Subordinated~~ Debentures, all TruPS Declarations, all TruPS Sponsor Guarantees, all TruPS Parent Guarantees and all related and ancillary documents and instruments, each as altered, amended, modified or supplemented from time to time and including all exhibits and schedules thereto.

1.11 "TruPS/GUC Claims Aggregate Amount" means (i) all Allowed SHI TruPS Claims, (ii) all Allowed SALIC TruPS Claims, (iii) $63,536,014.32 on account of the SFL Note Claim, (iv) all Allowed SHI General Unsecured Claims, (v) all Allowed SALIC General Unsecured Claims, and (vi) the Disputed Claim Reserve Amount on account of all Disputed General Unsecured Claims.

1.12 "TruPS/GUC Claims Cash Distribution Amount" means the pro rata amount of the Available Plan Distribution Funding Amount to be distributed to a Beneficial Holder, Holder of the SFL Note Claim or Holder of a General Unsecured Claim, as applicable, calculated based on: (i) with respect to a Beneficial Holder of TruPS, such Beneficial Holder's Allocated Portion of the Allowed TruPS Claim in respect of which it is a Beneficial Holder, divided by the TruPS/GUC Claims Aggregate Amount; (ii) with respect to the Allowed SFL Note Claim, the portion of such Holder's Allowed SFL Note Claim for which the Cash Election has been made (or deemed made), divided by the TruPS/GUC Claims Aggregate Amount; and (iii) with respect to an Allowed General Unsecured Claim, the Allowed amount of such General Unsecured Claim, divided by the TruPS/GUC Claims Aggregate Amount.

1.13 ~~1.135~~ "TruPS Indentures" means:

(i) with respect to the SHST I TruPS, that certain Indenture for the Floating Rate Junior Subordinated Deferrable Interest Debentures, due 2032, between Scottish Holdings, Inc. as Issuer, and State Street Bank and Trust Company of Connecticut, National Association, as Trustee, dated as of December 4, 2002;

(ii) with respect to the SHST II TruPS, that certain Indenture for the Floating Rate Junior Subordinated Deferrable Interest Debentures, due 2033, between Scottish Holdings, Inc., as Issuer, and U.S. Bank National Association, as Trustee, dated as of October 29, 2003;

(iii) with respect to the GPIC TruPS, that certain Junior Subordinated Indenture, due 2033, between Scottish Holdings, Inc., as Issuer, and JPMorgan Chase Bank, as Trustee, dated as of November 14, 2003;

(iv) with respect to the SHST III TruPS, that certain Indenture for the Floating Rate Junior Subordinated Deferrable Interest Debentures, due 2034, between Scottish Holdings, Inc., as Issuer, and U.S. Bank National Association, as Trustee, dated as of May 12, 2004; and

(v) with respect to the SFLST I TruPS, that certain Indenture for the Floating Rate Junior Subordinated Deferrable Interest Debentures, due 2034, between Scottish Financial (Luxembourg) S.à r.l., as Issuer, and Wilmington Trust Company, as Trustee, dated as of December 15, 2004.

1.14 ~~1.136~~ "TruPS Indenture Trustee" means an Entity serving as an indenture trustee under a TruPS Indenture during the period from the Petition Date through the Effective Date.

1.15 "TruPS Institutional Trustee" means an Entity serving as the trustee pursuant to a TruPS Declaration, a TruPS Parent Guarantee or a TruPS Sponsor Guarantee.

1.16 ~~1.137~~ "TruPS Parent Guarantees" means:

(i) with respect to the SHST I TruPS, that certain Parent Guarantee Agreement by and between Scottish Annuity & Life Insurance Company (Cayman) Ltd. and State Street Bank and Trust Company of Connecticut, National Association, dated as of December 4, 2002;

(ii) with respect to the SHST II TruPS, that certain Parent Guarantee Agreement by and between Scottish Annuity & Life Insurance Company (Cayman) Ltd. and U.S. Bank National Association, dated as of October 29, 2003;

(iii) with respect to the GPIC TruPS, that certain Parent Guarantee Agreement by and between Scottish Annuity & Life Insurance Company (Cayman) Ltd. and JPMorgan Chase Bank, dated as of November 14, 2003;

(iv) with respect to the SHST III TruPS, that certain Parent Guarantee Agreement by and between Scottish Annuity & Life Insurance Company (Cayman) Ltd. and U.S. Bank National Association, dated as of May 12, 2004; and

(v) with respect to the SFLST I TruPS, that certain Parent Guarantee Agreement by and between Scottish Annuity & Life Insurance Company (Cayman) Ltd. and Wilmington Trust Company, dated as of December 15, 2004.

1.17 "TruPS Returned Cash" means the amount of the Available Plan Distribution Funding Amount that is not required to be funded by the Purchaser on account of the Beneficial Holders of TruPS that make the New Equity Election, calculated based on the aggregate Beneficial Holders who made, or are deemed to make, the New Equity Election, divided by the TruPS/GUC Claims Aggregate Amount.

1.18 "TruPS Shares" means the Offered New Equity. Any reference to the TruPS Shares in the Stock Purchase Agreement shall mean the Offered New Equity.

1.19 ~~1.138~~ "TruPS Sponsor Guarantees" means:

(i) with respect to the SHST I TruPS, that certain Guarantee Agreement by and between Scottish Holdings, Inc., and State Street Bank and Trust Company of Connecticut, National Association, dated as of December 4, 2002;

(ii) with respect to the SHST II TruPS, that certain Guarantee Agreement by and between Scottish Holdings, Inc., and U.S. Bank National Association, dated as of October 29, 2003;

(iii) with respect to the GPIC TruPS, that certain Guarantee Agreement by and

between Scottish Holdings, Inc., and JPMorgan Chase Bank, dated as of November 14, 2003;

(iv) with respect to SHST III TruPS, that certain Guarantee Agreement by and between Scottish Holdings, Inc., and U.S. Bank National Association, dated as of May 12, 2004; and

(v) with respect to the SFLST I TruPS, that certain Guarantee Agreement by and between Scottish Financial (Luxembourg) S.à r.l and Wilmington Trust Company, dated as of December 15, 2004.

1.20 "Trust Administration Reserve" means a reserve to be maintained by the Distribution Trust in an amount, mutually agreed by the Debtors, the Committee, and the Purchaser, estimated in good faith to be necessary to cover the costs of administration of the Distribution Trust, as further defined in Section 6.3(f)(iii) of the Plan.

1.21 ~~1.139~~ "Unexpired Lease" means a lease of non-residential real property to which any Debtor is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

1.22 ~~1.140~~ "Unimpaired" means, when used with reference to a Claim or Interest, a Claim or Interest that is not impaired within the meaning of section 1124 of the Bankruptcy Code.

1.23 ~~1.141~~ "Unimpaired Class" means a Class of Claims that are not impaired within the meaning of section 1124 of the Bankruptcy Code.

1.24 "U.S. Bank" means U.S. Bank National Association, as trustee.

1.25 ~~1.142~~ "U.S. Trustee" means the Office of the United States Trustee for the District of Delaware.

1.26 ~~1.143~~ "Voting Agent" means Prime Clerk, LLC, the Entity the Bankruptcy Court has authorized to serve as the "Voting Agent" pursuant to the Disclosure Statement Order.

1.27 "Voting Deadline" means [August 13], 2018 at ~~5~~4:00 p.m. (Eastern Time), which date and time has been established by the Bankruptcy Court ~~[Docket No.]~~pursuant to the Disclosure Statement Order as the deadline by which all Ballots to accept or reject the Plan must be received in order to be counted for purposes of section 1126 of the Bankruptcy Code.

1.28 "WTC" means Wilmington Trust Company, as trustee.

Document comparison by Workshare 9.5 on Friday, June 15, 2018 7:25:49 PM

Input:	
Document 1 ID	interwovenSite://WIL-DMS/WILM/11800883/7
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Document 2 ID	N:\NRPortbl\WILM\GWERKHEISER\11977963_2.docx
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Rendering set	Standard

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~~Moved from~~	
Moved to	
Style change	
Format change	
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Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
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Deletions	204
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Moved to	14
Style change	0
Format changed	0
Total changes	616

Exhibit B

Stock Purchase Agreement

[Intentionally Omitted]

Exhibit C

Restructuring Implementation Agreement

[Intentionally Omitted]

Document comparison by Workshare 9.5 on Friday, June 15, 2018 6:49:28 PM

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Rendering set	Standard

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~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
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Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	715
Deletions	383
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Moved to	31
Style change	0
Format changed	0
Total changes	1160

EXHIBIT F

Revised Proposed Disclosure Statement Order Redline

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
SCOTTISH HOLDINGS, INC., *et al.*,	Case No. 18-10160 (LSS)
Debtors.[1]	Jointly Administered
	Re: D.I. ~~214~~242, ___ & ____

ORDER: (I) APPROVING DISCLOSURE STATEMENT; (II) SCHEDULING CONFIRMATION HEARING AND RELATED DEADLINES; (III) ESTABLISHING PROCEDURES FOR SOLICITATION, TEMPORARY ALLOWANCE OF CLAIMS AND VOTE TABULATION; (IV) APPROVING FORMS OF BALLOTS; (V) APPROVING FORM, MANNER AND SUFFICIENCY OF NOTICE OF CONFIRMATION HEARING AND RELATED DEADLINES; AND (VI) GRANTING RELATED RELIEF

Upon the motion, dated May 4, 2018 (D.I. 242) (the "Original Motion"),[2] of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd., debtors and debtors- in- possession (together, the "Debtors"), as such Original Motion was supplemented and modified by the Debtors' filing made on June 15, 2018 (D.I. ___) (as supplemented and modified, the "Motion"), for (i) approval of the *Disclosure Statement for First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.*, filed on ~~April 18,~~June 15, 2018 ~~[~~(D.I. ~~214]~~___) (as may be further amended, modified or supplemented from time to time and together with all exhibits and schedules thereto, the "Disclosure Statement"), (ii) the scheduling of a hearing (the "Confirmation Hearing") for confirmation of the *First Amended Joint Chapter 11 Plan of*

[1] The Debtors, along with the last four digits of their federal tax identification numbers, are as follows: Scottish Holdings, Inc. (4408) and Scottish Annuity & Life Insurance Company (Cayman) Ltd. (3285). The Debtors' mailing address for purposes of these Chapter 11 Cases is 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277.

[2] Capitalized terms not otherwise defined herein have the meanings ascribed to such terms in the Original Motion.

Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd., filed on ~~April 18,~~[June 15, 2018~~[~~] (D.I. ~~213~~]) (as may be further amended, modified or supplemented from time to time and together with all exhibits, schedules and supplements thereto, the "Plan") and related deadlines; (iii) the establishment of procedures for (a) the solicitation of votes on the Plan (the "Solicitation Procedures"), (b) the temporary allowance of claims for voting purposes (the "Temporary Allowance Procedures") and (c) the tabulation of votes (the "Vote Tabulation Procedures"), (iv) approval of the forms of ballots (the "Ballots"), (v) approval of the form, manner and sufficiency of notice (the "Notice Procedures") of the Confirmation Hearing and all related deadlines, and (vi) granting related relief; and the statutory predicates for the relief requested in the Motion including sections 105, 502, 1125, 1126, and 1128 of title 11 of the United States Code (as amended, the "Bankruptcy Code"), as supplemented by Rules 2002, 3017, 3018, 3020, and 9006 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rules 2002-1, 3017-1, and 9006-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), all as more fully set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated February 29, 2012; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the parties listed therein, and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion; and the Court having held a hearing on the Motion on June 28, 2018, at 10:00 a.m. prevailing Eastern Time (the "Hearing");

and all objections to the Motion having been withdrawn, resolved or overruled as set forth in this Order or on the transcript of the Hearing if not set forth herein; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interests of the Debtors and their estates and creditors; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

IT IS FOUND AND DETERMINED THAT:

A. *Notice of the Disclosure Statement Hearing and Disclosure Statement Objection Deadline.* The procedures proposed in the Motion providing notice to all parties of the time, date, and place of the hearing to consider approval of the Disclosure Statement and the deadline for filing objections to the Disclosure Statement, provide due, proper, and adequate notice, comport with due process and comply with Bankruptcy Rules 2002 and 3017 and Local Rules 2002-1, 3017-1, and 9006-1. No further notice is required.

B. *The Disclosure Statement.* The Disclosure Statement contains adequate information within the meaning of section 1125 of the Bankruptcy Code. No further information is necessary.

C. *Solicitation Procedures, Temporary Allowance Procedures and Vote Tabulation Procedures.* The Solicitation Procedures, the Temporary Allowance Procedures and the Vote Tabulation Procedures as set forth in the Motion and this Order provide for a fair and equitable voting process and are consistent with section 1126 of the Bankruptcy Code.

D. *Ballots.* The ballots, substantially in the forms attached hereto as **Exhibits 1(a)** through **1(~~h~~i)** (collectively, the "Ballots"), including all voting instructions provided therein, are consistent with Official Bankruptcy Form No. B 314, address the particular needs of these

Chapter 11 Cases, and provide adequate information and instructions for each individual entitled to vote to accept or reject the Plan. No further information or instructions are necessary.

E. *Parties Entitled to Vote.* Pursuant to the Plan, holders of Claims in Class 4 (SHI TruPS Claims), Class 5 (SHI General Unsecured Claims), Class 6 (SALIC TruPS Claims & SFL Note Claim) and Class 7 (SALIC General Unsecured Claims) are impaired and are entitled to receive distributions under the Plan. Accordingly, holders of Allowed Claims in such ~~class~~classes are entitled to vote on account of such Claims.

F. *Parties Not Entitled to Vote.* Pursuant to the Plan, holders of Claims in Class 1 (Secured Claims), Class 2 (Priority Non-Tax Claims), and Class ~~9~~10 (SALIC Existing Equity Interests) are unimpaired and, accordingly, pursuant to section 1126(f) of the Bankruptcy Code, are conclusively presumed to accept the Plan and are not entitled to vote on account of such Claims. Holders of Claims in Class 3 (Intercompany Claims) and Class 8 (Subordinated Claims) are not entitled to receive a distribution under the Plan on account of their Claims and, therefore, are deemed to reject pursuant to section 1126(g) of the Bankruptcy Code and are not entitled to vote on account of such Claims. In addition, holders of Interests in Class ~~10~~9 (SHI Existing Equity Interests) are deemed to reject and are not entitled to vote on account of such Interests.

G. *Notices of Non-Voting Status.* The Notices of Non-Voting Status, substantially in the forms attached hereto as **Exhibit 3-1** and **Exhibit 3-2**, comply with the Bankruptcy Code, applicable Bankruptcy Rules, and applicable Local Rules and, together with the Confirmation Hearing Notice, substantially in the form attached hereto as **Exhibit 2**, provides adequate notice to Non-Voting Creditors and Interest Holders of their non-voting status. No further notice is necessary.

H. *Solicitation.* The proposed distribution and contents of the Solicitation Packages comply with Bankruptcy Rules 2002 and 3017 and Local Rule 9006-1 and constitute sufficient notice to all interested parties of the Voting Record Date, Voting Deadline, Confirmation Objection Deadline, Confirmation Hearing, and other related matters.

I. The period proposed by the Debtors in the Motion during which the Debtors may solicit votes to accept or reject the Plan is a reasonable and sufficient period of time for the Voting Classes to make informed decisions regarding whether to accept or reject the Plan and timely return Ballots evidencing such decision.

J. *Notice of Confirmation Hearing and Confirmation Objection Deadline.* The procedures set forth in the Motion regarding notice to all parties of the time, date, and place of the hearing to consider confirmation of the Proposed Plan (the "Confirmation Hearing") and for filing objections or responses to the Plan, provide due, proper, and adequate notice, comport with due process, and comply with Bankruptcy Rules 2002 and 3017 and Local Rule 9006-1. No further notice is required.

K. All other notices to be provided pursuant to the procedures set forth in the Motion are good and sufficient notice to all parties in interest of all matters pertinent hereto and of all matters pertinent to the Confirmation Hearing. No further notice is required.

L. The legal and factual bases set forth in the Motion establish just and sufficient cause to grant the relief requested therein.

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. The Motion is GRANTED as set forth herein.

2. *Disclosure Statement.* The Disclosure Statement contains adequate information in accordance with section 1125 of the Bankruptcy Code and is APPROVED.

3. All objections, if any, to the Disclosure Statement that have not been withdrawn or resolved are overruled.

4. *Temporary Allowance for Voting Purposes.* Solely for purposes of voting to accept or reject the Plan and not for the purpose of the allowance of, or distribution on account of, a Claim (except as otherwise provided in the Plan, subject to the occurrence of the Effective Date), and without prejudice to the rights of the Debtors, Reorganized Debtors or Distribution Trustee in any other context (except as otherwise provided in the Plan, subject to the occurrence of the Effective Date), each Claim within the Voting Classes is temporarily Allowed in an amount equal to the amount of such Claim as set forth in the Schedules or the Debtors' records, as applicable, ***except as follows***:

(a) As contemplated by the Restructuring Implementation Agreement and RIA Order, for voting purposes, on account of SRGL's holdings of SHST II TruPS and related ~~claims~~Claims, SRGL shall have (i) an allowed Class 4 ~~claim~~Claim (SHI TruPS Claims) in the amount of $~~25,736,000,~~26,147,239.88, and (ii) an allowed Class 6 ~~claim~~Claim (SALIC TruPS Claims) in the amount of $~~25,736,000~~26,147,239.88 (such ~~claims~~Claims, the "SRGL-SHST II TruPS Claims"). The SRGL-SHST II TruPS Claims are allowed to SRGL for voting purposes in lieu of any other ~~claims~~Claims of any person or entity arising out of or relating to the SHST II TruPS transaction or related CDO transaction, including any ~~claim~~Claim scheduled for or filed by any Indenture Trustee, any Institutional Trustee, any Record Holder (as defined below), any other purported beneficial holder, any CDO Trustee or any CDO note holder~~.~~;

(b) As contemplated by the Restructuring Implementation Agreement and RIA Order, for voting purposes, on account of SRGL's holdings of GPIC TruPS and related ~~claims~~Claims, SRGL shall have (i) an allowed Class 4 ~~claim~~Claim (SHI TruPS Claims) in the amount of $~~12,864,761,~~12,873,506.29, and (ii) an allowed Class 6 ~~claim~~Claim (SALIC TruPS Claims) in the amount of $~~12,864,761~~12,873,506.29 (such ~~claims~~Claims, the "SRGL-GPIC TruPS Claims"). The SRGL-GPIC TruPS Claims are allowed to SRGL for voting purposes in lieu of any other ~~claims~~Claims of any person or entity arising out of or relating to the GPIC TruPS transaction or any related CDO transaction, including any ~~claim~~Claim scheduled for or filed by any Indenture Trustee, any Institutional Trustee, any Record Holder, any other purported beneficial holder, any CDO Trustee or any CDO note holder~~.~~;

(c) U.S. Bank , as ~~Institutional~~Indenture Trustee for the SHST I TruPS Debentures, for voting purposes, shall have (i) an allowed Class 4 ~~claim~~Claim (SHI TruPS Claims) in the amount of $~~22,601,937,~~22,847,863.87 and (ii) an allowed Class 6

~~claim~~Claim (SALIC TruPS Claims) in the amount of $~~22,601,937 (~~22,847,863.87 such ~~claims~~Claims, the "SHST I TruPS Claims"). The SHST I TruPS Claims are allowed for voting purposes to U.S. Bank in its capacity as ~~Institutional~~Indenture Trustee for the SHST I TruPS in lieu of any other ~~claims~~Claims of any person or entity arising out of or relating to the SHST I TruPS transactions, including any ~~claim~~Claim scheduled for or filed by any Record Holder, any purported beneficial holder, any CDO Trustee or any CDO note holder~~.~~;

(d) U.S. Bank, as ~~Institutional~~Indenture Trustee for the SHST III TruPS, for voting purposes, shall have (i) an allowed Class 4 ~~claim~~Claim (SHI TruPS Claims) in the amount of $~~40,941,627,~~41,300,979.84, and (ii) an allowed Class 6 ~~claim~~Claim (SALIC TruPS Claims) in the amount of $~~40,941,627~~41,300,979.84 (such ~~claims~~Claims, the "SHST III TruPS Claims"). The SHST III TruPS Claims are allowed for voting purposes to U.S. Bank in its capacity as Institutional Trustee for the SHST III TruPS in lieu of any other ~~claims~~Claims of any person or entity arising out of or relating to the SHST III TruPS transactions, including any ~~claim~~Claim scheduled for or filed by any Record Holder, any purported beneficial holder, any CDO Trustee or any CDO note holder~~.~~;

(e) Wilmington Trust Corporation ("WTC"), as ~~Institutional~~Indenture Trustee for the SFLST I TruPS, for voting purposes, shall have an allowed Class 6 ~~claim~~Claim (SALIC TruPS Claims) in the amount of $~~63,014,401~~63,536,041.32 (such ~~claims~~Claims, the "SFLST I TruPS Claims"). The SFLST I TruPS Claims are allowed for voting purposes to WTC in its capacity as ~~Institutional~~Indenture Trustee for the SFLST I TruPS in lieu of any other ~~claims~~Claims of any person or entity arising out of or relating to the SFLST I TruPS transactions, including any ~~claim~~Claim scheduled for or filed by any Record Holder, any purported beneficial holder, any CDO Trustee or any CDO note holder~~.~~;

(f) if a proof of claim is timely filed in an amount that is liquidated, noncontingent, and undisputed, such claim is temporarily allowed in the amount set forth on the proof of claim, unless such ~~claim~~Claim is disputed as set forth in subparagraph (k) below;

(g) if a ~~claim~~Claim for which a proof of claim is timely filed is wholly contingent, unliquidated, or disputed, such ~~claim~~Claim is accorded one vote and valued at one dollar ($1.00) for voting purposes only, and not for purposes of allowance or distribution, unless such ~~claim~~Claim is disputed as set forth in subparagraph (k) below;

(h) if a ~~claim~~Claim is listed in the Schedules or on a timely filed proof of claim as partially contingent, unliquidated, or disputed, such ~~claim~~Claim is temporarily allowed in the amount that is liquidated, non-contingent, and undisputed for voting purposes only, and not for purposes of allowance or distribution, unless such ~~claim~~Claim is disputed as set forth in subparagraph (k) below;

(i) if a ~~claim~~Claim is estimated or otherwise allowed for voting purposes by order of the Court, such ~~claim~~Claim is temporarily allowed in the amount so estimated or

allowed by the Court for voting purposes only, and not for purposes of allowance or distribution, or as otherwise provided in such order;

(j) if a ~~claim~~Claim is listed in the Schedules as contingent, unliquidated, or disputed or in a zero or an unknown amount, and a proof of claim is not (i) filed by the applicable Bar Date or (ii) deemed timely filed by an order of the Court prior to the Voting Deadline, such ~~claim~~Claim shall be disallowed for voting purposes; and

(k) if the Debtors or a party in interest have filed an objection or request for estimation of a ~~claim~~Claim on or before **~~June 14,~~August 1, 2018 at 4:00 p.m. (prevailing Eastern Time)** (the "Deadline to Object to Claims for Voting Purposes"), such ~~claim~~Claim is temporarily disallowed except as agreed to by the parties or ordered by the Court at or prior to the Voting Deadline; *provided*, *however,* that if such objection seeks to reclassify or reduce the allowed amount of such ~~claim.~~Claim then such ~~claim~~Claim is temporarily allowed for voting purposes in the reduced amount and/or as reclassified, except as agreed to by the parties or ordered by the Court at or prior to the Voting Deadline.

5. *Rule 3018(a) Motions and Deadline for Filing.* If any creditor seeks to challenge the allowance or disallowance of its claim for voting purposes, the creditor must file with the Court a motion for an order pursuant to Bankruptcy Rule 3018(a) temporarily allowing such claim for voting purposes in a different amount (each, a "Rule 3018(a) Motion"). Upon the filing of any such motion, the creditor's Ballot shall be counted in accordance with the above-designated guidelines unless temporarily allowed in a different amount by an order of the Court entered at or prior to the Voting Deadline. All Rule 3018(a) Motions must be filed with the Court and served so as to be actually received by the Notice Parties by no later than **~~June 18,~~August 10, 2018 at 4:00 p.m. (prevailing Eastern Time)** (the "Rule 3018(a) Motion Deadline").

6. Nothing in this Order shall affect or limit any party's rights to object to any ~~Proof~~proof of ~~Claim~~claim or Rule 3018 Motion.

7. Each creditor that votes to accept or reject the Plan is deemed to have voted the full amount of its Claim therefor

8. *The Voting Record Date.* The Voting Record Date shall be set as **~~May~~**

~~23,~~June 28, **2018**. Only holders of Claims as of the Voting Record Date shall be entitled to vote to accept or reject the Plan.

9. The record holders of Claims and Interests shall be determined, as of the Voting Record Date, based upon the records of the Debtors and the Clerk of the Bankruptcy Court. Any documentation evidencing a transfer of a claim pursuant to Bankruptcy Rule 3001 not received and docketed by the Court prior to the Voting Record Date shall not be recognized for purposes of voting or receipt of the Plan confirmation materials.

10. With respect to transfers of Claims filed pursuant to Bankruptcy Rule 3001(e), the transferee shall be entitled to receive a Solicitation Package and, if the holder of such Claim is entitled to vote with respect to the Plan, cast a Ballot on account of such Claim only if: (a) all actions necessary to transfer such Claim are completed by the Voting Record Date or (b) the transferee files by the Voting Record Date (i) all documentation required by Bankruptcy Rule 3001(e) to evidence the transfer and (ii) a sworn statement of the transferor supporting the validity of the transfer. In the event a Claim is transferred after the Voting Record Date, the transferee of such Claim shall be bound by any vote on the Plan made by the holder of such Claim as of the Voting Record Date.

11. *Solicitation Packages.* The Solicitation Packages are APPROVED.

12. The Solicitation Package shall be distributed by first-class mail directly to each member of the Voting Classes (or their authorized agent(s) as more fully described herein), and shall be mailed ~~no later than~~on or before the earlier of (x) two (2) Business Days following entry of the Disclosure Statement Order and (y) July 3, 2018 (the "Solicitation Date").

13. The Debtors shall not be required to send Solicitation Packages to creditors that have Claims that have already been paid in full; *provided, however,* that if any such

creditor would be entitled to receive a Solicitation Package for any other reason, then the Debtors shall send such creditor a Solicitation Package in accordance with the procedures set forth herein.

14. Any creditor may request an additional copy of the Disclosure Statement (and attachments) by telephone or by written request. Upon receipt of a telephonic or written request, the Debtors will provide such creditor with a paper copy of the Plan and the Disclosure Statement at no cost to the creditor within five (5) days thereafter.

15. *Confirmation Hearing Notice.* The Confirmation Hearing Notice, substantially in the form attached hereto as **Exhibit 2**, is approved.

16. ~~*Notice*~~*Notices of Non-Voting Status.* The ~~Notice~~Notices of Non-Voting Status, substantially in the ~~form~~forms attached hereto as **Exhibit ~~3,~~ ~~is~~3-1 and Exhibit 3-2,** are approved.

17. *Voting Solicitation Packages.* The Voting Solicitation Packages are approved and shall contain the following materials:

(a) the Confirmation Hearing Notice;

(b) the Disclosure Statement, which will include the Plan (attached as Exhibit A to the Disclosure Statement);

(c) a statement from the Committee, in form and substance reasonably acceptable to the Debtors and the Purchaser, conveying the Committee's recommendation to creditors with respect to voting to accept or reject the Plan (solely to the extent the Committee determines, in its sole discretion, to include such a statement);

(d) ~~(c)~~ this Disclosure Statement Order (excluding any exhibits thereto); and

(e) ~~(d)~~ an Individual Ballot or Master Ballot, as applicable, conforming to Official Form No. 314, in the applicable form attached hereto as **Exhibit 1(a)** through **1(~~h~~i)**, and a postage- prepaid return envelope.

18. *Non-Voting Packages.* The Non-Voting Packages are approved, shall be distributed to each member of the Non-Voting Classes and shall contain the following materials:

(a) a Notice of Non-Voting Status, in substantially the form as attached hereto as **Exhibit 3-1 or Exhibit 3-2**; and

(b) the Confirmation Hearing Notice.

19. *Notice Packages.* The Notice Packages are approved.

20. The Debtors shall distribute the Notice Packages to: (i) the U.S. Trustee, (ii) counsel to the Committee; (iii) the U.S. Attorney's Office for the District of Delaware, (iv) the IRS, (v) the SEC, (vi) the Delaware DOI, (vii) the CIMA, (viii) the CBI, ~~and~~ (ix) the BMA, (x) those parties requesting notice pursuant to Bankruptcy Rule 2002, and (xi) all parties to executory contracts and unexpired leases that have not been assumed or rejected prior to entry of the ~~Proposed~~proposed Disclosure Statement Order and who are not already receiving the Solicitation Packages.

21. The Notice Package shall contain the following materials:

(a) the Confirmation Hearing Notice; and

(b) the Disclosure Statement, which will include the Plan (attached as Exhibit A to the Disclosure Statement); and

(c) ~~the~~this Disclosure Statement Order (excluding any exhibits thereto).

22. Debtors are authorized to distribute the Plan, the Disclosure Statement, and the Disclosure Statement Order (without exhibits) to holders of Claims entitled to vote on the Plan in electronic format (flash drive or CD-ROM). The Ballots and the Confirmation Hearing Notice will be provided in paper format.

23. *Special Transmittal Procedures with Respect to Holders of TruPS Claims in Classes 4 (SHI TruPS Claims) and 6 (SALIC TruPS Claims).* The transmittal procedures set forth in Paragraphs 23 through ~~30~~31 of this Order apply to holders of TruPS Claims in Class 4 (SHI TruPS Claims) and Class 6 (SALIC TruPS Claims), other than SRGL with respect to its

SHI TruPS Claims and SALIC TruPS Claims on account of its holdings of SHST II TruPS and GPIC TruPS (together, the "SRGL Exclusively Held TruPS"). Transmittal procedures for SRGL's Class 4 (SHI TruPS Claims) and Class 6 (SALIC TruPS Claims) on account of its holdings of the SRGL Exclusively Held TruPS are addressed in Paragraph ~~31~~32 of this Order.

24. Solicitation Packages shall be transmitted to Beneficial Owners (as defined below) with respect to voting in Classes 4 (SHI TruPS Claims) and 6 (SALIC TruPS Claims) by mailing or causing to be mailed such materials by the Solicitation Date to (a) the respective ultimate economic stakeholders of interests in the TruPS (the "Beneficial Owners") and (b) the Master Ballot Agents. For the avoidance of doubt, the Solicitation Packages shall not be transmitted to the TruPS Indenture Trustees.

25. To facilitate the mailing of Ballots and notices, (a) Cede & Co. (as nominee for the Depository Trust Company), (b) Hare & Co. (as nominee for Bank of New York), (c) Embassy & Co. (as nominee for U.S. Bank), (d) Citigroup Global Markets Inc., and (e) any other entities holding records of the identities of the Master Ballot Agents (collectively, the "Record Holders") shall do the following: (y) provide the Voting Agent (as defined below) with electronic files containing the names, addresses, and holdings of the respective ultimate economic stakeholders of interests in the TruPS (the "Beneficial Owners") and/or Master Ballot Agents as of a date not earlier than ten (10) Business Days prior to the Voting Record Date (such files, the "Preliminary Holders Reports"), with such Preliminary Holders Reports to be provided to the Voting Agent by the first (1st) Business Day after the Voting Record Date; and (z) provide the Voting Agent with electronic files containing the names, addresses, and holdings of the respective Beneficial Owners and/or Master Ballot Agents as of the Voting Record Date (such files, the "Final Holders Reports"), within seven (7) Business Days after the Voting Record Date.

If the Record Holders are unable to provide an electronic file, the Record Holders shall provide two sets of mailing labels and a list containing the same information. The Debtors shall serve a copy of the Disclosure Statement Order on each Master Ballot Agent identified for the Debtors and each of the Record Holders, initially on the basis of the information contained in the Preliminary Holders Reports, with such service to be supplemented, as necessary, based on the new or conflicting information contained in the Final Holders Reports.

26. Upon receipt of the identities of the Master Ballot Agents from the Record Holders, the Voting Agent will (i) contact each Master Ballot Agent to determine the number of Voting Solicitation Packages needed by the Master Ballot Agent for distribution to the Beneficial Owners for whom the Master Ballot Agent acts as agent and (ii) deliver to each Master Ballot Agent a Master Ballot and the requisite number of Voting Solicitation Packages.

27. The Master Ballot Agents shall distribute Voting Solicitation Packages and notices to the Beneficial Owners for whom they act as agent within seven (7) calendar days of receiving the Voting Solicitation Packages.

28. The Master Ballot Agents are authorized to obtain the votes of the Beneficial Owners as follows: First, the Master Ballot Agents shall forward the Voting Solicitation Packages to the Beneficial Owners for voting, which Voting Solicitation Package shall include an Individual Ballot, substantially in the form attached hereto as **Exhibit 1(c)** or **Exhibit 1(d)**, as applicable, and a return envelope provided by, and addressed to, the Master Ballot Agent. Upon receipt of the completed Individual Ballots, the Master Ballot Agents shall summarize, on a Master Ballot, in substantially the form attached hereto as **Exhibit 1(e)** or **Exhibit 1(f)**, as applicable, the individual votes of the Beneficial Owners for whom each acts as agent. The Master Ballot Agents shall then date and return the Master Ballots to the Voting

Agent prior to the Voting Deadline.

29. Alternatively, the Master Ballot Agents may provide the Voting Agent with an electronic list of the Beneficial Owners for whom they provide services (along with mailing information). Upon receipt of such list(s), the Voting Agent will distribute the applicable Solicitation Packages to the Beneficial Owners directly within seven (7) calendar days of receiving such list(s) from the applicable Master Ballot Agents. In this case, the Beneficial Owners shall be directed to return their Individual Ballot directly to the Voting Agent.

30. The Debtors shall reimburse the Master Ballot Agents for their reasonable, actual, and necessary out-of-pocket expenses incurred in performing the tasks described above upon written request by such entities without further order or notice, with all disputes regarding such requests for reimbursements remaining subject to the Court's jurisdiction. All such requests for reimbursement must be received by the Debtors by the first business day that is thirty (30) business days after the Confirmation Hearing.

31. The ~~Debtor~~Debtors shall serve a copy of the Disclosure Statement Order on the TruPS Indenture Trustees, the CDO Trustees, each Master Ballot Agent identified by the Debtors and the Record Holders, in accordance with the procedures set forth in this Order.

32. *Special Transmittal Procedures with Respect to SRGL's Class 4 Claims (SHI TruPS Claims) and Class 6 Claims (SALIC TruPS Claims) on account of SRGL's holdings of SRGL Exclusively Held TruPS.* The Debtors shall distribute Voting Solicitation Packages by first-class mail directly to SRGL via the Joint Liquidators, which shall be mailed by the Solicitation Date. The Voting Solicitation ~~Package~~Packages shall include Ballots, substantially in the form attached hereto as **Exhibit 1(g)** and **Exhibit 1(h)**, accompanied by pre-addressed, postage prepaid return envelopes addressed to the Voting Agent.

33. *Ballots.* The Ballots in substantially the forms attached hereto as **Exhibits 1(a)** through **1(~~h~~i)** are APPROVED.

34. The Voting Deadline is set as **~~June 22,~~August 13, 2018 at 4:00 p.m. (prevailing Eastern Time)**.

35. All Ballots must be properly executed, completed, and delivered to the Voting Agent by (i) ~~by~~ first-class mail, in the return envelope provided with each Ballot, (ii) ~~by~~ overnight courier, or (iii) ~~by~~ hand delivery, so that they are *actually received* by the Voting Agent no later than the Voting Deadline (unless a Master Ballot Agent provides the ~~Solicitation~~Voting Agent with a list of its Beneficial Owners to be solicited directly by the Voting Agent).

36. As part of the Voting Solicitation Packages:

(a) The Debtors shall send a Ballot, substantially in the form attached hereto as **Exhibit 1(a)**, to holders of SHI General Unsecured Claims in Class 5.

(b) The Debtors shall send a Ballot, substantially in the form attached hereto **Exhibit 1(b)**, to holders of SALIC General Unsecured Claims in Class 7.

(c) The Debtors shall send a Ballot, substantially in the form attached hereto **Exhibit 1(c)**, to holders of SHI TruPS Claims in Class 4 (or their authorized agents in accordance with the procedures set forth in this Order).

(d) The Debtors shall send a Ballot, substantially in the form attached hereto **Exhibit 1(d),** to holders of SALIC TruPS Claims in Class 6 (or their authorized agents in accordance with the procedures set forth in this Order).

(e) The Debtors shall send a Ballot, substantially in the form attached hereto as **Exhibit 1(e)**, to the Master Ballot Agent for the holders of SHI TruPS Claims in Class 4.

(f) The Debtors shall send a Ballot, substantially in the form attached hereto as **Exhibit 1(f)**, to the Master Ballot Agent for the holders of SALIC TruPS Claims in Class 6.

(g) The Debtors shall send a Ballot, substantially in the form attached hereto as **Exhibit 1(g)**, to SRGL as the holder of SHI TruPS Claims in Class 4 on account of the SRGL Exclusively Held TruPS.

(h) The Debtors shall send a Ballot, substantially in the form attached hereto as **Exhibit 1(h)**, to SRGL as the holder of SALIC TruPS Claims in Class 6 on account of the SRGL Exclusively Held TruPS.

(i) The Debtors shall send a Ballot, substantially in the form attached hereto as **Exhibit 1(i)**, to the holder of the SFL Note Claim.

37. All Ballots distributed to holders of claims in Classes 5 and 7 shall be accompanied by pre-addressed, postage prepaid return envelopes addressed to the Solicitation Agent. Individual Ballots to be distributed by Master Ballot Agents shall be accompanied by pre-addressed, postage prepaid return envelopes addressed to the Master Ballot Agent.

38. *Tabulation Procedures.* The Vote Tabulation Procedures set forth herein and in the Motion are APPROVED.

39. The following Vote Tabulation Procedures shall apply:

(a) The following Ballots shall not be counted:

(i) Any Ballot that is received after the Voting Deadline (unless the Debtors grant an extension of the Voting Deadline with respect to the holder who casts the Ballot or agree to waive the timeliness requirement);

(ii) Any Ballot that is illegible or contains insufficient information to permit the identification of the holder who cast the Ballot;

(iii) Any Ballot cast by an entity that does not hold a Claim in the Voting Classes;

(iv) Any unsigned Ballot or any Ballot lacking an original signature; *provided, however,* that any Ballot submitted via the Voting Agent's online balloting portal shall be deemed to contain an original signature;

(v) Any Ballot not marked to accept or reject the Plan, or marked both to accept and reject the Plan;

(vi) Any form of Ballot other than the form sent by the Voting Agent or a copy thereof; and

(vii) Any Ballot submitted by any entity not entitled to vote pursuant to the procedures described herein.

(b) If multiple Ballots are received from the same holder with respect to the same claim prior to the Voting Deadline, the last Ballot timely received will be deemed to reflect that voter's intent and will supersede and revoke any prior received Ballot.

(c) Holders must vote all of their claims either to accept or reject the Plan and may not split any votes. A Ballot that partially rejects and partially accepts the Plan will not be counted.

(d) Unless the Debtors consent in writing to such manner of delivery, delivery of a Ballot to the Solicitation Agent by facsimile, e-mail, or any other electronic means will not be valid; *provided, however,* that use of the online balloting portal is an acceptable method for transmitting a vote; and provided further, that Master Ballot Agents are permitted to submit Master Ballots by e-mail to scottishballots@primeclerk.com.

(e) If a Ballot is signed by a trustee, an executor, an administrator, a guardian, an attorney-in-fact, an officer of a corporation, or other person acting in a fiduciary or representative capacity when signing, and unless otherwise determined by the Debtors such a person must submit proper evidence of his/her authority to act in such representative capacity.

40. The following additional Vote Tabulation Procedures shall apply to tabulating votes cast by the Beneficial Owners:

(a) The Master Ballot Agent shall retain for one year following the Effective Date, for inspection by the Court, any Individual Ballots cast by Beneficial Owners and submitted to the Master Ballot Agent. The Voting Agent shall be required to retain for one year following the Effective Date, for inspection by the Court, the Master Ballots returned by the Master Ballot Agent and any Individual Ballots.

(b) To avoid double counting, the (i) votes cast by Beneficial Owners through the Master Ballot Agent and transmitted by means of a

Master Ballot be included in the positions held by such Master Ballot Agent with respect to such TruPS; and (ii) votes submitted by the Master Ballot Agent on a Master Ballot shall not be counted to the extent that they are in excess of the position maintained by the Master Ballot Agent of the TruPS on the Voting Record Date.

(c) To the extent that conflicting votes or overvotes are submitted on a timely received Master Ballot, the Voting Agent shall attempt to resolve the conflict or overvote prior to the preparation of the vote certification in order to ensure that as many votes from holders of TruPS Claims as possible are accurately tabulated.

(d) To the extent that overvotes on a timely received Master Ballot are not reconcilable prior to the preparation of the vote certification, the Voting Agent shall give priority to the individual Ballots returned by any Record Holders and count votes in respect of such Ballot in the same proportion as the votes to accept and reject the Plan submitted on the Master Ballot that contained the overvote, but only to the extent of the Master Ballot Agent's position in the TruPS on the Voting Record Date.

(e) The Master Ballot Agent may complete multiple Master Ballots if necessary to allow sufficient space to reflect the votes and positions of the TruPS Holders, and the votes reflected by such multiple Master Ballots shall be counted except to the extent that they are duplicative of other Master Ballots. If two or more Master Ballots submitted are inconsistent in whole or in part, the latest Master Ballot received prior to the Voting Deadline will, to the extent of such inconsistency, supersede and revoke any prior received Master Ballot, subject to the Debtors' right to object to the validity of the second Master Ballot on any basis permitted by law, including under Bankruptcy Rule 3018(a), and, if such objection is sustained, as directed by an order of this Court.

(f) Each Record Holder and/or Master Ballot Agent shall be deemed to have voted the full principal and accrued interest amount of the TruPS Claims held by such Record Holder or represented by such Master Ballot Agent, notwithstanding anything to the contrary on any Ballot.

41. The Debtors are authorized to permit the Voting Agent to accept Ballots via electronic online transmission solely through a customized online balloting portal on the case website to be established for the Debtors by the Voting Agent. The encrypted ballot data and audit trail created by such electronic submission shall become part of the record of any Ballot

submitted in this manner and the creditor's electronic signature will be deemed to be immediately legally valid and effective. Ballots submitted via the customized online balloting portal shall be deemed to contain an original signature.

42. *The Confirmation Hearing.* The Confirmation Hearing shall be held on ~~June 28,~~August 22, **2018 at 10:00 a.m. (prevailing Eastern Time)**; *provided*, *however*, that the Confirmation Hearing may be adjourned or continued from time to time by the Court or the Debtors without further notice other than adjournments announced in open Court or as indicated in any notice of agenda of matters scheduled for hearing filed by the Debtors with the Court.

43. *Objection Procedures.* The deadline to object or respond to confirmation of the Plan shall be set as ~~June 22,~~August 10, **2018, at 4:00 p.m. (prevailing Eastern Time)** ("Confirmation Objection Deadline").

44. Objections and responses, if any, to confirmation of the Plan must (a) be in writing, (b) conform to the Bankruptcy Rules and the Local Rules, (c) state the name and address of the objecting party, the nature and amount of claims or interests held or asserted by the objecting party against the Debtors' estates or property, and (d) state with particularity the legal and factual bases for the objection.

45. Any objection or response must be filed with the Court, together with a proof of service, and served upon and received by the following parties by no later than the Confirmation Objection Deadline: (i) co-counsel to the Debtors, (a) Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, 16th Floor, Wilmington, Delaware 19801 (Attn: Eric D. Schwartz, Gregory G. Werkheiser, and Matthew B. Harvey), and (b) Hogan Lovells LLP, 875 Third Avenue, New York, New York 10022 (Attn: Peter Ivanick); (ii) counsel to the Purchaser, Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York

10036 (Attn: Stephen Zide and Anupama Yerramalli); (iii) counsel to the Official Committee of Unsecured Creditors, (a) Pepper Hamilton LLP, 1313 N. Market Street, Wilmington, Delaware 19801 (Attn: David M. Fournier and John H. Schanne, II), and (b) Pepper Hamilton LLP, The New York Times Building, 37th Floor, 620 Eighth Avenue, New York, New York 10018-1405 (Attn: H. Peter Haveles, Jr.); and (iiiiv) the Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801 (Attn: Timothy J. Fox, Jr., Esq.) (collectively, the "Notice Parties").

46. The Debtors are authorized to file and serve replies or an omnibus reply to any objections or responses to confirmation of the Plan by **June 26,August 17, 2018, at 114:00 ap.m. (prevailing Eastern Time).**

47. Objections or responses to confirmation of the Plan that are not timely filed, served, and actually received in the manner set forth above may not be considered and may be deemed overruled.

48. *Voting Agent Designation.* Prime Clerk LLC is designated as the Debtors' administrative agent to implement the Solicitation Procedures, Temporary Allowance Procedures, Vote Tabulation Procedures and Notice Procedures (in such capacity, the "Voting Agent").,.

49. *Key Dates.* The deadlines and dates below are hereby approved.

Plan Timetable	
Voting Record Date	May 23,June 28, 2018
Service of Solicitation of the Plan and Mailing of Confirmation Hearing NoticePackages (as defined below)	TwoEarlier of (x) two (2) Business Days afterfollowing entry of the Disclosure Statement Order (anticipated to be May 25,or (y) July 3, 2018)

Deadline to Object to Claims for Voting Purposes	~~June 14,~~August 1, 2018, at 4:00 p.m. (prevailing Eastern Time)
Rule 3018(a) Motion Deadline	~~June 18,~~August 10, 2018, at 4:00 p.m. (prevailing Eastern Time)
Voting Deadline	~~June 22,~~August 13, 2018, at 4:00 p.m. (prevailing Eastern Time)
Confirmation Objection Deadline	~~June 22,~~August 10, 2018, at 4:00 p.m. (prevailing Eastern Time)
Brief in support of confirmation (including reply to any objections)	~~June 26, 2018, at 11:00 a.m. (prevailing Eastern Time)~~August 17, 2018
Confirmation Hearing	~~June 28, 2018,~~August 22, at 10:00 ~~a~~.m. (prevailing Eastern Time)

50. *Miscellaneous.* The Debtors are authorized to make nonsubstantive changes to the Disclosure Statement, the Plan, the Ballots, and related documents without further order of the Court, including, without limitation, changes to correct typographical and grammatical errors and to make conforming changes among the Disclosure Statement, the Plan and any other materials in the Solicitation Packages prior to mailing.

51. The Debtors are authorized and empowered to take such steps and perform such acts as may be necessary to implement and effectuate the terms of this Order.

~~52.~~ This Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

53. This Order is effective immediately upon entry.

_____, 2018
Wilmington, Delaware

_____
THE HONORABLE LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

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Total changes	263

Exhibit 1(a)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
SCOTTISH HOLDINGS, INC., *et al.*,	Case No. 18-10160 (LSS)
Debtors.[1]	Jointly Administered

BALLOT FOR ACCEPTING OR REJECTING FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF SCOTTISH HOLDINGS, INC., AND SCOTTISH ANNUITY & LIFE INSURANCE COMPANY (CAYMAN) LTD. [D.I. ~~213~~ ___]

CLASS 5 – SHI GENERAL UNSECURED CLAIMS

PLEASE READ AND FOLLOW THE ENCLOSED INSTRUCTIONS FOR COMPLETING BALLOTS CAREFULLY BEFORE COMPLETING THE BALLOT.

THIS BALLOT IS ACCOMPANIED BY A POSTAGE PRE-PAID RETURN ENVELOPE THAT IS ADDRESSED TO PRIME CLERK, LLC ("VOTING AGENT"). THIS BALLOT MUST BE ACTUALLY RECEIVED BY THE VOTING AGENT ON OR BEFORE ~~JUNE 22,~~[August 13], 2018 AT 4:00 P.M. (ET) (THE "VOTING DEADLINE").

IF YOUR BALLOT IS NOT RECEIVED BY THE VOTING DEADLINE, THE DEBTORS MAY REJECT YOUR BALLOT AS INVALID.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT, IT WILL BE BINDING ON YOU WHETHER OR NOT YOU VOTE.

If no holder of a Claim eligible to vote in Class 5 timely votes to accept or reject the Plan, then the Debtors will seek a determination at the Confirmation Hearing that the Plan is deemed accepted by such Class. If you do not wish such a presumption with respect to Class 5 to become effective, you should timely submit the ballot accepting or rejecting the Plan for such Class.

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[1] The Debtors, along with the last four digits of their federal tax identification numbers, are as follows: Scottish Holdings, Inc. (4408) and Scottish Annuity & Life Insurance Company (Cayman) Ltd. (3285). The Debtors' mailing address for purposes of these Chapter 11 Cases is 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277.

Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd., as debtors and debtors in possession (the "Debtors") in the above-captioned chapter 11 cases have sent this Ballot to you because their records indicate that you are a holder of a Class 5 – SHI General Unsecured Claim as of the Voting Record Date (~~May 23,~~June 28, 2018) and accordingly, you have a right to vote to accept or reject the *First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* [D.I. ~~213~~ ___] (as may be further amended, modified or supplemented from time to time and including all exhibits thereto, the "Plan").[2]

Your rights are described in the *Disclosure Statement for ~~Joint~~First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* and all exhibits related thereto [D.I. ~~214~~ ___] (as may be further amended, modified or supplemented from time to time and including all exhibits or supplements thereto, the "Disclosure Statement") and the Disclosure Statement Order. The Disclosure Statement, the Plan, the Disclosure Statement Order and certain other materials contained in the Solicitation Package are included in the packet you are receiving with this Ballot. If you need to obtain additional solicitation materials, you may obtain such materials free of charge ~~Clerk~~ by (a) accessing the ~~Debtor's~~Debtors' restructuring website at www.scottishre.com/chapter11info or https://cases.primeclerk.com/scottishballots or (b) contacting the Voting Agent via telephone at (347) 897-3820 or (877) 851-3566 (toll-free) or email at scottishballots@primeclerk.com. You may also obtain copies of any pleadings filed in ~~this~~these chapter 11 ~~case~~cases for a fee via PACER at http://www.deb.uscourts.gov/. The Court has approved the Disclosure Statement as containing adequate information under section 1125 of the Bankruptcy Code. Court approval of the Disclosure Statement does not indicate approval of the Plan by the Court.

This Ballot may not be used for any purpose other than to vote to accept or reject the Plan. This Ballot does not constitute, and shall not be deemed to be, a Proof of Claim or an assertion or admission of a Claim. If you believe you have received this Ballot in error, please contact the Voting Agent at the address or telephone number set forth above.

You should carefully and thoroughly review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the Plan's classification and treatment of your Claim. Your Claim has been placed in Class 5 under the Plan. If you hold Claims in more than one Class, you will receive a Ballot for each Class in which you are entitled to vote.

If the Voting Agent does not actually receive your Ballot on or before the Voting

[2] Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan, Disclosure Statement (as defined herein), or the *Order: (I) Approving Disclosure Statement; (II) Scheduling Confirmation Hearing And Related Deadlines; (III) Establishing Procedures For Solicitation, Temporary Allowance Of Claims And Vote Tabulation; (IV) Approving Forms Of Ballots; (V) Approving Form, Manner And Sufficiency Of Notice Of Confirmation Hearing And Related Deadlines; And (VI) Granting Related Relief* [D.I. ___] (the "Disclosure Statement Order"), as the case may be.

Deadline**, which is ~~June 22,~~[August 13], 2018 at 4:00 p.m. (ET)** and if the Voting Deadline is not extended, your vote will not count. **If the Court confirms the Plan, it will bind you regardless of whether you vote.**

Item 1. Amount of Claim.

The undersigned hereby certifies that as of the Voting Record Date, the undersigned is the holder of Class 5 Claims in the following aggregate unpaid amount (insert amount in box below):

Amount of Claim: $ _____

Item 2. Vote on Plan.

THE DEBTORS RECOMMEND THAT YOU VOTE TO ACCEPT THE PLAN.

The holder of Class 5 Claims set forth in Item 1 votes to (please check one):

ACCEPT THE PLAN	REJECT THE PLAN
☐	☐

To be counted, a holder of Class 5 Claims must vote all of its Class 5 Claims either to accept or reject the Plan. No split votes will be permitted.

If no holder of Class 5 Claims eligible to vote to accept or reject the Plan votes on the Plan, the Debtors intend to seek a determination at the Confirmation Hearing that the Plan is deemed accepted by Class 5.

Item 3. Releases.

If you do not check the box below, you are consenting to grant the "Releases by Holders of Claims and Interests: set forth in Article X, Section 10.3 of the Plan.

Check the box: ☐ I do not wish to grant the "Releases by Holders of Claims and Interests" set forth in Article X, Section 10.3 of the Plan.

For your reference, Article X, Section 10.3 of the Plan states:

To the fullest extent permitted by law and except as otherwise specifically provided

in the Plan, for good and valuable consideration, including the contributions of the Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, effective as of the Effective Date, (i) Holders of Claims who vote to accept the Plan, (ii) Holders of Claims who are Unimpaired under the Plan, (iii) Holders of Claims entitled to vote on the Plan who do not submit a ballot and do not timely object to or opt-out of the releases, and (iv) each of the Purchaser, the Joint Liquidators, SRGL, and for each of the foregoing, their respective Representatives (other than with respect to SRGL, the SRGL Equity Holders), hereby release, waive and discharge, and shall be deemed to forever release, waive, and discharge the Released Parties of any and all Claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities whatsoever in connection with or related to the Debtors, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, at equity, or otherwise, including those that any of the Debtors, the Reorganized Debtors, the Estates, or their Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Interest or other Entity based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the conduct of the Debtors' business, the Chapter 11 Cases, the Disclosure Statement, the Plan or the documents implementing the Plan, and the negotiation, formulation, or preparation thereof, the solicitation of votes with respect to the Plan, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any of the Debtors and any Released Party, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, or upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct, actual fraud, or gross negligence as determined by a Final Order.

Each Person or Entity providing releases under the Plan, including the Debtors, the Estates, and the Holders of Claims (regardless of whether such Holder is a Released Party), shall be deemed to have granted the releases set forth above notwithstanding that such Person or Entity may hereafter discover facts in addition to, or different from, those which it now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and such Person or Entity expressly waives any and all rights that it may have under any statute or common law principle which would limit the effect of such releases to those Claims or causes of action actually known or suspected to exist at the time of execution of such release.

Entry of the Confirmation Order shall constitute the Court's approval, pursuant to Bankruptcy Rule 9019, of the Releases by Holders of Claims and Interests described in this Section 10.3, which includes by reference each of the related provisions and definitions contained herein, and, further, shall constitute the Court's finding that such releases are: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims released by such releases; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Releasing Parties asserting any claim or cause of action released pursuant

to such releases.

"Released Parties" as defined in the Plan and Disclosure Statement means: (a) the Debtors; (b) the Reorganized Debtors; (c) the Official Committee (including the current and former Official Committee members in their capacities as such); (d) the Purchaser; (e) the Stalking Horse; (f) the Joint Liquidators; (g) SRGL; (h) the Voting Agent; and (i) for each of the foregoing, all of their respective Representatives; *provided, however*, that "Released Parties" specifically excludes the SRGL Equity Holders, and their respective Representatives, in their capacity as such.

Item 4. Certifications.

By signing this Ballot, the undersigned certifies to the Court and the Debtors:

1. that either: (a) the undersigned is the holder of the Class 5 Claim(s) being voted; or (b) the undersigned is an authorized signatory for an entity that is holder of the Class 5 Claim(s) being voted;
2. that the undersigned has received a copy of the Disclosure Statement, the Plan and the Solicitation Package and acknowledges that the solicitation is being made pursuant to the terms and conditions set forth therein;
3. that the undersigned has cast the same vote with respect to all Class 5 Claims;
4. that no other Ballots with respect to the amount of the Class 5 Claim(s) identified in Item 1 have been cast or, if any other Ballots have been cast with respect to such Claim(s), then any such Ballots dated earlier are hereby revoked;
5. that the undersigned acknowledges that a vote to accept the Plan constitutes an acceptance of the treatment of such undersigned's Class 5 Claim(s);
6. that the undersigned understands and, if accepting the Plan, agrees with the treatment provided for its Claim(s) under the Plan;
7. that the undersigned acknowledges and understands that (a) if no holders of Claims eligible to vote in a particular Class vote to accept or reject the Plan, the Debtors will seek a determination at the Confirmation Hearing that the Plan is deemed accepted by such Class; and (b) any Class of Claims that does not have a holder of an Allowed Claim or a Claim provisionally allowed by the Court as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to sections 1129(a)(8) and 1129(a)(10) of the Bankruptcy Code; and
8. that the undersigned acknowledges and agrees that the Debtors may make conforming changes to the Plan to the extent provided by Bankruptcy Rule 3019 as may be reasonably necessary; provided that the Debtors will not re-solicit acceptances or rejections of the Plan in the event of such conforming changes.

[*Signature Page Follows*]

(Please print or type)

Social Security Number or Federal Tax Identification Number:

Signature:

Name of Signatory:

(If other than holder)[3]

Title:

Address:

Email Address:

Date Completed:

PLEASE COMPLETE, SIGN AND DATE THE BALLOT AND RETURN IT PROMPTLY IN THE ENCLOSED RETURN ENVELOPE OR VIA AN APPROVED METHOD OF RETURN INDICATED BELOW. YOUR BALLOT MUST BE ACTUALLY RECEIVED BY THE VOTING DEADLINE, WHICH IS ~~JUNE 22,~~[AUGUST 13], 2018 AT 4:00 P.M. ET.

Via first-class mail, overnight courier, or hand-delivery to:

Scottish Holdings Ballot Processing
c/o Prime Clerk, LLC
830 3rd Avenue, 3rd Floor
New York, NY 10022

OR

[3] If you are completing this Ballot on behalf of another person or entity, indicate your relationsh ip with such person or entity and the capacity in which you are signing. You may be required to provide additional information or documentation with respect to such relationship.

Via the Voting Agent's online balloting portal:

Visit https://cases.primeclerk.com/scottishballots, click on "Submit E-Ballot" and follow the instructions indicated.

IMPORTANT NOTE: You will need the following information to retrieve and submit your customized electronic Ballot:

Unique E-Ballot ID#:_____

The Voting Agent's online balloting portal is the sole manner in which Ballots will be accepted via electronic or online transmission. Ballots submitted by facsimile, email, or other means of electronic transmission will not be counted.

Each E-Ballot ID# is to be used solely for voting only those Claims described in Item 1 of your electronic Ballot. Please complete and submit an electronic Ballot for each E-Ballot ID# you receive, as applicable.

Creditors who submit an electronic Ballot using the Voting Agent's online balloting portal should NOT also submit a paper Ballot.

INSTRUCTIONS FOR COMPLETING BALLOTS

1. The Debtors are soliciting the votes of holders of Claims with respect to the Plan attached as **Exhibit A** to the Disclosure Statement. Capitalized terms used in the Ballot or in these instructions but not otherwise defined therein or herein shall have the meaning set forth in the Plan, the Disclosure Statement or the Disclosure Statement Order, as applicable.

2. The Court may confirm the Plan and thereby bind you by the terms of the Plan. Please review the Disclosure Statement for more information.

3. To ensure that your vote is counted, you must: (a) complete the Ballot; (b) indicate your decision either to accept or reject the Plan in the boxes provided in Item 2 of the Ballot; and (c) sign and return the Ballot (i) using the enclosed pre-addressed envelope, (ii) via first class mail overnight courier, or hand delivery to: Scottish Holdings Ballot Processing, c/o Prime Clerk, LLC, 830 3rd Avenue, 3rd Floor, New York, NY 10022, or (iii) via the Voting Agent's online balloting portal. If the Voting Agent does not actually receive your Ballot on or before the Voting Deadline**, which is ~~June 22,~~[August 13], 2018 at 4:00 p.m. (ET)** and if the Voting Deadline is not extended, your vote will not count. Your completed Ballot must be received by the Voting Agent on or before the Voting Deadline.

4. You must vote all of your Claims or Interests within a particular Class either to accept or reject the Plan and may not split your vote. A Ballot that partially rejects and partially accepts the Plan will not be counted. Further, if a holder has multiple Claims within the same Class, the Debtors may, in their discretion, aggregate the Claims of any particular holder within a Class for the purpose of counting votes.

5. If a Ballot is received after the Voting Deadline, it will not be counted unless the Debtors determine otherwise or as otherwise ordered by the Court. Except as otherwise provided herein, such delivery will be deemed made only when the Voting Agent actually receives the originally executed Ballot; *provided*, *however*, that a Ballot submitted via the Voting Agent's online balloting portal shall be deemed to contain an original signature. Instead of effecting delivery by mail, it is recommended, though not required, that holders use an overnight delivery service, hand delivery service, or the online voting portal. In all cases, holders should allow sufficient time to assure timely delivery. Delivery of a Ballot to the Voting Agent by facsimile, e-mail or any other electronic means shall not be valid. No Ballot should be sent to any of the Debtors, the Debtors' agents (other than the Voting Agent) or the Debtors' legal advisors and if so sent will not be counted.

6. If multiple Ballots are received from the same holder of a Claim with respect to the same Claim prior to the Voting Deadline, the last valid Ballot timely received will supersede and revoke any earlier received Ballots.

7. The Ballot is not a letter of transmittal and may not be used for any purpose other than to vote to accept or reject the Plan. Accordingly, at this time, holders of Claims should not

surrender certificates or instruments representing or evidencing their Claims and neither the Debtors nor the Voting Agent will accept delivery of any such certificates or instruments surrendered together with a Ballot.

8. This Ballot does not constitute and shall not be deemed to be: (a) a Proof of Claim; or (b) an assertion or admission of a Claim.

9. Please be sure to sign and date your Ballot. If you are signing a Ballot in your capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation or otherwise acting in a fiduciary or representative capacity, you should indicate such capacity when signing and, if requested by the Voting Agent, the Debtors or the Court, must submit proper evidence to the requesting party to so act on behalf of such holder. In addition, please provide your name and mailing address if it is different from that set forth on the attached mailing label or if no such mailing label is attached to the Ballot.

10. If you hold Claims or Interests in more than one Class under the Plan or in multiple accounts, you may receive more than one Ballot coded for each different Class or account. Each Ballot votes only your Claims or Interests indicated on that Ballot. Please complete and return each Ballot you received.

11. The following Ballots shall not be counted in determining the acceptance or rejection of the Plan: (a) any Ballot that is illegible or contains insufficient information to permit the identification of the holder of the Claim or Interest; (b) any Ballot cast by an undersigned that does not hold a Claim or Interest in a Class that is entitled to vote on the Plan; (c) any unsigned Ballot; (d) any Ballot not marked to accept or reject the Plan or any Ballot marked both to accept and reject the Plan; and (e) any Ballot submitted by any entity not entitled to vote pursuant to the Solicitation Procedures.

12. If you believe you have received the wrong Ballot, you should contact the Voting Agent immediately by telephone at (347) 897-3820 or (877) 851-3566 (toll-free) or email at scottishballots@primeclerk.com.

PLEASE RETURN YOUR BALLOT PROMPTLY

IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT OR THE VOTING PROCEDURES, PLEASE CONTACT THE VOTING AGENT BY TELEPHONE AT: (347) 897-3820 OR (877) 851-3566 (toll-free) OR EMAIL AT SCOTTISHBALLOTS@PRIMECLERK.COM.

Document comparison by Workshare 9.5 on Friday, June 15, 2018 7:44:34 PM

Input:	
Document 1 ID	interwovenSite://WIL-DMS/WILM/11847620/5
Description	#11847620v5<WILM> - Scottish - SHI GUC Ballot
Document 2 ID	interwovenSite://WIL-DMS/WILM/11847620/8
Description	#11847620v8<WILM> - Scottish - SHI GUC Ballot
Rendering set	Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	21
Deletions	13
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	34

Exhibit 1(b)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
SCOTTISH HOLDINGS, INC., *et al.*,	Case No. 18-10160 (LSS)
Debtors.[1]	Jointly Administered

BALLOT FOR ACCEPTING OR REJECTING FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF SCOTTISH HOLDINGS, INC., AND SCOTTISH ANNUITY & LIFE INSURANCE COMPANY (CAYMAN) LTD. [D.I. ~~213~~ ___]

CLASS 7 – SALIC GENERAL UNSECURED CLAIMS

PLEASE READ AND FOLLOW THE ENCLOSED INSTRUCTIONS FOR COMPLETING BALLOTS CAREFULLY BEFORE COMPLETING THE BALLOT.

THIS BALLOT IS ACCOMPANIED BY A POSTAGE PRE-PAID RETURN ENVELOPE THAT IS ADDRESSED TO PRIME CLERK, LLC (THE "VOTING AGENT"). THIS BALLOT MUST BE ACTUALLY RECEIVED BY THE VOTING AGENT ON OR BEFORE ~~JUNE 22,~~ [AUGUST 13], 2018 AT 4:00 P.M. (ET) (THE "VOTING DEADLINE").

IF YOUR BALLOT IS NOT RECEIVED BY THE VOTING DEADLINE, THE DEBTORS MAY REJECT YOUR BALLOT AS INVALID.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT, IT WILL BE BINDING ON YOU WHETHER OR NOT YOU VOTE.

If no holder of a Claim eligible to vote in Class 7 timely votes to accept or reject the Plan, then the Debtors will seek a determination at the Confirmation Hearing that the Plan is deemed accepted by such Class. If you do not wish such a presumption with respect to Class 7 to become effective, you should timely submit the ballot accepting or rejecting the Plan for such Class.

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[1] The Debtors, along with the last four digits of their federal tax identification numbers, are as follows: Scottish Holdings, Inc. (4408) and Scottish Annuity & Life Insurance Company (Cayman) Ltd. (3285). The Debtors' mailing address for purposes of these Chapter 11 Cases is 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277.

Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd., as debtors and debtors in possession (the "Debtors") in the above-captioned chapter 11 cases have sent this Ballot to you because their records indicate that you are a holder of a Class 7 – SALIC General Unsecured Claim as of the Voting Record Date (~~May 23,~~June 28, 2018) and accordingly, you have a right to vote to accept or reject the *First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* [D.I. ~~213~~___] (as may be further amended, modified or supplemented from time to time and including all exhibits thereto, the "Plan").[2]

Your rights are described in the *Disclosure Statement for First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* and all exhibits related thereto [D.I. ~~214~~___] (as may be further amended, modified or supplemented from time to time and including all exhibits or supplements thereto, the "Disclosure Statement") and the Disclosure Statement Order. The Disclosure Statement, the Plan, the Disclosure Statement Order and certain other materials contained in the Solicitation Package are included in the packet you are receiving with this Ballot. If you need to obtain additional solicitation materials, you may obtain such materials free of charge ~~Clerk~~ by (a) accessing the ~~Debtor's~~Debtors' restructuring website at www.scottishre.com/chapter11info or https://cases.primeclerk.com/scottishballots or (b) contacting the Voting Agent via telephone at (347) 897-3820 or (877) 851-3566 (toll-free) or email at scottishballots@primeclerk.com. You may also obtain copies of any pleadings filed in ~~this~~these chapter 11 ~~case~~cases for a fee via PACER at http://www.deb.uscourts.gov/. The Court has approved the Disclosure Statement as containing adequate information under section 1125 of the Bankruptcy Code. Court approval of the Disclosure Statement does not indicate approval of the Plan by the Court.

This Ballot may not be used for any purpose other than to vote to accept or reject the Plan. This Ballot does not constitute, and shall not be deemed to be, a Proof of Claim or an assertion or admission of a Claim. If you believe you have received this Ballot in error, please contact the Voting Agent at the address or telephone number set forth above.

You should carefully and thoroughly review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the Plan's classification and treatment of your Claim. Your Claim has been placed in Class 7 under the Plan. If you hold Claims in more than one Class, you will receive a Ballot for each Class in which you are entitled to vote.

If the Voting Agent does not actually receive your Ballot on or before the Voting Deadline**, which is ~~June 22,~~[August 13], 2018 at 4:00 p.m. (ET)** and if the Voting Deadline is

[2] Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan, Disclosure Statement (as defined herein), or the *Order: (I) Approving Disclosure Statement; (II) Scheduling Confirmation Hearing And Related Deadlines; (III) Establishing Procedures For Solicitation, Temporary Allowance Of Claims And Vote Tabulation; (IV) Approving Forms Of Ballots; (V) Approving Form, Manner And Sufficiency Of Notice Of Confirmation Hearing And Related Deadlines; And (VI) Granting Related Relief* [D.I. ___] (the "Disclosure Statement Order"), as the case may be.

not extended, your vote will not count. **If the Court confirms the Plan, it will bind you regardless of whether you vote.**

Item 1. Amount of Claim.

The undersigned hereby certifies that as of the Voting Record Date, the undersigned is the holder of Class 7 Claims in the following aggregate unpaid amount (insert amount in box below):

Amount of Claim: $ _____

Item 2. Vote on Plan.

THE DEBTORS RECOMMEND THAT YOU VOTE TO ACCEPT THE PLAN.

The holder of Class 7 Claims set forth in Item 1 votes to (please check one):

ACCEPT THE PLAN	**REJECT THE PLAN**
☐	☐

To be counted, a holder of Class 7 Claims must vote all of its Class 7 Claims either to accept or reject the Plan. No split votes will be permitted.

If no holder of Class 7 Claims eligible to vote to accept or reject the Plan votes on the Plan, the Debtors intend to seek a determination at the Confirmation Hearing that the Plan is deemed accepted by Class 7.

Item 3. Releases.

If you do not check the box below, you are consenting to grant the "Releases by Holders of Claims and Interests" set forth in Article X, Section 10.3 of the Plan.

Check the box: ☐	**I do not wish to grant the "Releases by Holders of Claims and Interests" set forth in Article X, Section 10.3 of the Plan.**

For your reference, Article X, Section 10.3 of the Plan states:

To the fullest extent permitted by law and except as otherwise specifically provided in the Plan, for good and valuable consideration, including the contributions of the

Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, effective as of the Effective Date, (i) Holders of Claims who vote to accept the Plan, (ii) Holders of Claims who are Unimpaired under the Plan, (iii) Holders of Claims entitled to vote on the Plan who do not submit a ballot and do not timely object to or opt-out of the releases, and (iv) each of the Purchaser, the Joint Liquidators, SRGL, and for each of the foregoing, their respective Representatives (other than with respect to SRGL, the SRGL Equity Holders), hereby release, waive and discharge, and shall be deemed to forever release, waive, and discharge the Released Parties of any and all Claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities whatsoever in connection with or related to the Debtors, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, at equity, or otherwise, including those that any of the Debtors, the Reorganized Debtors, the Estates, or their Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Interest or other Entity based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the conduct of the Debtors' business, the Chapter 11 Cases, the Disclosure Statement, the Plan or the documents implementing the Plan, and the negotiation, formulation, or preparation thereof, the solicitation of votes with respect to the Plan, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any of the Debtors and any Released Party, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, or upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct, actual fraud, or gross negligence as determined by a Final Order.

Each Person or Entity providing releases under the Plan, including the Debtors, the Estates, and the Holders of Claims (regardless of whether such Holder is a Released Party), shall be deemed to have granted the releases set forth above notwithstanding that such Person or Entity may hereafter discover facts in addition to, or different from, those which it now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and such Person or Entity expressly waives any and all rights that it may have under any statute or common law principle which would limit the effect of such releases to those Claims or causes of action actually known or suspected to exist at the time of execution of such release.

Entry of the Confirmation Order shall constitute the Court's approval, pursuant to Bankruptcy Rule 9019, of the Releases by Holders of Claims and Interests described in this Section 10.3, which includes by reference each of the related provisions and definitions contained herein, and, further, shall constitute the Court's finding that such releases are: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims released by such releases; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Releasing Parties asserting any claim or cause of action released pursuant to such releases.

"Released Parties" as defined in the Plan and Disclosure Statement means: (a) the Debtors; (b) the Reorganized Debtors; (c) the Official Committee (including the current and former Official Committee members in their capacities as such); (d) the Purchaser; (e) the Stalking Horse; (f) the Joint Liquidators; (g) SRGL; (h) the Voting Agent; and (i) for each of the foregoing, all of their respective Representatives; *provided, however*, that "Released Parties" specifically excludes the SRGL Equity Holders, and their respective Representatives, in their capacity as such.

Item 4. Certifications.

By signing this Ballot, the undersigned certifies to the Court and the Debtors:

1. that either: (a) the undersigned is the holder of the Class 7 Claim(s) being voted; or (b) the undersigned is an authorized signatory for an entity that is holder of the Class 7 Claim(s) being voted;

2. that the undersigned has received a copy of the Disclosure Statement, the Plan and the Solicitation Package and acknowledges that the solicitation is being made pursuant to the terms and conditions set forth therein;

3. that the undersigned has cast the same vote with respect to all Class 7 Claims;

4. that no other Ballots with respect to the amount of the Class 7 Claim(s) identified in Item 1 have been cast or, if any other Ballots have been cast with respect to such Claim(s), then any such Ballots dated earlier are hereby revoked;

5. that the undersigned acknowledges that a vote to accept the Plan constitutes an acceptance of the treatment of such undersigned's Class 7 Claim(s);

6. that the undersigned understands and, if accepting the Plan, agrees with the treatment provided for its Claim(s) under the Plan;

7. that the undersigned acknowledges and understands that (a) if no holders of Claims eligible to vote in a particular Class vote to accept or reject the Plan, the Debtors will seek a determination at the Confirmation Hearing that the Plan is deemed accepted by such Class; and (b) any Class of Claims that does not have a holder of an Allowed Claim or a Claim provisionally allowed by the Court as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to sections 1129(a)(8) and 1129(a)(10) of the Bankruptcy Code; and

8. that the undersigned acknowledges and agrees that the Debtors may make conforming changes to the Plan to the extent provided by Bankruptcy Rule 3019 as may be reasonably necessary; provided that the Debtors will not re-solicit acceptances or rejections of the Plan in the event of such conforming changes.

[*Signature Page Follows*]

	(Please print or type)
Social Security Number or Federal Tax Identification Number:	
Signature:	
Name of Signatory:	(If other than holder)[3]
Title:	
Address:	
Email Address:	
Date Completed:	

PLEASE COMPLETE, SIGN AND DATE THE BALLOT AND RETURN IT PROMPTLY IN THE ENCLOSED RETURN ENVELOPE OR VIA AN APPROVED METHOD OF RETURN INDICATED BELOW. YOUR BALLOT MUST BE ACTUALLY RECEIVED BY THE VOTING DEADLINE, WHICH IS ~~JUNE 22,~~[August 13], 2018 AT 4:00 P.M. ET.

Via first-class mail, overnight courier, or hand-delivery to:

Scottish Holdings Ballot Processing
c/o Prime Clerk, LLC
830 3rd Avenue, 3rd Floor
New York, NY 10022

OR

[3] If you are completing this Ballot on behalf of another person or entity, indicate your relationsh ip with such person or entity and the capacity in which you are signing. You may be required to provide additional information or documentation with respect to such relationship.

Via the Voting Agent's online balloting portal:

Visit https://cases.primeclerk.com/scottishballots, click on "Submit E-Ballot" and follow the instructions indicated.

IMPORTANT NOTE: You will need the following information to retrieve and submit your customized electronic Ballot:

Unique E-Ballot ID#:_____

The Voting Agent's online balloting portal is the sole manner in which Ballots will be accepted via electronic or online transmission. Ballots submitted by facsimile, email, or other means of electronic transmission will not be counted.

Each E-Ballot ID# is to be used solely for voting only those Claims described in Item 1 of your electronic Ballot. Please complete and submit an electronic Ballot for each E-Ballot ID# you receive, as applicable.

Creditors who submit an electronic Ballot using the Voting Agent's online balloting portal should NOT also submit a paper Ballot.

INSTRUCTIONS FOR COMPLETING BALLOTS

1. The Debtors are soliciting the votes of holders of Claims with respect to the Plan attached as **Exhibit A** to the Disclosure Statement. Capitalized terms used in the Ballot or in these instructions but not otherwise defined therein or herein shall have the meaning set forth in the Plan, the Disclosure Statement or the Disclosure Statement Order, as applicable.

2. The Court may confirm the Plan and thereby bind you by the terms of the Plan. Please review the Disclosure Statement for more information.

3. To ensure that your vote is counted, you must: (a) complete the Ballot; (b) indicate your decision either to accept or reject the Plan in the boxes provided in Item 2 of the Ballot; and (c) sign and return the Ballot (i) using the enclosed pre-addressed envelope, (ii) via first class mail overnight courier, or hand delivery to: Scottish Holdings Ballot Processing, c/o Prime Clerk, LLC, 830 3rd Avenue, 3rd Floor, New York, NY 10022, or (iii) via the Voting Agent's online balloting portal. If the Voting Agent does not actually receive your Ballot on or before the Voting Deadline**, which is ~~June 22,~~[August 13], 2018 at 4:00 p.m. (ET)** and if the Voting Deadline is not extended, your vote will not count. Your completed Ballot must be received by the Voting Agent on or before the Voting Deadline.

4. You must vote all of your Claims or Interests within a particular Class either to accept or reject the Plan and may not split your vote. A Ballot that partially rejects and partially accepts the Plan will not be counted. Further, if a holder has multiple Claims within the same Class, the Debtors may, in their discretion, aggregate the Claims of any particular holder within a Class for the purpose of counting votes.

5. If a Ballot is received after the Voting Deadline, it will not be counted unless the Debtors determine otherwise or as otherwise ordered by the Court. Except as otherwise provided herein, such delivery will be deemed made only when the Voting Agent actually receives the originally executed Ballot; *provided*, *however*, that a Ballot submitted via the Voting Agent's online balloting portal shall be deemed to contain an original signature. Instead of effecting delivery by mail, it is recommended, though not required, that holders use an overnight delivery service, hand delivery service, or the online voting portal. In all cases, holders should allow sufficient time to assure timely delivery. Delivery of a Ballot to the Voting Agent by facsimile, e-mail or any other electronic means shall not be valid. No Ballot should be sent to any of the Debtors, the Debtors' agents (other than the Voting Agent) or the Debtors' legal advisors and if so sent will not be counted.

6. If multiple Ballots are received from the same holder of a Claim with respect to the same Claim prior to the Voting Deadline, the last valid Ballot timely received will supersede and revoke any earlier received Ballots.

7. The Ballot is not a letter of transmittal and may not be used for any purpose other than to vote to accept or reject the Plan. Accordingly, at this time, holders of Claims should not

surrender certificates or instruments representing or evidencing their Claims and neither the Debtors nor the Voting Agent will accept delivery of any such certificates or instruments surrendered together with a Ballot.

8. This Ballot does not constitute and shall not be deemed to be: (a) a Proof of Claim; or (b) an assertion or admission of a Claim.

9. Please be sure to sign and date your Ballot. If you are signing a Ballot in your capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation or otherwise acting in a fiduciary or representative capacity, you should indicate such capacity when signing and, if requested by the Voting Agent, the Debtors or the Court, must submit proper evidence to the requesting party to so act on behalf of such holder. In addition, please provide your name and mailing address if it is different from that set forth on the attached mailing label or if no such mailing label is attached to the Ballot.

10. If you hold Claims or Interests in more than one Class under the Plan or in multiple accounts, you may receive more than one Ballot coded for each different Class or account. Each Ballot votes only your Claims or Interests indicated on that Ballot. Please complete and return each Ballot you received.

11. The following Ballots shall not be counted in determining the acceptance or rejection of the Plan: (a) any Ballot that is illegible or contains insufficient information to permit the identification of the holder of the Claim or Interest; (b) any Ballot cast by an undersigned that does not hold a Claim or Interest in a Class that is entitled to vote on the Plan; (c) any unsigned Ballot; (d) any Ballot not marked to accept or reject the Plan or any Ballot marked both to accept and reject the Plan; and (e) any Ballot submitted by any entity not entitled to vote pursuant to the Solicitation Procedures.

12. If you believe you have received the wrong Ballot, you should contact the Voting Agent immediately by telephone at (347) 897-3820 or (877) 851-3566 (toll-free) or email at scottishballots@primeclerk.com.

PLEASE RETURN YOUR BALLOT PROMPTLY

IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT OR THE VOTING PROCEDURES, PLEASE CONTACT THE VOTING AGENT BY TELEPHONE AT: (347) 897-3820 OR (877) 851-3566 (toll-free) OR EMAIL AT SCOTTISHBALLOTS@PRIMECLERK.COM.

Document comparison by Workshare 9.5 on Friday, June 15, 2018 7:45:29 PM

Input:	
Document 1 ID	interwovenSite://WIL-DMS/WILM/11847628/2
Description	#11847628v2<WILM> - Scottish - SALIC GUC Ballot
Document 2 ID	interwovenSite://WIL-DMS/WILM/11847628/5
Description	#11847628v5<WILM> - Scottish - SALIC GUC Ballot
Rendering set	Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	21
Deletions	12
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	33

Exhibit 1(c)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
SCOTTISH HOLDINGS, INC., *et al.*,	Case No. 18-10160 (LSS)
Debtors.[1]	Jointly Administered

INDIVIDUAL BALLOT FOR ACCEPTING OR REJECTING FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF SCOTTISH HOLDINGS, INC., AND SCOTTISH ANNUITY & LIFE INSURANCE COMPANY (CAYMAN) LTD. [D.I. ~~213~~ ___]

CLASS 4 – SHI TruPS CLAIMS

PLEASE READ AND FOLLOW THE ENCLOSED INSTRUCTIONS FOR COMPLETING BALLOTS CAREFULLY BEFORE COMPLETING THE BALLOT.

***IF YOU RECEIVED AN ENVELOPE ADDRESSED TO YOUR BANK, BROKER, OR FINANCIAL INSTITUTION THAT HOLDS YOUR CLAIMS IN "STREET NAME" (YOUR "NOMINEE")*, YOU MUST SUBMIT YOUR BALLOT TO YOUR NOMINEE IN ACCORDANCE WITH YOUR NOMINEE'S INSTRUCTIONS WITH SUFFICIENT TIME TO ALLOW YOUR NOMINEE TO INCORPORATE YOUR VOTE ON A MASTER BALLOT AND SUBMIT THE MASTER BALLOT TO PRIME CLERK LLC (THE "VOTING AGENT") SO THAT THE MASTER BALLOT IS ACTUALLY RECEIVED BY THE VOTING AGENT ON OR BEFORE ~~JUNE 22,~~ [AUGUST 13], 2018 AT 4:00 P.M. (ET) (THE "VOTING DEADLINE").**

***IF YOU RECEIVED AN ENVELOPE ADDRESSED TO THE VOTING AGENT*, YOU MUST RETURN YOUR INDIVIDUAL BALLOT DIRECTLY TO THE VOTING AGENT SO THAT IT IS ACTUALLY RECEIVED BY THE VOTING AGENT ON OR BEFORE THE VOTING DEADLINE.**

THIS BALLOT IS TO BE USED FOR VOTING BY HOLDERS WHOSE CLAIMS AGAINST THE DEBTORS AROSE FROM OWNERSHIP OF THE TRUST

[1] The Debtors, along with the last four digits of their federal tax identification numbers, are as follows: Scottish Holdings, Inc. (4408) and Scottish Annuity & Life Insurance Company (Cayman) Ltd. (3285). The Debtors' mailing address for purposes of these Chapter 11 Cases is 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277.

PREFERRED SECURITIES OF SCOTTISH ~~HOLDERS~~HOLDINGS, INC. STATUTORY TRUST I, SCOTTISH HOLDINGS, INC. STATUTORY TRUST II, GPIC HOLDINGS INC. STATUTORY TRUST, SCOTTISH HOLDINGS, INC. STATUTORY TRUST III, AND SFL STATUTORY TRUST I (THE "TruPS CLAIMS").

IF YOUR BALLOT OR THE MASTER BALLOT REFLECTING YOUR VOTE (AS APPLICABLE) IS NOT RECEIVED BY THE VOTING DEADLINE, THE DEBTORS MAY REJECT YOUR BALLOT AS INVALID.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT, IT WILL BE BINDING ON YOU WHETHER OR NOT YOU VOTE.

If no holder of a ~~TruPs~~TruPS Claim eligible to vote in Class 4 timely votes to accept or reject the Plan, then the Debtors will seek a determination at the Confirmation Hearing that the Plan is deemed accepted by such Class. If you do not wish such a presumption with respect to Class 4 to become effective, you should timely submit the ballot accepting or rejecting the Plan for such Class.

Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd., as debtors and debtors in possession (the "Debtors") in the above-captioned chapter 11 cases have sent this Ballot to you because their records indicate that you are a holder of a Class 4 – SHI TruPS Claim as of the Voting Record Date (~~May 23,~~June 28, 2018) and accordingly, you have a right to vote to accept or reject the *First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* [D.I. ~~213~~___] (as may be further amended, modified or supplemented from time to time and including all exhibits thereto, the "Plan").[2]

Your rights are described in the *Disclosure Statement for First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* and all exhibits related thereto [D.I. ~~214~~___] (as may be further amended, modified or supplemented from time to time and including all exhibits or supplements thereto, the "Disclosure Statement") and the Disclosure Statement Order. The Disclosure Statement, the Plan, the Disclosure Statement Order and certain other materials contained in the Solicitation Package are included in the packet you are receiving with this Ballot. If you need to obtain additional solicitation materials, you may obtain such materials free of charge ~~Clerk~~ by (a) accessing the ~~Debtor's~~Debtors' restructuring website at www.scottishre.com/chapter11info or https://cases.primeclerk.com/scottishballots or (b) contacting the Voting Agent via telephone at (347) 897-3820 or (877) 851-3566 (toll-free) or email at scottishballots@primeclerk.com. You

[2] Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan, Disclosure Statement (as defined herein), or the *Order: (I) Approving Disclosure Statement; (II) Scheduling Confirmation Hearing And Related Deadlines; (III) Establishing Procedures For Solicitation, Temporary Allowance Of Claims And Vote Tabulation; (IV) Approving Forms Of Ballots; (V) Approving Form, Manner And Sufficiency Of Notice Of Confirmation Hearing And Related Deadlines; And (VI) Granting Related Relief* [D.I. ___] (the "Disclosure Statement Order"), as the case may be.

may also obtain copies of any pleadings filed in ~~this~~these chapter 11 ~~case~~cases for a fee via PACER at http://www.deb.uscourts.gov/. The Court has approved the Disclosure Statement as containing adequate information under section 1125 of the Bankruptcy Code. Court approval of the Disclosure Statement does not indicate approval of the Plan by the Court.

This Ballot may not be used for any purpose other than to vote to accept or reject the Plan. This Ballot does not constitute, and shall not be deemed to be, a Proof of Claim or an assertion or admission of a Claim. If you believe you have received this Ballot in error, please contact the Voting Agent at the address or telephone number set forth above.

You should carefully and thoroughly review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the Plan's classification and treatment of your Claim. Your Claim has been placed in Class 4 under the Plan. If you hold Claims in more than one Class, you will receive a Ballot for each Class in which you are entitled to vote.

If the Voting Agent does not actually receive this ballot or master ballot including your vote (as applicable) on or before the Voting Deadline**, which is ~~June 22,~~[August 13], 2018 at 4:00 p.m. (ET)** and if the Voting Deadline is not extended, your vote will not count. **If the Court confirms the Plan, it will bind you regardless of whether you vote.**

Item 1. Amount of TruPS Claim.

The undersigned, a holder of TruPS Claims, is the direct beneficial owner of TruPS Claims from which the undersigned received this Ballot in the aggregate unpaid principal amount of:

Amount of Claim: $ _____

Item 2. Vote on Plan.

THE DEBTORS RECOMMEND THAT YOU VOTE TO ACCEPT THE PLAN.

The holder of Class 4 Claims set forth in Item 1 votes to (please check one):

ACCEPT THE PLAN	REJECT THE PLAN
☐	☐

To be counted, a holder of TruPS Claims must vote all of its TruPS Claims either to accept or reject the Plan. No split votes will be permitted.

If no holder of Class 4 Claims eligible to vote to accept or reject the Plan votes on the Plan, the Debtors intend to seek a determination at the Confirmation Hearing that the Plan is deemed accepted by Class 4.

Item 3. Releases.

If you do not check the box below, you are consenting to grant the "Releases by Holders of Claims and Interests" set forth in Article X, Section 10.3 of the Plan.

Check the box: ☐ I do not wish to grant the "Releases by Holders of Claims and Interests" set forth in Article X, Section 10.3 of the Plan.

For your reference, Article X, Section 10.3 of the Plan states:

To the fullest extent permitted by law and except as otherwise specifically provided in the Plan, for good and valuable consideration, including the contributions of the Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, effective as of the Effective Date, (i) Holders of Claims who vote to accept the Plan, (ii) Holders of Claims who are Unimpaired under the Plan, (iii) Holders of Claims entitled to vote on the Plan who do not submit a ballot and do not timely object to or opt-out of the releases, and (iv) each of the Purchaser, the Joint Liquidators, SRGL, and for each of the foregoing, their respective Representatives (other than with respect to SRGL, the SRGL Equity Holders), hereby release, waive and discharge, and shall be deemed to forever release, waive, and discharge the Released Parties of any and all Claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities whatsoever in connection with or related to the Debtors, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, at equity, or otherwise, including those that any of the Debtors, the Reorganized Debtors, the Estates, or their Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Interest or other Entity based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the conduct of the Debtors' business, the Chapter 11 Cases, the Disclosure Statement, the Plan or the documents implementing the Plan, and the negotiation, formulation, or preparation thereof, the solicitation of votes with respect to the Plan, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any of the Debtors and any Released Party, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, or upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct, actual fraud, or gross negligence as determined by a Final Order.

Each Person or Entity providing releases under the Plan, including the Debtors, the

Estates, and the Holders of Claims (regardless of whether such Holder is a Released Party), shall be deemed to have granted the releases set forth above notwithstanding that such Person or Entity may hereafter discover facts in addition to, or different from, those which it now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and such Person or Entity expressly waives any and all rights that it may have under any statute or common law principle which would limit the effect of such releases to those Claims or causes of action actually known or suspected to exist at the time of execution of such release.

Entry of the Confirmation Order shall constitute the Court's approval, pursuant to Bankruptcy Rule 9019, of the Releases by Holders of Claims and Interests described in this Section 10.3, which includes by reference each of the related provisions and definitions contained herein, and, further, shall constitute the Court's finding that such releases are: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims released by such releases; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Releasing Parties asserting any claim or cause of action released pursuant to such releases.

"Released Parties" as defined in the Plan and Disclosure Statement means: (a) the Debtors; (b) the Reorganized Debtors; (c) the Official Committee (including the current and former Official Committee members in their capacities as such); (d) the Purchaser; (e) the Stalking Horse; (f) the Joint Liquidators; (g) SRGL; (h) the Voting Agent; and (i) for each of the foregoing, all of their respective Representatives; *provided, however*, that "Released Parties" specifically excludes the SRGL Equity Holders, and their respective Representatives, in their capacity as such.

Item 4. Treatment Election: New Equity or Cash

Pursuant to Article IV, Section 4.3 of the Plan, Beneficial Holders of TruPS that are New Equity Eligible Beneficial Holders may receive their Distribution (in addition to such New Equity Eligible Beneficial Holder's applicable percentage of the Distribution Trust Asset Proceeds) in the form of: (x) by making the New Equity Election, New Equity equal to such New Equity Eligible Beneficial Holder's TruPS Claims Equity Distribution Amount; or (y) Cash in such New Equity Eligible Beneficial Holder's TruPS/ GUC Claims Cash Distribution Amount. **If you are a New Equity Eligible Beneficial Holder and fail to make the New Equity Election, you are consenting to receive your Distribution in Cash.**

For your reference, defined terms from the Plan and Disclosure Statement used in this Item 4 include the following:

- "Beneficial Holder" means, with respect to any TruPS, the person or entity having "beneficial ownership" of such TruPS (as determined pursuant to Rule 13d-3 of the Securities Exchange Act of 1934).
- "New Equity Eligible Beneficial Holder" means a Beneficial Holder of TruPS other than SRGL.

- "TruPS Claims Equity Distribution Amount" means (i) with respect to a Beneficial Holder of TruPS, the amount of the Offered New Equity to be distributed to a Beneficial Holder that elects to receive New Equity under Section 4.3 of the Plan, calculated based on such Beneficial Holder's Allocated Portion of the Allowed TruPS Claim in respect of which it is a Beneficial Holder divided by the TruPS Claims Aggregate Amount; and (ii) with respect to the Holder of the SFL Note Claim, for which the SFL Claims Allowance Conditions have been satisfied, the amount of the Offered New Equity to be distributed on account of the Allowed SFL Note Claim, if the Holder thereof elects to receive New Equity under Section 4.3 of the Plan, calculated based on the portion of the Allowed SFL Note Claim for which the New Equity Election has been made divided by the TruPS Claims Aggregate Amount.t.

- "TruPS/GUC Claims Cash Distribution Amount" means the pro rata amount of the Available Plan Distribution Funding Amount to be distributed to a Beneficial Holder, Holder of the SFL Note Claim or Holder of a General Unsecured Claim, as applicable, calculated based on: (i) with respect to a Beneficial Holder of TruPS, such Beneficial Holder's Allocated Portion of the Allowed TruPS Claim in respect of which it is a Beneficial Holder, divided by the TruPS/GUC Claims Aggregate Amount; (ii) with respect to the Allowed SFL Note Claim, the portion of such Holder's Allowed SFL Note Claim for which the Cash Election has been made, divided by the TruPS/GUC Claims Aggregate Amount; and (iii) with respect to an Allowed General Unsecured Claim, the Allowed amount of such General Unsecured Claim, divided by the TruPS/GUC Claims Aggregate Amount.

If you do not check the box below, you are consenting to receive your Distribution in Cash.

Check the box: ☐ I wish to make the New Equity Election.

ELECTION OF THE ALTERNATIVE TREATMENT OF YOUR CLAIM IS BINDING ON YOU AND IS IRREVOCABLE.

Item 5. Certifications.

By signing this Ballot, the undersigned certifies to the Court and the Debtors:

1. that either: (a) the undersigned is the holder of the Class 4 Claim(s) being voted; or (b) the undersigned is an authorized signatory for an entity that is holder of the Class 4 Claim(s) being voted;

2. that the undersigned has received a copy of the Disclosure Statement, the Plan and the Solicitation Package and acknowledges that the solicitation is being made pursuant to the terms and conditions set forth therein;

3. that the undersigned has cast the same vote with respect to all Class 4 Claims;

4. that no other Ballots with respect to the amount of the Class 4 Claim(s) identified in Item 1 have been cast or, if any other Ballots have been cast with respect to such Claim(s), then any such Ballots dated earlier are hereby revoked;

5. that the undersigned acknowledges that a vote to accept the Plan constitutes an acceptance of the treatment of such undersigned's Class 4 Claim(s);

6. that the undersigned understands and, if accepting the Plan, agrees with the treatment provided for its Claim(s) under the Plan;

7. that the undersigned acknowledges and understands that (a) if no holders of Claims eligible to vote in a particular Class vote to accept or reject the Plan, the Debtors will seek a determination at the Confirmation Hearing that the Plan is deemed accepted by such Class; and (b) any Class of Claims that does not have a holder of an Allowed Claim or a Claim provisionally allowed by the Court as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to sections 1129(a)(8) and 1129(a)(10) of the Bankruptcy Code; and

8. that the undersigned acknowledges and agrees that the Debtors may make conforming changes to the Plan to the extent provided by Bankruptcy Rule 3019 as may be reasonably necessary; provided that the Debtors will not re-solicit acceptances or rejections of the Plan in the event of such conforming changes.

_____
(Please print or type)

Social Security Number or Federal Tax Identification Number: _____

Signature: _____

Name of Signatory: _____
(If other than holder)[3]

Title: _____

Address: _____

[3] If you are completing this Ballot on behalf of another person or entity, indicate your relationship with such person or entity and the capacity in which you are signing. You may be required to provide additional information or documentation with respect to such relationship.

Email Address: _____

Date Completed: _____

PLEASE COMPLETE, SIGN AND DATE THE BALLOT AND RETURN IT PROMPTLY IN THE ENCLOSED RETURN ENVELOPE SUCH THAT IT IS RECEIVED BY THE VOTING DEADLINE, WHICH IS ~~JUNE 22,~~[AUGUST 13], 2018 AT 4:00 P.M. ET.; *PROVIDED*, *HOWEVER*, IF YOUR RETURN ENVELOPE IS ADDRESSED TO YOUR NOMINEE, PLEASE ALLOW SUFFICIENT TIME FOR YOUR NOMINEE TO RECEIVE YOUR BALLOT, COMPILE YOUR VOTE ON A MASTER BALLOT AND RETURN THE MASTER BALLOT TO THE VOTING AGENT SUCH THAT IT IS RECEIVED BY THE VOTING DEADLINE, WHICH IS ~~JUNE 22,~~[AUGUST 13], 2018 AT 4:00 P.M. ET.

INSTRUCTIONS FOR COMPLETING BALLOTS

1. The Debtors are soliciting the votes of holders of Claims with respect to the Plan attached as **Exhibit A** to the Disclosure Statement. Capitalized terms used in the Ballot or in these instructions but not otherwise defined therein or herein shall have the meaning set forth in the Plan, the Disclosure Statement or the Disclosure Statement Order, as applicable.

2. The Court may confirm the Plan and thereby bind you by the terms of the Plan. Please review the Disclosure Statement for more information.

3. To ensure that your vote is counted, you must: (a) complete the Ballot; (b) indicate your decision either to accept or reject the Plan in the boxes provided in Item 2 of the Ballot; and (c) sign and return the Ballot in the enclosed return envelope provided. If you received a return envelope addressed to your Nominee (or otherwise received instructions to vote from your Nominee), please allow sufficient time for your Nominee to incorporate your vote on a master ballot to be returned to the Voting Agent. If the Voting Agent does not actually receive your Ballot or the master ballot reflecting your vote (as applicable) by the Voting Deadline**, which is ~~June 22,~~[August 13], 2018 at 4:00 p.m. (ET)** and if the Voting Deadline is not extended, your vote will not count. Your completed Ballot must be received by the Voting Agent on or before the Voting Deadline.

4. You must vote all of your Claims or Interests within a particular Class either to accept or reject the Plan and may not split your vote. A Ballot that partially rejects and partially accepts the Plan will not be counted. Further, if a holder has multiple Claims within the same Class, the Debtors may, in their discretion, aggregate the Claims of any particular holder within a Class for the purpose of counting votes.

5. If a vote is received after the Voting Deadline, it will not be counted unless the Debtors determine otherwise or as otherwise ordered by the Court.

6. Instead of effecting delivery by mail, it is recommended, though not required, that holders use an overnight or hand delivery service (or otherwise follow the instructions of your Nominee). In all cases, holders should allow sufficient time to assure timely delivery.

7. No Ballot should be sent to any of the Debtors, the Debtors' agents (other than the Voting Agent) or the Debtors' legal advisors and if so sent will not be counted.

8. If multiple Ballots are received from the same holder of a Claim with respect to the same Claim prior to the Voting Deadline, the last valid Ballot timely received will supersede and revoke any earlier received Ballots.

9. The Ballot is not a letter of transmittal and may not be used for any purpose other than to vote to accept or reject the Plan. Accordingly, at this time, holders of TruPS Claims should not surrender certificates or instruments representing or evidencing their TruPS Claims and neither the Debtors nor the Voting Agent will accept delivery of any such certificates or instruments surrendered together with a Ballot.

10. This Ballot does not constitute and shall not be deemed to be: (a) a Proof of Claim; or (b)

an assertion or admission of a Claim.

11. Please be sure to sign and date your Ballot. If you are signing a Ballot in your capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation or otherwise acting in a fiduciary or representative capacity, you should indicate such capacity when signing and, if requested by the Voting Agent, the Debtors or the Court, must submit proper evidence to the requesting party to so act on behalf of such holder. In addition, please provide your name and mailing address if it is different from that set forth on the attached mailing label or if no such mailing label is attached to the Ballot.

12. If you hold Claims or Interests in more than one Class under the Plan or in multiple accounts, you may receive more than one Ballot coded for each different Class or account. Each Ballot votes only your Claims or Interests indicated on that Ballot. Please complete and return each Ballot you received.

13. The following Ballots shall not be counted in determining the acceptance or rejection of the Plan: (a) any Ballot that is illegible or contains insufficient information to permit the identification of the holder of the Claim or Interest; (b) any Ballot cast by an undersigned that does not hold a Claim or Interest in a Class that is entitled to vote on the Plan; (c) any unsigned Ballot; (d) any Ballot not marked to accept or reject the Plan or any Ballot marked both to accept and reject the Plan; and (e) any Ballot submitted by any entity not entitled to vote pursuant to the Solicitation Procedures.

14. If you believe you have received the wrong Ballot, you should contact the Voting Agent immediately by telephone at (347) 897-3820 or (877) 851-3566 (toll-free) or email at scottishballots@primeclerk.com.

PLEASE MAIL YOUR BALLOT PROMPTLY

IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT OR THE VOTING PROCEDURES, PLEASE CONTACT THE VOTING AGENT BY TELEPHONE AT: (347) 897-3820 OR (877) 851-3566 (toll-free) OR EMAIL AT SCOTTISHBALLOTS@PRIMECLERK.COM.

Exhibit A

If you received a return envelope addressed to your Nominee, your Nominee may have checked a box below to indicate the Plan Class and CUSIP to which this Individual Ballot pertains, or otherwise provided that information to you on a label or schedule attached to the Individual Ballot:

Class []		
☐	[SECURITY DESCRIPTION]	[CUSIP]
☐	[SECURITY DESCRIPTION]	[CUSIP]
☐	[SECURITY DESCRIPTION]	[CUSIP]
☐	[SECURITY DESCRIPTION]	[CUSIP]

Document comparison by Workshare 9.5 on Friday, June 15, 2018 7:37:30 PM

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Exhibit 1(d)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
SCOTTISH HOLDINGS, INC., *et al.*,	Case No. 18-10160 (LSS)
Debtors.[1]	Jointly Administered

INDIVIDUAL BALLOT FOR ACCEPTING OR REJECTING FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF SCOTTISH HOLDINGS, INC., AND SCOTTISH ANNUITY & LIFE INSURANCE COMPANY (CAYMAN) LTD. [D.I. ~~213~~ ___]

CLASS 6 – SALIC TruPS CLAIMS

PLEASE READ AND FOLLOW THE ENCLOSED INSTRUCTIONS FOR COMPLETING BALLOTS CAREFULLY BEFORE COMPLETING THE BALLOT.

***IF YOU RECEIVED AN ENVELOPE ADDRESSED TO YOUR BANK, BROKER, OR FINANCIAL INSTITUTION THAT HOLDS YOUR CLAIMS IN "STREET NAME" (YOUR "NOMINEE")*, YOU MUST SUBMIT YOUR BALLOT TO YOUR NOMINEE IN ACCORDANCE WITH YOUR NOMINEE'S INSTRUCTIONS WITH SUFFICIENT TIME TO ALLOW YOUR NOMINEE TO INCORPORATE YOUR VOTE ON A MASTER BALLOT AND SUBMIT THE MASTER BALLOT TO PRIME CLERK LLC (THE "VOTING AGENT") SO THAT THE MASTER BALLOT IS ACTUALLY RECEIVED BY THE VOTING AGENT ON OR BEFORE ~~JUNE 22,~~ [AUGUST 13], 2018 AT 4:00 P.M. (ET) (THE "VOTING DEADLINE").**

***IF YOU RECEIVED AN ENVELOPE ADDRESSED TO THE VOTING AGENT*, YOU MUST RETURN YOUR INDIVIDUAL BALLOT DIRECTLY TO THE VOTING AGENT SO THAT IT IS ACTUALLY RECEIVED BY THE VOTING AGENT ON OR BEFORE THE VOTING DEADLINE.**

THIS BALLOT IS TO BE USED FOR VOTING BY HOLDERS WHOSE CLAIMS AGAINST THE DEBTORS AROSE FROM OWNERSHIP OF THE TRUST

[1] The Debtors, along with the last four digits of their federal tax identification numbers, are as follows: Scottish Holdings, Inc. (4408) and Scottish Annuity & Life Insurance Company (Cayman) Ltd. (3285). The Debtors' mailing address for purposes of these Chapter 11 Cases is 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277.

PREFERRED SECURITIES OF SCOTTISH ~~HOLDERS~~HOLDINGS, INC. STATUTORY TRUST I, SCOTTISH HOLDINGS, INC. STATUTORY TRUST II, GPIC HOLDINGS INC. STATUTORY TRUST, SCOTTISH HOLDINGS, INC. STATUTORY TRUST III, AND SFL STATUTORY TRUST I (THE "TruPS CLAIMS").

IF YOUR BALLOT OR THE MASTER BALLOT REFLECTING YOUR VOTE (AS APPLICABLE) IS NOT RECEIVED BY THE VOTING DEADLINE, THE DEBTORS MAY REJECT YOUR BALLOT AS INVALID.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT, IT WILL BE BINDING ON YOU WHETHER OR NOT YOU VOTE.

If no holder of a ~~TruPs~~TruPS Claim eligible to vote in Class 6 timely votes to accept or reject the Plan, then the Debtors will seek a determination at the Confirmation Hearing that the Plan is deemed accepted by such Class. If you do not wish such a presumption with respect to Class 6 to become effective, you should timely submit the ballot accepting or rejecting the Plan for such Class.

Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd., as debtors and debtors in possession (the "Debtors") in the above-captioned chapter 11 cases have sent this Ballot to you because their records indicate that you are a holder of a Class 6 – SALIC TruPS Claim as of the Voting Record Date (~~May 23,~~June 28, 2018) and accordingly, you have a right to vote to accept or reject the *First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* [D.I. ~~213~~___] (as may be further amended, modified or supplemented from time to time and including all exhibits thereto, the "Plan").[2]

Your rights are described in the *Disclosure Statement for First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* and all exhibits related thereto [D.I. ~~214~~___] (as may be further amended, modified or supplemented from time to time and including all exhibits or supplements thereto, the "Disclosure Statement") and the Disclosure Statement Order. The Disclosure Statement, the Plan, the Disclosure Statement Order and certain other materials contained in the Solicitation Package are included in the packet you are receiving with this Ballot. If you need to obtain additional solicitation materials, you may obtain such materials free of charge ~~Clerk~~ by (a) accessing the ~~Debtor's~~Debtors' restructuring website at www.scottishre.com/chapter11info or https://cases.primeclerk.com/scottishballots or (b) contacting the Voting Agent via telephone at (347) 897-3820 or (877) 851-3566 (toll-free) or email at scottishballots@primeclerk.com. You

[2] Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan, Disclosure Statement (as defined herein), or the *Order: (I) Approving Disclosure Statement; (II) Scheduling Confirmation Hearing And Related Deadlines; (III) Establishing Procedures For Solicitation, Temporary Allowance Of Claims And Vote Tabulation; (IV) Approving Forms Of Ballots; (V) Approving Form, Manner And Sufficiency Of Notice Of Confirmation Hearing And Related Deadlines; And (VI) Granting Related Relief* [D.I. ___] (the "Disclosure Statement Order"), as the case may be.

may also obtain copies of any pleadings filed in ~~this~~these chapter 11 ~~case~~cases for a fee via PACER at http://www.deb.uscourts.gov/. The Court has approved the Disclosure Statement as containing adequate information under section 1125 of the Bankruptcy Code. Court approval of the Disclosure Statement does not indicate approval of the Plan by the Court.

This Ballot may not be used for any purpose other than to vote to accept or reject the Plan. This Ballot does not constitute, and shall not be deemed to be, a Proof of Claim or an assertion or admission of a Claim. If you believe you have received this Ballot in error, please contact the Voting Agent at the address or telephone number set forth above.

You should carefully and thoroughly review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the Plan's classification and treatment of your Claim. Your Claim has been placed in Class 6 under the Plan. If you hold Claims in more than one Class, you will receive a Ballot for each Class in which you are entitled to vote.

If the Voting Agent does not actually receive a this ballot or master ballot including your vote (as applicable) on or before the Voting Deadline**, which is ~~June 22,~~[[August 13]], 2018 at 4:00 p.m. (ET)** and if the Voting Deadline is not extended, your vote will not count. **If the Court confirms the Plan, it will bind you regardless of whether you vote.**

Item 1. Amount of TruPS Claim.

The undersigned, a holder of TruPS Claims, is the direct beneficial owner of TruPS Claims from which the undersigned received this Ballot in the aggregate unpaid principal amount of:

Amount of Claim: $ _____

Item 2. Vote on Plan.

THE DEBTORS RECOMMEND THAT YOU VOTE TO ACCEPT THE PLAN.

The holder of Class 6 Claims set forth in Item 1 votes to (please check one):

ACCEPT THE PLAN	REJECT THE PLAN
☐	☐

To be counted, a holder of TruPS Claims must vote all of its TruPS Claims either to accept or reject the Plan. No split votes will be permitted.

If no holder of Class 6 Claims eligible to vote to accept or reject the Plan votes on the Plan, the Debtors intend to seek a determination at the Confirmation Hearing that the Plan is deemed accepted by Class 6.

Item 3. Releases.

If you do not check the box below, you are consenting to grant the "Releases by Holders of Claims and Interests" set forth in Article X, Section 10.3 of the Plan.

Check the box: ☐ I do not wish to grant the "Releases by Holders of Claims and Interests" set forth in Article X, Section 10.3 of the Plan.

For your reference, Article X, Section 10.3 of the Plan states:

To the fullest extent permitted by law and except as otherwise specifically provided in the Plan, for good and valuable consideration, including the contributions of the Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, effective as of the Effective Date, (i) Holders of Claims who vote to accept the Plan, (ii) Holders of Claims who are Unimpaired under the Plan, (iii) Holders of Claims entitled to vote on the Plan who do not submit a ballot and do not timely object to or opt-out of the releases, and (iv) each of the Purchaser, the Joint Liquidators, SRGL, and for each of the foregoing, their respective Representatives (other than with respect to SRGL, the SRGL Equity Holders), hereby release, waive and discharge, and shall be deemed to forever release, waive, and discharge the Released Parties of any and all Claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities whatsoever in connection with or related to the Debtors, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, at equity, or otherwise, including those that any of the Debtors, the Reorganized Debtors, the Estates, or their Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Interest or other Entity based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the conduct of the Debtors' business, the Chapter 11 Cases, the Disclosure Statement, the Plan or the documents implementing the Plan, and the negotiation, formulation, or preparation thereof, the solicitation of votes with respect to the Plan, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any of the Debtors and any Released Party, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, or upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct, actual fraud, or gross negligence as determined by a Final Order.

Each Person or Entity providing releases under the Plan, including the Debtors, the

Estates, and the Holders of Claims (regardless of whether such Holder is a Released Party), shall be deemed to have granted the releases set forth above notwithstanding that such Person or Entity may hereafter discover facts in addition to, or different from, those which it now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and such Person or Entity expressly waives any and all rights that it may have under any statute or common law principle which would limit the effect of such releases to those Claims or causes of action actually known or suspected to exist at the time of execution of such release.

Entry of the Confirmation Order shall constitute the Court's approval, pursuant to Bankruptcy Rule 9019, of the Releases by Holders of Claims and Interests described in this Section 10.3, which includes by reference each of the related provisions and definitions contained herein, and, further, shall constitute the Court's finding that such releases are: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims released by such releases; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Releasing Parties asserting any claim or cause of action released pursuant to such releases.

"Released Parties" as defined in the Plan and Disclosure Statement means: (a) the Debtors; (b) the Reorganized Debtors; (c) the Official Committee (including the current and former Official Committee members in their capacities as such); (d) the Purchaser; (e) the Stalking Horse; (f) the Joint Liquidators; (g) SRGL; (h) the Voting Agent; and (i) for each of the foregoing, all of their respective Representatives; *provided, however*, that "Released Parties" specifically excludes the SRGL Equity Holders, and their respective Representatives, in their capacity as such.

Item 4. Treatment Election: New Equity or Cash

Pursuant to Article IV, Section 4.3 of the Plan, Beneficial Holders of TruPS that are New Equity Eligible Beneficial Holders may receive their Distribution (in addition to such New Equity Eligible Beneficial Holder's applicable percentage of the Distribution Trust Asset Proceeds) in the form of: (x) by making the New Equity Election, New Equity equal to such New Equity Eligible Beneficial Holder's TruPS Claims Equity Distribution Amount; or (y) Cash in such New Equity Eligible Beneficial Holder's TruPS/ GUC Claims Cash Distribution Amount. **If you are a New Equity Eligible Beneficial Holder and fail to make the New Equity Election, you are consenting to receive your Distribution in Cash.**

For your reference, defined terms from the Plan and Disclosure Statement used in this Item 4 include the following:

- "Beneficial Holder" means, with respect to any TruPS, the person or entity having "beneficial ownership" of such TruPS (as determined pursuant to Rule 13d-3 of the Securities Exchange Act of 1934).
- "New Equity Eligible Beneficial Holder" means a Beneficial Holder of TruPS other than SRGL.

- "TruPS Claims Equity Distribution Amount" means (i) with respect to a Beneficial Holder of TruPS, the amount of the Offered New Equity to be distributed to a Beneficial Holder that elects to receive New Equity under Section 4.3 of the Plan, calculated based on such Beneficial Holder's Allocated Portion of the Allowed TruPS Claim in respect of which it is a Beneficial Holder divided by the TruPS Claims Aggregate Amount; and (ii) with respect to the Holder of the SFL Note Claim, for which the SFL Claims Allowance Conditions have been satisfied, the amount of the Offered New Equity to be distributed on account of the Allowed SFL Note Claim, if the Holder thereof elects to receive New Equity under Section 4.3 of the Plan, calculated based on the portion of the Allowed SFL Note Claim for which the New Equity Election has been made divided by the TruPS Claims Aggregate Amount.t.

- "TruPS/GUC Claims Cash Distribution Amount" means the pro rata amount of the Available Plan Distribution Funding Amount to be distributed to a Beneficial Holder, Holder of the SFL Note Claim or Holder of a General Unsecured Claim, as applicable, calculated based on: (i) with respect to a Beneficial Holder of TruPS, such Beneficial Holder's Allocated Portion of the Allowed TruPS Claim in respect of which it is a Beneficial Holder, divided by the TruPS/GUC Claims Aggregate Amount; (ii) with respect to the Allowed SFL Note Claim, the portion of such Holder's Allowed SFL Note Claim for which the Cash Election has been made, divided by the TruPS/GUC Claims Aggregate Amount; and (iii) with respect to an Allowed General Unsecured Claim, the Allowed amount of such General Unsecured Claim, divided by the TruPS/GUC Claims Aggregate Amount.

If you do not check the box below, you are consenting to receive your Distribution in Cash.

Check the box: ☐ I wish to make the New Equity Election.

ELECTION OF THE ALTERNATIVE TREATMENT OF YOUR CLAIM IS BINDING ON YOU AND IS IRREVOCABLE.

Item 5. Certifications.

By signing this Ballot, the undersigned certifies to the Court and the Debtors:

1. that either: (a) the undersigned is the holder of the Class 6 Claim(s) being voted; or (b) the undersigned is an authorized signatory for an entity that is holder of the Class 6 Claim(s) being voted;

2. that the undersigned has received a copy of the Disclosure Statement, the Plan and the Solicitation Package and acknowledges that the solicitation is being made pursuant to the terms and conditions set forth therein;

3. that the undersigned has cast the same vote with respect to all Class 6 Claims;

4. that no other Ballots with respect to the amount of the Class 6 Claim(s) identified

in Item 1 have been cast or, if any other Ballots have been cast with respect to such Claim(s), then any such Ballots dated earlier are hereby revoked;

5. that the undersigned acknowledges that a vote to accept the Plan constitutes an acceptance of the treatment of such undersigned's Class 6 Claim(s);

6. that the undersigned understands and, if accepting the Plan, agrees with the treatment provided for its Claim(s) under the Plan;

7. that the undersigned acknowledges and understands that (a) if no holders of Claims eligible to vote in a particular Class vote to accept or reject the Plan, the Debtors will seek a determination at the Confirmation Hearing that the Plan is deemed accepted by such Class; and (b) any Class of Claims that does not have a holder of an Allowed Claim or a Claim provisionally allowed by the Court as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to sections 1129(a)(8) and 1129(a)(10) of the Bankruptcy Code; and

8. that the undersigned acknowledges and agrees that the Debtors may make conforming changes to the Plan to the extent provided by Bankruptcy Rule 3019 as may be reasonably necessary; provided that the Debtors will not re-solicit acceptances or rejections of the Plan in the event of such conforming changes.

_____
(Please print or type)

Social Security Number or Federal Tax Identification Number: _____

Signature: _____

Name of Signatory: _____
(If other than holder)[3]

Title: _____

Address: _____

_____

[3] If you are completing this Ballot on behalf of another person or entity, indicate your relationship with such person or entity and the capacity in which you are signing. You may be required to provide additional information or documentation with respect to such relationship.

Email Address: _____

_____

Date Completed: _____

PLEASE COMPLETE, SIGN AND DATE THE BALLOT AND RETURN IT PROMPTLY IN THE ENCLOSED RETURN ENVELOPE SUCH THAT IT IS RECEIVED BY THE VOTING DEADLINE, WHICH IS ~~JUNE 22,~~[AUGUST 13], 2018 AT 4:00 P.M. ET.; *PROVIDED*, *HOWEVER*, IF YOUR RETURN ENVELOPE IS ADDRESSED TO YOUR NOMINEE, PLEASE ALLOW SUFFICIENT TIME FOR YOUR NOMINEE TO RECEIVE YOUR BALLOT, COMPILE YOUR VOTE ON A MASTER BALLOT AND RETURN THE MASTER BALLOT TO THE VOTING AGENT SUCH THAT IT IS RECEIVED BY THE VOTING DEADLINE, WHICH IS ~~JUNE 22,~~[AUGUST 13], 2018 AT 4:00 P.M. ET.

INSTRUCTIONS FOR COMPLETING BALLOTS

1. The Debtors are soliciting the votes of holders of Claims with respect to the Plan attached as **Exhibit A** to the Disclosure Statement. Capitalized terms used in the Ballot or in these instructions but not otherwise defined therein or herein shall have the meaning set forth in the Plan, the Disclosure Statement or the Disclosure Statement Order, as applicable.

2. The Court may confirm the Plan and thereby bind you by the terms of the Plan. Please review the Disclosure Statement for more information.

3. To ensure that your vote is counted, you must: (a) complete the Ballot; (b) indicate your decision either to accept or reject the Plan in the boxes provided in Item 2 of the Ballot; and (c) sign and return the Ballot in the enclosed return envelope provided. If you received a return envelope addressed to your Nominee (or otherwise received instructions to vote from your Nominee), please allow sufficient time for your Nominee to incorporate your vote on a master ballot to be returned to the Voting Agent. If the Voting Agent does not actually receive your Ballot or the master ballot reflecting your vote (as applicable) by the Voting Deadline**, which is ~~June 22,~~[August 13], 2018 at 4:00 p.m. (ET)** and if the Voting Deadline is not extended, your vote will not count. Your completed Ballot must be received by the Voting Agent on or before the Voting Deadline.

4. You must vote all of your Claims or Interests within a particular Class either to accept or reject the Plan and may not split your vote. A Ballot that partially rejects and partially accepts the Plan will not be counted. Further, if a holder has multiple Claims within the same Class, the Debtors may, in their discretion, aggregate the Claims of any particular holder within a Class for the purpose of counting votes.

5. If a vote is received after the Voting Deadline, it will not be counted unless the Debtors determine otherwise or as otherwise ordered by the Court.

6. Instead of effecting delivery by mail, it is recommended, though not required, that holders use an overnight or hand delivery service (or otherwise follow the instructions of your Nominee). In all cases, holders should allow sufficient time to assure timely delivery.

7. No Ballot should be sent to any of the Debtors, the Debtors' agents (other than the Voting Agent) or the Debtors' legal advisors and if so sent will not be counted.

8. If multiple Ballots are received from the same holder of a Claim with respect to the same Claim prior to the Voting Deadline, the last valid Ballot timely received will supersede and revoke any earlier received Ballots.

9. The Ballot is not a letter of transmittal and may not be used for any purpose other than to vote to accept or reject the Plan. Accordingly, at this time, holders of TruPS Claims should not surrender certificates or instruments representing or evidencing their TruPS Claims and neither the Debtors nor the Voting Agent will accept delivery of any such certificates or instruments surrendered together with a Ballot.

10. This Ballot does not constitute and shall not be deemed to be: (a) a Proof of Claim; or (b)

an assertion or admission of a Claim.

11. Please be sure to sign and date your Ballot. If you are signing a Ballot in your capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation or otherwise acting in a fiduciary or representative capacity, you should indicate such capacity when signing and, if requested by the Voting Agent, the Debtors or the Court, must submit proper evidence to the requesting party to so act on behalf of such holder. In addition, please provide your name and mailing address if it is different from that set forth on the attached mailing label or if no such mailing label is attached to the Ballot.

12. If you hold Claims or Interests in more than one Class under the Plan or in multiple accounts, you may receive more than one Ballot coded for each different Class or account. Each Ballot votes only your Claims or Interests indicated on that Ballot. Please complete and return each Ballot you received.

13. The following Ballots shall not be counted in determining the acceptance or rejection of the Plan: (a) any Ballot that is illegible or contains insufficient information to permit the identification of the holder of the Claim or Interest; (b) any Ballot cast by an undersigned that does not hold a Claim or Interest in a Class that is entitled to vote on the Plan; (c) any unsigned Ballot; (d) any Ballot not marked to accept or reject the Plan or any Ballot marked both to accept and reject the Plan; and (e) any Ballot submitted by any entity not entitled to vote pursuant to the Solicitation Procedures.

14. If you believe you have received the wrong Ballot, you should contact the Voting Agent immediately by telephone at (347) 897-3820 or (877) 851-3566 (toll-free) or email at scottishballots@primeclerk.com.

PLEASE RETURN YOUR BALLOT PROMPTLY

IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT OR THE VOTING PROCEDURES, PLEASE CONTACT THE VOTING AGENT BY TELEPHONE AT: (347) 897-3820 OR (877) 851-3566 (toll-free) OR EMAIL AT SCOTTISHBALLOTS@PRIMECLERK.COM.

Exhibit A

If you received a return envelope addressed to your Nominee, your Nominee may have checked a box below to indicate the Plan Class and CUSIP to which this Individual Ballot pertains, or otherwise provided that information to you on a label or schedule attached to the Individual Ballot:

Class []		
☐	[SECURITY DESCRIPTION]	[CUSIP]
☐	[SECURITY DESCRIPTION]	[CUSIP]
☐	[SECURITY DESCRIPTION]	[CUSIP]
☐	[SECURITY DESCRIPTION]	[CUSIP]

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Moved to	
Style change	
Format change	
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Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	39
Deletions	15
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	54

Exhibit 1(e)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
SCOTTISH HOLDINGS, INC., *et al.*,	Case No. 18-10160 (LSS)
Debtors.[1]	Jointly Administered

MASTER BALLOT FOR ACCEPTING OR REJECTING FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF SCOTTISH HOLDINGS, INC., AND SCOTTISH ANNUITY & LIFE INSURANCE COMPANY (CAYMAN) LTD. [D.I. ~~213~~ ___]

CLASS 4 – SHI TruPS CLAIMS

PLEASE READ AND FOLLOW THE ENCLOSED INSTRUCTIONS FOR COMPLETING BALLOTS CAREFULLY BEFORE COMPLETING THE BALLOT.

THIS MASTER BALLOT IS ACCOMPANIED BY A POSTAGE PRE-PAID RETURN ENVELOPE THAT IS ADDRESSED TO PRIME CLERK, LLC (THE "VOTING AGENT"). YOU MAY RETURN THIS MASTER BALLOT BY ONE OF THE FOLLOWING RETURN METHODS: (I) IN THE ENCLOSED ENVELOPE, (II) FIRST CLASS MAIL, OVERNIGHT COURIER, OR HAND DELIVERY TO SCOTTISH HOLDINGS BALLOT PROCESSING C/O PRIME CLERK, LLC 830 3RD AVENUE, 3RD FLOOR NEW YORK, NY 10022, OR (III) VIA EMAIL TO SCOTTISHBALLOTS@PRIMECLERK.COM. THIS MASTER BALLOT MUST BE ACTUALLY RECEIVED BY THE VOTING AGENT ON OR BEFORE ~~JUNE 22,~~[AUGUST 13], 2018 AT 4:00 P.M. (ET) (THE "VOTING DEADLINE").

THIS MASTER BALLOT IS TO BE USED BY THE RESPECTIVE RECORD HOLDERS (THE "MASTER BALLOT AGENT") TO VOTE AS AGENT OR NOMINEE FOR THE BENEFICIAL HOLDERS OF INTERESTS IN CLAIMS (THE "TruPS HOLDERS") AGAINST THE DEBTORS WHOSE CLAIMS AROSE FROM OWNERSHIP OF THE TRUST PREFERRED SECURITIES OF SCOTTISH ~~HOLDERS~~HOLDINGS, INC. STATUTORY TRUST I, SCOTTISH HOLDINGS, INC.

[1] The Debtors, along with the last four digits of their federal tax identification numbers, are as follows: Scottish Holdings, Inc. (4408) and Scottish Annuity & Life Insurance Company (Cayman) Ltd. (3285). The Debtors' mailing address for purposes of these Chapter 11 Cases is 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277.

STATUTORY TRUST II, GPIC HOLDINGS INC. STATUTORY TRUST, SCOTTISH HOLDINGS, INC. STATUTORY TRUST III, AND SFL STATUTORY TRUST I (THE "TruPS CLAIMS") AND/OR ANY BANK, BROKER, DEALER, OTHER FINANCIAL INSTITUTION OR OTHER ENTITY THROUGH WHICH THE TruPS HOLDERS HOLD THE TruPS.

PLEASE RETURN THIS MASTER BALLOT TO THE VOTING AGENT IN ACCORDANCE WITH THE INSTUCTIONS ABOVE. DO NOT RETURN THIS MASTER BALLOT TO THE INDENTURE TRUSTEE OR INSTITUTIONAL TRUSTEE OF ANY OF THE TRUSTS.

IF YOUR BALLOT IS NOT RECEIVED BY THE VOTING DEADLINE, THE DEBTORS MAY REJECT YOUR BALLOT AS INVALID.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT, IT WILL BE BINDING ON YOU WHETHER OR NOT YOU VOTE.

Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd., as debtors and debtors in possession (the "Debtors") in the above-captioned chapter 11 cases have sent this Master Ballot to you because their records indicate that you are a collateral manager for holders of a Class 4 – SHI TruPS Claim as of the Voting Record Date (~~May 23,~~June 28, 2018) and accordingly, you have a right to vote as agent or nominee for the TruPS Holders to accept or reject the *First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* [D.I. ~~213~~___] (as may be further amended, modified or supplemented from time to time and including all exhibits thereto, the "Plan").[2]

The TruPS Holders' rights are described in the *Disclosure Statement for First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* and all exhibits related thereto [D.I. ~~214~~___] (as may be further amended, modified or supplemented from time to time and including all exhibits or supplements thereto, the "Disclosure Statement") and the Disclosure Statement Order. The Disclosure Statement, the Plan, the Disclosure Statement Order and certain other materials contained in the Solicitation Package are included in the packet you are receiving with this Master Ballot. If you need to obtain additional solicitation materials, you may obtain such materials free of charge ~~Clerk~~ by (a) accessing the ~~Debtor's~~Debtors' restructuring website at www.scottishre.com/chapter11info or https://cases.primeclerk.com/scottishballots or (b) contacting the Voting Agent via telephone at (347) 897-3820 or (877) 851-3566 (toll-free) or

[2] Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan, Disclosure Statement (as defined herein), or the *Order: (I) Approving Disclosure Statement; (II) Scheduling Confirmation Hearing And Related Deadlines; (III) Establishing Procedures For Solicitation, Temporary Allowance Of Claims And Vote Tabulation; (IV) Approving Forms Of Ballots; (V) Approving Form, Manner And Sufficiency Of Notice Of Confirmation Hearing And Related Deadlines; And (VI) Granting Related Relief* [D.I. ___] (the "Disclosure Statement Order"), as the case may be.

email at scottishballots@primeclerk.com. You may also obtain copies of any pleadings filed in ~~this~~these chapter 11 ~~case~~cases for a fee via PACER at http://www.deb.uscourts.gov/. The Court has approved the Disclosure Statement as containing adequate information under section 1125 of the Bankruptcy Code. Court approval of the Disclosure Statement does not indicate approval of the Plan by the Court.

This Master Ballot may not be used for any purpose other than to vote to accept or reject the Plan. This Master Ballot does not constitute, and shall not be deemed to be, a Proof of Claim or an assertion or admission of a Claim. If you believe you have received this Master Ballot in error, please contact the Voting Agent at the address or telephone number set forth above.

You should carefully and thoroughly review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the Plan's classification and treatment of Class 4 Claims.

If the Voting Agent does not actually receive your Master Ballot on or before the Voting Deadline**, which is [~~_____~~August 13], 2018 at 4:00 p.m. (ET)** and if the Voting Deadline is not extended, your vote will not count. **If the Court confirms the Plan, it will bind you regardless of whether you vote.**

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE THE DESIGNATION OF YOU OR ANY OTHER PERSON AS AN AGENT OF THE DEBTORS OR THE VOTING AGENT OR AUTHORIZE YOU OR ANY PERSON TO USE ANY DOCUMENT OR MAKE ANY STATEMENTS ON BEHALF OF ANY OF THE TruPS HOLDERS WITH RESPECT TO THE PLAN, EXCEPT FOR THE STATEMENTS CONTAINED IN THE SOLICITATION MATERIALS ENCLOSED HEREWITH.

Item 1. Certification of Authority to Vote.

The undersigned certifies that, as of the Voting Record Date, the undersigned (please check the applicable box):

☐ is a Nominee for the beneficial holders in the principal amount of Class 4 – SHI TruPS Claims listed in Item 2 below and is the registered holder of such Class 4 – SHI TruPS Claims;

☐ is acting under a power of attorney and/or agency (a copy of which must be provided upon request) granted by a Nominee that is the registered holder of Class 4 – SHI TruPS Claims in the principal amount listed in Item 2 below; or

☐ has been granted a proxy (an original of which is annexed hereto) from a Nominee or a beneficial holder that is the registered holder of the principal amount of Class 4 – SHI TruPS Claims listed in Item 2 below, and accordingly, has full power and authority to vote to accept or reject the Plan on behalf of the beneficial holders of the Class 4 – SHI TruPS Claims listed in Item 2 below.

Item 2. Votes on the Plan and Beneficial Owner Information.

The undersigned certifies that the information provided below (including any information provided on additional sheets attached hereto) is a true and accurate schedule of the beneficial owners of TruPS Claims, as identified by their respective account numbers, that have delivered duly completed Individual Ballots (or otherwise submitted its vote in accordance with the Nominee's instructions) to the undersigned voting to accept or reject the Plan.

(Please complete the information requested below. Attach additional sheets if necessary.)

Customer Account Number (for each holder of TruPS Claims)	**Item 2 of Individual Ballot.** Vote on Plan (indicate Principal Amount of TruPS Claims Voted below):		**Item 3 of Individual Ballot.** Place a check below if holder checked the box in Item 3 of the Individual Ballot to not grant the Releases.	**Item 4 of Individual Ballot.** Place a check below if holder checked the box in Item 4 of the Individual Ballot to elect the Alternative Transaction.
	To Accept the Plan	To Reject the Plan		
1.			☐	☐
2.			☐	☐
3.			☐	☐
4.			☐	☐
5.			☐	☐
6.			☐	☐
7.			☐	☐
8.			☐	☐
9.			☐	☐
TOTALS:				

To be counted, a holder of TruPS Claims (or authorized signatory for a TruPS Holder) must vote all of its TruPS Claims either to accept or reject the Plan. No split votes will be permitted.

Item 3. Certifications.

By signing this Ballot, the undersigned certifies to the Court and the Debtors:

1. that the undersigned is an authorized signatory for the TruPS Holders of the Class 4 Claim(s) being voted;
2. that each beneficial owner whose votes are being transmitted by this Master Ballot has received a copy of the Disclosure Statement, the Plan and the Solicitation Package, as well as notice of the hearing to consider confirmation of the Plan; and
3. that the Individual Ballot received from each beneficial owner or a copy thereof is and will remain on file with the undersigned subject to inspection for a period of one year following the Voting Deadline.

Item 4. Registered Owner.

The undersigned certifies that it is the registered owner in its own name or through a position held at a securities depository of the TruPS Claims identified in Item 2 above.

_____
(Please print or type)

Social Security Number or Federal Tax Identification Number: _____

Signature: _____

Name of Signatory: _____
(If other than holder)[3]

Title: _____

Address: _____

_____

Email Address: _____

Date Completed: _____

[3] If you are completing this Ballot on behalf of another person or entity, indicate your relationship with such person or entity and the capacity in which you are signing. You may be required to provide additional information or documentation with respect to such relationship.

PLEASE COMPLETE, SIGN AND DATE THE MASTER BALLOT AND RETURN IT PROMPTLY BY ONE OF THE FOLLOWING RETURN METHODS: (I) IN THE ENCLOSED ENVELOPE, (II) FIRST CLASS MAIL, OVERNIGHT COURIER, OR HAND DELIVERY TO SCOTTISH HOLDINGS BALLOT PROCESSING C/O PRIME CLERK, LLC 830 3RD AVENUE, 3RD FLOOR NEW YORK, NY 10022, OR (III) VIA EMAIL TO SCOTTISHBALLOTS@PRIMECLERK.COM. YOUR BALLOT MUST BE ACTUALLY RECEIVED BY THE VOTING DEADLINE, WHICH IS ~~JUNE 22,~~ [AUGUST 13], 2018 AT 4:00 P.M. ET.

INSTRUCTIONS FOR COMPLETING BALLOTS

1. Complete the Master Ballot by providing all the information requested and sign, date and return the Master Ballot in the enclosed return envelope or by mail, overnight courier, personal delivery or e-mail to the Voting Agent at the following addresses:

Scottish Holdings Ballot Processing
c/o Prime Clerk, LLC
830 3rd Avenue, 3rd Floor
New York, NY 10022

scottishballots@primeclerk.com

Master Ballots must be actually received by the Voting Agent by ~~June 22,~~[August 13], 2018 at 4:00 p.m. (EDT) (the "Voting Deadline"). If a Master Ballot is received after the Voting Deadline, it will not be counted. An envelope addressed to the Voting Agent is enclosed for your convenience. Master Ballots should **not** be mailed to the Indenture Trustee or the Institutional Trustee.

2. This Master Ballot is not a letter of transmittal and may not be used for any purpose other than to transmit votes to accept or reject the Proposed Plan. Holders of TruPS Claims should not surrender certificates representing their TruPS Claims at this time, and neither the Debtor nor the Voting Agent will accept delivery of any such certificates transmitted together with a Master Ballot.

3. With respect to any Individual Ballots returned to you by a beneficial owner, you must complete a Master Ballot, return it to the Voting Agent and retain such Individual Ballots for inspection for a period of one year following the Voting Deadline.

4. If, in addition to acting as broker, bank, dealer or agent or other nominee, you also are a beneficial owner of TruPS Claims and you wish to vote such TruPS Claims beneficially held by you, you may add your vote to the attached Master Ballot.

5. Multiple Master Ballots may be completed and delivered to the Voting Agent to the extent there is insufficient space on the Master Ballot to record the voting instructions given by those TruPS Holders, and the votes reflected by such multiple Master Ballots shall be counted except to the extent that they are duplicative of other Master Ballots. If two or more Master Ballots are inconsistent, the latest dated Master Ballot actually received prior to the Voting Deadline will, to the extent of such inconsistency, supersede and revoke any prior Master Ballot. If more than one Master Ballot is submitted and the later Master Ballot(s) supplement rather than supersede earlier Master Ballot(s), please mark the subsequent Master Ballot(s) with the words "Additional Vote" or such other language as you customarily use to indicate an additional vote that is not meant to revoke an earlier vote.

6. Please note that Item 2 of the Master Ballot requests that you transcribe information or attach a schedule to the Master Ballot in the indicated format providing information for

each individual beneficial owner of TruPS Claims on whose behalf you are executing a Master Ballot. To identify such beneficial owners without disclosing their names, please use the customer account number assigned by you to each such beneficial owner. If a single customer has more than one account with the identical registration, only list that customer once in the schedule requested by Item 2. The total principal amount of all accounts voted with respect to a single customer should be listed in a single schedule entry, so that each line will represent a different beneficial owner.

7. Please note that each beneficial owner must vote the entire amount of its TruPS Claims either to accept or reject the Plan. A beneficial owner may not split its vote and, accordingly, an Individual Ballot received from a beneficial owner that attempts to partially reject and partially accept the Plan will not be counted. Further, for purposes of computing the Master Ballot vote, each voting beneficial owner should be deemed to have voted the full amount of its TruPS Claims according to your records or such lesser amount identified by the beneficial holder on its Individual Ballot. Any executed Individual Ballot that does not indicate an acceptance or rejection of the Plan should not be counted on the Master Ballot as having been cast

8. No fees or commissions or other remuneration will be payable to any broker, bank, dealer or other person in connection with this solicitation. Upon written request, however, the Debtor will reimburse you for reasonable customary mailing and handling expenses incurred by you in forwarding Individual Ballots and accompanying solicitation packages to your client.

9. This Master Ballot does not constitute and shall not be deemed a proof of Claim or equity interest or an assertion of a Claim or equity interest.

10. If you believe you have received the wrong Master Ballot, you should contact the Voting Agent immediately by telephone at (347) 897-3820 or (877) 851-3566 (toll-free) or email at scottishballots@primeclerk.com.

PLEASE SUBMIT YOUR MASTER BALLOT PROMPTLY

IF YOU HAVE ANY QUESTIONS REGARDING THIS MASTER BALLOT OR THE VOTING PROCEDURES, PLEASE CONTACT THE VOTING AGENT BY TELEPHONE AT: (347) 897-3820 OR (877) 851-3566 (toll-free) OR EMAIL AT SCOTTISHBALLOTS@PRIMECLERK.COM.

Exhibit A

Please check one (1) box below to indicate the Plan Class and CUSIP to which this Master Ballot pertains (or clearly indicate such information directly on the Master Ballot or on a schedule thereto):

Class []		
☐	[SECURITY DESCRIPTION]	[CUSIP]
☐	[SECURITY DESCRIPTION]	[CUSIP]
☐	[SECURITY DESCRIPTION]	[CUSIP]
☐	[SECURITY DESCRIPTION]	[CUSIP]

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Document 2 ID	interwovenSite://WIL-DMS/WILM/11847616/5
Description	#11847616v5<WILM> - Scottish - SHI TruPS Master Ballot
Rendering set	Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	27
Deletions	13
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	40

Exhibit 1(f)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
SCOTTISH HOLDINGS, INC., *et al.*,	Case No. 18-10160 (LSS)
Debtors.[1]	Jointly Administered

MASTER BALLOT FOR ACCEPTING OR REJECTING FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF SCOTTISH HOLDINGS, INC., AND SCOTTISH ANNUITY & LIFE INSURANCE COMPANY (CAYMAN) LTD. [D.I. ~~213~~ ___]

CLASS 6 – SALIC TruPS CLAIMS

PLEASE READ AND FOLLOW THE ENCLOSED INSTRUCTIONS FOR COMPLETING BALLOTS CAREFULLY BEFORE COMPLETING THE BALLOT.

THIS MASTER BALLOT IS ACCOMPANIED BY A POSTAGE PRE-PAID RETURN ENVELOPE THAT IS ADDRESSED TO PRIME CLERK, LLC (THE "VOTING AGENT"). YOU MAY RETURN THIS MASTER BALLOT BY ONE OF THE FOLLOWING RETURN METHODS: (I) IN THE ENCLOSED ENVELOPE, (II) FIRST CLASS MAIL, OVERNIGHT COURIER, OR HAND DELIVERY TO SCOTTISH HOLDINGS BALLOT PROCESSING C/O PRIME CLERK, LLC 830 3RD AVENUE, 3RD FLOOR NEW YORK, NY 10022, OR (III) VIA EMAIL TO SCOTTISHBALLOTS@PRIMECLERK.COM. THIS MASTER BALLOT MUST BE ACTUALLY RECEIVED BY THE VOTING AGENT ON OR BEFORE ~~JUNE 22,~~[AUGUST 13], 2018 AT 4:00 P.M. (ET) (THE "VOTING DEADLINE").

THIS MASTER BALLOT IS TO BE USED BY THE RESPECTIVE RECORD HOLDERS (THE "MASTER BALLOT AGENT") TO VOTE AS AGENT OR NOMINEE FOR THE BENEFICIAL HOLDERS OF INTERESTS IN CLAIMS (THE "TruPS HOLDERS") AGAINST THE DEBTORS WHOSE CLAIMS AROSE FROM OWNERSHIP OF THE TRUST PREFERRED SECURITIES OF SCOTTISH ~~HOLDERS~~HOLDINGS, INC. STATUTORY TRUST I, SCOTTISH HOLDINGS, INC.

[1] The Debtors, along with the last four digits of their federal tax identification numbers, are as follows: Scottish Holdings, Inc. (4408) and Scottish Annuity & Life Insurance Company (Cayman) Ltd. (3285). The Debtors' mailing address for purposes of these Chapter 11 Cases is 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277.

STATUTORY TRUST II, GPIC HOLDINGS INC. STATUTORY TRUST, SCOTTISH HOLDINGS, INC. STATUTORY TRUST III, AND SFL STATUTORY TRUST I (THE "TruPS CLAIMS") AND/OR ANY BANK, BROKER, DEALER, OTHER FINANCIAL INSTITUTION OR OTHER ENTITY THROUGH WHICH THE TruPS HOLDERS HOLD THE TruPS.

PLEASE RETURN THIS MASTER BALLOT TO THE VOTING AGENT IN ACCORDANCE WITH THE INSTUCTIONS ABOVE. DO NOT RETURN THIS MASTER BALLOT TO THE INDENTURE TRUSTEE OR INSTITUTIONAL TRUSTEE OF ANY OF THE TRUSTS.

IF YOUR BALLOT IS NOT RECEIVED BY THE VOTING DEADLINE, THE DEBTORS MAY REJECT YOUR BALLOT AS INVALID.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT, IT WILL BE BINDING ON YOU WHETHER OR NOT YOU VOTE.

Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd., as debtors and debtors in possession (the "Debtors") in the above-captioned chapter 11 cases have sent this Master Ballot to you because their records indicate that you are a collateral manager for holders of a Class 6 – SALIC TruPS Claim as of the Voting Record Date (~~May 23,~~June 28, 2018) and accordingly, you have a right to vote as agent or nominee for the TruPS Holders to accept or reject the *First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* [D.I. ~~213~~___] (as may be further amended, modified or supplemented from time to time and including all exhibits thereto, the "Plan").[2]

The TruPS Holders' rights are described in the *Disclosure Statement for First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* and all exhibits related thereto [D.I. ~~214~~___] (as may be further amended, modified or supplemented from time to time and including all exhibits or supplements thereto, the "Disclosure Statement") and the Disclosure Statement Order. The Disclosure Statement, the Plan, the Disclosure Statement Order and certain other materials contained in the Solicitation Package are included in the packet you are receiving with this Master Ballot. If you need to obtain additional solicitation materials, you may obtain such materials free of charge ~~Clerk~~ by (a) accessing the ~~Debtor's~~Debtors' restructuring website at www.scottishre.com/chapter11info or https://cases.primeclerk.com/scottishballots or (b) contacting the Voting Agent via telephone at (347) 897-3820 or (877) 851-3566 (toll-free) or

[2] Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan, Disclosure Statement (as defined herein), or the *Order: (I) Approving Disclosure Statement; (II) Scheduling Confirmation Hearing And Related Deadlines; (III) Establishing Procedures For Solicitation, Temporary Allowance Of Claims And Vote Tabulation; (IV) Approving Forms Of Ballots; (V) Approving Form, Manner And Sufficiency Of Notice Of Confirmation Hearing And Related Deadlines; And (VI) Granting Related Relief* [D.I. ___] (the "Disclosure Statement Order"), as the case may be.

email at scottishballots@primeclerk.com. You may also obtain copies of any pleadings filed in ~~this~~these chapter 11 ~~case~~cases for a fee via PACER at http://www.deb.uscourts.gov/. The Court has approved the Disclosure Statement as containing adequate information under section 1125 of the Bankruptcy Code. Court approval of the Disclosure Statement does not indicate approval of the Plan by the Court.

This Master Ballot may not be used for any purpose other than to vote to accept or reject the Plan. This Master Ballot does not constitute, and shall not be deemed to be, a Proof of Claim or an assertion or admission of a Claim. If you believe you have received this Master Ballot in error, please contact the Voting Agent at the address or telephone number set forth above.

You should carefully and thoroughly review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the Plan's classification and treatment of Class 6 Claims.

If the Voting Agent does not actually receive your Master Ballot on or before the Voting Deadline**, which is ~~June 22,~~[August 13], 2018 at 4:00 p.m. (ET)** and if the Voting Deadline is not extended, your vote will not count. **If the Court confirms the Plan, it will bind you regardless of whether you vote.**

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE THE DESIGNATION OF YOU OR ANY OTHER PERSON AS AN AGENT OF THE DEBTORS OR THE VOTING AGENT OR AUTHORIZE YOU OR ANY PERSON TO USE ANY DOCUMENT OR MAKE ANY STATEMENTS ON BEHALF OF ANY OF THE TruPS HOLDERS WITH RESPECT TO THE PLAN, EXCEPT FOR THE STATEMENTS CONTAINED IN THE SOLICITATION MATERIALS ENCLOSED HEREWITH.

Item 1. Certification of Authority to Vote.

The undersigned certifies that, as of the Voting Record Date, the undersigned (please check the applicable box):

☐ is a Nominee for the beneficial holders in the principal amount of Class 6 – SALIC TruPS Claims listed in Item 2 below and is the registered holder of such Class 6 – SALIC TruPS Claims;

☐ is acting under a power of attorney and/or agency (a copy of which must be provided upon request) granted by a Nominee that is the registered holder of Class 6 – SALIC TruPS Claims in the principal amount listed in Item 2 below; or

☐ has been granted a proxy (an original of which is annexed hereto) from a Nominee or a beneficial holder that is the registered holder of the principal amount of Class 6 – SALIC TruPS Claims listed in Item 2 below, and accordingly, has full power and authority to vote to accept or reject the Plan on behalf of the beneficial holders of the Class 6 – SALIC TruPS Claims listed in Item 2 below.

Item 2. Votes on the Plan and Beneficial Owner Information.

The undersigned certifies that the information provided below (including any information provided on additional sheets attached hereto) is a true and accurate schedule of the beneficial owners of TruPS Claims, as identified by their respective account numbers, that have delivered duly completed Individual Ballots (or otherwise submitted its vote in accordance with the Nominee's instructions) to the undersigned voting to accept or reject the Plan.

(Please complete the information requested below. Attach additional sheets if necessary.)

Customer Account Number (for each holder of TruPS Claims)	**Item 2 of Individual Ballot.** Vote on Plan (indicate Principal Amount of TruPS Claims Voted below):		**Item 3 of Individual Ballot.** Place a check below if holder checked the box in Item 3 of the Individual Ballot to not grant the Releases.	**Item 4 of Individual Ballot.** Place a check below if holder checked the box in Item 4 of the Individual Ballot to elect the Alternative Transaction.
	To Accept the Plan	To Reject the Plan		
1.			☐	☐
2.			☐	☐
3.			☐	☐
4.			☐	☐
5.			☐	☐
6.			☐	☐
7.			☐	☐
8.			☐	☐
9.			☐	☐
TOTALS:				

To be counted, a holder of TruPS Claims (or authorized signatory for a TruPS Holder) must vote all of its TruPS Claims either to accept or reject the Plan. No split votes will be permitted.

Item 3. Certifications.

By signing this Ballot, the undersigned certifies to the Court and the Debtors:

1. That the undersigned is an authorized signatory for the TruPS Holders of the Class 6 Claim(s) being voted;
2. that each beneficial owner whose votes are being transmitted by this Master Ballot has received a copy of the Disclosure Statement, the Plan and the Solicitation Package, as well as notice of the hearing to consider confirmation of the Plan; and
3. that the Individual Ballot received from each beneficial owner or a copy thereof is and will remain on file with the undersigned subject to inspection for a period of one year following the Voting Deadline.

Item 4. Registered Owner.

The undersigned certifies that it is the registered owner in its own name or through a position held at a securities depository of the TruPS Claims identified in Item 2 above.

_____
(Please print or type)

Social Security Number or Federal Tax Identification Number: _____

Signature: _____

Name of Signatory: _____
(If other than holder)[3]

Title: _____

Address: _____

_____

Email Address: _____

Date Completed: _____

[3] If you are completing this Ballot on behalf of another person or entity, indicate your relationship with such person or entity and the capacity in which you are signing. You may be required to provide additional information or documentation with respect to such relationship.

PLEASE COMPLETE, SIGN AND DATE THE MASTER BALLOT AND RETURN IT PROMPTLY BY ONE OF THE FOLLOWING RETURN METHODS: (I) IN THE ENCLOSED ENVELOPE, (II) FIRST CLASS MAIL, OVERNIGHT COURIER, OR HAND DELIVERY TO SCOTTISH HOLDINGS BALLOT PROCESSING C/O PRIME CLERK, LLC 830 3RD AVENUE, 3RD FLOOR NEW YORK, NY 10022, OR (III) VIA EMAIL TO SCOTTISHBALLOTS@PRIMECLERK.COM. YOUR BALLOT MUST BE ACTUALLY RECEIVED BY THE VOTING DEADLINE, WHICH IS ~~JUNE 22,~~ [AUGUST 13], 2018 AT 4:00 P.M. ET.

INSTRUCTIONS FOR COMPLETING BALLOTS

1. Complete the Master Ballot by providing all the information requested and sign, date and return the Master Ballot in the enclosed return envelope or by mail, overnight courier, personal delivery or e-mail to the Voting Agent at the following addresses:

Scottish Holdings Ballot Processing
c/o Prime Clerk, LLC
830 3rd Avenue, 3rd Floor
New York, NY 10022

scottishballots@primeclerk.com

Master Ballots must be actually received by the Voting Agent by ~~June 22,~~ [August 13], 2018 at 4:00 p.m. (EDT) (the "Voting Deadline"). If a Master Ballot is received after the Voting Deadline, it will not be counted. An envelope addressed to the Voting Agent is enclosed for your convenience. Master Ballots should **not** be mailed to the Indenture Trustee or the Institutional Trustee.

2. This Master Ballot is not a letter of transmittal and may not be used for any purpose other than to transmit votes to accept or reject the Proposed Plan. Holders of TruPS Claims should not surrender certificates representing their TruPS Claims at this time, and neither the Debtor nor the Voting Agent will accept delivery of any such certificates transmitted together with a Master Ballot.

3. With respect to any Individual Ballots returned to you by a beneficial owner, you must complete a Master Ballot, return it to the Voting Agent and retain such Individual Ballots for inspection for a period of one year following the Voting Deadline.

4. If, in addition to acting as broker, bank, dealer or agent or other nominee, you also are a beneficial owner of TruPS Claims and you wish to vote such TruPS Claims beneficially held by you, you may add your vote to the attached Master Ballot.

5. Multiple Master Ballots may be completed and delivered to the Voting Agent to the extent there is insufficient space on the Master Ballot to record the voting instructions given by those TruPS Holders, and the votes reflected by such multiple Master Ballots shall be counted except to the extent that they are duplicative of other Master Ballots. If two or more Master Ballots are inconsistent, the latest dated Master Ballot actually received prior to the Voting Deadline will, to the extent of such inconsistency, supersede and revoke any prior Master Ballot. If more than one Master Ballot is submitted and the later Master Ballot(s) supplement rather than supersede earlier Master Ballot(s), please mark the subsequent Master Ballot(s) with the words "Additional Vote" or such other language as you customarily use to indicate an additional vote that is not meant to revoke an earlier vote.

6. Please note that Item 2 of the Master Ballot requests that you transcribe information or attach a schedule to the Master Ballot in the indicated format providing information for

each individual beneficial owner of TruPS Claims on whose behalf you are executing a Master Ballot. To identify such beneficial owners without disclosing their names, please use the customer account number assigned by you to each such beneficial owner. If a single customer has more than one account with the identical registration, only list that customer once in the schedule requested by Item 2. The total principal amount of all accounts voted with respect to a single customer should be listed in a single schedule entry, so that each line will represent a different beneficial owner.

7. Please note that each beneficial owner must vote the entire amount of its TruPS Claims either to accept or reject the Plan. A beneficial owner may not split its vote and, accordingly, an Individual Ballot received from a beneficial owner that attempts to partially reject and partially accept the Plan will not be counted. Further, for purposes of computing the Master Ballot vote, each voting beneficial owner should be deemed to have voted the full amount of its TruPS Claims according to your records or such lesser amount identified by the beneficial holder on its Individual Ballot. Any executed Individual Ballot that does not indicate an acceptance or rejection of the Plan should not be counted on the Master Ballot as having been cast

8. No fees or commissions or other remuneration will be payable to any broker, bank, dealer or other person in connection with this solicitation. Upon written request, however, the Debtor will reimburse you for reasonable customary mailing and handling expenses incurred by you in forwarding Individual Ballots and accompanying solicitation packages to your client.

9. This Master Ballot does not constitute and shall not be deemed a proof of Claim or equity interest or an assertion of a Claim or equity interest.

10. If you believe you have received the wrong Master Ballot, you should contact the Voting Agent immediately by telephone at (347) 897-3820 or (877) 851-3566 (toll-free) or email at scottishballots@primeclerk.com.

PLEASE SUBMIT YOUR MASTER BALLOT PROMPTLY

IF YOU HAVE ANY QUESTIONS REGARDING THIS MASTER BALLOT OR THE VOTING PROCEDURES, PLEASE CONTACT THE VOTING AGENT BY TELEPHONE AT: (347) 897-3820 OR (877) 851-3566 (toll-free) OR EMAIL AT SCOTTISHBALLOTS@PRIMECLERK.COM.

Exhibit A

Please check one (1) box below to indicate the Plan Class and CUSIP to which this Master Ballot pertains (or clearly indicate such information directly on the Master Ballot or on a schedule thereto):

Class []		
☐	[SECURITY DESCRIPTION]	[CUSIP]
☐	[SECURITY DESCRIPTION]	[CUSIP]
☐	[SECURITY DESCRIPTION]	[CUSIP]
☐	[SECURITY DESCRIPTION]	[CUSIP]

Document comparison by Workshare 9.5 on Friday, June 15, 2018 7:46:28 PM

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Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
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Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	27
Deletions	13
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	40

Exhibit 1(g)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
SCOTTISH HOLDINGS, INC., *et al.*,	Case No. 18-10160 (LSS)
Debtors.[1]	Jointly Administered

BALLOT FOR ACCEPTING OR REJECTING FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF SCOTTISH HOLDINGS, INC., AND SCOTTISH ANNUITY & LIFE INSURANCE COMPANY (CAYMAN) LTD. [D.I. ~~213~~ ___]

CLASS 4 – SHI TruPS CLAIMS *held by Scottish Re Group Limited*

PLEASE READ AND FOLLOW THE ENCLOSED INSTRUCTIONS FOR COMPLETING BALLOTS CAREFULLY BEFORE COMPLETING THE BALLOT.

THIS BALLOT IS ACCOMPANIED BY A POSTAGE PRE-PAID RETURN ENVELOPE THAT IS ADDRESSED TO PRIME CLERK, LLC (THE "VOTING AGENT"). THIS BALLOT MUST BE ACTUALLY RECEIVED BY THE VOTING AGENT ON OR BEFORE ~~JUNE 22,~~ [AUGUST 13], 2018 AT 4:00 P.M. (ET) (THE "VOTING DEADLINE").

IF YOUR BALLOT IS NOT RECEIVED BY THE VOTING DEADLINE, THE DEBTORS MAY REJECT YOUR BALLOT AS INVALID.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT, IT WILL BE BINDING ON YOU WHETHER OR NOT YOU VOTE.

If no holder of a Claim eligible to vote in Class 4 timely votes to accept or reject the Plan, then the Debtors will seek a determination at the Confirmation Hearing that the Plan is deemed accepted by such Class. If you do not wish such a presumption with respect to Class 4 to become effective, you should timely submit the ballot accepting or rejecting the Plan for such Class.

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[1] The Debtors, along with the last four digits of their federal tax identification numbers, are as follows: Scottish Holdings, Inc. (4408) and Scottish Annuity & Life Insurance Company (Cayman) Ltd. (3285). The Debtors' mailing address for purposes of these Chapter 11 Cases is 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277.

Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd., as debtors and debtors in possession (the "Debtors") in the above-captioned chapter 11 cases have sent this Ballot to you because their records indicate that you are a holder of a Class 4 – SHI TruPS Claim as of the Voting Record Date (~~May 23,~~June 28, 2018) and accordingly, you have a right to vote to accept or reject the *First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* [D.I. ~~213~~ ___] (as may be further amended, modified or supplemented from time to time and including all exhibits thereto, the "Plan").[2]

Your rights are described in the *Disclosure Statement for First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* and all exhibits related thereto [D.I. ~~214~~ ___] (as may be further amended, modified or supplemented from time to time and including all exhibits or supplements thereto, the "Disclosure Statement") and the Disclosure Statement Order. The Disclosure Statement, the Plan, the Disclosure Statement Order and certain other materials contained in the Solicitation Package are included in the packet you are receiving with this Ballot. If you need to obtain additional solicitation materials, you may obtain such materials free of charge ~~Clerk~~ by (a) accessing the ~~Debtor's~~Debtors' restructuring website at www.scottishre.com/chapter11info or https://cases.primeclerk.com/scottishballots; or (b) contacting the Voting Agent via telephone at (347) 897-3820 or (877) 851-3566 (toll-free) or email at scottishballots@primeclerk.com. You may also obtain copies of any pleadings filed in this chapter 11 case for a fee via PACER at http://www.deb.uscourt.gov/. The Court has approved the Disclosure Statement as containing adequate information under section 1125 of the Bankruptcy Code. Court approval of the Disclosure Statement does not indicate approval of the Plan by the Court.

This Ballot may not be used for any purpose other than to vote to accept or reject the Plan. This Ballot does not constitute, and shall not be deemed to be, a Proof of Claim or an assertion or admission of a Claim. If you believe you have received this Ballot in error, please contact the Voting Agent at the address or telephone number set forth above.

You should carefully and thoroughly review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the Plan's classification and treatment of your Claim. Your Claim has been placed in Class 4 under the Plan. If you hold Claims in more than one Class, you will receive a Ballot for each Class in which you are entitled to vote.

If the Voting Agent does not actually receive your Ballot on or before the Voting Deadline**, which is ~~June 22,~~[August 13], 2018 at 4:00 p.m. (ET)** and if the Voting Deadline is

[2] Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan, Disclosure Statement (as defined herein), or the *Order: (I) Approving Disclosure Statement; (II) Scheduling Confirmation Hearing And Related Deadlines; (III) Establishing Procedures For Solicitation, Temporary Allowance Of Claims And Vote Tabulation; (IV) Approving Forms Of Ballots; (V) Approving Form, Manner And Sufficiency Of Notice Of Confirmation Hearing And Related Deadlines; And (VI) Granting Related Relief* [D.I. ___] (the "Disclosure Statement Order"), as the case may be.

not extended, your vote will not count. **If the Court confirms the Plan, it will bind you regardless of whether you vote.**

Item 1. Amount of Claim.

The undersigned hereby certifies that as of the Voting Record Date, the undersigned is the holder of a Class 4 Claim in the following aggregate unpaid amount (insert amount in box below):

Amount of Claim: $ _____

Pursuant to Article IV, Section 4.3 of the Plan, Scottish Re Group Limited ("SRGL") has made the Cash Election, and thus will receive its Distribution (in addition to SRGL's applicable percentage of the Distribution Trust Assets Proceeds) in the form of Cash in its TruPS/GUC Claims Cash Distribution Amount.

For your reference, "TruPS/GUC Cash Distribution Amount" as defined in the Plan means the pro rata amount of the Available Plan Distribution Funding Amount to be distributed to a Beneficial Holder, Holder of the SFL Note Claim or Holder of a General Unsecured Claim, as applicable, calculated based on: (i) with respect to a Beneficial Holder of TruPS, such Beneficial Holder's Allocated Portion of the Allowed TruPS Claim in respect of which it is a Beneficial Holder, divided by the TruPS/GUC Claims Aggregate Amount; (ii) with respect to the Allowed SFL Note Claim, the portion of such Holder's Allowed SFL Note Claim for which the Cash Election has been made, divided by the TruPS/GUC Claims Aggregate Amount; and (iii) with respect to an Allowed General Unsecured Claim, the Allowed amount of such General Unsecured Claim, divided by the TruPS/GUC Claims Aggregate Amount.

Item 2. Vote on Plan.

THE DEBTORS RECOMMEND THAT YOU VOTE TO ACCEPT THE PLAN.

The holder of the Class 4 Claim set forth in Item 1 votes to (please check one):

ACCEPT THE PLAN	**REJECT THE PLAN**
☐	☐

To be counted, a holder of Class 4 Claims must vote all of its Class 4 Claims either to accept or reject the Plan. No split votes will be permitted.

If no holder of Class 4 Claims eligible to vote to accept or reject the Plan votes on the

Plan, the Debtors intend to seek a determination at the Confirmation Hearing that the Plan is deemed accepted by Class 4.

Item 3. Releases.

If you do not check the box below, you are consenting to grant the "Releases by Holders of Claims and Interests" set forth in Article X, Section 10.3 of the Plan.

Check the box: ☐	**I do not wish to grant the "Releases by Holders of Claims and Interests" set forth in Article X, Section 10.3 of the Plan.**

For your reference, Article X, Section 10.3 of the Plan states:

To the fullest extent permitted by law and except as otherwise specifically provided in the Plan, for good and valuable consideration, including the contributions of the Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, effective as of the Effective Date, (i) Holders of Claims who vote to accept the Plan, (ii) Holders of Claims who are Unimpaired under the Plan, (iii) Holders of Claims entitled to vote on the Plan who do not submit a ballot and do not timely object to or opt-out of the releases, and (iv) each of the Purchaser, the Joint Liquidators, SRGL, and for each of the foregoing, their respective Representatives (other than with respect to SRGL, the SRGL Equity Holders), hereby release, waive and discharge, and shall be deemed to forever release, waive, and discharge the Released Parties of any and all Claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities whatsoever in connection with or related to the Debtors, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, at equity, or otherwise, including those that any of the Debtors, the Reorganized Debtors, the Estates, or their Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Interest or other Entity based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the conduct of the Debtors' business, the Chapter 11 Cases, the Disclosure Statement, the Plan or the documents implementing the Plan, and the negotiation, formulation, or preparation thereof, the solicitation of votes with respect to the Plan, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any of the Debtors and any Released Party, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, or upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct, actual fraud, or gross negligence as determined by a Final Order.

Each Person or Entity providing releases under the Plan, including the Debtors, the Estates, and the Holders of Claims (regardless of whether such Holder is a Released Party), shall be deemed to have granted the releases set forth above notwithstanding that such Person or Entity may hereafter discover facts in addition to, or different from, those which it now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and such Person or Entity expressly waives any and all rights that it may have under any statute or common law principle which would limit the effect of such releases to those Claims or causes of action actually known or suspected to exist at the time of execution of such release.

Entry of the Confirmation Order shall constitute the Court's approval, pursuant to Bankruptcy Rule 9019, of the Releases by Holders of Claims and Interests described in this Section 10.3, which includes by reference each of the related provisions and definitions contained herein, and, further, shall constitute the Court's finding that such releases are: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims released by such releases; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Releasing Parties asserting any claim or cause of action released pursuant to such releases.

"Released Parties" as defined in the Plan and Disclosure Statement means: (a) the Debtors; (b) the Reorganized Debtors; (c) the Official Committee (including the current and former Official Committee members in their capacities as such); (d) the Purchaser; (e) the Stalking Horse; (f) the Joint Liquidators; (g) SRGL; (h) the Voting Agent; and (i) for each of the foregoing, all of their respective Representatives; *provided, however*, that "Released Parties" specifically excludes the SRGL Equity Holders, and their respective Representatives, in their capacity as such.

Item 4. Certifications.

By signing this Ballot, the undersigned certifies to the Court and the Debtors:

1. that either: (a) the undersigned is the holder of the Class 4 Claim(s) being voted; or (b) the undersigned is an authorized signatory for an entity that is holder of the Class 4 Claim(s) being voted;
2. that the undersigned has received a copy of the Disclosure Statement, the Plan and the Solicitation Package and acknowledges that the solicitation is being made pursuant to the terms and conditions set forth therein;
3. that the undersigned has cast the same vote with respect to all Class 4 Claims;
4. that no other Ballots with respect to the amount of the Class 4 Claim(s) identified in Item 1 have been cast or, if any other Ballots have been cast with respect to such Claim(s), then any such Ballots dated earlier are hereby revoked;
5. that the undersigned acknowledges that a vote to accept the Plan constitutes an acceptance of the treatment of such undersigned's Class 4 Claim(s);
6. that the undersigned understands and, if accepting the Plan, agrees with the treatment provided for its Claim(s) under the Plan;

7. that the undersigned acknowledges and understands that (a) if no holders of Claims eligible to vote in a particular Class vote to accept or reject the Plan, the Debtors will seek a determination at the Confirmation Hearing that the Plan is deemed accepted by such Class; and (b) any Class of Claims that does not have a holder of an Allowed Claim or a Claim provisionally allowed by the Court as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to sections 1129(a)(8) and 1129(a)(10) of the Bankruptcy Code; and

8. that the undersigned acknowledges and agrees that the Debtors may make conforming changes to the Plan to the extent provided by Bankruptcy Rule 3019 as may be reasonably necessary; provided that the Debtors will not re-solicit acceptances or rejections of the Plan in the event of such conforming changes.

[*Signature Page Follows*]

(Please print or type)

Social Security Number or Federal Tax Identification Number:

Signature:

Name of Signatory:

(If other than holder)[3]

Title:

Address:

Email Address:

Date Completed:

PLEASE COMPLETE, SIGN AND DATE THE BALLOT AND RETURN IT PROMPTLY IN THE ENCLOSED RETURN ENVELOPE OR VIA AN APPROVED METHOD OF RETURN INDICATED BELOW. YOUR BALLOT MUST BE ACTUALLY RECEIVED BY THE VOTING DEADLINE, WHICH IS ~~JUNE 22,~~[AUGUST 13], 2018 AT 4:00 P.M. ET.

Via first-class mail, overnight courier, or hand-delivery to:

Scottish Holdings Ballot Processing
c/o Prime Clerk, LLC
830 3rd Avenue, 3rd Floor
New York, NY 10022

OR

[3] If you are completing this Ballot on behalf of another person or entity, indicate your relationsh ip with such person or entity and the capacity in which you are signing. You may be required to provide additional information or documentation with respect to such relationship.

Via the Voting Agent's online balloting portal:

Visit https://cases.primeclerk.com/scottishballots, click on "Submit E-Ballot" and follow the instructions indicated.

IMPORTANT NOTE: You will need the following information to retrieve and submit your customized electronic Ballot:

Unique E-Ballot ID#:_____

The Voting Agent's online balloting portal is the sole manner in which Ballots will be accepted via electronic or online transmission. Ballots submitted by facsimile, email, or other means of electronic transmission will not be counted.

Each E-Ballot ID# is to be used solely for voting only those Claims described in Item 1 of your electronic Ballot. Please complete and submit an electronic Ballot for each E-Ballot ID# you receive, as applicable.

Creditors who submit an electronic Ballot using the Voting Agent's online balloting portal should NOT also submit a paper Ballot.

INSTRUCTIONS FOR COMPLETING BALLOTS

1. The Debtors are soliciting the votes of holders of Claims with respect to the Plan attached as **Exhibit A** to the Disclosure Statement. Capitalized terms used in the Ballot or in these instructions but not otherwise defined therein or herein shall have the meaning set forth in the Plan, the Disclosure Statement or the Disclosure Statement Order, as applicable.

2. The Court may confirm the Plan and thereby bind you by the terms of the Plan. Please review the Disclosure Statement for more information.

3. To ensure that your vote is counted, you must: (a) complete the Ballot; (b) indicate your decision either to accept or reject the Plan in the boxes provided in Item 2 of the Ballot; and (c) sign and return the Ballot (i) using the enclosed pre-addressed envelope, (ii) via first class mail overnight courier, or hand delivery to: Scottish Holdings Ballot Processing, c/o Prime Clerk, LLC, 830 3rd Avenue, 3rd Floor, New York, NY 10022, or (iii) via the Voting Agent's online balloting portal. If the Voting Agent does not actually receive your Ballot on or before the Voting Deadline**, which is ~~June 22,~~ [August 13], 2018 at 4:00 p.m. (ET)** and if the Voting Deadline is not extended, your vote will not count. Your completed Ballot must be received by the Voting Agent on or before the Voting Deadline.

4. You must vote all of your Claims or Interests within a particular Class either to accept or reject the Plan and may not split your vote. A Ballot that partially rejects and partially accepts the Plan will not be counted. Further, if a holder has multiple Claims within the same Class, the Debtors may, in their discretion, aggregate the Claims of any particular holder within a Class for the purpose of counting votes.

5. If a Ballot is received after the Voting Deadline, it will not be counted unless the Debtors determine otherwise or as otherwise ordered by the Court. Except as otherwise provided herein, such delivery will be deemed made only when the Voting Agent actually receives the originally executed Ballot; *provided, however*, that a Ballot submitted via the Voting Agent's online balloting portal shall be deemed to contain an original signature. Instead of effecting delivery by mail, it is recommended, though not required, that holders use an overnight delivery service, hand delivery service, or the online voting portal. In all cases, holders should allow sufficient time to assure timely delivery. Delivery of a Ballot to the Voting Agent by facsimile, e-mail or any other electronic means shall not be valid. No Ballot should be sent to any of the Debtors, the Debtors' agents (other than the Voting Agent) or the Debtors' legal advisors and if so sent will not be counted.

6. If multiple Ballots are received from the same holder of a Claim with respect to the same Claim prior to the Voting Deadline, the last valid Ballot timely received will supersede and revoke any earlier received Ballots.

7. The Ballot is not a letter of transmittal and may not be used for any purpose other than to vote to accept or reject the Plan. Accordingly, at this time, holders of Claims should not

surrender certificates or instruments representing or evidencing their Claims and neither the Debtors nor the Voting Agent will accept delivery of any such certificates or instruments surrendered together with a Ballot.

8. This Ballot does not constitute and shall not be deemed to be: (a) a Proof of Claim; or (b) an assertion or admission of a Claim.

9. Please be sure to sign and date your Ballot. If you are signing a Ballot in your capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation or otherwise acting in a fiduciary or representative capacity, you should indicate such capacity when signing and, if requested by the Voting Agent, the Debtors or the Court, must submit proper evidence to the requesting party to so act on behalf of such holder. In addition, please provide your name and mailing address if it is different from that set forth on the attached mailing label or if no such mailing label is attached to the Ballot.

10. If you hold Claims or Interests in more than one Class under the Plan or in multiple accounts, you may receive more than one Ballot coded for each different Class or account. Each Ballot votes only your Claims or Interests indicated on that Ballot. Please complete and return each Ballot you received.

11. The following Ballots shall not be counted in determining the acceptance or rejection of the Plan: (a) any Ballot that is illegible or contains insufficient information to permit the identification of the holder of the Claim or Interest; (b) any Ballot cast by an undersigned that does not hold a Claim or Interest in a Class that is entitled to vote on the Plan; (c) any unsigned Ballot; (d) any Ballot not marked to accept or reject the Plan or any Ballot marked both to accept and reject the Plan; and (e) any Ballot submitted by any entity not entitled to vote pursuant to the Solicitation Procedures.

12. If you believe you have received the wrong Ballot, you should contact the Voting Agent immediately by telephone at (347) 897-3820 or (877) 851-3566 (toll-free) or email at scottishballots@primeclerk.com.

PLEASE RETURN YOUR BALLOT PROMPTLY

IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT OR THE VOTING PROCEDURES, PLEASE CONTACT THE VOTING AGENT BY TELEPHONE AT: (347) 897-3820 OR (877) 851-3566 (toll-free) OR EMAIL AT SCOTTISHBALLOTS@PRIMECLERK.COM.

Document comparison by Workshare 9.5 on Friday, June 15, 2018 7:34:56 PM

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Description	#11864933v2<WILM> - Scottish - SRGL SHI TruPS Claim Ballot
Document 2 ID	interwovenSite://WIL-DMS/WILM/11864933/5
Description	#11864933v5<WILM> - Scottish - SRGL SHI TruPS Claim Ballot
Rendering set	Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	21
Deletions	10
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	31

Exhibit 1(h)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
SCOTTISH HOLDINGS, INC., *et al.*,	Case No. 18-10160 (LSS)
Debtors.[1]	Jointly Administered

BALLOT FOR ACCEPTING OR REJECTING FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF SCOTTISH HOLDINGS, INC., AND SCOTTISH ANNUITY & LIFE INSURANCE COMPANY (CAYMAN) LTD. [D.I. ~~213~~ ___]

CLASS 6 – SALIC TruPS CLAIMS *held by Scottish Re Group Limited*

PLEASE READ AND FOLLOW THE ENCLOSED INSTRUCTIONS FOR COMPLETING BALLOTS CAREFULLY BEFORE COMPLETING THE BALLOT.

THIS BALLOT IS ACCOMPANIED BY A POSTAGE PRE-PAID RETURN ENVELOPE THAT IS ADDRESSED TO PRIME CLERK, LLC (THE "VOTING AGENT"). THIS BALLOT MUST BE ACTUALLY RECEIVED BY THE VOTING AGENT ON OR BEFORE ~~JUNE 22,~~ [AUGUST 13], 2018 AT 4:00 P.M. (ET) (THE "VOTING DEADLINE").

IF YOUR BALLOT IS NOT RECEIVED BY THE VOTING DEADLINE, THE DEBTORS MAY REJECT YOUR BALLOT AS INVALID.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT, IT WILL BE BINDING ON YOU WHETHER OR NOT YOU VOTE.

If no holder of a Claim eligible to vote in Class 6 timely votes to accept or reject the Plan, then the Debtors will seek a determination at the Confirmation Hearing that the Plan is deemed accepted by such Class. If you do not wish such a presumption with respect to Class 6 to become effective, you should timely submit the ballot accepting or rejecting the Plan for such Class.

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[1] The Debtors, along with the last four digits of their federal tax identification numbers, are as follows: Scottish Holdings, Inc. (4408) and Scottish Annuity & Life Insurance Company (Cayman) Ltd. (3285). The Debtors' mailing address for purposes of these Chapter 11 Cases is 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277.

Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd., as debtors and debtors in possession (the "Debtors") in the above-captioned chapter 11 cases have sent this Ballot to you because their records indicate that you are a holder of a Class 6 – SALIC TruPS Claim as of the Voting Record Date (~~May 23,~~June 28, 2018) and accordingly, you have a right to vote to accept or reject the *First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* [D.I. ~~213~~___] (as may be further amended, modified or supplemented from time to time and including all exhibits thereto, the "Plan").[2]

Your rights are described in the *Disclosure Statement for First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* and all exhibits related thereto [D.I. ~~214~~___] (as may be further amended, modified or supplemented from time to time and including all exhibits or supplements thereto, the "Disclosure Statement") and the Disclosure Statement Order. The Disclosure Statement, the Plan, the Disclosure Statement Order and certain other materials contained in the Solicitation Package are included in the packet you are receiving with this Ballot. If you need to obtain additional solicitation materials, you may obtain such materials free of charge ~~Clerk~~ by (a) accessing the ~~Debtor's~~Debtors' restructuring website at www.scottishre.com/chapter11info or https://cases.primeclerk.com/scottishballots or (b) contacting the Voting Agent via telephone at (347) 897-3820 or (877) 851-3566 (toll-free) or email at scottishballots@primeclerk.com. You may also obtain copies of any pleadings filed in ~~this~~these chapter 11 ~~case~~cases for a fee via PACER at http://www.deb.uscourts.gov/. The Court has approved the Disclosure Statement as containing adequate information under section 1125 of the Bankruptcy Code. Court approval of the Disclosure Statement does not indicate approval of the Plan by the Court.

This Ballot may not be used for any purpose other than to vote to accept or reject the Plan. This Ballot does not constitute, and shall not be deemed to be, a Proof of Claim or an assertion or admission of a Claim. If you believe you have received this Ballot in error, please contact the Voting Agent at the address or telephone number set forth above.

You should carefully and thoroughly review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the Plan's classification and treatment of your Claim. Your Claim has been placed in Class 6 under the Plan. If you hold Claims in more than one Class, you will receive a Ballot for each Class in which you are entitled to vote.

If the Voting Agent does not actually receive your Ballot on or before the Voting Deadline**, which is ~~June 22,~~[August 13], 2018 at 4:00 p.m. (ET)** and if the Voting Deadline is

[2] Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan, Disclosure Statement (as defined herein), or the *Order: (I) Approving Disclosure Statement; (II) Scheduling Confirmation Hearing And Related Deadlines; (III) Establishing Procedures For Solicitation, Temporary Allowance Of Claims And Vote Tabulation; (IV) Approving Forms Of Ballots; (V) Approving Form, Manner And Sufficiency Of Notice Of Confirmation Hearing And Related Deadlines; And (VI) Granting Related Relief* [D.I. ___] (the "Disclosure Statement Order"), as the case may be.

not extended, your vote will not count. **If the Court confirms the Plan, it will bind you regardless of whether you vote.**

Item 1. Amount of Claim.

The undersigned hereby certifies that as of the Voting Record Date, the undersigned is the holder of a Class 6 Claim in the following aggregate unpaid amount (insert amount in box below):

Amount of Claim: $ _____

Pursuant to Article IV, Section 4.3 of the Plan, Scottish Re Group Limited ("SRGL") has made the Cash Election, and thus will receive its Distribution (in addition to SRGL's applicable percentage of the Distribution Trust Assets Proceeds) in the form of Cash in its TruPS/GUC Claims Cash Distribution Amount.

For your reference, "TruPS/GUC Cash Distribution Amount" as defined in the Plan means the pro rata amount of the Available Plan Distribution Funding Amount to be distributed to a Beneficial Holder, Holder of the SFL Note Claim or Holder of a General Unsecured Claim, as applicable, calculated based on: (i) with respect to a Beneficial Holder of TruPS, such Beneficial Holder's Allocated Portion of the Allowed TruPS Claim in respect of which it is a Beneficial Holder, divided by the TruPS/GUC Claims Aggregate Amount; (ii) with respect to the Allowed SFL Note Claim, the portion of such Holder's Allowed SFL Note Claim for which the Cash Election has been made, divided by the TruPS/GUC Claims Aggregate Amount; and (iii) with respect to an Allowed General Unsecured Claim, the Allowed amount of such General Unsecured Claim, divided by the TruPS/GUC Claims Aggregate Amount.

Item 2. Vote on Plan.

THE DEBTORS RECOMMEND THAT YOU VOTE TO ACCEPT THE PLAN.

The holder of the Class 6 Claim set forth in Item 1 votes to (please check one):

ACCEPT THE PLAN	REJECT THE PLAN
☐	☐

To be counted, a holder of Class 6 Claims must vote all of its Class 6 Claims either to accept or reject the Plan. No split votes will be permitted.

If no holder of Class 6 Claims eligible to vote to accept or reject the Plan votes on the

Plan, the Debtors intend to seek a determination at the Confirmation Hearing that the Plan is deemed accepted by Class 6.

Item 3. Releases.

If you do not check the box below, you are consenting to grant the "Releases by Holders of Claims and Interests" set forth in Article X, Section 10.3 of the Plan.

Check the box: ☐	**I do not wish to grant the "Releases by Holders of Claims and Interests" set forth in Article X, Section 10.3 of the Plan.**

For your reference, Article X, Section 10.3 of the Plan states:

To the fullest extent permitted by law and except as otherwise specifically provided in the Plan, for good and valuable consideration, including the contributions of the Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, effective as of the Effective Date, (i) Holders of Claims who vote to accept the Plan, (ii) Holders of Claims who are Unimpaired under the Plan, (iii) Holders of Claims entitled to vote on the Plan who do not submit a ballot and do not timely object to or opt-out of the releases, and (iv) each of the Purchaser, the Joint Liquidators, SRGL, and for each of the foregoing, their respective Representatives (other than with respect to SRGL, the SRGL Equity Holders), hereby release, waive and discharge, and shall be deemed to forever release, waive, and discharge the Released Parties of any and all Claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities whatsoever in connection with or related to the Debtors, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, at equity, or otherwise, including those that any of the Debtors, the Reorganized Debtors, the Estates, or their Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Interest or other Entity based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the conduct of the Debtors' business, the Chapter 11 Cases, the Disclosure Statement, the Plan or the documents implementing the Plan, and the negotiation, formulation, or preparation thereof, the solicitation of votes with respect to the Plan, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any of the Debtors and any Released Party, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, or upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct, actual fraud, or gross negligence as determined by a Final Order.

Each Person or Entity providing releases under the Plan, including the Debtors, the Estates, and the Holders of Claims (regardless of whether such Holder is a Released Party), shall be deemed to have granted the releases set forth above notwithstanding that such Person or Entity may hereafter discover facts in addition to, or different from, those which it now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and such Person or Entity expressly waives any and all rights that it may have under any statute or common law principle which would limit the effect of such releases to those Claims or causes of action actually known or suspected to exist at the time of execution of such release.

Entry of the Confirmation Order shall constitute the Court's approval, pursuant to Bankruptcy Rule 9019, of the Releases by Holders of Claims and Interests described in this Section 10.3, which includes by reference each of the related provisions and definitions contained herein, and, further, shall constitute the Court's finding that such releases are: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims released by such releases; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Releasing Parties asserting any claim or cause of action released pursuant to such releases.

"Released Parties" as defined in the Plan and Disclosure Statement means: (a) the Debtors; (b) the Reorganized Debtors; (c) the Official Committee (including the current and former Official Committee members in their capacities as such); (d) the Purchaser; (e) the Stalking Horse; (f) the Joint Liquidators; (g) SRGL; (h) the Voting Agent; and (i) for each of the foregoing, all of their respective Representatives; *provided, however*, that "Released Parties" specifically excludes the SRGL Equity Holders, and their respective Representatives, in their capacity as such.

Item 4. Certifications.

By signing this Ballot, the undersigned certifies to the Court and the Debtors:

1. that either: (a) the undersigned is the holder of the Class 6 Claim(s) being voted; or (b) the undersigned is an authorized signatory for an entity that is holder of the Class 6 Claim(s) being voted;
2. that the undersigned has received a copy of the Disclosure Statement, the Plan and the Solicitation Package and acknowledges that the solicitation is being made pursuant to the terms and conditions set forth therein;
3. that the undersigned has cast the same vote with respect to all Class 6 Claims;
4. that no other Ballots with respect to the amount of the Class 6 Claim(s) identified in Item 1 have been cast or, if any other Ballots have been cast with respect to such Claim(s), then any such Ballots dated earlier are hereby revoked;
5. that the undersigned acknowledges that a vote to accept the Plan constitutes an acceptance of the treatment of such undersigned's Class 6 Claim(s);
6. that the undersigned understands and, if accepting the Plan, agrees with the treatment provided for its Claim(s) under the Plan;

7. that the undersigned acknowledges and understands that (a) if no holders of Claims eligible to vote in a particular Class vote to accept or reject the Plan, the Debtors will seek a determination at the Confirmation Hearing that the Plan is deemed accepted by such Class; and (b) any Class of Claims that does not have a holder of an Allowed Claim or a Claim provisionally allowed by the Court as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to sections 1129(a)(8) and 1129(a)(10) of the Bankruptcy Code; and

8. that the undersigned acknowledges and agrees that the Debtors may make conforming changes to the Plan to the extent provided by Bankruptcy Rule 3019 as may be reasonably necessary; provided that the Debtors will not re-solicit acceptances or rejections of the Plan in the event of such conforming changes.

[*Signature Page Follows*]

	(Please print or type)
Social Security Number or Federal Tax Identification Number:	
Signature:	
Name of Signatory:	(If other than holder)[3]
Title:	
Address:	
Email Address:	
Date Completed:	

PLEASE COMPLETE, SIGN AND DATE THE BALLOT AND RETURN IT PROMPTLY IN THE ENCLOSED RETURN ENVELOPE OR VIA AN APPROVED METHOD OR RETURN INDICATED BELOW. YOUR BALLOT MUST BE ACTUALLY RECEIVED BY THE VOTING DEADLINE, WHICH IS ~~June 22,~~[August 13], 2018 AT 4:00 P.M. ET.

Via first-class mail, overnight courier, or hand-delivery to:

Scottish Holdings Ballot Processing
c/o Prime Clerk, LLC
830 3rd Avenue, 3rd Floor
New York, NY 10022

OR

[3] If you are completing this Ballot on behalf of another person or entity, indicate your relationsh ip with such person or entity and the capacity in which you are signing. You may be required to provide additional information or documentation with respect to such relationship.

Via the Voting Agent's online balloting portal:

Visit https://cases.primeclerk.com/scottishballots, click on "Submit E-Ballot" and follow the instructions indicated.

IMPORTANT NOTE: You will need the following information to retrieve and submit your customized electronic Ballot:

Unique E-Ballot ID#:_____

The Voting Agent's online balloting portal is the sole manner in which Ballots will be accepted via electronic or online transmission. Ballots submitted by facsimile, email, or other means of electronic transmission will not be counted.

Each E-Ballot ID# is to be used solely for voting only those Claims described in Item 1 of your electronic Ballot. Please complete and submit an electronic Ballot for each E-Ballot ID# you receive, as applicable.

Creditors who submit an electronic Ballot using the Voting Agent's online balloting portal should NOT also submit a paper Ballot.

INSTRUCTIONS FOR COMPLETING BALLOTS

1. The Debtors are soliciting the votes of holders of Claims with respect to the Plan attached as **Exhibit A** to the Disclosure Statement. Capitalized terms used in the Ballot or in these instructions but not otherwise defined therein or herein shall have the meaning set forth in the Plan, the Disclosure Statement or the Disclosure Statement Order, as applicable.

2. The Court may confirm the Plan and thereby bind you by the terms of the Plan. Please review the Disclosure Statement for more information.

3. To ensure that your vote is counted, you must: (a) complete the Ballot; (b) indicate your decision either to accept or reject the Plan in the boxes provided in Item 2 of the Ballot; and (c) sign and return the Ballot (i) using the enclosed pre-addressed envelope, (ii) via first class mail overnight courier, or hand delivery to: Scottish Holdings Ballot Processing, c/o Prime Clerk, LLC, 830 3rd Avenue, 3rd Floor, New York, NY 10022, or (iii) via the Voting Agent's online balloting portal. If the Voting Agent does not actually receive your Ballot on or before the Voting Deadline**, which is ~~June 22,~~ [August 13], 2018 at 4:00 p.m. (ET)** and if the Voting Deadline is not extended, your vote will not count. Your completed Ballot must be received by the Voting Agent on or before the Voting Deadline.

4. You must vote all of your Claims or Interests within a particular Class either to accept or reject the Plan and may not split your vote. A Ballot that partially rejects and partially accepts the Plan will be not counted. Further, if a holder has multiple Claims within the same Class, the Debtors may, in their discretion, aggregate the Claims of any particular holder within a Class for the purpose of counting votes.

5. If a Ballot is received after the Voting Deadline, it will not be counted unless the Debtors determine otherwise or as otherwise ordered by the Court. Except as otherwise provided herein, such delivery will be deemed made only when the Voting Agent actually receives the originally executed Ballot; *provided, however*, that a Ballot submitted via the Voting Agent's online balloting portal shall be deemed to contain an original signature. Instead of effecting delivery by mail, it is recommended, though not required, that holders use an overnight delivery service, hand delivery service, or the online voting portal. In all cases, holders should allow sufficient time to assure timely delivery. Delivery of a Ballot to the Voting Agent by facsimile, e-mail or any other electronic means shall not be valid. No Ballot should be sent to any of the Debtors, the Debtors' agents (other than the Voting Agent) or the Debtors' legal advisors and if so sent will not be counted.

6. If multiple Ballots are received from the same holder of a Claim with respect to the same Claim prior to the Voting Deadline, the last valid Ballot timely received will supersede and revoke any earlier received Ballots.

7. The Ballot is not a letter of transmittal and may not be used for any purpose other than to vote to accept or reject the Plan. Accordingly, at this time, holders of Claims should not

surrender certificates or instruments representing or evidencing their Claims and neither the Debtors nor the Voting Agent will accept delivery of any such certificates or instruments surrendered together with a Ballot.

8. This Ballot does not constitute and shall not be deemed to be: (a) a Proof of Claim; or (b) an assertion or admission of a Claim.

9. Please be sure to sign and date your Ballot. If you are signing a Ballot in your capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation or otherwise acting in a fiduciary or representative capacity, you should indicate such capacity when signing and, if requested by the Voting Agent, the Debtors or the Court, must submit proper evidence to the requesting party to so act on behalf of such holder. In addition, please provide your name and mailing address if it is different from that set forth on the attached mailing label or if no such mailing label is attached to the Ballot.

10. If you hold Claims or Interests in more than one Class under the Plan or in multiple accounts, you may receive more than one Ballot coded for each different Class or account. Each Ballot votes only your Claims or Interests indicated on that Ballot. Please complete and return each Ballot you received.

11. The following Ballots shall not be counted in determining the acceptance or rejection of the Plan: (a) any Ballot that is illegible or contains insufficient information to permit the identification of the holder of the Claim or Interest; (b) any Ballot cast by an undersigned that does not hold a Claim or Interest in a Class that is entitled to vote on the Plan; (c) any unsigned Ballot; (d) any Ballot not marked to accept or reject the Plan or any Ballot marked both to accept and reject the Plan; and (e) any Ballot submitted by any entity not entitled to vote pursuant to the Solicitation Procedures.

12. If you believe you have received the wrong Ballot, you should contact the Voting Agent immediately by telephone at (347) 897-3820 or (877) 851-3566 (toll-free) or email at scottishballots@primeclerk.com.

PLEASE RETURN YOUR BALLOT PROMPTLY

IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT OR THE VOTING PROCEDURES, PLEASE CONTACT THE VOTING AGENT BY TELEPHONE AT: (347) 897-3820 OR (877) 851-3566 (toll-free) OR EMAIL AT SCOTTISHBALLOTS@PRIMECLERK.COM

Document comparison by Workshare 9.5 on Friday, June 15, 2018 7:36:27 PM

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Moved to	
Style change	
Format change	
~~Moved deletion~~	
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Deleted cell	
Moved cell	
Split/Merged cell	
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Moved to	0
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Exhibit 2

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
SCOTTISH HOLDINGS, INC., *et al.*,	Case No. 18-10160 (LSS)
Debtors.[1]	Jointly Administered
	Hearing Date: ~~June 28,~~ [August 22], 2018 at 10:00 a.m. (ET) **Objections Due: ~~June 22,~~ [August 10], 2018 at 4:00 p.m. (ET)**

NOTICE OF (I) DEADLINE FOR CASTING VOTES TO ACCEPT OR REJECT THE DEBTORS' FIRST AMENDED JOINT CHAPTER 11 PLAN, (II) HEARING TO CONSIDER CONFIRMATION OF THE DEBTORS' FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF SCOTTISH HOLDINGS, INC., AND SCOTTISH ANNUITY & LIFE INSURANCE COMPANY (CAYMAN) LTD. AND (III) CERTAIN RELATED MATTERS

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On April 18, 2018, the above-captioned debtors and debtors- in-possession (collectively, the "Debtors")[2] filed the *Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* (D.I. 213) ~~(as it may be~~and the *[Proposed] Disclosure Statement for Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* (D.I. 214).

2. On [June 15, 2018], the Debtors filed the *First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* (D.I. ___) (as it may be further amended, modified or supplemented from time to time and together with all exhibits, schedules and supplements thereto, the "Plan"), and a related disclosure statement (D.I. ~~214~~___) (as it may be further amended, modified or supplemented from time to time and together with all exhibits, schedules and supplements thereto, the "Disclosure Statement") under section 1125 of the Bankruptcy Code.

3. ~~2.~~ Pursuant to an Order dated ~~____~~June ____, 2018 (D.I. ___) (the "Disclosure Statement Order"), the Bankruptcy Court approved the Disclosure Statement as containing "adequate information" within the meaning of section 1125 of the Bankruptcy Code.

[1] The Debtors, along with the last four digits of their federal tax identification numbers, are as follows: Scottish Holdings, Inc. (4408) and Scottish Annuity & Life Insurance Company (Cayman) Ltd. (3285). The Debtors' mailing address for purposes of these chapter 11 cases is 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277.

[2] Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Plan.

4. ~~3.~~ A hearing to consider the confirmation of the Plan (the "Confirmation Hearing") will be held before the Honorable Laurie Selber Silverstein, United States Bankruptcy Judge, United States Bankruptcy Court, District of Delaware, 824 North Market Street, Wilmington, Delaware 19801, on **~~June 28,~~[August 22], 2018 at 10:00 a.m. (ET)**.

5. ~~4.~~ Objections to confirmation of the Plan, if any, must: (i) be in writing; (ii) state the name and address of the objecting party and the nature of the Claim or Equity Interest of such party; (iii) state with particularity the basis and nature of any objections to confirmation of the Plan; and (iv) be filed with the Court and served on: (i) the Debtors, 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277 (Attn: Gregg Klingenberg) (ii) co-counsel to the Debtors, (a) Hogan Lovells US LLP, 875 Third Avenue, New York, NY 10022 (Attn: Peter Ivanick) and (b) Morris, Nichols, Arsht & Tunnell LLP, 1201 North Market Street, P.O. Box 1347, Wilmington, DE 19899-1347 (Attn: Eric D. Schwartz, Gregory W. Werkheiser, and Matthew B. Harvey); (iii) counsel to the Purchaser, (a) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036 (Attn: Stephen Zide and Anupama Yerramalli), and (b) Potter Anderson Corroon LLP, Hercules Plaza, 1313 N. Market Street, 6th Fl., P.O. Box 951, Wilmington, Delaware 19801 (Attn: Jeremy W. Ryan, and R. Stephen McNeill); (iv) counsel to the Committee, (a) Pepper Hamilton LLP, Hercules Plaza, Suite 5100, 1313 Market Street, P.O. Box 1709, Wilmington, DE 19899-1709 (Attn: David M. Fournier and John H. Schanne II), and (b) Pepper Hamilton LLP, The New York Times Building, 37th Floor, 620 Eighth Avenue, New York, New York 10018-1405 (Attn: H. Peter Haveles, Jr.); and (~~iv~~v) the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, DE 19801 (Attn: Timothy J. Fox, Jr.), so that they are received no later than **4:00 p.m. (ET), on ~~June 22,~~[August 10], 2018.** The Debtors reserve the right to file a consolidated reply to any such objection no later than ~~June 26, 2018 at 11:00 a.m. (ET).~~**[August 17], 2018**.

6. ~~5.~~ Pursuant to the Disclosure Statement Order, the Bankruptcy Court approved the use of certain materials in the solicitation of votes to accept or reject the Plan and certain procedures for the tabulation of votes to accept or reject the Plan. If you are a holder of a Claim against any of the Debtors as of ~~May 23,~~[June 28], 2018 (the "Record Date"), in the Voting Class, you have received a ballot form (a "Ballot") and instructions for completing the Ballot with this Notice.

7. ~~6.~~ For a vote to accept or reject the Plan to be counted, a Record Holder of an Allowed Claim in the Voting Class or the Master Ballot Agent of a Voting Class must complete all required information on the Ballot, execute the Ballot and return the completed Ballot to Prime Clerk, LLC (the "Voting Agent") at the address indicated on the Ballot so that it is received by **~~June 22,~~[August 13], 2018, at 4:00 p.m.** (the "Voting Deadline"). Any failure to follow the instructions included with the Ballot or to return a properly completed Ballot so that it is received by the Voting Deadline may disqualify such Ballot and vote on the Plan. The rules and procedures for the Tabulation of the votes are outlined in the Disclosure Statement Order.

8. ~~7.~~ If a holder of a Claim wishes to challenge the allowance or disallowance of a Claim for voting purposes under the Tabulation Rules (as defined in the Disclosure Statement Order), such entity must file a motion, pursuant to Bankruptcy Rule 3018(a), for an order temporarily allowing such Claim in a different amount or classification for purposes of voting to accept or reject the Plan and serve such motion on the undersigned counsel to the

Debtors so that it is received no later than **4:00 p.m. (ET), on ~~June 18,~~[August 10], 2018**. The Debtors shall have until ~~June 26,~~[August 17], 2018~~ at 11:00 a.m. (ET)~~ to file and serve any responses to such motions. Unless the Court orders otherwise, such Claim will not be counted for voting purposes in excess of the amount determined in accordance with the Tabulation Rules.

9. ~~8.~~ If you or your attorney do not take these steps, the Court may decide that you do not oppose the relief sought and may enter an order confirming the Plan.

10. ~~9.~~ Copies of the Plan and the Disclosure Statement are available for review without charge on a web page maintained by the Debtors for restructuring information at http://www.scottishre.com/chapter11info.

Dated: ~~May~~June __, 2018
Wilmington, Delaware

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/ DRAFT
Eric D. Schwartz (No. 3134)
Gregory W. Werkheiser (No. 3553)
Matthew B. Harvey (No. 5186)
Paige N. Topper (No. 6470)
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- and –

Peter Ivanick
Lynn W. Holbert
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Facsimile: (212) 918-3100
peter.ivanick@hoganlovells.com
lynn.holbert@hoganlovells.com
john.beck@hoganlovells.com

Counsel for Debtors and Debtors in Possession

Document comparison by Workshare 9.5 on Friday, June 15, 2018 7:38:40 PM

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Rendering set	Standard

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~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
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Deleted cell	
Moved cell	
Split/Merged cell	
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Statistics:	
	Count
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Exhibit 3-1

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
SCOTTISH HOLDINGS, INC., *et al.*,	Case No. 18-10160 (LSS)
Debtors.[1]	Jointly Administered
	Hearing Date: ~~**June 28,**~~**[August 22], 2018 at 10:00 a.m. (ET)**

NOTICE OF NON-VOTING STATUS WITH RESPECT TO UNIMPAIRED CLASSES DEEMED TO ACCEPT THE DEBTORS' FIRST AMENDED JOINT PLAN

PLEASE TAKE NOTICE THAT on April 18, 2018, the above-captioned debtors and debtors- in- possession (collectively, the "Debtors") [2] filed the *Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* (D.I. 213) ~~(as it may be~~and the *[Proposed] Disclosure Statement for Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* (D.I. 214) with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court").

PLEASE TAKE FURTHER NOTICE THAT on [June 15, 2018], the Debtors filed the *First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* (D.I. ___) (as it may be further amended, modified or supplemented from time to time and together with all exhibits, schedules and supplements thereto, the "Plan"), and the *Disclosure Statement for First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* (D.I. ~~214~~___) (as it may be further amended, modified or supplemented from time to time and together with all exhibits, schedules and supplements thereto, the "Disclosure Statement~~") with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court~~"). By order entered on _____, 2018 (the "Disclosure Statement Order"), the Bankruptcy Court approved the adequacy of the information contained in the Disclosure Statement, along with certain procedures to be used in connection with solicitation of votes on the Plan.

PLEASE TAKE FURTHER NOTICE THAT UNDER THE TERMS OF THE PLAN, YOUR CLAIM(S) AGAINST THE DEBTORS IS/ARE NOT IMPAIRED, THEREFORE, PURSUANT TO BANKRUPTCY CODE SECTION 1126(f), YOU ARE (I)

[1] The Debtors, along with the last four digits of their federal tax identification numbers, are as follows: Scottish Holdings, Inc. (4408) and Scottish Annuity & Life Insurance Company (Cayman) Ltd. (3285). The Debtors' mailing address for purposes of these chapter 11 cases is 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277.

[2] Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Plan.

DEEMED TO HAVE ACCEPTED THE PLAN AND (II) NOT ENTITLED TO VOTE ON THE PLAN.

PLEASE TAKE FURTHER NOTICE that a hearing to consider confirmation of the Plan (the "Confirmation Hearing") will be held at **10:00 a.m. (prevailing Eastern time) on ~~June 28,~~[August 22], 2018**, before the Honorable Laurie Selber Silverstein, United States Bankruptcy Judge, in the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, Wilmington, DE 19801-4908. The Confirmation Hearing may be adjourned from time to time without further notice except for the announcement of the adjournment date made at the Confirmation Hearing or at any subsequent adjourned Confirmation Hearing, and the Plan may be modified, if necessary, prior to, during, or as a result of the Confirmation Hearing, without further notice to interested parties. **ANY PARTY IN INTEREST OBJECTING TO THE PLAN MUST SERVE AND FILE A WRITTEN OBJECTION (A "CONFIRMATION OBJECTION") TO CONFIRMATION OF THE PLAN NO LATER THAN 4:00 P.M. (PREVAILING EASTERN TIME) ON ~~JUNE 22,~~[August 10], 2018 (THE "OBJECTION DEADLINE").** Confirmation Objections must be written, filed and served in accordance with the instructions contained in the Disclosure Statement Order. Confirmation Objections must be served on (i) the Debtors, 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277 (Attn: Gregg Klingenberg) (ii) co-counsel to the Debtors, (a) Hogan Lovells US LLP, 875 Third Avenue, New York, NY 10022 (Attn: Peter Ivanick) and (b) Morris, Nichols, Arsht & Tunnell LLP, 1201 North Market Street, P.O. Box 1347, Wilmington, DE 19899-1347 (Attn: Eric D. Schwartz, Gregory W. Werkheiser, and Matthew B. Harvey); (iii) counsel to the Purchaser, (a) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036 (Attn: Stephen Zide and Anupama Yerramalli), and (b) Potter Anderson Corroon LLP, Hercules Plaza, 1313 N. Market Street, 6th Fl., P.O. Box 951, Wilmington, Delaware 19801 (Attn: Jeremy W. Ryan, and R. Stephen McNeill); (iv) counsel to the Committee, (a) Pepper Hamilton LLP, Hercules Plaza, Suite 5100, 1313 Market Street, P.O. Box 1709, Wilmington, DE 19899-1709 (Attn: David M. Fournier and John H. Schanne II), and (b) Pepper Hamilton LLP, The New York Times Building, 37th Floor, 620 Eighth Avenue, New York, New York 10018-1405 (Attn: H. Peter Haveles, Jr.); and (~~iv~~v) the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, DE 19801 (Attn: Timothy J. Fox, Jr.)~~.~~, so that they are received no later than **4:00 p.m. (prevailing Eastern time), on [August 10], 2018.** The Debtors reserve the right to file a consolidated reply to any such objection no later than ~~June 26, 2018 at 11:00 a.m. (prevailing Eastern time).~~**[August 17], 2018**.

PLEASE TAKE FURTHER NOTICE that if you disagree with the Debtors' classification of your claim or believe that you should be entitled to vote on the Plan, then you must serve on the Debtors and file with the Bankruptcy Court a motion (a "Rule 3018 Motion") for an order pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") temporarily allowing your claim in a different amount or in a different class for purposes of voting to accept or reject the Plan. All Rule 3018 Motions must be filed on or **before ~~June 18,~~[August 10], 2018, at 4:00 p.m. (prevailing Eastern time)** (the "Rule 3018 Motion Deadline"). Rule 3018 Motions must (i) be made in writing, (ii) comply with the Bankruptcy Code, the Bankruptcy Rules and the Local Rules, (iii) set forth the name of the party asserting the Rule 3018 Motion, (iv) state with particularity the legal and factual bases for the Rule 3018 Motion, and (v) be filed with the Bankruptcy Court and served on the Debtors no later than the

Rule 3018 Motion Deadline. Any issues raised by a Rule 3018 Motion that are not resolved between the Debtors and the claim holder will be considered at the Confirmation Hearing. In accordance with Bankruptcy Rule 3018, as to any creditor filing a Rule 3018 Motion, such creditor's Ballot will not be counted unless temporarily allowed by the Bankruptcy Court, or as otherwise agreed to by the Debtors and the claim holder, for voting purposes. Rule 3018 Motions that are not timely filed and served in the manner as set forth above will not be considered.

Any party in interest wishing to view the Plan, Disclosure Statement, or the Disclosure Statement ~~Approval~~ Order may view such documents at a web page maintained by the Debtors for restructuring information at http://www.scottishre.com/chapter11info.

Dated: ~~May~~June __, 2018
Wilmington, Delaware

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/ DRAFT
Eric D. Schwartz (No. 3134)
Gregory W. Werkheiser (No. 3553)
Matthew B. Harvey (No. 5186)
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Exhibit 3-2

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 11
SCOTTISH HOLDINGS, INC., *et al.*,	Case No. 18-10160 (LSS)
Debtors.[1]	Jointly Administered
	Hearing Date: ~~**June 28,**~~**[August 22], 2018 at 10:00 a.m. (ET)**

NOTICE OF NON-VOTING STATUS WITH RESPECT TO IMPAIRED CLASSES DEEMED TO REJECT THE DEBTORS' FIRST AMENDED JOINT PLAN

PLEASE TAKE NOTICE THAT on April 18, 2018, the above-captioned debtors and debtors- in- possession (collectively, the "Debtors")[2] filed the *Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* (D.I. 213) ~~(as it may be~~and the *[Proposed] Disclosure Statement for Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* (D.I. 214) with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court").

PLEASE TAKE FURTHER NOTICE THAT on June 15, 2018, the Debtors filed the *First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* (D.I. ___) (as it may be further amended, modified or supplemented from time to time and together with all exhibits, schedules and supplements thereto, the "Plan"), and the *Disclosure Statement for First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* (D.I. ~~214~~___) (as it may be further amended, modified or supplemented from time to time and together with all exhibits, schedules and supplements thereto, the "Disclosure Statement") ~~with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court")~~. By order entered on [_____], 2018 (the "Disclosure Statement Order"), the Bankruptcy Court approved the adequacy of the information contained in the Disclosure Statement, along with certain procedures to be used in connection with solicitation of votes on the Plan.

PLEASE TAKE FURTHER NOTICE THAT UNDER THE TERMS OF THE PLAN, YOUR CLAIM(S) AGAINST THE DEBTORS IS/ARE IMPAIRED, THEREFORE, PURSUANT TO BANKRUPTCY CODE SECTION 1126(g), YOU ARE (I)

[1] The Debtors, along with the last four digits of their federal tax identification numbers, are as follows: Scottish Holdings, Inc. (4408) and Scottish Annuity & Life Insurance Company (Cayman) Ltd. (3285). The Debtors' mailing address for purposes of these chapter 11 cases is 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277.

[2] Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Plan.

DEEMED TO HAVE REJECTED THE PLAN AND (II) NOT ENTITLED TO VOTE ON THE PLAN.

PLEASE TAKE FURTHER NOTICE that a hearing to consider confirmation of the Plan (the "Confirmation Hearing") will be held at **10:00 a.m. (prevailing Eastern time) on ~~June 28, 2018~~[August 22, 2018],** before the Honorable Laurie Selber Silverstein, United States Bankruptcy Judge, in the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, Wilmington, DE 19801-4908. The Confirmation Hearing may be adjourned from time to time without further notice except for the announcement of the adjournment date made at the Confirmation Hearing or at any subsequent adjourned Confirmation Hearing, and the Plan may be modified, if necessary, prior to, during, or as a result of the Confirmation Hearing, without further notice to interested parties. **ANY PARTY IN INTEREST OBJECTING TO THE PLAN MUST SERVE AND FILE A WRITTEN OBJECTION (A "CONFIRMATION OBJECTION") TO CONFIRMATION OF THE PLAN NO LATER THAN 4:00 P.M. (PREVAILING EASTERN TIME) ON ~~JUNE 22,~~[AUGUST 10, 2018] (THE "OBJECTION DEADLINE").** Confirmation Objections must be written, filed and served in accordance with the instructions contained in the Disclosure Statement Order. Confirmation Objections must be served on (i) the Debtors, 14120 Ballantyne Corporate Place, Suite 300, Charlotte, NC 28277 (Attn: Gregg Klingenberg) (ii) co-counsel to the Debtors, (a) Hogan Lovells US LLP, 875 Third Avenue, New York, NY 10022 (Attn: Peter Ivanick) and (b) Morris, Nichols, Arsht & Tunnell LLP, 1201 North Market Street, P.O. Box 1347, Wilmington, DE 19899-1347 (Attn: Eric D. Schwartz, Gregory W. Werkheiser, and Matthew B. Harvey); (iii) counsel to the Purchaser, (a) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036 (Attn: Stephen Zide and Anupama Yerramalli), and (b) Potter Anderson Corroon LLP, Hercules Plaza, 1313 N. Market Street, 6th Fl., P.O. Box 951, Wilmington, Delaware 19801 (Attn: Jeremy W. Ryan, and R. Stephen McNeill); (iv) counsel to the Committee, (a) Pepper Hamilton LLP, Hercules Plaza, Suite 5100, 1313 Market Street, P.O. Box 1709, Wilmington, DE 19899-1709 (Attn: David M. Fournier and John H. Schanne II), and (b) Pepper Hamilton LLP, The New York Times Building, 37th Floor, 620 Eighth Avenue, New York, New York 10018-1405 (Attn: H. Peter Haveles, Jr.); and (~~iv~~v) the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, DE 19801 (Attn: Timothy J. Fox, Jr.)~~.~~, so that they are received no later than **4:00 p.m. (prevailing Eastern time), on [August 10], 2018.** The Debtors reserve the right to file a consolidated reply to any such objection no later than ~~June 26, 2018 at 11:00 a.m. (prevailing Eastern time).~~**[August 17], 2018**.

PLEASE TAKE FURTHER NOTICE that if you disagree with the Debtors' classification of your claim or believe that you should be entitled to vote on the Plan, then you must serve on the Debtors and file with the Bankruptcy Court a motion (a "Rule 3018 Motion") for an order pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") temporarily allowing your claim in a different amount or in a different class for purposes of voting to accept or reject the Plan. All Rule 3018 Motions must be filed on or before ~~June 18,~~**[August 10], 2018, at 4:00 p.m. (prevailing Eastern time)** (the "Rule 3018 Motion Deadline"). Rule 3018 Motions must (i) be made in writing, (ii) comply with the Bankruptcy Code, the Bankruptcy Rules and the Local Rules, (iii) set forth the name of the party asserting the Rule 3018 Motion, (iv) state with particularity the legal and factual bases for the Rule 3018 Motion, and (v) be filed with the Bankruptcy Court and served on the Debtors no later than the

Rule 3018 Motion Deadline. Any issues raised by a Rule 3018 Motion that are not resolved between the Debtors and the claim holder will be considered at the Confirmation Hearing. In accordance with Bankruptcy Rule 3018, as to any creditor filing a Rule 3018 Motion, such creditor's Ballot will not be counted unless temporarily allowed by the Bankruptcy Court, or as otherwise agreed to by the Debtors and the claim holder, for voting purposes. Rule 3018 Motions that are not timely filed and served in the manner as set forth above will not be considered.

Any party in interest wishing to view the Plan, Disclosure Statement, or the Disclosure Statement ~~Approval~~ Order may view such documents at a web page maintained by the Debtors for restructuring information at http://www.scottishre.com/chapter11info.

Dated: ~~May~~June __, 2018
Wilmington, Delaware

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/ DRAFT
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