

STOCK PURCHASE AGREEMENT

BY AND AMONG

SCOTTISH ANNUITY & LIFE INSURANCE COMPANY (CAYMAN) LTD.,

SCOTTISH HOLDINGS, INC.

AND

HILDENE RE HOLDINGS, LLC

DATED AS OF JUNE 11, 2018

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This STOCK PURCHASE AGREEMENT (this “Agreement”) is dated as of June 11, 2018 (the “Agreement Date”), by and among Scottish Annuity & Life Insurance Company (Cayman) Ltd., an exempted company limited by shares organized and existing under the laws of the Cayman Islands (“SALIC”), Scottish Holdings, Inc., a corporation organized and existing under the laws of the state of Delaware (“SHI”), and Hildene Re Holdings, LLC, a Delaware limited liability company (“Purchaser”).

RECITALS

WHEREAS, SALIC is engaged, through itself and the Insurance Company Subsidiaries, in the reinsurance of, among other products, accident and health insurance, disability insurance, life insurance, annuities and annuity-type products (the “SALIC Group Business”);

WHEREAS, SALIC is a wholly owned direct subsidiary of Scottish Re Group Limited (“SRGL”), an exempted company limited by shares incorporated and existing under the laws of the Cayman Islands;

WHEREAS, on January 28, 2018, SALIC and SHI filed voluntary petitions for relief (each a “Chapter 11 Case,” and collectively, the “Chapter 11 Cases”) under Chapter 11 of the United States Bankruptcy Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”);

WHEREAS, on May 17, 2017, SRGL (a) commenced a winding up proceeding (the “Bermuda Winding Up Proceeding”) before the Supreme Court of Bermuda (the “Bermuda Court”) by filing a petition (the “Bermuda Winding Up Petition”) for its winding up pursuant to Part XIII of the Bermuda Companies Act 1981 (the “Bermuda Act”) and (b) commenced a parallel winding up proceeding (the “Cayman Islands Winding Up Proceeding,” and together with the Bermuda Winding Up Proceeding, the “Winding Up Proceedings”) before the Grand Court of the Cayman Islands, Financial Services Division (the “Cayman Islands Court”) by filing a petition (the “Cayman Islands Winding Up Petition,” and together with the Bermuda Winding Up Petition, the “Winding Up Petitions”) for its winding up under Cayman Islands law;

WHEREAS, simultaneous with SRGL’s filing of the Bermuda Winding Up Petition, SRGL filed an application to the Bermuda Court for the appointment of joint provisional liquidators in connection with the Bermuda Winding Up Proceeding;

WHEREAS, on May 18, 2017, the Bermuda Court appointed John C. McKenna of Finance & Risk Services Ltd. and Eleanor Fisher of Kalo (Cayman) Limited as joint provisional liquidators (with limited powers) for SRGL in connection with the Bermuda Winding Up Proceeding (the “Joint Provisional Liquidators”);

WHEREAS, on January 30, 2018, the Bermuda Court entered a winding up Order for SRGL and expanded the powers of the Joint Provisional Liquidators under the Bermuda Act such that they became full powers liquidators in the Bermuda Winding Up Proceeding (the “Bermuda Full Powers Liquidators”), and on May 18, 2018 the Cayman Islands Court entered a winding up Order and appointed Mr. McKenna and Ms. Fisher as full powers liquidators in the Cayman Islands Winding Up Proceeding (the “Cayman Islands Full Powers Liquidators,” and together with the Bermuda Full Powers Liquidators, the “Full Powers Liquidators”);

WHEREAS, SALIC is authorized to issue 20,000,000,000 ordinary shares, par value \$0.001 (the “Ordinary Shares”), of which 20,000,000,000 Ordinary Shares are outstanding;

WHEREAS, the Board of Directors of SALIC has approved the execution of this Agreement and the consummation of the Transactions;

WHEREAS, on January 28, 2018, SRGL, SHI and SALIC entered into the Restructuring Implementation Agreement (as defined below), pursuant to which, among other things, the parties thereto have agreed, subject in all respects to the terms and conditions set forth in the Restructuring Implementation Agreement, (a) that SRGL will provide SALIC with an irrevocable letter of surrender for all but one of the Ordinary Shares held by SRGL and (b) consent to the issuance of the Purchaser Shares to Purchaser upon the terms and subject to the conditions set forth in the Restructuring Implementation Agreement and this Agreement will be granted, and the Joint Provisional Liquidators have reviewed the Restructuring Implementation Agreement and support the actions thereunder as representing the best plan available in the best interests of SRGL's general body of unsecured creditors;

WHEREAS, on January 28, 2018, SALIC, SHI and HSCM Bermuda Fund Ltd. (“HSCM”) entered into that certain Stock Purchase Agreement (the “Stalking Horse SPA”) providing for, among other things, the purchase by HSCM of 19,999,999,999 Ordinary Shares of SALIC;

WHEREAS, on January 31, 2018 the Debtors filed with the Bankruptcy Court a motion seeking (a) the approval and assumption of the Restructuring Implementation Agreement pursuant to Section 365 of the Bankruptcy Code; (b) the approval and assumption of the Plan Sponsorship Agreement (as defined below) pursuant to Section 365 of the Bankruptcy Code; (c) the approval of the Bidding Procedures (including the Break-Up Fee and Expense Reimbursement Amount) (each, as defined below) and scheduling certain dates, deadlines and forms of notice in connection therewith; and (d) the grant of other related relief (the “Bidding Procedures Motion”), which motion was approved by Order of the Bankruptcy Court dated February 28, 2018 (the “Bidding Procedures Order”);

WHEREAS, at the conclusion of the Auction (as defined below) held on May 30, 2018, the Debtors declared Purchaser to be the Winning Bidder (as defined below) and HSCM to be the Back-Up Bidder in accordance with the Bidding Procedures;

WHEREAS, Purchaser wishes to purchase, and SALIC wishes to issue and sell, that number of Ordinary Shares of SALIC equal to 19,999,999,999 Ordinary Shares less the TruPS Shares (as defined below) (the “Purchaser Shares”), upon the terms and conditions stated herein, in the Chapter 11 Plan (as defined below); and

WHEREAS, in connection with the issuance and sale to Purchaser of the Purchaser Shares, (a) SALIC will issue to the TruPS Holders the TruPS Shares upon the terms and conditions stated in the Chapter 11 Plan and (b) SRGL will surrender to SALIC for cancellation the SRGL Shares (as defined below) as described, and on the terms and conditions set forth, in this Agreement and the Chapter 11 Plan.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and upon the terms and subject to the conditions set forth herein, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS AND TERMS

Section 1.1 Definitions. As used in this Agreement, the following terms have the meanings set forth or as referenced below:

“Action” means any claim, action, suit, litigation, audit, assessment, arbitration, investigation, inquiry, hearing, investigation, charge, complaint, demand, notice or proceeding of any nature, whether civil, criminal, administrative, regulatory, investigative or otherwise, in law or in equity.

“Administrative Expense Claim” means any right to payment constituting a cost or expense of administration of the Chapter 11 Cases as it relates to the Debtors under Sections 503(b) and 507(a)(2) of the Bankruptcy Code including, claims under Section 503(b)(9) of the Bankruptcy Code, any actual and necessary costs and expenses of preserving the Debtors’ estates, any actual and necessary costs and expenses of operating either Debtor’s business, any indebtedness or obligations incurred by either Debtor after the Petition Date in connection with the conduct of their businesses, all compensation and reimbursement of expenses awarded or otherwise approved for payment by Final Order of the Bankruptcy Court under Section 330, 503(b) or 1129(a)(4) of the Bankruptcy Code, any fees or charges assessed against either Debtor’s estate under Section 1930 of chapter 123 of title 28 of the United States Code, all wages, salaries and health and other benefits on account of services rendered after the Petition Date, all post-Petition Date taxes, and all other claims entitled to administrative expense status pursuant to a Final Order of the Bankruptcy Court, in each case relating to the period from the Petition Date to the Effective Date but not beyond (but excluding the Break-Up Fee, Expense Reimbursement Amount and any Intercompany Claims).

“Affiliate” means, with respect to any specified Person, any other Person that, at the time of determination, directly or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such first Person.

“Agreement” has the meaning set forth in the Preamble.

“Agreement Date” has the meaning set forth in the Preamble.

“Allowed” means, in reference to a Claim against a Debtor, a Claim that is an “Allowed Claim” pursuant to the terms of the Chapter 11 Plan or that otherwise has been allowed against such Debtor by a Final Order of the Bankruptcy Court.

“Alternative Transaction” mean any transaction or transactions pursuant to which any Person or group of Persons other than Purchaser and its Affiliates acquire, directly or indirectly,

all or any part (directly or through a proposed investment in equity securities, debt securities or claims of creditors) of the business, assets or properties, capital stock or capital stock equivalents of SRGL or any SALIC Group Company, whether by merger, recapitalization, reinsurance, share exchange, stock purchase (including a rights offering with respect to such entity's securities), purchase of assets, tender offer, debt-for-equity exchange, distribution of securities for the benefit of the stockholders of such entity, consolidation or similar transaction, or Debt Financing; provided, however, that in no event shall an "Alternative Transaction" include any transaction (including any reinsurance or retrocession transaction) undertaken by any SALIC Group Company in the Ordinary Course of Business.

"Amended RIA Order" means an Order of the Bankruptcy Court granting such relief as is necessary for the Cayman Islands Full Powers Liquidators on behalf of SRGL to provide the RIA Winning Bidder Confirmation, in form and substance reasonably acceptable to Purchaser.

"Ancillary Agreements" means the other agreements and instruments executed and delivered in connection with this Agreement.

"Applicable Bermuda Law" means all statutes, uncodified laws, regulations and rules of Bermuda (including the Bermuda Act and Orders of the Bermuda Court) that may be applicable to any SRGL Group Company or SALIC Group Company.

"Applicable Cayman Islands Law" means all statutes, uncodified laws, regulations and rules of the Cayman Islands (including the Companies Winding Up Rules, the Insolvency Practitioners' Regulations, the Foreign Bankruptcy Proceedings Rules (International Cooperation Rules), CIMA regulations and agency rulings and Orders of the Cayman Islands Court) that may be applicable to any SRGL Group Company or SALIC Group Company.

"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 Authority.

"Assumed Contracts" means all Contracts (a) that are Executory Contracts, (b) to which one or both of SALIC or SHI is party, and (c) that are to be assumed by the applicable Debtor pursuant to section 365 or 1123 of the Bankruptcy Code (i) by reason of their inclusion as Material Contracts on Section 3.16(a) of the SALIC Disclosure Schedule, but subject to Purchaser's rights under Section 2.3(c) and Section 2.3(f), (ii) by reason of Purchaser's inclusion of such Contracts on the schedule described in Section 2.3(a), (iii) by other agreement in writing of either Debtor (as applicable) and Purchaser, or (iv) otherwise in accordance with the Chapter 11 Plan, the Confirmation Order or another Final Order of the Bankruptcy Court. For the avoidance of doubt, the Assumed Contracts shall include all Reinsurance Contracts that are Executory Contracts and to which SALIC is a party.

"Auction" has the meaning set forth in the Bidding Procedures.

"Back-Up Bidder" has the meaning set forth in the Bidding Procedures.

“Bankruptcy and Equity Exceptions” has the meaning set forth in Section 3.2.

“Bankruptcy Code” has the meaning set forth in the Recitals.

“Bankruptcy Court” has the meaning set forth in the Recitals.

“Bankruptcy Court Approvals” means the Amended RIA Order (if necessary pursuant to Section 6.1(c)), the Winning Bidder Order, the Disclosure Statement Order, the Sale Order and the Confirmation Order.

“Bankruptcy Rules” means the Federal Rules of Bankruptcy Procedure.

“Benefit Plans” has the meaning set forth in Section 3.11(a).

“Bermuda Act” has the meaning set forth in the Recitals.

“Bermuda Court” has the meaning set forth in the Recitals.

“Bermuda Full Powers Liquidators” has the meaning set forth in the Recitals.

“Bermuda Winding Up Petition” has the meaning set forth in the Recitals.

“Bermuda Winding Up Proceeding” has the meaning set forth in the Recitals.

“Bidding Procedures” means the Bidding Procedures annexed as Exhibit A to the Bidding Procedures Order.

“Bidding Procedures Motion” has the meaning set forth in the Recitals.

“Bidding Procedures Order” has the meaning set forth in the Recitals.

“Books and Records” means originals or copies of all books, documents, accounts, ledgers and records (including computer generated, recorded or stored records) of, maintained by, or relating to the business of the SALIC Group Companies, including contract forms, policy information, policyholder information, claim records, underwriting records, administrative, pricing, underwriting, claims handling and reserving records and manuals, corporate and accounting and other records (including the books of account and other records), Tax records (including Tax Returns), disclosure and other documents and filings required under Applicable Law, financial records, and compliance records relating to the business of the SALIC Group Companies, including any database, magnetic or optical media and any other form of recorded, computer generated or stored information or process relating to the operations of the SALIC Group Companies.

“Break-Up Fee” has the meaning set forth in the Bidding Procedures Order.

“Burdensome Condition” has the meaning set forth in Section 5.3(d).

“Business Day” means any day other than a Saturday, a Sunday or a day on which banks in New York, New York or the Cayman Islands are authorized or obligated by Applicable Law to close.

“Cayman Islands Court” has the meaning set forth in the Recitals.

“Cayman Islands Full Powers Liquidators” has the meaning set forth in the Recitals.

“Cayman Islands Winding Up Petition” has the meaning set forth in the Recitals.

“Cayman Islands Winding Up Proceeding” has the meaning set forth in the Recitals.

“Chapter 11 Case” has the meaning set forth in the Recitals.

“Chapter 11 Plan” means the plan of reorganization under Chapter 11 of the Bankruptcy Code, either in the form as contemplated by the Plan Term Sheet as of the Agreement Date or as it may be altered, amended, modified, or supplemented from time to time in accordance with the Bankruptcy Code or the Bankruptcy Rules, as the case may be, and the Plan Supplement, including, all exhibits and schedules thereto. Unless otherwise agreed in writing by the parties hereto, the Chapter 11 Plan shall be consistent in all material respects with this Agreement and the Plan Term Sheet and otherwise in form and substance reasonably acceptable to the SALIC Parties and Purchaser. For the avoidance of doubt, the Chapter 11 Plan shall include provisions providing for, among other things, (a) the establishment of the Distribution Trust, (b) the funding of the Distribution Trust Reserve to the Distribution Trust, (c) the contribution and transfer of all SALIC/SRGL Claims to the Distribution Trust, and (d) the contribution and transfer of all DT Post-Closing Rights to the Distribution Trust.

“Claim” has the meaning set forth in Section 101(5) of the Bankruptcy Code.

“Closing” means the closing of the purchase and sale of the Purchaser Shares.

“Closing Date” has the meaning set forth in Section 2.4(a).

“Closing Date Cure Amounts” means all pre- and post-petition amounts payable pursuant to Section 365(b)(1)(A) or (B) of the Bankruptcy Code in order to effectuate the Debtors’ assumption of Assumed Contracts pursuant to the Chapter 11 Plan, either (a) as determined by an Order of the Bankruptcy Court entered prior to the Closing Date or (b) agreed to between the applicable parties as of a date prior to the Closing Date.

“Closing Date Plan Distributions” means cash in an amount equal to the aggregate face amount of Allowed Other Secured Claims, Allowed Administrative Expense Claims, Allowed Priority Claims, Allowed Priority Tax Claims and TruPS Trustee Fees and Expenses for which distributions will be made on the Effective Date in accordance with the terms of the Chapter 11 Plan; provided that in no event shall the Closing Date Plan Distributions exceed the Plan Funding Payment.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute.

“Company Group” means any “affiliated group” (as defined in Section 1504(a) of the Code without regard to the limitations contained in Section 1504(b) of the Code) that, at any time on or before the Closing Date, included or has included any SALIC Group Company or any direct or indirect predecessor of any SALIC Group Company, or any other group of corporations filing Tax Returns on a combined, consolidated, unitary or similar basis that, at any time on or before the Closing Date, includes or has included any SALIC Group Company or any direct or indirect predecessor of any SALIC Group Company.

“Condition Satisfaction” has the meaning set forth in Section 2.4(a).

“Confidentiality Agreement” means the Confidentiality Agreement, dated April 18, 2018, between SALIC and Hildene Opportunities Master Fund Ltd., as amended, modified or supplemented. Following the Auction, the parties may modify the Confidentiality Agreement as mutually agreed in order to appropriately reflect the receipt of confidential information by Purchaser in its capacity as such under this Agreement.

“Confirmation Hearing” means the hearing held by the Bankruptcy Court pursuant to Section 1128 of the Bankruptcy Code for the purpose of confirming the Chapter 11 Plan.

“Confirmation Order” means the Order of the Bankruptcy Court confirming the Chapter 11 Plan pursuant to section 1129 of the Bankruptcy Code, which Order (and any exhibits, appendices and related documents) shall be in form and substance reasonably acceptable to Purchaser and the SALIC Parties. For the avoidance of doubt, the Confirmation Order may include findings and conclusions approving and authorizing this Agreement and the Transactions on a final basis, in which case entry of the Confirmation Order shall also constitute entry of the Sale Order.

“Contract” means, with respect to any Person, any agreement, contract, lease, license, indenture, commitment, instrument or other legally binding obligation to which such Person is a party or is otherwise subject or bound.

“Contract Information Deadline” has the meaning set forth in Section 2.3(a).

“Contracting Parties” has the meaning set forth in Section 9.14.

“Control,” “Controlled” or “Controlling” means, as to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by Contract or otherwise. The terms “Controlled by” and “under common Control with” shall have correlative meanings.

“Cure Amount Schedule” has the meaning set forth in Section 2.3(a).

“Cure Amounts” means all Closing Date Cure Amounts and Post-Closing Cure Amounts.

“DDOI Proceeding” means a proceeding commenced by the Delaware Insurance Commissioner or another Governmental Authority with jurisdiction over SRUS or its assets that constitutes a “Delinquency proceeding” within the meaning of such term as used in 18 Del. C. § 5901(3).

“Debt Financing” means any transaction or transactions pursuant to which any Person or group of Persons other than Purchaser and its Affiliates provides SRGL and/or any SALIC Group Company with financing sufficient to stabilize the financial condition of the SALIC Group Business.

“Debtors” means, collectively, SALIC and SHI, each in their respective capacities as debtors in the Chapter 11 Case.

“Deposit Escrow Agent” means Citibank, N.A.

“Deposit Escrow Agreement” means that certain Escrow Agreement, dated as of May 25, 2018, by and among Purchaser, SALIC and the Deposit Escrow Agent, pursuant to which the Deposit Escrow Amount is escrowed.

“Deposit Escrow Amount” has the meaning set forth in Section 2.1.

“Disclosure Schedule” means the Purchaser Disclosure Schedule and/or the SALIC Disclosure Schedule, as applicable.

“Disclosure Statement” means the Debtors’ disclosure statement, including any exhibits, appendices, related documents, ballots and procedures related to the solicitation of votes on the Chapter 11 Plan, in each case, as amended, supplemented or otherwise modified from time to time in accordance with the terms hereof, in respect of the Chapter 11 Plan and that is prepared and distributed in accordance with, among other things, Sections 1125, 1126(b), and 1145 of the Bankruptcy Code, Bankruptcy Rule 3018 and other Applicable Law, and which shall be in form and substance reasonably acceptable to Purchaser and the SALIC Parties.

“Disclosure Statement Motion” means the motion filed by the Debtors with the Bankruptcy Court on May 4, 2018 seeking entry of the Disclosure Statement Order, which motion (including any exhibits, appendices or related documents) shall be amended following the Agreement Date to reflect the transactions set forth in this Agreement and the Plan Term Sheet in form and substance reasonably acceptable to Purchaser and the SALIC Parties.

“Disclosure Statement Order” means an Order of the Bankruptcy Court (a) approving the Disclosure Statement as containing “adequate information” under Section 1125 of the Bankruptcy Code, (b) approving the solicitation of votes on the Chapter 11 Plan, including procedures relating thereto and (c) granting related relief (including any exhibits, appendices or related documents), which Order shall be in form and substance reasonably acceptable to Purchaser and the SALIC Parties. For the avoidance of doubt, the Disclosure Statement Order may include findings and conclusions establishing Purchaser as the Winning Bidder and Purchaser’s bid as the Winning Bid, in which case entry of the Disclosure Statement Order also shall constitute entry of the Winning Bidder Order.

“Distribution Trust” means the trust to be established pursuant to the Chapter 11 Plan on the Effective Date into which: (a) the Distribution Trust Reserves shall be funded; and (b) to which the following shall be contributed and transferred, among other things, as described in the Chapter 11 Plan and the Distribution Trust Agreement: (i) all SALIC/SRGL Claims; and (ii) all DT Post-Closing Rights. The Distribution Trust shall have the rights, duties and obligations, through a Distribution Trustee, as set forth in the Distribution Trust Agreement and in the Chapter 11 Plan, which shall be in form and substance reasonably acceptable to Purchaser and the SALIC Parties.

“Distribution Trust Agreement” means the agreement establishing the Distribution Trust, appointing the Distribution Trustee, establishing the rights and obligations of the Distribution Trustee, and governing the administration of the Distribution Trust.

“Distribution Trust Reserves” means the reserves to be established for the Distribution Trust and funded at Closing in accordance with Section 2.4(g) of this Agreement, the Chapter 11 Plan, the Confirmation Order and the Distribution Trust Agreement.

“Distribution Trustee” means the Person appointed under the Chapter 11 Plan and Distribution Trust Agreement to administer the Distribution Trust. The Distribution Trustee shall be a representative of each SALIC Party’s bankruptcy estate in accordance with section 1123(b)(3)(B) of the Bankruptcy Code for the purposes of the DT Post-Closing Rights.

“DT Post-Closing Rights” means: (a) all rights, remedies, privileges, Claims, counterclaims and defenses of the SALIC Parties arising under or in connection with this Agreement with respect to (i) the Post-Closing Cure Estimate, the Post-Closing Cure Reserve and the payment of Post-Closing Cure Amounts, including Purchaser’s obligations in connection with any of the foregoing items pursuant to Section 2.3(f) and Section 2.4(d), (ii) the Indemnified D&O Parties, (iii) Books and Records, including Purchaser’s obligations pursuant to Section 5.1(c) of this Agreement, (iv) employee matters set forth in Section 5.4 and (v) the covenants and agreements of Purchaser under Section 5.1(b) and the Confidentiality Agreement; (b) all rights, Claims, counterclaims and defenses based on setoff, recoupment or similar doctrines under Applicable Law that either SALIC Party had at any time prior to the Closing in connection with any Claim of any Person asserted or capable of being asserted against a SALIC Party in its capacity as a Debtor in its Chapter 11 Case or against the bankruptcy estate of either Debtor; and (c) with respect to any Action brought after the Closing by, for or on behalf of Purchaser, Reorganized SALIC, Reorganized SHI or any assignee of or successor to any of the foregoing Persons, by merger, consolidation, or otherwise, all counterclaims or defenses that would otherwise be available to either SALIC Party arising under or in connection with this Agreement. For the avoidance of doubt, the Distribution Trustee retains and may assert, and by virtue of this Agreement, the Ancillary Agreements and the Transactions there shall be no waiver of, attorney-client privilege, work product or any other evidentiary privilege, as applicable, with respect to matters within the scope of any of the foregoing DT Post-Closing Rights.

“Effective Date” means the date on which the Chapter 11 Plan becomes effective in accordance with its terms, which date shall be the Closing Date.

“Electronic Data Rooms” means, collectively, (i) the electronic data room established by or on behalf of SALIC with respect to the SALIC Group Companies, and (ii) the electronic data room established by or on behalf of SALIC with respect to the Reinsurance Contracts and Reserve Financing Contracts to which the Scottish Insurance Companies are a party, in each case maintained by ShareFile.

“Employees” means each individual who immediately prior to the Closing is employed by one or more of the SALIC Group Companies (including those individuals on approved leaves of absence at such time).

“Employment Agreements” has the meaning set forth in Section 2.4(b)(v).

“Encumbrance” means any security interest, pledge, mortgage, lien, equitable interest, easement, lease, sublease, covenant, right of first refusal, hypothecation, option, restriction (including any restriction on use, voting, transfer, alienation, receipt of income or exercise of any other attribute of ownership), encumbrance, deed of trust, hypothecation or charge of any kind.

“Environmental Law” means any Applicable Law relating to pollution or protection of the environment, including the use, handling, transportation, treatment, storage, disposal, release or discharge of hazardous chemicals, materials or substances.

“ERISA” means the Employee Retirement Income Security Act of 1974, or any successor statute.

“ERISA Affiliate” means any entity which is considered a single employer with a SALIC Group Company under Section 414(b) or (c) of the Code.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Executory Contract” means any Contract to which one or more of the Debtors is a party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

“Expense Reimbursement Amount” has the meaning set forth in the Bidding Procedures Order.

“Final Order” means an Order that has not been reversed, stayed, modified, vacated or amended and as to which the time to appeal or seek certiorari or move for a new trial, reargument, or rehearing has expired, and no appeal or petition for certiorari or other proceedings for a new trial, reargument, or rehearing has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been timely filed has been withdrawn or resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought or the new trial, reargument or rehearing has been denied or resulted in no modification of such order or judgment; 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 Federal Rules of Bankruptcy Procedure or rules of procedure applicable in the court that made or issued the Order or that may review such Order, may be filed with respect to such Order, shall not cause such Order not to be a Final Order.

“Foreign Court Approvals” means (a) if required under law applicable to the Bermuda Winding Up Proceedings, the Order or Orders by the Bermuda Court sanctioning entry into and performance under the Restructuring Implementation Agreement and the actions by SRGL set forth in Section 7.2(c) of this Agreement, (b) if required under law applicable to the Cayman Islands Winding Up Proceedings, the Order or Orders by the Cayman Islands Court sanctioning entry into and performance under the Restructuring Implementation Agreement and the actions by SRGL set forth in Section 7.2(c) of this Agreement, and (c) if necessary pursuant to Section 6.1(c), the Supplemental Cayman Islands Court Order.

“FRS 101” means the applicable accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland, including FRS 101 Reduced Disclosure Framework (Generally Accepted Accounting Practice in Ireland) and Irish statute comprising the Companies Act 2014, including the European Union (Insurance Undertakings: Financial Statements) Regulations 2015.

“Full Powers Liquidators” has the meaning set forth in the Recitals.

“GAAP” means generally accepted accounting principles and practices in the United States.

“Governmental Authority” means any foreign, domestic, national, federal, state, regional, municipal or local governmental, legislative, judicial, administrative, regulatory, quasi-governmental or self-regulatory authority, agency, commission, body or court or any arbitral body or other similar entity, including the Bankruptcy Court, the Bermuda Court and the Cayman Islands Court.

“Governmental Authorizations” means all licenses, permits (including insurance permits), variances, waivers, Orders, registrations, consents, certificates, qualifications and other authorizations, actions and approvals of or by a Governmental Authority required (a) with respect to SALIC or Purchaser, to perform their respective obligations hereunder and (b) with respect to the SALIC Group Companies, to carry on their business and operations substantially as currently conducted under Applicable Law.

“HSCM” has the meaning set forth in the Recitals.

“IFRS” means the International Financial Reporting Standards as set forth by the International Accounting Standards Board.

“In-force YRT Reinsurance Contract” has the meaning set forth in Section 5.11(b).

“Indemnified D&O Parties” has the meaning set forth in Section 5.8(a).

“Information Technology” means Software and any tangible or digital computer systems (including computers, servers, workstations, routers, hubs, switches, networks, data communications lines and hardware), data or information subscription or access agreements, Internet-related information technology infrastructure, telecommunications systems and other hardware, owned or leased by, or licensed to, any of the SALIC Group Companies.

“Insurance Company Subsidiary” means each of SRUS, SRD and SRLB.

“Insurance Laws” means the Applicable Law relating to or regulating the business and products of insurance, including all applicable Orders and directives of Insurance Regulatory Authorities.

“Insurance Regulatory Authority” means, with respect to any jurisdiction, the Governmental Authority responsible for administering the Insurance Laws of such jurisdiction and regulating insurance companies domiciled or doing business in such jurisdiction.

“Intellectual Property” means, collectively, all United States and foreign registered and unregistered (a) patents and pending patent applications, (b) Trademarks, (c) copyrights, (d) trade secrets and (e) tangible embodiments of any of the foregoing.

“Investment Assets” means any investment assets (whether or not required by GAAP or SAP to be reflected on a balance sheet) beneficially owned (within the meaning of Rule 13d-3 under the Exchange Act) by any SALIC Group Company, including bonds, notes, debentures, mortgage loans, real estate and all other instruments of indebtedness, stocks, partnership or joint venture interests and all other equity interests, certificates issued by or interests in trusts, derivatives and all other assets acquired for investment purposes.

“Investment Guidelines and Policies” has the meaning set forth in Section 3.19(d).

“IRS” means the United States Internal Revenue Service.

“Joint Provisional Liquidators” has the meaning set forth in the Recitals.

“Key Employee” means an individual who is employed by SALIC and holds the position of Vice President or higher.

“Knowledge” means with respect to: (a) SALIC as it relates to any fact or other matter, the actual knowledge of the natural Persons listed in Section 1.1(a) of the SALIC Disclosure Schedule of such fact or matter and (b) Purchaser as it relates to any fact or other matter, the actual knowledge of the natural Persons listed in Section 1.1(b) of the Purchaser Disclosure Schedule of such fact or matter and, in each case, the knowledge that such Persons would have if such Persons had conducted a reasonable inquiry of the Persons having primary responsibility of such fact or matter.

“Malware” means any virus, Trojan horse, time bomb, key-lock, spyware, worm, malicious code or other software program designed to or able to, without the knowledge and authorization of the SALIC Group Companies, disrupt, disable, harm, interfere with the operation of or install itself within or on any Software, computer data, network memory or hardware.

“Material Contract” has the meaning set forth in Section 3.16(a).

“Nonparty Affiliates” has the meaning set forth in Section 9.14.

“Order” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority, whether interlocutory or final, that has not been reversed, stayed, modified, or amended and, in the case of any order of the Bankruptcy Court, as entered on the docket of the Bankruptcy Court.

“Ordinary Course of Business” with respect to a Person means the ordinary course of business of such Person, consistent with past practice, subject to such changes by such Person and/or its Affiliates as are reasonably necessary or appropriate in light of the Bankruptcy Proceedings or Winding Up Proceedings.

“Ordinary Shares” has the meaning set forth in the Recitals.

“Orkney Re II” means Orkney Re II plc, a public limited company incorporated under the laws of Ireland.

“Other Secured Claims” means any prepetition secured Claims against a Debtor.

“Outside Closing Date” has the meaning set forth in Section 8.1(b).

“Permitted Encumbrances” means (a) liens for Taxes, assessments and other governmental charges not yet due and payable or due and being contested in good faith and for which accruals or reserves have been established against the full amount of such liability in accordance with GAAP, SAP, IFRS or FRS 101, as applicable, (b) mechanics’, workmen’s, repairmen’s, warehousemen’s, carriers’ or other like liens arising or incurred in the Ordinary Course of Business or pursuant to original purchase price conditional sales contracts and equipment leases with third parties entered into in the Ordinary Course of Business, (c) pledges or deposits made to comply with workers’ compensation, unemployment insurance or other social security laws or regulations, (d) Encumbrances related to deposits to secure policyholders’ obligations as required by the Insurance Regulatory Authorities, (e) Encumbrances described in Section 3.17(b) recorded against the leases described in Section 3.17(b), (f) statutory landlords’ or lessors’ liens under the leases, (g) any other imperfection of title or encumbrance that does not materially detract from the current value or materially interfere with the current use by the SALIC Group Companies of the assets, properties or rights affected thereby and (h) any Encumbrance set forth on Section 1.2 of the SALIC Disclosure Schedule.

“Person” means an individual, a corporation, a partnership, an association, a limited liability company, a joint venture, a trust or other entity or organization, including a Governmental Authority.

“Petition Date” means the date of the filing of the Chapter 11 petitions of the Debtors.

“Plan Funding Payment” means an amount in cash equal to the difference of (a) twenty one million five hundred thousand dollars (\$21,500,000) less (b) the TruPS Returned Cash.

“Plan Sponsorship Agreement” means the Plan Sponsorship Agreement, dated as of January 28, 2018, by and among HSCM and the SALIC Parties.

“Plan Supplement” means the compilation of documents and forms of documents, schedules, and exhibits to be filed in the Chapter 11 Cases pursuant to and as contemplated in the Chapter 11 Plan, as amended, modified or supplemented from time to time in accordance with the terms hereof and in accordance with the Bankruptcy Code and the Bankruptcy Rules, which shall be in form and substance reasonably acceptable to Purchaser and the SALIC Parties.

“Plan Term Sheet” means the SALIC and SHI Term Sheet for the Chapter 11 Plan, dated as of the Agreement Date, and attached hereto as Exhibit A.

“Post-Closing Cure Amounts” means all pre- and post-petition amounts payable pursuant to Section 365(b)(1)(A) or (B) of the Bankruptcy Code in order to effectuate the Debtors’ assumption of Assumed Contracts pursuant to the Chapter 11 Plan, either (a) as determined by an Order of the Bankruptcy Court entered on or after the Closing Date or (b) agreed to between the applicable parties as of a date occurring on or after the Closing Date.

“Post-Closing Cure Estimate” means the aggregate amount, as estimated by the applicable Debtor as of the Closing Date in consultation with Purchaser, of the cure obligations under Sections 365(b) and 1123(b)(2) of the Bankruptcy Code that will be owed to counterparties of Assumed Contracts as Post-Closing Cure Amounts.

“Post-Closing Cure Reserve” means an account to be established for the Distribution Trust and funded by Purchaser at Closing with cash in the amount of the Post-Closing Cure Estimate.

“Priority Claims” means any Claims entitled to priority in right of payment under Section 507(a) of the Bankruptcy Code, other than Priority Tax Claims.

“Priority Tax Claims” means any Claims entitled to priority in right of payment under Section 507(a)(8) of the Bankruptcy Code.

“Purchase Price” has the meaning set forth in Section 2.2(b).

“Purchaser” has the meaning set forth in the Preamble.

“Purchaser Disclosure Schedule” means the disclosure schedule delivered by Purchaser to SALIC in connection with the execution and delivery of this Agreement.

“Purchaser Fundamental Reps” has the meaning set forth in Section 7.3(a).

“Purchaser Material Adverse Effect” means a material adverse effect on the ability of Purchaser to consummate the Transactions.

“Purchaser Rejection Schedule” has the meaning set forth in Section 2.3(c).

“Purchaser Shares” has the meaning set forth in the Recitals.

“Qualified Bid” has the meaning set forth in the Bidding Procedures.

“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 the Closing and in accordance with Section 2.4(k) and the proviso in Section 2.2(b) in respect of Cure Amounts in excess of \$100,000.

“Reinsurance Contracts” has the meaning set forth in Section 3.21(a).

“Remaining SRGL Share” has the meaning set forth in Section 7.2(c).

“Reorganized SALIC” shall mean SALIC, as reorganized pursuant to and under the Chapter 11 Plan, or any successor thereto, by merger, consolidation, or otherwise, on or after the effective date of such Chapter 11 Plan.

“Reorganized SHI” shall mean SHI, as reorganized pursuant to and under the Chapter 11 Plan, or any successor thereto, by merger, consolidation, or otherwise, on or after the effective date of such Chapter 11 Plan.

“Representatives” means, with respect to any Person, the officers, directors, principals, employees, agents, auditors, advisors, bankers and other representatives of such Person.

“Required Approvals” means the consents, approvals, waivers, authorizations, notices and filings relating to any Governmental Authority referred to in Sections 3.5, 4.3 and 5.3(b), including the Bankruptcy Court Approvals and Foreign Court Approvals.

“Reserve Financing Contracts” has the meaning set forth in Section 3.21.

“Resignations” has the meaning set forth in Section 5.6.

“Restructuring Documents” has the meaning set forth in Section 6.1(k).

“Restructuring Implementation Agreement” means that certain Restructuring Implementation Agreement, dated as of January 28, 2018, by and among SALIC, SRGL and SHI, as amended, modified or supplemented.

“RIA Order” means the Order of the Bankruptcy Court entered on March 19, 2018 granting the RIA/PSA Assumption Motion with respect to the Restructuring Implementation Agreement and authorizing the Debtors’ assumption of the Restructuring Implementation Agreement.

“RIA/PSA Assumption Motion” means the motion filed by the Debtors with the Bankruptcy Court on January 31, 2018 seeking the assumption of the Restructuring Implementation Agreement and the Plan Sponsorship Agreement pursuant to Section 365 of the Bankruptcy Code.

“RIA Winning Bidder Confirmation” means confirmation in writing, in form and substance reasonably acceptable to Purchaser, from the Cayman Islands Full Powers Liquidators on behalf of SRGL that, after giving effect to this Agreement and the entry of the Winning

Bidder Order, (x) the Restructuring Implementation Agreement remains in full force and effect and enforceable against SRGL in accordance with its terms, (y) that Purchaser shall have the rights of HSCM under such agreement and (z) that Purchaser, and not HSCM, is an express third party beneficiary of the Restructuring Implementation Agreement as set forth therein.

“Sale Order” means an Order of the Bankruptcy Court approving the Transactions and this Agreement, and authorizing the Debtors to consummate the Transactions and this Agreement in accordance with the terms thereof. For the avoidance of doubt, the inclusion of findings and conclusions granting the foregoing relief in the Confirmation Order as entered by the Bankruptcy Court shall satisfy any requirement in this Agreement for entry of the Sale Order.

“SALIC” has the meaning set forth in the Preamble. For the avoidance of doubt, the term “SALIC” also includes “SALIC” in its capacity as a debtor in its Chapter 11 Case.

“SALIC Audited Financial Statements” has the meaning set forth in Section 3.7(a).

“SALIC Disclosure Schedule” means the disclosure schedule delivered by SALIC to Purchaser in connection with the execution and delivery of this Agreement.

“SALIC Financial Statements” has the meaning set forth in Section 3.7(a).

“SALIC Fundamental Reps” has the meaning set forth in Section 7.2(a).

“SALIC Group” means, collectively, SALIC and the SALIC Subsidiaries.

“SALIC Group Business” has the meaning set forth in the Recitals.

“SALIC Group Company” means SALIC or a SALIC Subsidiary, and “SALIC Group Companies” means all of them.

“SALIC Intercompany Agreements” has the meaning set forth in Section 3.22.

“SALIC Material Adverse Effect” means a material adverse effect (i) on the business, operations, assets, liabilities, results of operations or condition (financial or otherwise) of the SALIC Group Companies (taken as a whole), or (ii) on the ability of SALIC and SHI to consummate the Transactions; provided, however, that with respect to the preceding clause (i) none of the following, and with respect to the preceding clause (ii) nothing in the following clause (h), shall constitute or be deemed to constitute a SALIC Material Adverse Effect, and otherwise shall not be taken into account in determining whether a SALIC Material Adverse Effect has occurred or would reasonably be likely to occur: any adverse effect arising out of, resulting from or attributable to (a) any changes or proposed changes in Applicable Laws, GAAP, IFRS, FRS 101 or SAP or in the interpretation or enforcement thereof; (b) changes occurring after the date of this Agreement in economic conditions in the United States generally affecting participants in the industries in which the SALIC Group Companies operate; (c) changes in United States or global financial or securities markets or conditions, including changes in prevailing interest rates, currency exchange rates or price levels or trading volumes in the United States or foreign securities markets; (d) any changes in global or national political

conditions (including, arising out of any election or the outbreak or escalation of war, military action, sabotage or acts of terrorism) or changes due to any pandemic natural disaster or other act of nature; (e) the effects of the actions or omissions of SALIC under this Agreement which actions or omissions to act are expressly requested or consented to in writing by Purchaser; (f) the effects of any breach, violation or non-performance of any provision of this Agreement by Purchaser or any of its Affiliates; (g) the announcement to the public of this Agreement and the Transactions or the identity of or facts relating to Purchaser or its Affiliates or the effects of any action taken by Purchaser or its Affiliates, to the extent directly attributable thereto; (h) any reasonably anticipated effects of the filing, commencement, pendency or prosecution of the Chapter 11 Cases and/or the Winding Up Proceedings; (i) any increases in claims or reserves of the SALIC Group Companies following the date of this Agreement; or (j) any failure (in and of itself) of the SALIC Group Companies to meet any projections or forecasts of earnings, claims paid or loss reserves; provided, further, that (x) clauses (i) and (j) in the preceding proviso shall not by themselves exclude the underlying causes of any such change, and (y) with respect to clauses (a), (b), (c) and (d) in the preceding proviso, such change will be taken into account in determining whether a SALIC Material Adverse Effect has occurred or would reasonably be expected to occur to the extent such change disproportionately affects the SALIC Group Companies relative to other Persons engaged in the industries in which the SALIC Group Companies operate.

“SALIC Parties” means, collectively, SALIC and SHI, including, as appropriate to context, as debtors in their respective Chapter 11 Cases.

“SALIC Subsidiary” means each of (i) SHI, (ii) SRD, (iii) SRUS, and (iv) SRLB.

“SALIC Unaudited Financial Statements” has the meaning set forth in Section 3.7(a).

“SALIC/SRGL Claims” means all Claims that SALIC holds against SRGL, including all Claims that SALIC holds against SRGL under or in connection with the SRGL Revolver Facility or the SRGL Revolver Facility Documents for principal, interest, charges, fees and expenses of attorneys and other professionals, and any other obligations arising thereunder or in connection therewith. The “SALIC/SRGL Claims” further include all rights, claims, counterclaims and defenses SALIC may have against SRGL based on setoff, recoupment or similar doctrines under Applicable Law.

“SAP” means, with respect to SRUS, the statutory accounting principles and practices prescribed or permitted by the Insurance Regulatory Authority in the jurisdiction in which SRUS is domiciled, consistently applied.

“Scottish Insurance Company” means each of (i) SALIC, (ii) SRUS, (iii) SRLB and (iv) SRD.

“Securities Act” means the Securities Act of 1933.

“SFL” means Scottish Financial (Luxembourg) S.á.r.l., a private limited liability company organized under the laws of Luxembourg.

“SHI” has the meaning set forth in the Preamble. For the avoidance of doubt, the term “SHI” also includes SHI in its capacity as a debtor in its Chapter 11 Case.

“Software” means all computer software, including assemblers, applets, compilers, source code, object code, binary libraries, development tools, design tools and user interfaces, in any form or format, however fixed, and all associated documentation.

“SRD” means Scottish Re (Dublin) DAC, an Ireland insurance company.

“SRE Marks” has the meaning set forth in Section 5.14.

“SRGL” has the meaning set forth in the Recitals.

“SRGL Group Company” means SRGL and each Affiliate of SRGL other than any SALIC Group Company.

“SRGL Revolver Facility” means the credit facility provided for under the SRGL Revolving Credit Agreement.

“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.

“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.

“SRGL Shares” has the meaning set forth in Section 3.4(a).

“SRLB” means Scottish Re Life (Bermuda) Limited, a Bermuda insurance company.

“SRUS” means Scottish Re (U.S.), Inc., a Delaware insurance company.

“Stalking Horse Protection Payment” has the meaning set forth in Section 2.2(b).

“Stalking Horse SPA” has the meaning set forth in the Recitals.

“Statutory Statements” has the meaning set forth in Section 3.7(b).

“Subsequent Audited GAAP Financial Statements” has the meaning set forth in Section 5.12(a).

“Subsequent GAAP Financial Statements” has the meaning set forth in Section 5.12(a).

“Subsidiary” means with respect to any entity, any other entity as to which it owns, directly or indirectly, or otherwise controls, directly or indirectly, an amount of the voting securities, other voting ownership or voting partnership interests of which is sufficient to elect at

least a majority of its board of directors or other governing body or more than fifty percent (50%) of the voting shares or other similar interests.

“Supplemental Cayman Islands Court Order” means an Order of the Cayman Islands Court granting such relief as is necessary for the Cayman Islands Full Powers Liquidators on behalf of SRGL to provide the RIA Winning Bidder Confirmation, in form and substance reasonably acceptable to Purchaser.

“Tax” or “Taxes” means (i) any and all taxes, including any interest, penalties or other additions to tax that may become payable in respect thereof, imposed by any Governmental Authority, which taxes shall include all income, profits, alternative minimum, estimated, payroll, withholding, social security, sales, use, ad valorem, value added, excise, escheat, unclaimed property, franchise, premium, gross receipts, stamp, transfer, net worth, and other taxes, fees, duties, levies, customs, tariffs, imposts, assessments, obligations and charges of the same or of a similar nature to any of the foregoing, and (ii) any liability for the payment of amounts determined by reference to amounts described in clause (i) as a result of being or having been a member of any group of corporations that files, will file, or has filed Tax Returns on a combined, consolidated, unitary or similar basis, as a result of any obligation under any agreement or arrangement (including any Tax Sharing Arrangement), as a result of being a transferee or successor, or by contract or otherwise.

“Tax Returns” means any and all returns (including information returns), reports, statements, certificates, schedules or claims for refund of or with respect to any Tax, including any and all attachments, amendments and supplements thereto.

“Tax Sharing Arrangement” means any written or unwritten agreement or arrangement providing for the allocation or payment of Tax liabilities or for Tax benefits between or among members of any group of corporations that file, or has filed, Tax Returns on a combined, consolidated or unitary basis.

“Terminating Intercompany Agreements” has the meaning set forth in Section 3.22.

“Termination Date” has the meaning set forth in Section 8.1.

“Third Party Consent Contracts” has the meaning set forth in Section 5.3(a).

“Trademarks” means all trademarks, trade names, trade dress, service marks, assumed names, business names and logos, slogans and Internet domain names, together with all goodwill of the businesses symbolized thereby, and all current registrations and applications for any of the foregoing.

“Transactions” means the transactions between SALIC and Purchaser, as contemplated by this Agreement, the Restructuring Implementation Agreement, and all other Ancillary Agreements, including the surrender by SRGL of the SRGL Shares to SALIC, SALIC’s cancellation of the SRGL Shares, SALIC’s issuance of the TruPS Shares to the TruPS Holders and Purchaser’s acquisition of the Purchaser Shares.

“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, 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;

(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, 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;

(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, 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;

(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, 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; 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, 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.

“TruPS Holders” means holders of TruPS.

“TruPS Returned Cash” has the meaning set forth in the Plan Term Sheet and as may be subsequently defined in the Chapter 11 Plan with the consent of the Purchaser.

“TruPS Shares” has the meaning set forth in the Plan Term Sheet and as may be subsequently defined in the Chapter 11 Plan with the consent of the Purchaser.

“TruPS Trustee Fees and Expenses” means the reasonable and documented fees and out-of-pocket expenses of the indenture trustees of the TruPS incurred through the Closing Date, which shall consist of reasonable and documented fees and expenses incurred during the period ending thirty (30) days prior to the Closing Date, as well as a good faith estimate of such expenses expected to be incurred during the thirty (30) day period prior to the Closing Date, in each case, subject to an aggregate cap to be mutually agreed by the Debtors and Purchaser.

“Winding Up Petitions” has the meaning set forth in the Recitals.

“Winding Up Proceedings” has the meaning set forth in the Recitals.

“Winning Bid” has the meaning set forth in the Bidding Procedures.

“Winning Bidder” has the meaning set forth in the Bidding Procedures.

“Winning Bidder Order” means an Order of the Bankruptcy Court declaring the Winning Bidder and the Winning Bid in accordance with the Bidding Procedures. For the avoidance of doubt, the inclusion of findings and conclusions granting the foregoing relief in the Disclosure Statement Order as entered by the Bankruptcy Court shall satisfy any requirement in this Agreement for entry of the Winning Bidder Order.

“Wire Transfer” means a payment in immediately available funds by wire transfer in lawful money of the United States of America to such account or accounts as shall have been designated by notice from or on behalf of the receiving party to the paying party not less than two (2) Business Days prior to the scheduled date of payment.

Section 1.2 Interpretation.

(a) As used in this Agreement, references to the following terms have the meanings indicated:

(i) To the Preamble or to the Recitals, Sections, Articles or Schedules are to the Preamble or a Recital, Section or Article of, or a Schedule to, this Agreement unless otherwise clearly indicated to the contrary.

(ii) To any agreement or other document are to such agreement or other document (together with the schedules, exhibits and other attachments thereto) as it may have been or may hereafter be amended, modified, supplemented, waived or restated from time to time in accordance with its terms and the terms hereof (if applicable thereto), except with respect to any disclosure made in the SALIC Disclosure Schedule or the Purchaser Disclosure Schedule.

(iii) To any “statute” or “regulation” are to the statute or regulation as amended, modified, supplemented or replaced from time to time (and, in the case of statutes, include any rules and regulations promulgated under the statute) and to any “section of any statute or regulation” include any successor to the section.

(iv) To any Governmental Authority include any successor to the Governmental Authority and to any Affiliate include any successor to the Affiliate.

(v) To any “copy” of any Contract or other document or instrument are to a true and complete copy.

(vi) To “hereof,” “herein,” “hereunder,” “hereby,” “herewith” and words of similar import refer to this Agreement as a whole and not to any particular Article, Section or clause of this Agreement, unless otherwise clearly indicated to the contrary.

(vii) To the “date of this Agreement,” “the date hereof” and words of similar import refer to June 11, 2018.

(viii) To “this Agreement” includes the Schedules (including the Purchaser Disclosure Schedule and the SALIC Disclosure Schedule) to this Agreement.

(b) Whenever the words “include,” “includes” or “including” are used in this Agreement, they will be deemed to be followed by the words “without limitation.” The word “or” shall not be exclusive. Any singular term in this Agreement will be deemed to include the plural, and any plural term the singular. All pronouns and variations of pronouns will be deemed to refer to the feminine, masculine or neuter, singular or plural, as the identity of the Person referred to may require. Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning.

(c) Whenever the last day for the exercise of any right or the discharge of any duty under this Agreement falls on other than a Business Day, the party hereto having such right or duty shall have until the next Business Day to exercise such right or discharge such duty. Unless otherwise indicated, the word “day” shall be interpreted as a calendar day.

(d) The table of contents and headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement.

(e) References to “party” or “parties” hereto mean the parties to this Agreement.

(f) References to “dollars” or “\$” mean United States dollars, unless otherwise clearly indicated to the contrary.

(g) The parties have participated jointly in the negotiation and drafting of this Agreement; consequently, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as having been jointly drafted by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party hereto by virtue of the authorship of any provision of this Agreement.

(h) No summary of this Agreement prepared by or on behalf of any party hereto shall affect the meaning or interpretation of this Agreement.

(i) Any document, list or other item shall be deemed to have been “made available” to Purchaser for all purposes of this Agreement only if such document, list or other item was posted before the date hereof in the Electronic Data Rooms or was delivered in writing (including electronic mail) to Purchaser or an Affiliate thereof in response to Purchaser’s due diligence requests.

(j) All capitalized terms used without definition in the Schedules (including the Purchaser Disclosure Schedule and the SALIC Disclosure Schedule) to this Agreement shall have the meanings ascribed to such terms in this Agreement.

ARTICLE II

ISSUANCE AND PURCHASE OF ORDINARY SHARES

Section 2.1 Deposit. On May 25, 2018, Purchaser deposited with the Deposit Escrow Agent an amount equal to two million six hundred seventy thousand dollars (\$2,670,000) as an earnest money deposit (together with all interest earned thereon but net of any fees, costs or other charges of the Deposit Escrow Agent, the “Deposit Escrow Amount”) in accordance with the Bidding Procedures, to be held by the Deposit Escrow Agent in accordance with the terms of the Deposit Escrow Agreement. SALIC shall be responsible for any fees due and payable to the Deposit Escrow Agent under the Deposit Escrow Agreement. At the Closing, the Deposit Escrow Amount shall be credited against, and reduce dollar-for-dollar, the Recapitalization Funding Payment as set forth in Section 2.4(c)(iv).

Section 2.2 Purchase of Ordinary Shares.

(a) Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, SALIC shall issue and sell to Purchaser and Purchaser shall purchase from SALIC, the Purchaser Shares in exchange for the consideration set forth in Section 2.2(b).

(b) The purchase price to be paid or made available by Purchaser to SALIC at the Closing as consideration for the Purchaser Shares shall be: (i) the Plan Funding Payment; (ii) the Recapitalization Funding Payment; (iii) an aggregate amount equal to the Expense Reimbursement Amount and the Break-Up Fee (up to a maximum aggregate amount of one million two hundred fifty thousand dollars (\$1,250,000)) (the “Stalking Horse Protection Payment”); and (iv) all Cure Amounts (and together with the Plan Funding Payment, the Recapitalization Funding Payment and the Stalking Horse Protection Payment, collectively, the “Purchase Price”); provided, however, that the amount delivered by Purchaser at the Closing in respect of the Cure Amounts shall not exceed \$100,000 and the Recapitalization Funding Payment shall be used by Reorganized SALIC and Reorganized SHI on behalf of Purchaser to pay any amounts required to be paid by Purchaser pursuant to this Agreement in respect of the Cure Amounts in excess of \$100,000.

Section 2.3 Assumption of Contracts.

(a) The Debtors filed their Schedules of Assets and Liabilities on March 23, 2018 listing each Executory Contract on Schedule G and have previously delivered to HSCM the

schedule pursuant to Section 2.3(a) of the Stalking Horse SPA setting forth for each Executory Contract the amount the Debtors reasonably believe will be required to be paid in order to cure any defaults under any such Executory Contract pursuant to section 365(b)(1)(A) or (B) of the Bankruptcy Code (the “Cure Amount Schedule”). Within ten (10) Business Days after conclusion of the Auction (“Contract Information Deadline”), the Debtors shall deliver to Purchaser an update of the Cure Amount Schedule as of such date in order to assist Purchaser in making determinations as to assumption or rejection of such Executory Contracts.

(b) The applicable Debtor shall assume all Material Contracts identified on Section 3.16(a) of the SALIC Disclosure Schedule that are Executory Contracts to which one or both of the Debtors is a party, and any other Executory Contracts designated by Purchaser for assumption by the applicable Debtor pursuant to the Chapter 11 Plan, but excluding (i) any Contracts that are Terminating Intercompany Agreements, and (ii) any Executory Contracts identified on the Purchaser Rejection Schedule and any Contracts subject to Section 2.3(f). The Confirmation Order or Sale Order, as applicable, shall approve, among other things, the applicable Debtor’s (i) assumption as of the Effective Date of the Assumed Contracts and (ii) rejection as of the Effective Date of the Executory Contracts that are not designated by Purchaser to be assumed pursuant to this Agreement or the Chapter 11 Plan, to the extent not previously rejected by an Order of the Bankruptcy Court at Purchaser’s direction. The Debtors’ obligations set forth in this Section 2.3(b) are subject to: (x) Purchaser’s right to deliver a schedule (which schedule shall set forth any additional Assumed Contracts designated by Purchaser) on or before the date which is thirty (30) calendar days following the Contract Information Deadline; and (y) Debtors’ obligation to reject any Executory Contracts identified on the Purchaser Rejection Schedule.

(c) On or before the date which is thirty (30) calendar days following the Contract Information Deadline, Purchaser shall deliver a schedule (the “Purchaser Rejection Schedule”), which shall be a schedule of the Executory Contracts to be rejected on the Effective Date. The Purchaser Rejection Schedule shall not include (i) any Reinsurance Contract or Reserve Financing Contract to which SALIC is a party, or (ii) any other material Contract comprising part of an excess reserve financing arrangement to which SHI is a party.

(d) The Debtors shall provide sufficient notice under the Bankruptcy Rules and local rules of the Bankruptcy Court to all counterparties to the Executory Contracts of their potential assumption or rejection and, with respect to the Executory Contracts to be assumed, also provide a schedule of Cure Amounts.

(e) In the event a Debtor is unable to assume any Material Contract that is an Executory Contract because any required consent is not obviated by an Order of the Bankruptcy Court, then such Debtor (as applicable), on the one hand, and Purchaser, on the other hand, shall use their commercially reasonable efforts to obtain, and to cooperate in obtaining, all Bankruptcy Court Approvals and all other Required Approvals from any third parties or Governmental Authorities necessary to assume such Material Contracts.

(f) On the Effective Date or as soon thereafter as is practicable, Purchaser shall pay, or Reorganized SALIC or Reorganized SHI shall pay on behalf of Purchaser in accordance with

Section 2.2(b), all Closing Date Cure Amounts to the applicable counterparty. Purchaser shall pay, or Reorganized SALIC or Reorganized SHI shall pay on behalf of Purchaser in accordance with Section 2.2(b), such Post-Closing Cure Amounts to the applicable counterparty promptly after such Post-Closing Cure Amount has been (i) determined by an Order of the Bankruptcy Court, or (ii) agreed to between Purchaser and the applicable counterparty. With respect to any cure obligations under Sections 365(b) or 1123(b)(2) of the Bankruptcy Code, as applicable, that are disputed by a Debtor, the Distribution Trustee or Purchaser, such Debtor or the Distribution Trustee, as applicable, and Purchaser shall reasonably cooperate and diligently pursue resolution of such disputes through the Effective Date. From and after the Effective Date, the Distribution Trustee shall reasonably cooperate with Purchaser and diligently pursue, at Purchaser's cost, resolution and, to the extent necessary, adjudication by the Bankruptcy Court of any then-outstanding disputes of such cure obligations, and upon resolution of any such dispute pay the Cure Amount payable to any counterparty in accordance with this Section 2.3(f). Any Executory Contract proposed to be assumed hereunder that is the subject of a dispute over the amount or manner of cure (other than (A) any Reinsurance Contract or Reserve Financing Contract to which SALIC is a party, and (B) any other material Contract comprising part of an excess reserve financing arrangement to which SHI is a party) may be rejected upon a motion made by the Debtors, at the direction of Purchaser, or, after the Effective Date, by Reorganized SALIC or Reorganized SHI. Any order entered after the Confirmation Date by the Court, after notice and a hearing, authorizing the rejection of an Executory Contract or unexpired lease shall cause such rejection to be a prepetition breach under Sections 365(g) and 502(g) of the Bankruptcy Code, as if such relief had been granted and such order entered prior to the Confirmation Date. Upon payment by Purchaser, or the Reorganized SALIC or Reorganized SHI on behalf of Purchaser, of the aforesaid Cure Amounts, all defaults under the Assumed Contracts (monetary or otherwise) and all actual or pecuniary losses that have or may have resulted from such defaults shall be deemed cured, whether or not such obligation became due, or accrued, after the effective date of the assignment of such Assumed Contract, and Purchaser shall have no further liability thereunder relating to the Cure Amounts.

Section 2.4 Closing.

(a) Unless another date, time or place is mutually agreed to in writing by the parties hereto, the Closing shall take place at the offices of Mayer Brown LLP, 1221 Avenue of the Americas, New York, New York 10020 at 10:00 a.m., New York City time, on a Business Day to be specified by the parties, which shall be no later than the tenth (10th) Business Day following the date upon which the satisfaction or waiver (to the extent permitted by Applicable Law) of the last of the conditions set forth in Article VII (other than conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or waiver (to the extent permitted by Applicable Law) at or prior to the Closing of all such conditions) in accordance with this Agreement (the "Condition Satisfaction") or at such other time, date and place as the parties may mutually agree in writing; provided, however, that the parties will work together to close on or about the first Business Day of the first calendar month following the calendar month in which the Condition Satisfaction occurs, including, to the extent possible, by Purchaser waiving the ten (10) Business Day requirement above. The date on which the Closing occurs is referred to herein as the "Closing Date". The parties agree that effectiveness of the Closing shall be as of 12:01 a.m., New York City time, on the Closing Date.

(b) At the Closing, SALIC shall deliver or cause to be delivered to Purchaser the following:

- (i) the executed certificate(s) described in Sections 7.2(a), (b) and (e);
- (ii) a certificate representing the Purchaser Shares to be newly issued by SALIC in the name of Purchaser, and if applicable, duly endorsed in blank, or accompanied by stock powers duly executed in blank, in proper form for transfer on the stock transfer books of SALIC;
- (iii) an executed cross-receipt for the Purchase Price paid by Purchaser at the Closing;
- (iv) the duly tendered Resignations;
- (v) employment agreements executed by each of Gregg Klingenberg and Thomas J. Keller and any other individual agreed upon by the parties (the “Employment Agreements”), in form and substance reasonably satisfactory to Purchaser and containing terms no less favorable to the employee than the terms of his or her employment package (including base salary, bonus potential, benefits and severance) in effect as of the date hereof;
- (vi) certified copies of the Amended RIA Order and the Supplemental Cayman Islands Court Order (in each case, if applicable pursuant to Section 6.1(c)), the Sale Order, the Disclosure Statement Order, the Winning Bidder Order and the Confirmation Order; and
- (vii) a certificate executed by a duly authorized officer of SALIC certifying that any required Foreign Court Approvals have been obtained and that the Orders granting the Foreign Court Approvals as of the Closing Date have not been modified, stayed, reversed, revoked or vacated.

(c) At the Closing, Purchaser shall deliver or cause to be delivered to SALIC the following:

- (i) the executed certificate(s) described in Sections 7.3(a), (b) and (c);
- (ii) the Plan Funding Payment by Wire Transfer;
- (iii) the Deposit Escrow Amount by Wire Transfer from the Escrow Agent;
- (iv) an amount equal to the difference of (x) the Recapitalization Funding Payment less (y) the Deposit Escrow Amount, by Wire Transfer;
- (v) the Stalking Horse Protection Payment (which amount may be delivered directly by Purchaser to HSCM as contemplated by Section 2.4(i) below); and

(vi) an executed cross-receipt for the Purchaser Shares to be delivered at the Closing by SALIC.

(d) At the Closing, Purchaser shall deliver or cause to be delivered to the counterparties of Assumed Contracts for which Closing Date Cure Amounts then exist, by Wire Transfer (or by check if Wire Transfer is not feasible), the Closing Date Cure Amounts; provided that the aggregate amount to be delivered by Purchaser pursuant to Sections 2.4(d) and 2.4(e) shall in no event be greater than \$100,000 (it being understood that any Cure Amounts in excess of \$100,000 shall be treated in accordance with the proviso in Section 2.2(b)).

(e) At the Closing, Purchaser shall deliver or cause to be delivered to the Post-Closing Cure Reserve, cash in an amount equal to the Post-Closing Cure Estimate; provided that the aggregate amount to be delivered by Purchaser pursuant to Sections 2.4(d) and 2.4(e) shall in no event be greater than \$100,000 (it being understood that any Cure Amounts in excess of \$100,000 shall be treated in accordance with the proviso in Section 2.2(b)).

(f) At the Closing, *first* from the unrestricted cash then available to SALIC and SHI and *thereafter*, to the extent that the unrestricted cash then available to SALIC and SHI is insufficient, from the Plan Funding Payment, SALIC shall make the Closing Date Plan Distributions to the holders of Allowed Other Secured Claims, Allowed Administrative Expense Claims, Allowed Priority Claims, Allowed Priority Tax Claims and TruPS Trustee Fees and Expenses entitled to receive such Closing Date Plan Distributions on the Effective Date in accordance with the terms of the Chapter 11 Plan.

(g) At the Closing, the remaining Plan Funding Payment, net of the Closing Date Plan Distributions that are paid out of the Plan Funding Payment at Closing, shall be deposited by SALIC into the Distribution Trust and thereafter utilized or disbursed in accordance with the terms of the Chapter 11 Plan, the Confirmation Order and the Distribution Trust Agreement.

(h) At the Closing, the following shall be contributed and transferred to the Distribution Trust and thereafter utilized or disbursed in accordance with the terms of the Chapter 11 Plan, the Confirmation Order and the Distribution Trust Agreement: (i) to the extent contemplated by the Confirmation Order, all capital stock or share capital of SFL held by any SALIC Group Company; (ii) all SALIC/SRGL Claims; and (iii) all DT Post-Closing Rights.

(i) At the Closing, SALIC shall pay (or SALIC shall direct Purchaser to pay directly on behalf of SALIC) the Stalking Horse Protection Payment to HSCM in accordance with the Stalking Horse SPA (it being understood that such payment shall be made from cash on hand resulting from the payment received at Closing from Purchaser pursuant to Section 2.4(c)(v) above, and shall not be paid from the Plan Funding Payment or the Recapitalization Funding Payment).

(j) At the Closing, each party hereto shall deliver to the other party hereto copies (or other evidence) of all of its Required Approvals (other than the Foreign Court Approvals) as evidence of the satisfaction of the condition set forth in Section 7.1(h).

(k) For the avoidance of doubt, the Recapitalization Funding Payment (less Cure Amounts paid or deposited in accordance with the provisions of this Section 2.4 above) shall be retained by Reorganized SALIC and held or used in its operation of the SALIC Group Business and for other permissible business purposes after the Closing.

(l) Immediately following the Closing, SALIC shall deliver to Purchaser evidence satisfactory to Purchaser of the cancellation of the Remaining SRGL Share.

Section 2.5 Withholding. Purchaser and its Affiliates shall be entitled to deduct and withhold from any amount otherwise payable pursuant to this Agreement such amounts as it is required to deduct and withhold with respect to the making of such payment under any provision of federal, state, local or foreign law. If any amount is so withheld, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction or withholding was imposed.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF SALIC

SALIC represents and warrants to Purchaser, as of the date hereof and as of the Closing Date, as follows. Each such representation and warranty is qualified by and includes the disclosure set forth in the numbered or lettered sections or subsections of the SALIC Disclosure Schedule that correspond to such representation and warranty and shall be deemed to be qualified by and include any disclosure in any other section or subsection of the SALIC Disclosure Schedule to which the relevance of such disclosure to such representation and warranty is readily apparent.

Section 3.1 Organization and Authority of SALIC. SALIC is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. SALIC has all requisite corporate power and authority to execute and deliver this Agreement, and, subject to obtaining the Required Approvals as contemplated by this Agreement, to perform its obligations hereunder and to consummate the Transactions. The execution, delivery and performance of this Agreement by SALIC and the consummation by SALIC of the Transactions have been duly authorized by all necessary corporate action on the part of SALIC and no additional corporate proceedings on the part of SALIC are necessary to approve or authorize this Agreement, the consummation by SALIC of the Transactions or the performance by SALIC of its obligations under this Agreement or the Transactions. SALIC (i) has all requisite corporate power and authority to own, lease, or otherwise hold its assets and to carry on its business as currently conducted and (ii) is qualified to do business in each jurisdiction where the ownership or operation of its assets or the conduct of its business requires such qualification, except where the failure to be so qualified would not, individually or in the aggregate, reasonably be likely to have a SALIC Material Adverse Effect.

Section 3.2 Binding Effect. Assuming the due authorization, execution and delivery by Purchaser, this Agreement constitutes the valid and binding obligation of SALIC, enforceable against SALIC in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer, preference and other similar laws affecting

creditors' rights generally, and by general principles of equity (regardless of whether enforcement is sought in equity or at law) (the "Bankruptcy and Equity Exceptions").

Section 3.3 Organization and Authority of the SALIC Subsidiaries.

(a) Each of the SALIC Subsidiaries is a company duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. Except as set forth in Section 3.3(a) of the SALIC Disclosure Schedule, each of the SALIC Subsidiaries (i) has all requisite corporate power and authority to own, lease or otherwise hold its assets and to carry on its business as currently conducted and (ii) is duly qualified to do business and is in good standing (if applicable) in each jurisdiction where the ownership or operation of its assets or the conduct of its business requires such qualification, except, in the cases of clauses (i) and (ii) above, where the failure to have such power and authority or to be so qualified would not, individually or in the aggregate, reasonably be likely to have a SALIC Material Adverse Effect.

(b) SALIC has made available to Purchaser copies of the organizational documents of each of the SALIC Group Companies, in each case as amended to the date of this Agreement.

Section 3.4 Capital Structure; Ownership of the SALIC Group Subsidiaries.

(a) As of the Agreement Date, SALIC is authorized to issue 20,000,000,000 Ordinary Shares, of which 20,000,000,000 are issued and outstanding and held by SRGL (the "SRGL Shares"). Immediately prior to the Closing, after giving effect to the surrender and cancellation of all SRGL Shares other than the Remaining SRGL Share as contemplated by Sections 2.4(l) and 7.2(c), SALIC will be authorized to issue 20,000,000,000 Ordinary Shares and the Remaining SRGL Share will be the only Ordinary Share issued and outstanding, and the Remaining SRGL Share will be held by SRGL. Immediately following the Closing and the cancellation of the Remaining SRGL Share, the only Ordinary Shares of SALIC issued and outstanding will be the Purchaser Shares and the TruPS Shares. The authorized capital stock or share capital of each of the SALIC Group Companies, including the record owners of such capital stock or share capital, is set forth on Section 3.4(a) of SALIC Disclosure Schedule, and there are no other shares of capital stock or other equity securities of any of the SALIC Group Companies issued, reserved for issuance or outstanding. All of the outstanding shares of the SALIC Group Companies' capital stock or share capital have been duly authorized and validly issued, and are fully paid and nonassessable. Except as set forth above or in Section 3.4(a) of the SALIC Disclosure Schedule, there are no options, puts, tag-alongs, drag-alongs, warrants, rights, convertible securities or other agreements or commitments obligating a SALIC Group Company to issue, transfer or sell, or cause the issuance, transfer or sale of, any shares of capital stock or share capital of such SALIC Group Company or to make any payments in respect of the value of any shares of such SALIC Group Company. There are no outstanding arrangements, agreements, obligations, commitments or other rights or obligations of any of the SALIC Group Companies to repurchase, redeem, or otherwise acquire any capital stock, membership interests, partnership interests, joint venture interests or other equity interests of any of the SALIC Group Companies. There are no bonds, debentures, notes or other indebtedness of the SALIC Group Companies having voting rights (or convertible into securities having voting rights). There are no voting trusts, stockholder agreements, proxies or other rights or agreements in effect with

respect to the voting, transfer or dividend rights of the securities of the SALIC Group Companies. There are no capital appreciation rights, phantom stock plans, securities with participation rights or features or similar obligations or commitments of the SALIC Group Companies.

(b) SFL and the SALIC Subsidiaries are the only Subsidiaries of SALIC. Except as set forth on Section 3.4(b) of the SALIC Disclosure Schedule, SALIC owns all of the capital stock of each SALIC Subsidiary and SFL, in each case of record and beneficially, free and clear of all Encumbrances (other than restrictions on transfer imposed by any foreign, federal and state insurance and securities Applicable Laws).

Section 3.5 Governmental Filings and Consents. Except as may result from any facts or circumstances relating to the identity or regulatory status of Purchaser or its Affiliates, no consents or approvals of, waivers from or filings or registrations with, any Governmental Authority are or will be required to be made or obtained at or prior to the Closing by SRGL, SALIC or any SALIC Group Company in connection with the execution, delivery or performance by SALIC of this Agreement or to consummate the Transactions, except for (a) the approvals, filings and notices required under the Insurance Laws set forth in Section 3.5(a) of the SALIC Disclosure Schedule, (b) such other matters set forth on Section 3.5(b) of the SALIC Disclosure Schedule and (c) consents, approvals, waivers, filings or registrations, the failure of which to make with or obtain from the applicable Governmental Authorities would not, individually or in the aggregate, reasonably be likely to have a SALIC Material Adverse Effect.

Section 3.6 No Violations. Subject to the making of the filings and registrations and receipt of the consents, approvals and waivers referred to in Section 3.5 and the expiration of related waiting periods, except as may result from any facts or circumstances relating to the identity or regulatory status of Purchaser or its Affiliates, the execution, delivery and performance of this Agreement by SALIC and the consummation of the Transactions do not and will not (a) conflict with, constitute a breach or violation of, or a default under, or give rise to any Encumbrance (other than Permitted Encumbrances) or any acceleration of remedies, penalty, increase in benefit payable or right of termination, impairment, alteration, suspension, revocation, cancellation or other change of any right or obligation or the loss of any benefit under, or forfeiture of any Benefit Plan or Contract to which any of the SALIC Group Companies are party or by which any of their assets, properties or rights is bound or subject, except as would not, individually or in the aggregate, reasonably be likely to have a SALIC Material Adverse Effect, (b) conflict with or result in a breach or violation of any Applicable Law, or (c) conflict with, constitute a breach or violation of, or a default under, the organizational documents of any SALIC Group Company.

Section 3.7 Financial and Statutory Statements; No Undisclosed Liabilities.

(a) SALIC has made available to Purchaser in the Electronic Data Rooms as of the date hereof copies of (i) the audited consolidated balance sheets of SALIC and its Subsidiaries as of December 31, 2016 and December 31, 2015 and the related consolidated statements of operations, changes in stockholders' equity and cash flows for the fiscal years then ended, together with the report of SALIC's independent auditors thereon and all exhibits, schedules and

notes thereto (collectively, the “SALIC Audited Financial Statements”), and (ii) the unaudited consolidated balance sheets of SALIC and its Subsidiaries as of March 31, 2017, June 30, 2017, September 30, 2017, December 31, 2017 and March 31, 2018 and the related consolidated statements of operations and changes in stockholders’ equity for the periods then ended (the “SALIC Unaudited Financial Statements” and, collectively with the SALIC Audited Financial Statements, the “SALIC Financial Statements”). The SALIC Financial Statements (A) were derived from and are consistent with the Books and Records, (B) were prepared in accordance with GAAP consistently applied during the periods presented (except as may be indicated in the notes thereto) and (C) present fairly, in all material respects, the consolidated financial position, results of operations, cash flows and changes in stockholders’ equity of SALIC and its Subsidiaries as of the respective dates and for the respective periods referred to in the SALIC Financial Statements, subject, in the case of the SALIC Unaudited Financial Statements, to normal year-end adjustment and to the absence of footnotes. The Subsequent GAAP Financial Statements required to be delivered after the date hereof pursuant to Section 5.12(a) will (1) be derived from and be consistent with the Books and Records, (2) be prepared in accordance with GAAP consistently applied during the periods presented (except as may be indicated in the notes thereto) and (3) present fairly, in all material respects, the consolidated financial position, results of operations, cash flows and changes in stockholders’ equity of SALIC and its Subsidiaries at and for the respective periods indicated (subject, in the case of interim financial statements, to normal year-end adjustments, and to the absence of footnotes).

(b) SALIC has made available to Purchaser in the Electronic Data Rooms as of the date hereof copies of the following statements, in each case together with the exhibits, schedules and notes thereto (the “Statutory Statements”): (i) the annual statement of SRUS, as filed with the Delaware Department of Insurance, as of and for the years ended December 31, 2017 and 2016; (ii) the audited statutory financial statements of SRUS, as filed with the Delaware Department of Insurance, as of and for the years ended December 31, 2017 and 2016; (iii) the quarterly financial statements of SRUS, as filed with the Delaware Department of Insurance, for the quarterly period ended March 31, 2018; (iv) the audited annual financial statements of SRD as of and for the years ended December 31, 2017 and 2016; and (v) the unaudited quarterly statements of SRD as of and for the quarterly period ended March 31, 2018. Such Statutory Statements (A) were derived from and consistent with the Books and Records, (B) were prepared, in all material respects, in accordance with all Applicable Laws and (x) in the case of the Statutory Statements of SRUS, SAP consistently applied during the periods presented and (y) in the case of the financial statements of SRD, FRS 101 consistently applied during the periods presented and (C) present fairly, in all material respects, the statutory financial position and the statutory results of operations, capital and surplus of such Scottish Insurance Company as of the respective dates and for the respective periods referred to in the Statutory Statements, subject in the case of any interim financial statements included in the Statutory Statements, to normal year-end adjustments and to the absence of footnotes). No material weakness or deficiency has been asserted by any Governmental Authority with respect to any of the Statutory Statements and there are no permitted practices utilized in the preparation of the Statutory Statements. No Governmental Authority has requested the refiling or amendment of any Statutory Statement. The Statutory Statements required to be delivered after the date hereof pursuant to Section 5.12(b) will (1) be prepared from, and be consistent with, the Books and Records, (2) be prepared in accordance with all Applicable Laws and with SAP (in the case of SRUS) or FRS

101 (in the case of SRD), applied on a consistent basis during the periods presented and (3) present fairly, in all material respects, the respective statutory financial position of the Scottish Insurance Companies at the respective dates thereof, and the statutory results of their operations and cash flows for the periods then ended (subject, in the case of any interim financial statements included in such Statutory Statements, to normal year-end adjustments and to the absence of footnotes).

(c) SALIC and its Subsidiaries maintain a system of internal controls that provide reasonable assurance that: (i) records are maintained in reasonable detail and accurately and fairly reflect the transactions and dispositions of the assets of SALIC and its Subsidiaries; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP, SAP or FRS 101, as applicable, and that receipts and expenditures of SALIC and its Subsidiaries are being made only in accordance with authorizations of management and directors of SALIC or any of its Subsidiaries, as applicable; (iii) controls prevent or timely detect unauthorized acquisition, use or disposition of SALIC's or its Subsidiaries' assets, as applicable, that could have a material effect on the financial statements of SALIC or any of its Subsidiaries; and (iv) the recorded accountability for its assets is compared with its existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(d) The Books and Records (i) have been maintained in all material respects in accordance with industry customary business practices and in accordance with Applicable Law, (ii) accurately represent and reflect, in all material respects, the business of the SALIC and its Subsidiaries and all transactions and actions related thereto, (iii) are true, complete and correct in all material respects, and (iv) constitute all of the files and data necessary for the operation of the business of SALIC and its Subsidiaries.

(e) Except for those liabilities (i) that are reflected or reserved against in the SALIC Financial Statements, (ii) incurred in the Ordinary Course of Business since December 31, 2016, (iii) incurred by or on behalf of SALIC in connection with this Agreement or the Transactions or (iv) that would not, individually or in the aggregate, reasonably be likely to have a SALIC Material Adverse Effect, as of the date hereof, the SALIC Group Companies have no liabilities that would be required by GAAP to be reflected on an unaudited balance sheet of SALIC (or disclosed in the notes thereto) (excluding any liabilities of the type covered by the representations and warranties set forth in this Agreement other than this Section 3.7(e)).

Section 3.8 Absence of Certain Changes. Except to the extent arising out of or relating to the Transactions, since December 31, 2016, (a) the business of the SALIC Group has been operated in all material respects in the Ordinary Course of Business, (b) there has not occurred any event or events that, individually or in the aggregate, have had, or would reasonably be expected to have, a SALIC Material Adverse Effect, (c) other than as set forth in Section 3.8(c) of the SALIC Disclosure Schedule, there has not occurred any declaration, setting aside or payment of any dividend or other distribution (whether in cash, stock or property) with respect to any of SALIC's outstanding capital stock or the outstanding capital stock of the SALIC Group Companies other than regular dividend payments and (d) there has not occurred any change in accounting methods, principles or practices by any SALIC Group Company materially affecting its assets or liabilities, except insofar as may have been required by

Applicable Law or required or permitted by a change in applicable GAAP or SAP. Except with regard to Material Contracts (which are addressed in Section 3.16) and Reinsurance Contracts and Reserve Financing Contracts (which are addressed in Section 3.21), other than as set forth in Section 3.8(e) of the SALIC Disclosure Schedule, since December 31, 2016 to the date hereof, no SALIC Group Company has taken any action or omitted to take any action, which action or omission, if occurring after the date hereof without the consent of Purchaser, had Section 5.2 been in effect from December 31, 2016 to the date hereof, would constitute (x) a breach of clause (i) through (iv), (vii), (viii), (ix), (x), (xi), (xiii), (xv), (xvi), (xviii), (xix), (xx) or (xxi) (or clause (xxii) with respect to the foregoing clauses) of Section 5.2; or (y) a breach in any material respect of clause (v), (xii), (xiv), or (xvii) (or clause (xxii) thereof with respect to such other clauses) of Section 5.2.

Section 3.9 Litigation; Orders.

(a) Other than as set forth in Section 3.9(a) of the SALIC Disclosure Schedule, as of the date hereof, there is no material Action pending or, to the Knowledge of SALIC, threatened against any SALIC Group Company or its business or any of its properties or assets.

(b) Other than as set forth in Section 3.9(b) of the SALIC Disclosure Schedule, as of the date hereof, none of the SALIC Group Companies is a party or subject to any material Order applicable to that SALIC Group Company, its business or any of its properties or assets other than any Order that is generally applicable to all Persons in businesses similar to that of the SALIC Group.

(c) There are no Actions pending or, to the Knowledge of SALIC, threatened against any SALIC Group Company or its business or any of its properties or assets that question the validity of, or seek injunctive relief with respect to, this Agreement or the right of any of the SALIC Group Companies to enter into, or consummate the Transactions.

Section 3.10 Taxes.

(a) Other than as set forth in Section 3.10(a) of the SALIC Disclosure Schedule, (i) all Tax Returns required to be filed by or with respect to the SALIC Group Companies have been timely filed and no extension of time within which to file any such Tax Return is in effect, (ii) all such Tax Returns were true, complete, and correct in all respects and disclose all Taxes required to be paid by or with respect to the SALIC Group Companies for the periods covered thereby and (iii) all Taxes (whether or not shown as due on any such Tax Returns) for which any of the SALIC Group Companies may be liable have been timely paid.

(b) Other than as set forth in Section 3.10(b) of the SALIC Disclosure Schedule, (i) there are no audits, claims, actions or assessments regarding Taxes pending or proposed or threatened in writing with respect to Taxes for which any of the SALIC Group Companies may be liable, and (ii) all deficiencies asserted or assessments made as a result of any examination of the Tax Returns described in Section 3.10(a) have been paid in full or otherwise finally resolved.

(c) No waiver of any statute of limitations relating to Taxes for which any of the SALIC Group Companies may be liable is in effect, and no written request for such a waiver is outstanding.

(d) There are no Tax rulings, requests for rulings, or closing agreements relating to Taxes for which any of the SALIC Group Companies may be liable that could affect the SALIC Group Companies' liability for Taxes for any taxable period ending after the Closing Date. None of the SALIC Group Companies will be required to include or accelerate the recognition of any item in income, or exclude or defer any deduction or other tax benefit, in each case in any taxable period (or portion thereof) after Closing, as a result of any change in method of accounting, closing agreement, intercompany transaction, installment sale, or the receipt of any prepaid amount, in each case prior to Closing.

(e) No Encumbrances (other than Permitted Encumbrances) for Taxes exist with respect to any of the assets or properties of the SALIC Group Companies.

(f) All Taxes that any of the SALIC Group Companies is required by law to withhold or to collect for payment have been duly withheld and collected and have been paid to the appropriate Governmental Authority.

(g) No SALIC Group Company is a party to or bound by any Tax allocation, sharing, indemnity (entered into in connection with a material transaction with a third party) or similar agreement. Except as set forth in Section 3.10(g) of the SALIC Disclosure Schedule, no SALIC Group Company has been a member of any Company Group other than each Company Group of which it is presently a member, and no SALIC Group Company presently has or has had any direct or indirect ownership interest in any corporation, partnership, joint venture or other entity (other than the SALIC Subsidiaries). None of the SALIC Group Companies has any liability for Taxes of another Person under Treasury Regulation § 1.1502-6 (or any similar provision of state, local or foreign law), as a transferee or successor, or otherwise.

(h) None of the SALIC Group Companies has participated in any "listed transaction" within the meaning of Treasury Regulation § 1.6011-4(b)(2) and, with respect to each transaction in which any SALIC Group Company has participated that is a "reportable transaction" within the meaning of Treasury Regulation § 1.6011-4(b)(1), such participation has been properly disclosed on IRS Form 8886 (Reportable Transaction Disclosure Statement) and on any corresponding form required under state, local or other law.

(i) During the last three years, no SALIC Group Company has been a party to any transaction treated by the parties thereto as one to which Section 355 of the Code (or any similar provision of state, local or foreign law) applied.

(j) None of the SALIC Group Companies (other than SRLB) has made an election under Section 953(d) of the Code to be treated as a domestic corporation.

(k) Other than as set forth on Section 3.10(k) of the SALIC Disclosure Schedule, (i) none of the SALIC Group Companies has unutilized net operating losses the use of which to offset U.S. federal income tax liability would be restricted or prohibited under Section 1503 of

the Code or Treasury Regulations thereunder, (ii) each Company Group of which any of the SALIC Group Companies is a member does not have and will not have on the Closing Date a consolidated Section 382 limitation (as determined under Treasury Regulation § 1.1502-93) and (iii) other than as a consequence of the Transactions, immediately after the Closing Date no limitation under Section 382 of the Code will apply to the utilization of any net operating loss (or alternative minimum tax net operating loss) carryover or capital loss carryover of any of the SALIC Group Companies carried from a period ending on or prior to the Closing Date.

(l) None of the Transactions are subject to withholding under Section 1445 of the Code or similar provision of state, local or foreign law.

Section 3.11 Employee Benefits.

(a) Section 3.11(a) of the SALIC Disclosure Schedule sets forth a true, complete, and correct list of each material employee benefit plan (as such term is defined in Section 3(3) of ERISA, whether or not such plans are subject to ERISA) and each other material plan, program or policy providing for equity-based compensation, bonuses, incentive compensation, retention, severance, change in control or fringe benefits, (i) that is sponsored, maintained or contributed to by any of the SALIC Group Companies or any of the ERISA Affiliates immediately prior to the Closing for the benefit of any Employee or (ii) with respect to which Purchaser may have any liability or contingent liability on account of the execution of this Agreement or any Transactions (collectively, the “Benefit Plans”). SALIC has made available to Purchaser prior to the date hereof copies of each Benefit Plan.

(b) Except as would not, individually or in the aggregate, reasonably be likely to have a SALIC Material Adverse Effect, all Benefit Plans comply in form with all requirements of Applicable Law and have been operated and administered in all material respects in accordance with their terms and with all requirements of Applicable Law.

(c) Each Benefit Plan that is an “employee pension benefit plan” within the meaning of Section 3(2) of ERISA that is intended to be qualified under Section 401(a) of the Code, has received a favorable determination or opinion letter from the IRS or has applied to the IRS for a favorable determination letter, and there are no circumstances reasonably likely to result in the loss of the qualification of such plan under Section 401(a) of the Code.

(d) No Benefit Plan is (i) subject to Section 412 or 430 of the Code or Title IV of ERISA, or (ii) a multiemployer plan as defined in Section 3(37) of ERISA.

(e) Other than as set forth in Section 3.11(e) of the SALIC Disclosure Schedule, there are no Actions pending or, to the Knowledge of SALIC, threatened involving any Benefit Plan (other than with respect to routine claims for benefits), by any Person covered thereby or otherwise, which would, individually or in the aggregate, reasonably be likely to have a SALIC Material Adverse Effect.

(f) Other than as set forth in Section 3.11(f) of the SALIC Disclosure Schedule, neither the execution and delivery of this Agreement nor the consummation of the Transactions, either alone or together with subsequent events, will (i) entitle any Employee, director or

independent contractor to any payments or benefits (including severance pay or any increase in severance pay or other compensation or benefits upon any termination of employment or service after the date hereof); (ii) accelerate the time of payment or vesting or result in any payment or funding (through a grantor trust or otherwise) of compensation or benefits under, increase the amount payable or result in any other material obligation pursuant to, any of the Benefit Plans; or (iii) result in payments or benefits under any of the Benefit Plans that would not be deductible under Section 280G of the Code, in each case, for which any SALIC Group Company or Purchaser would reasonably be expected to have any liability.

Section 3.12 Compliance with Applicable Laws; Governmental Authorizations; Regulatory Filings.

(a) Since January 1, 2014, each of the SALIC Group Companies has been, and the SALIC Group Business has been conducted, in compliance with all Applicable Law in all material respects. Since January 1, 2014, none of the SALIC Group Companies (i) has received any written or, to the Knowledge of SALIC, oral notice from any Governmental Authority regarding any actual or alleged violation of, or failure on the part of such SALIC Group Company to comply with, any Applicable Law that has not been remedied or (ii) to the Knowledge of SALIC, has been placed under investigation with respect to any material violation of or non-compliance with any Applicable Law. None of the SALIC Group Companies is a party to, or bound by, any material Governmental Order applicable to it or its assets, properties, rights or business.

(b) Other than as set forth on Section 3.12(b) of the SALIC Disclosure Schedule, (i) each SALIC Group Company holds all material Governmental Authorizations required to conduct its business in the manner and in all such jurisdictions as it is currently conducted and all such Governmental Authorizations are valid and in full force and effect, (ii) each SALIC Group Company is in compliance in all material respects with all such Governmental Authorizations, (iii) none of the SALIC Group Companies has received, at any time since January 1, 2014, any written notice from any Governmental Authority regarding any actual or alleged violation of, or failure on the part of such SALIC Group Company to comply with, any term or requirement of any such Governmental Authorization that has not been remedied, (iv) no such Governmental Authorization will be terminated as a result of the Transaction, and (v) no SALIC Group Company is the subject of any pending or, to the Knowledge of SALIC, threatened Action seeking the revocation, suspension, termination, modification or impairment of any such Governmental Authorization. Section 3.12(b) of the SALIC Disclosure Schedule sets forth a true, complete and correct list of all licenses and permits to conduct the business of insurance or reinsurance held by any SALIC Group Company. None of the SALIC Group Companies has received any written notice, or to the Knowledge of SALIC, oral or any other communication from any Governmental Authority regarding any material violation of any Governmental Authorization by any SALIC Group Company.

(c) No director or officer of any of the SALIC Group Companies, and to SALIC's Knowledge, no Employee or other employee or Representative of the SALIC Group Companies or any of their Affiliates acting for or on behalf of any SALIC Group Company has, directly or indirectly (i) used any funds for contributions, gifts, gratuities, entertainment or other expenses

related to political activity, in each case in violation of any Applicable Laws, (ii) made any payment in violation of any Applicable Laws or offered, promised or authorized the payment of anything of value, regardless of form, whether in money, property or services, to or for the benefit of any U.S. or non-U.S. government official or employee, any official or employee of a public international organization, or any political party or candidate for political office, in each case in violation of any Applicable Laws and for the purpose of influencing any act or decision of such individual or of any governmental body or public international organization, or securing any improper advantage, in order to obtain or retain business or direct business to any Person in violation of any Applicable Laws, (iii) made any other payment, regardless of form, whether in money, property or services which constitutes criminal bribery under any Applicable Laws, or (iv) violated any applicable export control, money laundering or anti-terrorism law or regulation, the U.S. Foreign Corrupt Practices Act of 1977, as amended, or any other applicable anti-bribery law or regulation, of any applicable jurisdiction, or any Applicable Laws of similar effect.

(d) Since January 1, 2014, the SALIC Group Companies have filed all material reports, statements, documents, registrations, filings and submissions required to be filed with any Governmental Authority, and all such reports, statements, documents, registrations, filings and submissions complied in all material respects with Applicable Law in effect when filed and no material deficiencies have been asserted by, nor any material penalties imposed by, any such Governmental Authorities with respect to such reports, statements, documents, registrations, filings or submissions.

(e) SALIC has made available to Purchaser (i) any material reports of examination (including financial, market conduct and similar examinations) of any Scottish Insurance Company issued by any Insurance Regulatory Authority, in any case, since January 1, 2014, (ii) all material Insurance Holding Company System Act filings or submissions made by any Scottish Insurance Company with any Insurance Regulatory Authority since January 1, 2014 through the date hereof and (iii) all analyses and reports submitted by any Scottish Insurance Company to the Insurance Regulatory Authority in its state or jurisdiction of domicile since January 1, 2014 relating to its risk-based capital calculations. As of the date hereof, all material deficiencies or violations noted in the examination reports described in clause (i) above have been resolved to the reasonable satisfaction of the Insurance Regulatory Authority that noted such deficiencies or violations.

(f) Except for the Scottish Insurance Companies, no Subsidiary of SALIC is a regulated insurance company. None of the Scottish Insurance Companies is “commercially domiciled” under the Applicable Laws of any jurisdiction or is otherwise treated as domiciled in a jurisdiction other than its jurisdiction of organization.

Section 3.13 Intellectual Property.

(a) Section 3.13(a) of the SALIC Disclosure Schedule sets forth, as of the date hereof, a list of issued or registered Intellectual Property owned by the SALIC Group Companies, including all Trademarks, copyrights and patents owned by any SALIC Group Company that is the subject of a registration or pending application.

(b) Each SALIC Group Company owns or has rights or licenses to use, the Intellectual Property used in the business of such SALIC Group Company as currently conducted, free and clear of all Encumbrances, other than Permitted Encumbrances. Such Intellectual Property is subsisting and, to the Knowledge of SALIC, valid and enforceable. None of the SALIC Group Companies has conducted or is conducting its business in a manner that would reasonably be expected to result in the cancellation or unenforceability of such Intellectual Property.

(c) To the Knowledge of SALIC, the conduct of the business of each SALIC Group Company as currently conducted does not infringe upon, misappropriate, dilute or otherwise violate the Intellectual Property rights of any third party, and none of the SALIC Group Companies has received any written notice of any alleged breach, infringement, misappropriation or dilution or other violation by any SALIC Group Company of the Intellectual Property rights of any third party, in each case where such breach, infringement, misappropriation or dilution is pending and not resolved and except as would not, individually or in the aggregate, reasonably be likely to have a SALIC Material Adverse Effect. To the Knowledge of SALIC, as of the date hereof, no third party is breaching, infringing upon, misappropriating or otherwise violating any material Intellectual Property owned by any SALIC Group Company and no such claims have been made or threatened by any SALIC Group Company.

Section 3.14 Actuarial Reports; Reserves.

(a) Section 3.14(a) of the SALIC Disclosure Schedule lists (and SALIC has made available to Purchaser true, complete and correct copies of) all material actuarial reports prepared by opining actuaries, independent or otherwise, from and after January 1, 2017, with respect to the business of any Scottish Insurance Company (including all material attachments, addenda, supplements and modifications thereto). There have been no actuarial reports of a similar nature covering any Scottish Insurance Company in respect of any period subsequent to the latest period covered in such actuarial reports. The information and data furnished by Scottish Insurance Companies to their respective independent actuaries in connection with the preparation of any such actuarial reports were compiled from the Books and Records and as of the dates so furnished were true, complete and correct in all material respects for the periods covered in such reports, in each case subject to any limitations and qualifications contained in such actuarial reports. To the Knowledge of SALIC, no data provided in connection with the preparation of such actuarial reports was materially inaccurate.

(b) The policy reserves of the Scottish Insurance Companies recorded in the SALIC Financial Statements and the Statutory Statements, as of the date thereof: (a) have been computed in all material respects in accordance with presently accepted actuarial standards consistently applied and prepared in accordance with SAP (in the case of SRUS) and GAAP (in the case of SALIC and SRLB) and FRS 101 (in the case of SRD), consistently applied; (b) have been based on actuarial assumptions that are consistent in all material respects with applicable contract provisions; and (c) meet the requirements of applicable Insurance Laws and SAP in all material respects. Notwithstanding the foregoing provisions of this Section 3.14, SALIC is not

making any representations, express or implied, in or pursuant to this Agreement concerning the adequacy or sufficiency of reserves.

Section 3.15 Insurance. Section 3.15 of the SALIC Disclosure Schedule contains a true, complete and correct list of all currently in effect and most recently expired liability, property and casualty, employee liability, directors and officers liability, surety bonds, key man life insurance and other similar insurance contracts of the SALIC Group Companies that insure the business, properties, operations or affairs of the SALIC Group Companies or affect or relate to the ownership, use or operations of the SALIC Group Companies' assets or properties, and the amount of coverage, insurance carrier, policy number and deductible or self-insured retention under each such insurance contract. To the Knowledge of SALIC, no event has occurred that, with notice or the lapse of time or both, would constitute a breach or default under, or permit termination of, any insurance policy of SALIC, and except as set forth on Section 3.15 of the SALIC Disclosure Schedule, there has been no threatened termination or non-renewal of, or material premium increase with respect to, any insurance policy of SALIC. All premiums due thereunder have been paid when due in all material respects and all such policies are in full force and effect.

Section 3.16 Material Contracts.

(a) Section 3.16(a) of the SALIC Disclosure Schedule contains a true, complete and correct list of each Contract in force as of the date hereof (other than and excluding any Reinsurance Contract or Reserve Financing Contract (which are addressed in Section 3.21)) to which any SALIC Group Company is a party or under which any of the SALIC Group Companies has material continuing obligations as of the date hereof that meets any of the following criteria (each, a "Material Contract"):

(i) requires expenditures by a SALIC Group Company involving consideration in excess of One Hundred Thousand Dollars (\$100,000) in any twelve (12)-month period or the delivery by the SALIC Group Company or their Affiliates of goods or services with a fair market value in excess of One Hundred Thousand Dollars (\$100,000);

(ii) provides for payments or goods or services to be received by a SALIC Group Company in excess of One Hundred Thousand Dollars (\$100,000) in any twelve (12)-month period;

(iii) relates to the incurrence by a SALIC Group Company of any indebtedness, other than such Contracts entailing past or reasonably expected future amounts less than One Hundred Thousand Dollars (\$100,000) in the aggregate;

(iv) relates to the acquisition or disposition by a SALIC Group Company outside the Ordinary Course of Business of any material assets or any material business (whether by merger, sale or purchase of stock, sale or purchase of assets or otherwise) to the extent any actual or contingent material obligations of the SALIC Group Company thereunder remain in effect, other than transactions involving Investment Assets;

(v) grants a right of first refusal or first offer or similar right or materially restricts or limits a SALIC Group Company's ability to freely engage in any business, compete with other entities, market any product or solicit employees or customers, or provides for "exclusivity" or any similar requirement, in each case in favor of any Person other than the subject SALIC Group Company;

(vi) is a capital maintenance Contract, keepwell or similar agreement pursuant to which any Person has agreed to contribute capital or surplus to the SALIC Group Companies or any capital maintenance Contract or similar agreement pursuant to which the SALIC Group Companies have agreed to contribute capital or surplus to any Person or guarantee the obligations of any Person under any insurance Contract;

(vii) is a collective bargaining agreement or other Contract with any labor organization, union or association;

(viii) relates to the license or sublicense to a SALIC Group Company of any material Intellectual Property or the license from a SALIC Group Company of any material Intellectual Property, other than "shrink wrap" or "click through" licenses or licenses of generally-available "off the shelf" computer software or databases;

(ix) is a written Contract with any Employee related to such Employee's employment with any of the SALIC Group Companies;

(x) is a Contract for any joint venture, partnership or similar arrangement, or any Contract involving a sharing of profits, losses, costs or liabilities by the SALIC Group Companies with any other Person or relating to the formation, creation, operation, management or control of any partnership or joint venture in respect of the business of the SALIC Group Companies;

(xi) is an investment management agreement;

(xii) is a material indemnification agreement or guarantee in respect of the business of the SALIC Group Companies;

(xiii) is entered into with any Governmental Authority;

(xiv) provides for exclusivity or any similar requirement or includes a "most favored nation" provision;

(xv) contains change of control provisions;

(xvi) contains notification or termination provisions related to the insolvency of a Debtor, other than to the extent such provision would be unenforceable pursuant to Section 365(e)(1) of the Bankruptcy Code;

(xvii) requires any of the SALIC Group Companies to maintain a minimum rating or has a ratings trigger;

(xviii) provides for any obligation to loan or contribute funds to, or make investments in, another Person;

(xix) is a SALIC Intercompany Agreement or a Terminating Intercompany Agreement;

(xx) is a mortgage, indenture, loan or credit agreement, security agreement or other agreement or instrument relating to the borrowing of money or extension of credit or the direct or indirect guarantee of any obligation for borrowed money of any Person or any other liability in respect of indebtedness for borrowed money of any Person, in each case, involving liabilities in excess of One Hundred Thousand Dollars (\$100,000) or any direct or indirect guarantee of any obligation or liability in respect of a Benefit Plan;

(xxi) provides for a material operation or function of the business of the SALIC Group Companies to be outsourced to, or otherwise performed by, a third Person; or

(xxii) is an obligation to enter into any of the foregoing.

(b) Except as set forth on Section 3.16(b) of the SALIC Disclosure Schedule, with respect to each Material Contract, assuming the due authorization, execution and delivery thereof by the other party or parties thereto, (i) each Material Contract is a valid and binding obligation of the applicable SALIC Group Company and, to the Knowledge of SALIC, as of the date hereof, each other party or parties thereto, in accordance with its terms and is in full force and effect, subject to the Bankruptcy and Equity Exceptions, and is enforceable against the applicable SALIC Group Company and, to the Knowledge of SALIC, each other party thereto in accordance with its terms, subject to the Bankruptcy and Equity Exceptions, (ii) the applicable SALIC Group Company is not, and, to the Knowledge of SALIC, no other party thereto is, in default or breach in any material respect in the performance, observance or fulfillment of any obligation, covenant or condition contained in each of the Material Contracts, and (iii) to the Knowledge of SALIC, there does not exist any event, condition or omission that would constitute such a default or breach (with or without lapse of time or notice or both); provided, however, that this Section 3.16(b) does not apply to any Terminating Intercompany Agreement or any other Material Contract to be rejected or terminated pursuant to this Agreement.

(c) Prior to the date of this Agreement, copies of each Material Contract have been made available to Purchaser.

Section 3.17 Assets; Real Property.

(a) Except as disclosed in Section 3.17(a) of the SALIC Disclosure Schedule, each of SALIC and the SALIC Subsidiaries has good title to, or a valid leasehold interest in, each of its material assets reflected in the SALIC Financial Statements and the Statutory Statements, as applicable, free and clear of any Encumbrance, except for Permitted Encumbrances.

(b) Section 3.17(b) of the SALIC Disclosure Schedule contains a true, complete and correct list of all leases pursuant to which any SALIC Group Company leases real property as tenant.

(c) Section 3.17(c) of the SALIC Disclosure Schedule contains a true, complete and correct list of all subleases pursuant to which any SALIC Group Company subleases real property as subtenant.

(d) Except as set forth on Section 3.17(d) of the SALIC Disclosure Schedule, immediately following the Closing, neither SRGL nor any of its Affiliates will own or hold, directly or indirectly, an interest in any material asset, property or right of any kind or nature (real or personal, tangible or intangible, including Intellectual Property) necessary to enable the SALIC Group Companies to continue to operate their business as owned by Purchaser after the Closing in substantially the same manner as the business of the SALIC Group Companies has been conducted by the SALIC Group Companies prior to the Closing Date.

Section 3.18 Finders' Fees. Except as set forth on Section 3.18 of the SALIC Disclosure Schedule, there is no investment banker, broker, financial adviser, finder or other intermediary who is or might be entitled to any fee or commission in connection with the Transactions, based on arrangements made by or on behalf of any SALIC Group Company or any of their respective Affiliates.

Section 3.19 Investment Assets.

(a) SALIC has provided to Purchaser a true, complete and correct list of the Investment Assets as of March 31, 2018. The SALIC Group Companies hold valid title to all Investment Assets free and clear of all Encumbrances other than Permitted Encumbrances.

(b) Except as set forth on Section 3.19(b) of the SALIC Disclosure Schedule, to the Knowledge of SALIC, none of the SALIC Group Companies or any of their Affiliates (i) has received written notice that any of the Investment Assets is in default in any payment of principal, distributions, interest, dividends or any other material payment or performance obligation thereunder or (ii) is aware of any breach of, or default under, any covenants of any of the Investment Assets.

(c) Except as set forth on Section 3.19(c) of the SALIC Disclosure Schedule, none of the SALIC Group Companies has any material funding obligations of any kind, or material obligation to make any additional advances or investments (including any obligation relating to any currency or interest rate swap, hedge or similar arrangement), in respect of any of the Investment Assets. There are no material outstanding commitments, options, put agreements or other arrangements relating to the Investment Assets to which any of the SALIC Group Companies may be subject upon or after the Closing.

(d) SALIC has made available to Purchaser true, complete and correct copies of the investment guidelines and policies applicable to the SALIC Group Companies in effect as of the date hereof (the "Investment Guidelines and Policies"). No material changes have been made to such Investment Guidelines and Policies since December 31, 2016.

Section 3.20 Labor Matters.

(a) None of the SALIC Group Companies is a party to, or bound by, any agreement with respect to the Employees with any labor union or any other employee organization, group or association organized for purposes of collective bargaining. To the Knowledge of SALIC, there are, and since January 1, 2014 there have been, (i) no activities or proceedings of any labor union to organize any Employees or employees of SALIC dedicated to the business of the SALIC Group Companies.

(b) Section 3.20(b) of the SALIC Disclosure Schedule sets forth a true, complete, and correct list of each employee of the SALIC Group Companies and in the case of each such employee, the following information, if applicable, as of the date hereof: (i) title or position; (ii) date of hire; (iii) whether full-time or part-time and whether exempt or non-exempt; and (iv) whether absent from active employment or service and if so, the date such absence commenced, and the anticipated date of return to active employment or active service.

Section 3.21 Reinsurance. SALIC has provided or otherwise made available to Purchaser true, complete and correct copies of (a) each material reinsurance or retrocessional treaty, coinsurance, yearly or monthly renewable term, modified coinsurance, excess insurance, ceding of insurance, assumption of reinsurance or similar arrangements, placements or Contracts (together with all amendments, extensions, renewals, guaranties, modifications, waivers, supplements and other agreements, if any, related thereto) to which any Scottish Insurance Company are parties, whether as ceding company, retrocedent, reinsurer or retrocessionaire (the “Reinsurance Contracts”) and (b) each material Contract, other than a Reinsurance Contract, comprising an excess reserve financing arrangement to which any of the Scottish Insurance Companies are parties (the “Reserve Financing Contracts”). Each of the Reinsurance Contracts and the Reserve Financing Contracts constitutes a valid and binding obligation of the Scottish Insurance Companies and, to the Knowledge of SALIC, each other party thereto, is enforceable against the Scottish Insurance Companies and, to the Knowledge of SALIC, each other party thereto in accordance with its terms (subject to the Bankruptcy and Equity Exceptions), and is in full force and effect, except for such failures to be valid and binding as are not, individually or in the aggregate, reasonably likely to result in a SALIC Material Adverse Effect. None of the applicable Scottish Insurance Companies or, to the Knowledge of SALIC, any counterparty to any Reinsurance Contract or Reserve Financing Contract is (with or without notice or lapse of time or both) in default or breach under the terms of such Reinsurance Contract or Reserve Financing Contract in any material respect. Except as set forth on Section 3.21(a) of the SALIC Disclosure Schedule, there are no pending or, to the Knowledge of SALIC, threatened Actions with respect to any Reinsurance Contract or Reserve Financing Contract. Except as set forth on Section 3.21(b) of the SALIC Disclosure Schedule, as of the date hereof, no party to any Reinsurance Contract or Reserve Financing Contract has given notice of termination (provisional or otherwise) in respect of any such Contract. Except as set forth on Section 3.21(c) of the SALIC Disclosure Schedule, since January 1, 2014, there has not been any dispute with respect to any material amounts recoverable or payable by any of the Scottish Insurance Companies pursuant to any Reinsurance Contract or Reserve Financing Contract and no reinsurer or ceding party has sought to deny or limit coverage or revoke, terminate, rescind or change, in accordance with the terms of any Reinsurance Contract, reinsurance premiums or expense allowances. Except as set forth on Section 3.21(d) of the SALIC Disclosure Schedule, no Reinsurance Contract or Reserve Financing Contract contains any provision providing that the other party

thereto may terminate or otherwise modify such Reinsurance Contract or Reserve Financing Contract by reason of the Transactions. No Reinsurance Contract or Reserve Financing Contract contains any provision which by its own terms would result in a modification in the operation of such Reinsurance Contract or Reserve Financing Contract by reason of the Transactions.

Section 3.22 Affiliate Transactions. Section 3.22 of the SALIC Disclosure Schedule sets forth a true, complete, and correct list, as of the date hereof, of all Contracts, agreements, leases, licenses and other instruments (whether or not reduced to writing) (i) between any of the SALIC Group Companies, on the one hand, and any other SALIC Group Companies, on the other hand (the “SALIC Intercompany Agreements”) and (ii) between any SALIC Group Company, on the one hand, and any Affiliate thereof that is not a SALIC Group Company, on the other hand (the “Terminating Intercompany Agreements”) and, with respect to such Terminating Intercompany Agreements, Section 3.22 of the SALIC Disclosure Schedule shall also set forth SALIC’s good faith estimate of the settlement or termination amounts due and payable in connection with the termination thereof in accordance with Section 5.13.

Section 3.23 Environmental Matters. None of the SALIC Group Companies has received a written notice, request for information, claim or demand from any Governmental Authority or third party alleging liability in connection with the violation of any Environmental Law, there are no material judicial or administrative proceedings pending or threatened against the SALIC Group Companies arising under or relating to an Environmental Law, and each of the SALIC Group Companies is and has been in compliance in all material respects with any applicable Environmental Laws.

Section 3.24 Information Technology, Data Security and Privacy.

(a) The Information Technology (i) is in good repair and operating condition and is adequate and suitable (including with respect to working condition, security, performance and capacity) for the purposes for which it is being used or held for use and (ii) does not contain any Malware that would reasonably be expected to interfere with the conduct of the business of the SALIC Group Companies or present a material risk of unauthorized access, disclosure, use, corruption, destruction or loss of any personally identifiable information, data or non-public information.

(b) The SALIC Group Companies (i) have implemented, maintain, and comply with commercially reasonable written security, business continuity and backup and disaster recovery plans and procedures with respect to the Information Technology and (ii) have taken commercially reasonable steps to test such plans and procedures on no less than an annual basis, and such plans and procedures have been proven effective upon such testing in all material respects.

(c) The SALIC Group Companies have been and are in compliance with any such privacy statement (as applicable to any given set of personally identifiable information, data and non-public information collected by or on behalf of any of them) and with any and all Applicable Law, regulatory guidelines, PCI-DSS standards, contractual requirements and terms of use pertaining to such personally identifiable information, data and non-public information.

(d) Since January 1, 2014, the SALIC Group Companies have not, nor, to the Knowledge of SALIC or any of its Affiliates, has any third Person working on behalf of any of them, in each case with respect to the business of the SALIC Group Companies, received any written claims, notices or complaints regarding their information practices or the use of any personally identifiable information, data and non-public information of individuals, or alleging a violation of any individual's privacy, personal or confidentiality rights under any applicable privacy statement or otherwise from any Person.

Section 3.25 Third-Party Administrators. To the Knowledge of SALIC, from January 1, 2014 to the date hereof, each third-party administrator that managed or administered insurance business for the SALIC Group Companies, at the time such Person managed or administered such business, was duly licensed or registered as required by Applicable Law (for the type of business managed or administered on behalf of the Scottish Insurance Companies), and to the Knowledge of SALIC, no such third-party administrator is in violation (or with or without notice or lapse of time or both, would be in violation) of any term or provision of any Applicable Law related to the administration or management of insurance business for the Scottish Insurance Companies, except for such failures to be licensed or such violations which have been cured, resolved or settled through agreements with applicable Governmental Authorities or are barred by an applicable statute of limitations or, individually or in the aggregate, are not material.

Section 3.26 Orders. Prior to the date hereof, the Bermuda Court and/or the Cayman Court have approved SRGL's entry into the Restructuring Implementation Agreement to the extent such approvals are required in connection with the Winding Up Proceedings.

Section 3.27 NO OTHER REPRESENTATIONS OR WARRANTIES. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS ARTICLE III AND IN ARTICLE VI, SALIC DOES NOT MAKE ANY OTHER EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY WITH RESPECT TO SALIC, THE SALIC SUBSIDIARIES OR THE SALIC GROUP BUSINESS OR WITH RESPECT TO ANY OTHER MATTER OR ANY OTHER INFORMATION PROVIDED TO PURCHASER OR ITS REPRESENTATIVES OR AFFILIATES IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED HEREBY.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to SALIC, as of the date hereof and as of the Closing Date, as follows. Each such representation and warranty is qualified by and includes the disclosure set forth in the numbered or lettered sections or subsections of the Purchaser Disclosure Schedule that correspond to such representation and warranty and shall be deemed to be qualified by and include any disclosure in any other section or subsection of the Purchaser Disclosure Schedule to which the relevance of such disclosure to such representation and warranty is readily apparent.

Section 4.1 Organization and Authority. Purchaser is a limited liability company duly organized, validly existing and in good standing under the laws of Delaware. Purchaser has all

requisite corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

Section 4.2 Binding Effect. The execution and delivery of this Agreement by Purchaser, the performance of its obligations hereunder and the consummation of the Transactions have been duly and validly approved by all requisite corporate action on the part of Purchaser and no additional corporate proceedings on the part of Purchaser or any Affiliate thereof or any of their respective securityholders are necessary to approve or authorize, as applicable, this Agreement, the performance of Purchaser's obligations hereunder or the consummation of the Transactions. Assuming the due authorization, execution and delivery by SALIC, this Agreement constitutes the valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, subject to the Bankruptcy and Equity Exceptions.

Section 4.3 Governmental Filings and Consents. No consents or approvals of, waivers from, or filings or registrations with, any Governmental Authority are required to be made or obtained at or prior to the Closing by Purchaser or any of its Affiliates in connection with the execution, delivery or performance by Purchaser of this Agreement or to consummate the Transactions, except for the consents, approvals, waivers, filings and registrations described in Section 4.3 of the Purchaser Disclosure Schedule, except as would not, individually or in the aggregate, reasonably be likely to have a Purchaser Material Adverse Effect.

Section 4.4 No Violations. Subject to the making of the filings and registrations and receipt of the consents, approvals and waivers referred to in Section 4.3 and the expiration of related waiting periods, the execution, delivery and performance of this Agreement by Purchaser and the consummation of the Transactions do not and will not (a) conflict with, constitute a breach or violation of, or a default under, or give rise to any Encumbrance (other than Permitted Encumbrances) or any acceleration of remedies, penalty, increase in benefit payable or right of termination, suspension, revocation or cancellation under, or forfeiture of, as applicable, any Applicable Law, Order or Governmental Authorization or Contract of Purchaser, except as would not, individually or in the aggregate, reasonably be likely to have a Purchaser Material Adverse Effect or (b) constitute a breach or violation of, or a default under, the organizational documents of Purchaser.

Section 4.5 Purchaser Impediments. As of the date hereof, there is no Action pending or, to the Knowledge of Purchaser, threatened, or any outstanding Order against Purchaser or any of its Affiliates which (a) would affect in any material respect the validity or enforceability of this Agreement, (b) seeks to enjoin or prohibit the consummation of the Transactions or (c) would (i) materially impair or materially delay the ability of Purchaser to obtain Required Approvals (other than the Bankruptcy Court Approvals and Foreign Court Approvals) or (ii) individually or in the aggregate, reasonably be likely to have a Purchaser Material Adverse Effect. As of the date hereof, to the Knowledge of Purchaser, there are no facts or circumstances involving Purchaser or its Affiliates (or involving any permitted assignee of the rights of Purchaser hereunder pursuant to Section 9.4) that would reasonably be expected to prohibit or materially delay the granting of any Required Approval (other than the Bankruptcy Court Approvals and Foreign Court Approvals).

Section 4.6 Finders' Fees. There is no investment banker, broker, financial advisor, finder or other intermediary who is or might be entitled to any fee or commission in connection with the Transactions, based on arrangements made by or on behalf of Purchaser or its Affiliates.

Section 4.7 Financial Capability. Purchaser has sufficient capital commitments, and will have at the Closing, sufficient funds to complete the Transactions on the terms and subject to the conditions set forth in this Agreement.

Section 4.8 Purchase for Own Account.

(a) Purchaser is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D under the Securities Act.

(b) Purchaser is acquiring the Purchaser Shares for investment and not with a view toward, or for sale in connection with, any distribution thereof, nor with any present intention of distributing or selling the Purchaser Shares. Purchaser agrees that the Purchaser Shares may not be sold, transferred, offered for sale, pledged, hypothecated or otherwise disposed of without registration under the Securities Act and any applicable state securities laws, except pursuant to an exemption from such registration under such Applicable Laws.

(c) Purchaser is able to bear the economic risk of holding the Purchaser Shares for an indefinite period, including a complete loss of its investment in the Purchaser Shares, and has knowledge and experience in financial and business matters such that it is capable of evaluating the risks of an investment in the Purchaser Shares.

Section 4.9 NO OTHER REPRESENTATIONS OR WARRANTIES. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS ARTICLE IV, NEITHER PURCHASER NOR ANY OTHER PERSON MAKES ANY OTHER EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY WITH RESPECT TO PURCHASER OR ANY OF ITS AFFILIATES OR WITH RESPECT TO ANY OTHER MATTER OR ANY OTHER INFORMATION PROVIDED TO SALIC OR THE SALIC GROUP COMPANIES OR THEIR REPRESENTATIVES OR AFFILIATES IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED HEREBY.

ARTICLE V

COVENANTS

Section 5.1 Access; Confidentiality.

(a) Prior to the Closing, SALIC shall permit Purchaser and its representatives to have reasonable access, during regular business hours and upon reasonable advance notice to SALIC, to the Books and Records to the extent not prohibited by Applicable Law, for any reasonable business purpose relating to this Agreement, except that SALIC shall use reasonable best efforts to provide access to Books and Records maintained by any Person acting as a third party administrator for any SALIC Group Business; provided, that to the extent any Books and Records or other information that is subject to an attorney-client or other legal privilege or

obligation of confidentiality or non-disclosure, it shall not be made so accessible, it being understood that SALIC shall use its reasonable best efforts to make other arrangements (including redacting information or entering into joint defense agreements), in each case, that would enable any otherwise required disclosure to Purchaser to occur without so jeopardizing privilege or contravening such privilege or obligation. Such access shall be at Purchaser's sole cost and expense and may not unreasonably interfere with the conduct of the SALIC Group's or its Affiliates' businesses.

(b) Purchaser acknowledges that the information and access provided to it pursuant to Section 5.1(a) shall be subject to the terms and conditions of the Confidentiality Agreement.

(c) Following the Closing Date, to the extent not prohibited by Applicable Law, Purchaser shall (i) (A) permit the SRGL Group Companies, the Distribution Trustee and their respective Representatives, during regular business hours and upon reasonable advance notice to Purchaser, to examine and make copies of the Books and Records and (B) make the Employees available to the SRGL Group Companies and their respective representatives as the SRGL Companies and their representatives shall from time to time reasonably request, in each case, for any reasonable business purpose, including the preparing or examination of the SRGL Group Companies regulatory and Tax filings and financial statements and the conduct of any third party litigation or dispute resolution (not involving Purchaser or any of its Affiliates), or regulatory dispute, whether pending or threatened, concerning the business of the SALIC Group Companies prior to the Closing; and (ii) maintain the Books and Records for the foregoing examination and copying for a period of not less than six (6) years following the Closing Date or such longer period as may be required by Applicable Law. Such access to the Books and Records shall be at the sole cost and expense of the applicable SRGL Group Companies and may not unreasonably interfere with the conduct of Purchaser's or its Affiliates' businesses.

Section 5.2 Conduct of Business.

(a) Except (A) as required by the Bankruptcy Code, the Bankruptcy Rules, pursuant to an Order of the Bankruptcy Court, Applicable Bermuda Law or Applicable Cayman Islands Law, (B) as expressly required by this Agreement, (C) as set forth on Section 5.2(a)(C) of the SALIC Disclosure Schedule or (D) with the prior written consent of Purchaser (such consent not to be unreasonably withheld, conditioned or delayed), from the date of this Agreement until the Closing Date, SALIC shall cause the SALIC Group to be operated in the Ordinary Course of Business, and to the extent consistent therewith, use reasonable best efforts to preserve intact its current business organization and its material relationships, including by (x) preserving relationships with third parties (including agents, brokers, producers, Governmental Authorities, reinsurance and retrocession counterparties, suppliers and others having business dealings with them) and employees, consultants and agents (including by keeping available the services of officers and key employees) (y) maintaining the Assumed Contracts and Governmental Authorizations, and (z) complying with all obligations under all Material Contracts, Reinsurance Contracts, Reserve Financing Contracts, including providing any required notifications under such Contracts as a result of the Transactions, Chapter 11 Cases or otherwise. Without limiting the generality of the foregoing, from the date hereof until the Closing Date, SALIC shall not, and

shall cause the SALIC Subsidiaries not to, except as permitted by the preceding sentence, take any of the following actions:

(i) (A) issue, sell, transfer, pledge, grant, dispose of, encumber or deliver any equity securities of any class or any securities convertible into or exercisable or exchangeable for voting or equity securities of any class of stock of the SALIC Group Companies or grant options, warrants, calls or other rights to purchase or otherwise acquire equity securities of any class of stock of the SALIC Group Companies, (B) adjust, split, combine, recapitalize or reclassify any of its equity securities, in each case of any of the SALIC Group Companies or (C) declare, set aside or pay any dividend or other distribution (whether in cash, stock or property) with respect to any outstanding capital stock;

(ii) acquire (by merger, consolidation, acquisition of stock or assets, bulk reinsurance or otherwise) any corporation, partnership, joint venture, association or other business organization or division thereof, or substantially all of the assets of any of the foregoing except for acquisitions of investment assets in the Ordinary Course of Business, in accordance with the Investment Guidelines and Policies;

(iii) amend the organizational documents of any SALIC Group Company;

(iv) adopt a plan of complete or partial liquidation or rehabilitation or authorize or undertake a merger, dissolution, rehabilitation, consolidation, restructuring, recapitalization, or other reorganization;

(v) other than in the Ordinary Course of Business, sell, lease, transfer, assign or otherwise dispose of any material assets in any individual transaction in excess of One Hundred Thousand Dollars (\$100,000) or in the aggregate in excess of Two Hundred Thousand Dollars (\$200,000), or permit any such material assets to become subject to any Encumbrance other than Permitted Encumbrances;

(vi) amend (in any material respect), or terminate (other than at its stated expiry date) any Material Contract or Reinsurance Contract or commute or recapture any Reinsurance Contract or enter into any Contract which, if entered into prior to the date hereof, would have been a Material Contract or Reinsurance Contract;

(vii) except as required by GAAP, SAP, FRS 101 or by Applicable Law, change any of the accounting principles or practices used by any of the SALIC Group Companies;

(viii) prepare or file any income or other material Tax Return inconsistent with past practice, make, change or revoke any income or other material Tax election, change any annual Tax accounting period, adopt or change any accounting method with respect to income or other material Taxes, file any amended income or other material Tax Return, enter into any closing agreement with respect to income or other material Taxes, settle or compromise any proceeding with respect to any income or other material Tax claim or assessment relating to any of the SALIC Group Companies, surrender any right

to claim a material refund of Taxes, consent to any extension or waiver of the limitation period applicable to any income or other material Tax claim or assessment relating to any of the SALIC Group Companies, or request any ruling or similar guidance with respect to Taxes;

(ix) institute or promise to institute any new Benefit Plan for any Employee or increase or grant, accelerate, or promise to increase the annual level of compensation of any Employee, increase the coverage or benefits available under any Benefit Plan or otherwise modify or amend or terminate any such Benefit Plan, in each case, in any material respect and other than in the Ordinary Course of Business (including any merit increases awarded in accordance with past practice), as required by Applicable Law, or pursuant to the terms of an existing Contract or Benefit Plan;

(x) (A) terminate the employment relationship with any Key Employee other than for cause, enter into or amend in any material respect any employment contracts with Key Employees, (B) hire any Employee or promote any Employee other than in the Ordinary Course of Business, (C) increase or promise to increase the base salary or target bonus percentage or opportunity of any Employee except as required by the terms of any Benefit Plan as in effect on the date hereof, or in the Ordinary Course of Business;

(xi) subject any of the properties or assets (whether tangible or intangible) of the SALIC Group Companies to any Encumbrance (except for Permitted Encumbrances);

(xii) enter into any Contract for expenditures in excess of One Hundred Thousand Dollars (\$100,000) for any individual Contract or Two Hundred Thousand Dollars (\$200,000) for all Contracts and commitments in the aggregate;

(xiii) enter into any Contract or commitment which restrains, restricts, limits or impedes the ability of the SALIC Group Companies to compete with or conduct any business or line of business in any geographic area; and

(xiv) abandon, modify, waive, surrender, terminate or withdraw any Governmental Authorization, or change any Scottish Insurance Company's state of domicile;

(xv) make any material change to the Investment Guidelines and Policies or in the underwriting, claims administration, investment, reserving, hedging or financial accounting policies, practices or principles of the SALIC Group Companies, as applicable, in effect on the date hereof (other than any change required by GAAP, SAP or FRS 101), or fail to comply with the Investment Guidelines and Policies;

(xvi) incur any indebtedness to any Person for borrowed money (other than current trade accounts payable incurred in respect of property or services purchased in the Ordinary Course of Business) or assume, grant, guarantee or endorse, or otherwise as an accommodation become responsible for, the obligations of any Person, or make any loans or advances (other than, in each case, in respect of transactions in the Investment Assets,

in the Ordinary Course of Business and in accordance with the Investment Guidelines and Policies);

(xvii) settle any Action involving any SALIC Group Companies, other than any such settlement that is solely a monetary settlement that requires payment by any of the SALIC Group Companies of less than Two Hundred Thousand Dollars (\$200,000); provided that none of the SALIC Group Companies admits a breach or violation of Applicable Law or any contractual obligation;

(xviii) modify the terms of, or default under, any indebtedness or, other than in the Ordinary Course of Business, cancel or compromise any material indebtedness or waive any material rights without receiving a realizable benefit of similar or greater value;

(xix) fail to pay or satisfy when due any material liability of any of the SALIC Group Companies (other than any such liability that is being contested in good faith);

(xx) enter into any new line of business, introduce any new products, or change in any material respect existing products;

(xxi) fail to timely file with Governmental Authorities all required annual and quarterly statutory financial statements and other material insurance regulatory filings;

(xxii) make any material change to any of the actuarial, investment, reserving, hedging, underwriting, claims administration, marketing or reinsurance policies, practices, guidelines or principles of any SALIC Group Companies, in each case, other than as required by GAAP or SAP; or

(xxiii) agree or commit to do, or resolve, authorize or approve any action to do, any of the foregoing.

(b) From the date hereof until the Closing, SALIC shall deliver to Purchaser copies of any material correspondence received by any of the SALIC Group Companies from any Governmental Authority (other than routine administrative matters), including any such correspondence that contains any assertion of any failure of any of the SALIC Group Companies to comply with Applicable Law in any material respect, notice of any pending audit, examination or investigation, or any findings or conclusions arising out of any such audit, examination or investigation, and copies of any material correspondence sent by any of the SALIC Group Companies to any Governmental Authority relating to any such matters; provided that all such correspondence provided to Purchaser pursuant to this Section 5.2(b) shall be subject to the terms and conditions of the Confidentiality Agreement.

Section 5.3 Reasonable Best Efforts; Regulatory Matters; Third-Party Consents.

(a) Subject to the terms and conditions of this Agreement, each party agrees to use its reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective, as soon as practicable

after the date of this Agreement, the Transactions, including using reasonable best efforts to (i) lift or rescind any injunction or restraining order or other Order adversely affecting the ability of the parties to consummate the Transactions, and (ii) prevent the initiation of any Action seeking to enjoin, prevent or delay the consummation of the Transactions. Each party shall use its reasonable best efforts, and shall cooperate fully with each other, (i) to comply as promptly as practicable with all requirements of Government Authorities applicable to the Transactions and (ii) to obtain as promptly as practicable all necessary permits, Orders or other consents, approvals or Governmental Authorizations and consents or waivers of all other third parties necessary in connection with the consummation of the Transactions (including those set forth in Section 3.5 of the SALIC Disclosure Schedule or Section 4.3 of the Purchaser Disclosure Schedule), subject, in the case of third party consents, to the last sentence of this Section 5.3(a). In connection therewith, subject to the terms and conditions of this Agreement, SALIC and Purchaser each shall make and shall cause its Affiliates to make all legally required filings as promptly as practicable in order to facilitate prompt consummation of the Transactions, shall provide and shall cause their respective Affiliates to provide such information and communications to Governmental Authorities as such Governmental Authorities may request to the extent permitted by Applicable Law, and shall consent to and comply with any condition imposed by any Governmental Authority on its grant of any such permit, Order, consent, approval or authorization. The SALIC Parties shall use commercially reasonable efforts (taking into account their status as Debtors) to obtain the consent or waiver of any Person that is a counter-party to any Material Contract, Reinsurance Contract or Reserve Financing Contract to extent such Contract contains an automatic termination or such Person has a right to take an action adverse to any SALIC Group Company or Purchaser as a result of the Transactions or Chapter 11 Cases (“Third Party Consent Contracts”), it being understood that no such consent or waiver shall be a condition to the Closing. If the SALIC Parties fail to obtain the consent or waiver of any Person that is a counter-party to a Third Party Consent Contract, the SALIC Parties shall use commercially reasonable efforts and shall work with Purchaser in good faith to procure a replacement Contract having substantially equivalent terms and conditions.

(b) No later than ten (10) Business Days after the issuance of the Winning Bidder Order (but subject to the proviso below), each party shall, and shall cause its Affiliates to, make all filings and notifications with all Governmental Authorities that may be or may become reasonably necessary, proper or advisable under this Agreement and Applicable Law to consummate and make effective the Transactions, including: (i) Purchaser causing a “Form A” or a similar change of control application to be filed in each jurisdiction where required by applicable Insurance Laws with respect to the Transactions; (ii) Purchaser causing “Form E” or similar market share notifications to be filed in each jurisdiction where required by applicable Insurance Laws with respect to the Transactions; (iii) each party making any other filing that may be required under any other antitrust or competition laws or by any Governmental Authority with jurisdiction over enforcement of any applicable antitrust or competition laws; and (iv) each party making any other filing that may be required under any insurance, financial services or other Applicable Law or by any Governmental Authority with jurisdiction over enforcement of any such Applicable Law; provided that (A) with respect to the filings to be made by Purchaser and its Affiliates pursuant to this Section 5.3(b), Purchaser and its Affiliates shall use their reasonable best efforts to submit such filings no later than ten (10) Business Days after the issuance of the Winning Bidder Order and in any case shall submit such filings no later than

fifteen (15) Business Days after issuance of the Winning Bidder Order, (B) with respect to the filings to be made by SALIC and its Affiliates listed in Section 3.5(a)(1) the SALIC Disclosure Schedule, SALIC and its Affiliates shall make such filings no later than five (5) Business Days after the date on which Purchaser and its Affiliates submit the filings described in clause (i) above, and (C) with respect to the filings to be made by SALIC and its Affiliates listed in Section 3.5(a)(3) of the SALIC Disclosure Schedule, SALIC and its Affiliates shall make such filings no later than five (5) Business Days after the date on which Purchaser and its Affiliates submit the filings to be made by Purchaser and its Affiliates listed in Section 4.3(3) of the Purchaser Disclosure Schedule. Each party shall promptly supply any additional information and documentary material that may be requested by any Governmental Authority pursuant to Applicable Law. Notwithstanding anything to the contrary in this Agreement, Purchaser shall have responsibility for the filing and other fees associated with its “Form A” or similar change of control applications and its “Form E” or similar market share notifications, and SALIC and Purchaser shall have responsibility for their other respective filing fees associated with any other filings required to be made in connection with the Transactions.

(c) Subject to Applicable Law relating to the sharing of information, each party shall promptly notify the other parties of any communication it or any of its Affiliates receives from any Governmental Authority relating to the matters that are the subject of this Agreement, and shall permit counsel for the other parties to review in advance, and consider in good faith the views of the other parties in connection with, any proposed written communication to any Governmental Authority relating to the Transactions, and provide each other party with copies of all correspondence, filings or communications between such party or any of its Representatives, on the one hand, and any Governmental Authority or members of the staff of any Governmental Authority, on the other hand, subject to Section 5.1; provided that no party shall be required to share with or disclose to the other any of its or its Affiliates’ confidential competitive information or any personal identifiable information of their respective officers, directors or other applicable individuals. Neither SALIC nor Purchaser may participate or agree to participate in any meeting with any Governmental Authority relating to the matters that are the subject of this Agreement (other than telephone calls initiated by such Governmental Authority and not scheduled in advance or ministerial telephone calls not expected to involve a substantive discussion of the Transactions) unless it consults with the other party in advance and, to the extent permitted by such Governmental Authority, gives the other party a reasonable opportunity to attend and participate at such meeting. Subject to the Confidentiality Agreement and Section 5.1, each party shall coordinate and cooperate fully with each other party in exchanging such information and providing such assistance as such other party may reasonably request in connection with the foregoing; provided, however, that the foregoing shall not require either party or any of their Affiliates to (i) disclose any information that in the reasonable judgment of such party or its Affiliates, as the case may be, would result in the disclosure of any trade secrets of third parties or violate any of its contractual obligations or obligations with respect to confidentiality or (ii) disclose any privileged information or confidential competitive information of such party or its Affiliates, or personally identifiable information of their respective officers, directors or other applicable individuals. Further, no party shall be required to comply with any of the foregoing provisions of this Section 5.3(c) to the extent that such compliance would be prohibited by Applicable Law. The parties further covenant and agree not to extend any waiting period associated with any Governmental Authorization or enter into any agreement with any

Governmental Authority not to consummate the Transactions, except with the prior written consent of the other party.

(d) Notwithstanding anything herein to the contrary, in connection with any Required Approval (other than the Bankruptcy Court Approvals and Foreign Court Approvals), Purchaser shall not be obligated to take or refrain from taking or to agree to it or its Affiliates taking or refraining from taking, any action or to permit or suffer to exist any restriction, condition, limitation or requirement imposed by a Governmental Authority that, individually or in the aggregate with any other actions, conditions, limitations, restrictions or requirements imposed by Governmental Authorities, would or would reasonably be likely to result in a Burdensome Condition. A “Burdensome Condition” means: (i) a material negative effect on the business or the assets, liabilities, properties, operations, results of operations or condition (financial or otherwise) of any of the SALIC Group Companies or Purchaser or any of their respective Affiliates; (ii) any requirement to sell, divest, operate in a specified manner, hold separate or discontinue or limit, before or after the Closing Date, any material assets, liabilities, businesses, operations, or interest in any assets or businesses of Purchaser, any SALIC Group Company or any of their respective Affiliates; or (iii) any requirement relating to contribution of capital, keep-well or capital maintenance arrangements or maintaining risk based capital level or any restrictions on dividends or distributions; provided, however, that neither (x) any requirement to allocate all or any portion of the Recapitalization Funding Payment to one or more particular SALIC Group Companies, nor (y) any restriction, condition, limitation or requirement imposed by a Governmental Authority, in effect as of the date hereof and listed in Section 5.3(d) of the SALIC Disclosure Schedule, shall be considered a Burdensome Condition. Without the prior written consent of Purchaser, SALIC shall not, and shall cause its Affiliates not to, take or refrain from or to agree to the taking or refraining from any action or to permit or suffer to exist any restriction, condition, limitation or requirement that would or would reasonably be expected to result, individually or in the aggregate, in a Burdensome Condition being imposed by a Governmental Authority.

(e) Except as set forth in Section 5.3(a), each party shall use its commercially reasonable efforts to obtain, as promptly as practicable after the date hereof, all consents and approvals, including any Governmental Authorization contemplated by this Section 5.3, and to make any notifications, in each case that may be required by or of it in connection with the Transactions, including consenting to and complying with any condition imposed by any Governmental Authority on its grant of any such Governmental Authorization; provided that no SALIC Group Company shall be required to compensate any third party, commence or participate in litigation or offer or grant any accommodation (financial or otherwise) to any third party to obtain any such consent or approval; and provided, further, that for purposes of this Section 5.3(e), SALIC shall not be required to take any action with respect to any third party unless the taking of such action is required in order to satisfy any of the conditions set forth in Section 7.1 or 7.2 and such condition has not been waived by Purchaser.

Section 5.4 Employee Matters. On the Closing and for the remainder of 2018, Purchaser shall not take any action directly prohibiting the SALIC Group Companies’ ability to provide to each Employee while in the employ of a SALIC Group Company (i) base compensation and annual bonus potential and (ii) Benefit Plans (other than severance benefits,

which are addressed in Section 5.4(b)), which are no less favorable in the aggregate, in a material manner, than that which was provided to such Employee immediately prior to the Closing.

(b) Purchaser shall not take any action directly prohibiting the SALIC Group Companies' ability to provide any Employee whose employment is terminated for any reason, other than for cause, within twenty-four (24) months after the Closing a severance benefit package substantially similar to the severance benefit package that would be provided under the applicable severance plan for the SALIC Group Companies or any other contractual severance obligations as in effect for such Employee immediately prior to the Closing and disclosed in Section 5.4(b) of the SALIC Disclosure Letter.

(c) From and after the Closing, Purchaser shall not take any action directly prohibiting the SALIC Group Company's ability to honor, pay, perform and satisfy any and all liabilities, obligations and responsibilities to or in respect of each Employee or former Employee under the terms of each employment or service agreement, retention plan and each other arrangement between such SALIC Group Company and any such Employee or former Employee, in each case as in effect or existing immediately prior to the Closing and disclosed in Section 5.4(c) of the SALIC Disclosure Letter.

(d) Prior to Closing, Purchaser shall consult with, and seek the recommendations of, the Chief Executive Officer and Chief Financial Officer of SALIC, with respect to (i) a plan for the retention, following the Closing, of Employees and (ii) the terms and conditions of the employment packages and employee benefits to be made available to Employees the Purchaser elects to retain.

(e) Notwithstanding the foregoing, this Section 5.4 is not intended to and shall not give any third party, including any Employee or any agent or representative thereof any right to (i) enforce the provisions of this Section 5.4, (ii) require Purchaser or the SALIC Group Companies to continue to employ any Employee, or (iii) require Purchaser or the SALIC Group Companies to continue any Benefit Plan beyond the time when it otherwise lawfully could be terminated or modified.

(f) Notwithstanding the foregoing, each of the parties acknowledges and agrees that nothing in this Section 5.4 is intended to or shall (i) without limiting Purchaser's obligations above, limit Purchaser's ability to manage the SALIC Group Companies, in consultation with management of the SALIC Group Companies, in Purchaser's sole discretion on and after the Closing, or (ii) require Purchaser to contribute any funds to any of the SALIC Group Companies or incur any liability in satisfaction of the obligations set forth in this Section 5.4.

Section 5.5 Further Assurances. The parties shall, subject to the terms and conditions of this Agreement (a) execute and deliver, or shall cause to be executed and delivered, such documents, certificates, agreements and other writings and shall take, or shall cause to be taken, such further actions as may be reasonably required or requested by either party to carry out the provisions of this Agreement and consummate or implement expeditiously the Transactions, and (b) shall refrain from taking any actions that could reasonably be expected to impair, delay or impede the Closing.

Section 5.6 Resignations. SALIC shall cause the directors and, to the extent specified in writing by Purchaser at least thirty (30) calendar days prior to the Closing Date, other officers, of each of the SALIC Group Companies, to resign such position or positions, effective as of the Closing (the “Resignations”). Any such resignation that is not furthered by a reappointment to the same or similar position shall be deemed an involuntary resignation for purposes of severance and employment agreement terms.

Section 5.7 Insurance Prior to the Closing, SALIC shall obtain a replacement to 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 reasonably acceptable to Purchaser, to be effective as of the Closing Date and providing coverage to the directors and officers of each of the SALIC Group Companies immediately following the Closing.

Section 5.8 D&O Liabilities.

(a) 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 present and former director and officer of each of the SALIC Group Companies (collectively, the “Indemnified D&O Parties”) 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.

(b) 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 this Section 5.8(b), 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 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 this Section 5.8(b), 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 reasonably acceptable to Purchaser, to be effective as of the Closing Date.

Section 5.9 Orkney Re II. Purchaser and SALIC shall cooperate in good faith to complete with Assured Guaranty (UK) Ltd., prior to Closing, the winding up, restructuring or other termination relating to the Orkney Re II facility on terms and conditions reasonably acceptable to Purchaser (it being understood that such winding up, restructuring or other termination shall not be a condition to the Closing).

Section 5.10 Abandonment of SFL Capital Stock SALIC shall use commercially reasonable efforts to cause any capital stock or share capital of SFL held by any SALIC Group Company to no longer be held by any SALIC Group Company as of a date no later than the Closing Date. Purchaser acknowledges and agrees that the transfer of any capital stock or share capital of SFL held by any SALIC Group Company to the Distribution Trust on or prior to the Closing Date with the approval of the Bankruptcy Court pursuant to the Confirmation Order or another Final Order will satisfy the SALIC Parties' obligations as set forth in this Section 5.10.

Section 5.11 Notification of Certain Matters.

(a) From the date hereof until the Closing, to the extent the SALIC Parties have such Knowledge, the SALIC Parties shall promptly notify Purchaser in writing of: (i) any circumstance, event or action the existence, occurrence or taking of which (a) has had or could reasonably be expected to have, individually or in the aggregate, a SALIC Material Adverse Effect, (b) has resulted in or could reasonably be expected to result in any representation or warranty made by SALIC hereunder or under any other Ancillary Agreement not being true and correct or (c) could reasonably be expected to result in the failure of any of the conditions set forth in Article VII to be satisfied; (ii) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the Transactions, provided that, if the SALIC Parties are restricted by any confidentiality or non-disclosure obligation that would prevent the SALIC Parties from providing such notice, the SALIC Parties will provide Purchaser with sufficient information, including, the nature of the confidentiality or non-disclosure obligation, the nature of such consent, the type of transaction to which such consent relates, the nature of the counterparty alleging to have such consent right, and any other information reasonably necessary for Purchaser to evaluate such Person's alleged consent right; (iii) any notice or other communication from any Governmental Authority in connection with the Transactions; and (iv) any Actions commenced or threatened against, relating to or involving or otherwise affecting any SALIC Group Company that, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to Section 3.9 or that relates to the consummation of the Transactions. Purchaser's receipt of information pursuant to this Section 5.11(a) or otherwise shall not operate as a waiver or otherwise affect any representation, warranty, covenant or agreement given or made by SALIC in this Agreement or the other Ancillary Agreement.

(b) With respect to any periodic reporting period, but no less frequently than monthly, the applicable SALIC Group Company shall, as promptly as practicable after such reporting period, notify Purchaser in writing if both (i) loss development under an In-force YRT Reinsurance Contract for such period was adverse and (ii) such adverse development was, in the reasonable judgment of the SALIC Group Company, caused in part or in whole by higher-than-expected mortality for such period for such In-force YRT Reinsurance Contract. Purchaser's

receipt of information pursuant to this Section 5.11(b) or otherwise shall not operate as a waiver or otherwise affect any representation, warranty, covenant or agreement given or made by SALIC in this Agreement or the other Ancillary Agreement. For purposes of this Section 5.11(b), an “In-force YRT Reinsurance Contract” means a Contract of yearly renewable term reinsurance assumed from an unrelated third-party ceding company by any SALIC Group Company that is in force at any time between the date hereof and the Closing.

Section 5.12 Subsequent Financial Statements.

(a) SALIC shall prepare and deliver to Purchaser as soon as reasonably practicable audited consolidated financial statements of SALIC and its Subsidiaries at and for the 12-month periods ended December 31, 2018, 2017 and 2016, together with the report of the independent auditor of SALIC thereon, including a balance sheet and the related statements of operations, cash flows and changes in stockholders’ equity (the “Subsequent Audited GAAP Financial Statements”), and if the report of the independent auditor of SALIC on the Subsequent Audited GAAP Financial Statements identifies any material weakness, SALIC shall remedy or resolve such material weakness to the reasonable satisfaction of Purchaser prior to the Closing. From the date hereof until the Closing, SALIC shall deliver to Buyer, as soon as reasonably practicable after the end of the applicable quarter, unaudited quarterly financial statements of the type and scope described in Section 3.7(a) (together with the Subsequent Audited GAAP Financial Statements, the “Subsequent GAAP Financial Statements”).

(b) From the date hereof until the Closing, SALIC shall deliver to Purchaser reasonably promptly following the filing thereof, all Statutory Statements, in each case prepared and/or filed after the date hereof and prior to the Closing Date.

(c) From the date hereof until the Closing, SALIC shall, and shall cause each of the SALIC Subsidiaries to, (i) provide to Purchaser, as soon as reasonably practicable after the end of each fiscal month, a monthly management report in scope and detail consistent with those monthly management reports that have been historically prepared by such SALIC Group Company and delivered to SALIC or SRGL, as applicable, and (ii) prepare, and deliver to Purchaser, as soon as reasonably practicable after the end of each fiscal month, a monthly balance sheet as of the last day of such month, in scope and detail consistent with the monthly balance sheets that have been historically prepared by such SALIC Group Company.

Section 5.13 Terminating Intercompany Agreements. Subject to the right of the SALIC Parties to reject pursuant to section 365 of the Bankruptcy Code those Terminating Intercompany Agreements to which a Debtor is a party and that are Executory Contracts, the SALIC Parties shall, and shall cause the SALIC Group Companies, as applicable, to terminate any Terminating Intercompany Agreement to which any SALIC Group Company is a party on or prior to Closing. Notwithstanding anything to the contrary contained herein, Purchaser may determine prior to the Closing to have that certain Investment Management Agreement between SRGL and Barings LLC (f/k/a Babson Capital Management LLC), dated October 14, 2009, remain in place at the Closing and not be terminated as a Terminating Intercompany Agreement on or prior to the Closing pursuant to this Section 5.13.

Section 5.14 Scottish Re Trademarks. Between the date hereof and the Closing Date, SALIC shall use reasonable best efforts to obtain from SRGL in writing, and effective as of the Closing, the commitment of SRGL to provide a license at the Closing to SALIC (and/or another SALIC Group Company as identified by SALIC) in respect of, the marks “Scottish Re” (US Registration Nos. 3263875 and 3254382 and any corresponding marks throughout the world, including the European Union) (collectively, the “SRE Marks”), in form and on terms reasonably acceptable to Purchaser.

ARTICLE VI

BANKRUPTCY MATTERS

Section 6.1 Bankruptcy Court Filings and Approvals.

(a) The Debtors shall use reasonable best efforts to cause the Bankruptcy Court to enter the Winning Bidder Order on or prior to June 12, 2018, in form and substance reasonably acceptable to the Debtors and Purchaser.

(b) Prior to or concurrent with the entry of the Winning Bidder Order, the Debtors shall terminate the Plan Sponsorship Agreement in accordance with its terms and take all other actions reasonably necessary in connection with the Chapter 11 Cases to effectuate such termination, and deliver to Purchaser evidence of such termination in form and substance reasonably acceptable to Purchaser.

(c) On or prior to the date that is ten (10) calendar days after the date of entry of the Winning Bidder Order, the Debtors shall use reasonable best efforts to obtain the RIA Winning Bidder Confirmation and provide same to Purchaser; provided that in the event the Debtors are unable to obtain the RIA Winning Bidder Confirmation within such ten (10) calendar day period due to the requirement of the Cayman Islands Court and/or the Bankruptcy Court to direct or permit the Cayman Islands Full Powers Liquidators on behalf of SRGL to provide the RIA Winning Bidder Confirmation, then the Debtors shall use reasonable best efforts to (i) cause the Cayman Islands Court to make the Supplemental Cayman Islands Court Order, if applicable, (ii) cause the Bankruptcy Court to enter the Amended RIA Order, if applicable and (iii) promptly thereafter, obtain the RIA Winning Bidder Confirmation and provide same to Purchaser, in each case on or prior to the date that is the earlier of (x) thirty-five (35) calendar days from the entry of the Winning Bidder Order and (y) the date of entry of the Disclosure Statement Order.

(d) The Debtors shall amend the Chapter 11 Plan and the Disclosure Statement to reflect this Agreement and the Plan Term Sheet, in each case in form and substance reasonably acceptable to the Debtors and Purchaser on or prior to the date that is fifteen (15) Business Days from the conclusion of the Auction.

(e) The Debtors shall use reasonable best efforts to cause the Bankruptcy Court to enter the Disclosure Statement Order (pursuant to an amendment to the Disclosure Statement Motion reflecting the transactions set forth in this Agreement and the Plan Term Sheet in form and substance reasonably acceptable to the Debtors and Purchaser) in form and substance reasonably acceptable to the Debtors and Purchaser on or prior to the date that is thirty (30)

calendar days from the conclusion of the Auction; provided that if the Debtors or SRGL (at the Debtors' request) are seeking the Supplemental Cayman Islands Court Order pursuant to the proviso in Section 6.1(c), such deadline shall be extended to such date that is thirty-five (35) calendar days from the entry of the Winning Bidder Order.

(f) The Debtors shall use reasonable best efforts to cause the Bankruptcy Court to enter the Confirmation Order in form and substance reasonably acceptable to the Debtors and Purchaser on or prior to the date that is sixty (60) days following the entry of the Disclosure Statement Order.

(g) The Debtors shall give notice under the Bankruptcy Code of the request for the relief specified in the Bidding Procedures Motion, the RIA/PSA Assumption Motion, the Disclosure Statement Motion, of the Confirmation Hearing and the Effective Date, any request to assume or reject all Contracts, and any bar date motions, to all creditors and parties in interest entitled to notice thereof pursuant to the Bankruptcy Code, the Bankruptcy Rules, the local rules of the Bankruptcy Court, and Orders of the Bankruptcy Court, including all Persons that have asserted Encumbrances against each of either Debtor's assets, and all non-debtor parties to the Assumed Contracts.

(h) Each of the SALIC Parties and Purchaser agrees that it will promptly take such actions as are reasonably requested by the other parties to assist in obtaining (i) the RIA Winning Bidder Confirmation from SRGL, (ii) if necessary pursuant to Section 6.1(c), entry of the Amended RIA Order and the Supplemental Cayman Islands Court Order, and (iii) the Winning Bidder Order, the Disclosure Statement Order, the Sale Order and the Confirmation Order, in each case, within the applicable period referenced in Section 8.1.

(i) The SALIC Parties and Purchaser acknowledge that this Agreement and the Transactions are subject to Bankruptcy Court approval.

(j) SALIC agrees that from the conclusion of the Auction through the Closing Date, neither it nor any of its Affiliates nor any of their respective Representatives shall, and that it shall direct its and their respective key employees and Representatives (including any investment banker, attorney or accountant retained by it or any of its Affiliates) not to, directly or indirectly, initiate, solicit, entertain, encourage, negotiate, accept or discuss any proposal or offer of an Alternative Transaction from any Person or group of Persons other than Purchaser and its Affiliates, or provided any non-public or other information to any third party in connection therewith, or enter into any agreement, arrangement or understanding requiring it to abandon, terminate, delay or fail to consummate the Transactions. Immediately upon the execution of this Agreement, SALIC and its Affiliates, and any of their Representatives shall, and SALIC shall direct its and their respective key employees and Representatives (including any investment banker, attorney or accountant retained by it or any of its Affiliates) to, suspend any and all existing discussions or negotiations with any Person or group of Persons regarding an Alternative Transaction, in each case except as permitted by the immediately preceding sentence. Additionally, SALIC represents and warrants to Purchaser that it is not party to or bound by any agreement with respect to an Alternative Transaction as of the date hereof, other than the Stalking Horse SPA. The SALIC Parties shall, within two (2) Business Days of receipt by the

SALIC Parties or their Affiliates of an Alternative Transaction, provide Purchaser with the material terms and conditions of any such Alternative Transaction. Following entry of the Bidding Procedures Order, any such contacts, solicitations or encouragements shall be in accordance with the terms of the Bidding Procedures Order.

(k) The SALIC Parties shall use reasonable best efforts to give Purchaser at least three (3) Business Days advance notice of proposed drafts of all pleadings, motions, Orders, other papers, hearings, and other proceedings relating to this Agreement and the Transactions (collectively, “Restructuring Documents”) (other than the Chapter 11 Plan, Disclosure Statement, Confirmation Order, Supplemental Cayman Islands Court Order, Amended RIA Order and Plan Supplement, each of which shall be provided by the SALIC Parties to Purchaser within a reasonable period of time prior to the deadline for its submission but in each case, no less than five (5) Business Days prior to the deadline for its submission), and each such Restructuring Document shall be consistent with this Agreement and the Transactions and subject to the consent of the Purchaser, not to be unreasonably withheld, conditioned or delayed.

(l) After entry of the Sale Order, neither the Debtors nor Purchaser shall take any action which is intended to, or fail to take any action the intent of which failure to act is to, result in the reversal, voiding, modification or staying of the Sale Order.

(m) After entry of the Confirmation Order, neither the Debtors nor Purchaser shall take any action which is intended to, or fail to take any action the intent of which failure to act is to, result in the reversal, voiding, modification or staying of the Confirmation Order.

(n) In the event an appeal is taken or a stay pending appeal is requested from any Bankruptcy Court Approval or Foreign Court Approval, Debtors shall immediately notify Purchaser of such appeal or stay request. Debtors agree to take all action as may be reasonable and appropriate to defend against any such appeal or stay request, and Purchaser agrees to cooperate with, and support such efforts by, the Debtors. Additionally, the Debtors and Purchaser agree to use their reasonable efforts to obtain an expedited resolution of such appeal or stay request. For the avoidance of doubt, nothing herein shall preclude the parties hereto from consummating the Transactions if the Confirmation Order and Sale Order shall have been entered and have not been stayed and the applicable Debtor and Purchaser, each acting in their respective sole and absolute discretion, waive in writing the condition that the Confirmation Order and Sale Order be a Final Order.

(o) The SALIC Parties agree that, from the date hereof until the Closing Date, unless otherwise consented to in advance in writing by Purchaser, the SALIC Parties shall:

(i) Convene conference calls, on reasonable advance notice, with Purchaser and its Representatives, which calls will include the management and the legal advisors of the SALIC Parties;

(ii) Provide reasonable access to the respective management and advisors of the SALIC Parties for the purposes of evaluating the finances and operations of the SALIC Group Companies, ensuring the SALIC Parties’ compliance with this Agreement

and the Restructuring Implementation Agreement and participating in the planning and implementation aspects of the Transaction;

(iii) Timely file a formal objection to any motion filed with the Bankruptcy Court or any other proceeding commenced by any party seeking (provided, that a draft of any such objection shall be provided to Purchaser at least two (2) Business Days in advance of filing, to the extent reasonably practicable):

(1) Entry of an order (A) directing the appointment of an examiner or a trustee, (B) converting the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code or (C) dismissing the Chapter 11 Cases;

(2) Entry of an order modifying or terminating the SALIC Parties' exclusive right to file and/or solicit acceptances of a plan of reorganization; or

(3) Other relief that would be inconsistent with the Chapter 11 Plan, the Plan Term Sheet, this Agreement, the Restructuring Implementation Agreement or other Restructuring Document; and

(iv) Not dispute that the giving of notice of termination by any party pursuant to this Agreement shall not be a violation of the automatic stay of section 362 of the Bankruptcy Code (and the SALIC Parties hereby waive, the applicability of the automatic stay to the giving of such notice).

ARTICLE VII

CONDITIONS TO CLOSING

Section 7.1 Conditions to the Obligations of Purchaser and SALIC. The obligations of SALIC and Purchaser to effect the Closing are subject to the satisfaction (or written waiver by each party hereto) as of the Closing of the following conditions:

(a) **No Injunction or Prohibition.** No Governmental Authority of competent jurisdiction shall have enacted, enforced or entered any Applicable Law or Order that is in effect on the Closing Date and prohibits the consummation of the Transactions, and no Action by any Governmental Authority seeking the imposition of any such Order shall be pending or threatened in writing by any Governmental Authority.

(b) **Entry of the Confirmation Order.** The Confirmation Order shall have been entered by the Bankruptcy Court in form and substance reasonably acceptable to the Debtors and Purchaser and shall be a Final Order.

(c) **Entry of the Sale Order.** The Sale Order shall have been entered by the Bankruptcy Court in form and substance reasonably acceptable to the Debtors and Purchaser and shall be a Final Order.

(d) Receipt of the RIA Winning Bidder Confirmation. The RIA Winning Bidder Confirmation shall have been received from SRGL in form and substance reasonably acceptable to Purchaser.

(e) Entry of the Disclosure Statement Order. The Disclosure Statement Order shall have been entered by the Bankruptcy Court in form and substance reasonably acceptable to the Debtors and Purchaser.

(f) Entry of the Winning Bidder Order. The Winning Bidder Order shall have been entered by the Bankruptcy Court in form and substance reasonably acceptable to the Debtors and Purchaser.

(g) Foreign Court Approvals. All Foreign Court Approvals shall have been obtained in form and substance reasonably acceptable to SALIC and Purchaser and any Orders granting the Foreign Court Approvals shall not have been modified, stayed, reversed, revoked or vacated by the court which made such Order or any court with jurisdiction to grant such relief.

(h) Required Approvals. All Required Approvals (other than the Bankruptcy Court Approvals and Foreign Court Approvals) shall have been obtained and be in full force and effect (or any waiting period applicable thereto shall have been terminated or otherwise expired), in each case without the imposition of a Burdensome Condition.

Section 7.2 Conditions to the Obligations of Purchaser. The obligation of Purchaser to effect the Closing is subject to the satisfaction (or written waiver by Purchaser) as of the Closing of the following conditions:

(a) Warranties True as of the Closing Date. Except for the representations and warranties set forth in Sections 3.1, 3.2, 3.3(a), 3.4, 3.18 and 3.26 (the “SALIC Fundamental Reps”), each of the representations and warranties of SALIC contained in Article III shall be true and correct (without giving effect to any limitations as to materiality or SALIC Material Adverse Effect) as of the date hereof and as of the Closing Date as if made anew as of such date (except to the extent such representations and warranties expressly relate to an earlier date (in which case, as of such earlier date)), except for such failures of the representations and warranties to be true and correct as do not and would not reasonably be expected to have, in the aggregate, a SALIC Material Adverse Effect. The SALIC Fundamental Reps shall be true and correct (without giving effect to any limitations as to materiality or SALIC Material Adverse Effect) as of the date hereof and as of the Closing Date as if made anew as of such date (except to the extent such representations and warranties expressly relate to an earlier date (in which case, as of such earlier date)). Purchaser shall have received a certificate to such effect dated the Closing Date and executed by a duly authorized officer of SALIC.

(b) Compliance with Agreements and Covenants. (i) SALIC shall have performed and complied with all of the covenants, obligations and agreements contained in this Agreement to be performed and complied with by it on or prior to the Closing Date, in all material respects and (ii) SHI shall have performed and complied with all of the covenants, obligations and agreements of SHI contained in this Agreement and any other Ancillary Agreement to be performed and complied with by it on or prior to the Closing Date, in all material respects.

Purchaser shall have received a certificate to such effect dated the Closing Date and executed by a duly authorized officer of SALIC.

(c) SRGL Shares. SRGL shall have surrendered to SALIC for cancellation all SRGL Shares and all such SRGL Shares so surrendered shall have been cancelled, except for one such SRGL Share (the “Remaining SRGL Share”), which shall not be surrendered for cancellation or otherwise cancelled until immediately following the Closing as contemplated by Section 2.4(l).

(d) SALIC Material Adverse Effect. There shall not have occurred a SALIC Material Adverse Effect which has not been cured within fifteen (15) Business Days after SALIC’s receipt of written notice thereof from Purchaser.

(e) Secretary’s Certificate. A certificate of the secretary, assistant secretary or equivalent Person of SALIC, dated the Closing Date, certifying resolutions of the board of directors of SALIC approving and authorizing the execution, delivery and performance of this Agreement and the consummation of the Transactions (together with an incumbency and signature certificate regarding the officer(s) signing on behalf of SALIC).

(f) Removal of SFL. The Confirmation Order shall provide for all capital stock or share capital of SFL held by any SALIC Group Company to be transferred to the Distribution Trust upon the occurrence of the Effective Date.

(g) Employment Agreements. The Employment Agreements shall have been executed and delivered by the parties thereto and shall be valid and in full force and effect as of the Closing.

(h) Closing Date Plan Distributions. The Closing Date Plan Distributions shall not exceed the Plan Funding Payment.

(i) Restructuring Implementation Agreement Amendment. The Restructuring Implementation Agreement shall have been amended in form and substance reasonably acceptable to Purchaser.

(j) Termination of Plan Sponsorship Agreement. The Plan Sponsorship Agreement shall have been terminated in accordance with its terms, and Purchaser shall have received evidence of such termination in form and substance reasonably acceptable to Purchaser.

(k) Amendment of Chapter 11 Plan and Disclosure Statement. The Chapter 11 Plan and the Disclosure Statement shall have been amended to reflect this Agreement and the Plan Term Sheet, in each case in form and substance reasonably acceptable to Purchaser.

(l) Stalking Horse SPA. The SALIC Parties have terminated the Stalking Horse SPA in accordance with its terms and delivered to Purchaser evidence of such termination in form and substance reasonably acceptable to Purchaser.

(m) SRGL Matters. SRGL shall have confirmed in writing its intention not to take any action that could cause the “tail” coverage obtained by SRGL in respect of SRGL’s three (3)

policies of directors' and officers' liability insurance identified in Section 3.15 of the SALIC Disclosure Schedules to terminate prior to the end of its term, in form and substance reasonably acceptable to Purchaser.

Section 7.3 Conditions to the Obligations of SALIC. The obligations of SALIC to effect the Closing are subject to the satisfaction (or written waiver by SALIC) as of the Closing of the following conditions:

(a) Warranties True as of the Closing Date. Except for the representations and warranties set forth in Sections 4.1, 4.2, and 4.7 (the "Purchaser Fundamental Reps"), each of the representations and warranties of Purchaser contained in Article IV shall be true and correct (without giving effect to any limitations as to materiality or Purchaser Material Adverse Effect) as of the date hereof and as of the Closing Date as if made anew as of such date (except to the extent such representations and warranties expressly relate to an earlier date (in which case, as of such earlier date)), except for such failures of the representations and warranties to be true and correct as do not and would not reasonably be expected to have, in the aggregate, a Purchaser Material Adverse Effect. The Purchaser Fundamental Reps shall be true and correct (without giving effect to any limitation as to materiality or Purchaser Material Adverse Effect) as of the date hereof and as of the Closing Date as if made anew as of such date (except to the extent such representations and warranties expressly relate to an earlier date (in which case, as of such earlier date)). SALIC shall have received a certificate to such effect dated the Closing Date and executed by a duly authorized officer of Purchaser.

(b) Covenants. Purchaser shall have performed and complied with all of its covenants, obligations and agreements contained in this Agreement to be performed and complied with by it on or prior to the Closing Date, in all material respects. SALIC shall have received a certificate to such effect dated the Closing Date and executed by a duly authorized officer of Purchaser.

(c) Secretary's Certificate. A certificate of the secretary, assistant secretary or equivalent Person of Purchaser, dated the Closing Date, certifying resolutions of the members of Purchaser approving and authorizing the execution, delivery and performance of this Agreement and the consummation of the Transactions (together with an incumbency and signature certificate regarding the officer(s) signing on behalf of Purchaser).

ARTICLE VIII

TERMINATION

Section 8.1 Termination. This Agreement may be terminated at any time prior to the Closing (the date on which this Agreement terminates in accordance with its terms, the "Termination Date"):

- (a) with the mutual written consent of Purchaser and SALIC;
- (b) by either the SALIC Parties or Purchaser:

(i) if the Closing shall not have occurred on or before the one hundred eightieth (180th) calendar day after the entry of the Winning Bidder Order (the “Outside Closing Date”); provided, that if, as of the Outside Closing Date, all conditions to this Agreement shall have been satisfied or waived (other than those that are satisfied by action taken at the Closing) other than the conditions set forth in Section 7.1(h), then Purchaser, by written notice to the SALIC Parties, may extend the Outside Closing Date to a date no later than sixty (60) calendar days after the initial Outside Closing Date; provided further, that the right to terminate this Agreement under this Section 8.1(b)(i) shall not be available to any party whose failure to fulfill any obligation under this Agreement has been the cause of, or resulted in, the failure of the Closing to occur on or before the Outside Closing Date or such later date;

(ii) if any Governmental Authority shall have issued an Order, decree or ruling or taken any other action (and such Order, decree, ruling or other action shall have become final and nonappealable), or if any Applicable Law shall have been enacted, that permanently restrains, enjoins or otherwise prohibits the Transactions; provided, however, that the right to terminate this Agreement under this Section 8.1(b)(ii) shall not be available to any party whose failure to comply with Section 5.3 has caused or resulted in such action or inaction;

(iii) upon entry of the Winning Bidder Order, if at the end of the Auction Purchaser was not determined to be the Winning Bidder or Back-Up Bidder;

(iv) upon termination of the Restructuring Implementation Agreement; provided, however, that the right to terminate this Agreement under this Section 8.1(b)(iv) shall not be available to the SALIC Parties if either SALIC Party breached its obligations under the Restructuring Implementation Agreement and such breach caused or resulted in the termination of the Restructuring Implementation Agreement;

(v) if either Chapter 11 Case is dismissed or converted to a case under Chapter 7 of the Bankruptcy Code, and neither such dismissal nor conversion expressly contemplates the Transactions provided for in this Agreement; or

(vi) if a Governmental Authority shall have commenced a DDOJ Proceeding against SRUS;

(c) by the SALIC Parties, if:

(i) Purchaser shall have breached or failed to perform any of its representations, warranties, covenants or other agreements contained in this Agreement, which breach or failure to perform (A) would give rise to the failure of a condition set forth in Article VII and (B) has not been or is incapable of being cured by Purchaser within ten (10) calendar days after its receipt of written notice thereof from the SALIC Parties; or

(ii) (A) all of the conditions set forth in Article VII (other than conditions that by their terms are to be satisfied at the Closing) have been satisfied or waived (it being agreed that any conditions that are not so satisfied due to a breach by Purchaser of any representation, warranty or covenant contained in this Agreement shall be deemed to be satisfied for purposes of this clause (A)), (B) Purchaser fails to consummate the Closing within three (3) Business Days after the date on which the Closing is required to occur pursuant to Section 2.4 (assuming the satisfaction of conditions deemed satisfied in accordance with the immediately preceding clause (A)) and (C) the SALIC Parties have notified Purchaser in writing that the SALIC Parties are ready, willing and able to consummate the Closing;

(d) by Purchaser, if:

(i) SALIC shall have breached or failed to perform any of its representations, warranties, covenants or other agreements contained in this Agreement, which breach or failure to perform (A) would give rise to the failure of a condition set forth in Article VII and (B) has not been or is incapable of being cured by SALIC within ten (10) calendar days after its receipt of written notice thereof from Purchaser;

(ii) The Bankruptcy Court shall not have entered the Winning Bidder Order on or prior to June 12, 2018;

(iii) The RIA Winning Bidder Confirmation shall not have been received by Purchaser within ten (10) calendar days after the date of entry of the Winning Bidder Order; provided that if the Debtors or SRGL (at the Debtors' request) are seeking the Supplemental Cayman Islands Court Order and/or Amended RIA Order pursuant to the proviso in Section 6.1(c), such ten (10) calendar day period shall be extended to such date that is the earlier of (x) thirty-five (35) calendar days from the entry of the Winning Bidder Order and (y) the date of entry of the Disclosure Statement Order;

(iv) The Bankruptcy Court shall not have entered the Disclosure Statement Order on or prior to the date that is thirty (30) calendar days after the conclusion of the Auction; provided that if the Debtors or SRGL (at the Debtors' request) are seeking the Supplemental Cayman Islands Court Order pursuant to the proviso in Section 6.1(c), such deadline shall be extended to such date that is thirty-five (35) calendar days from the entry of the Winning Bidder Order;

(v) The Bankruptcy Court has not entered the Confirmation Order and the Sale Order on or prior to the date that is sixty (60) days after the entry of the Disclosure Statement Order;

(vi) A trustee or examiner with expanded powers is appointed in either of the Chapter 11 Cases;

(vii) The Debtors withdraw, or modify in any respect that is materially adverse to Purchaser's rights under this Agreement or the Chapter 11 Plan without the consent of Purchaser; or

(viii) There shall have occurred any event, occurrence, condition or change that, individually or in the aggregate, has had or would reasonably be expected to have a SALIC Material Adverse Effect.

(e) The party seeking to terminate this Agreement pursuant to this Section 8.1 (other than Section 8.1(a)) shall give prompt written notice of such termination to the other party hereto.

Section 8.2 Effect of Termination.

(a) If this Agreement is terminated pursuant to Section 8.1, this Agreement shall become void and of no effect with no liability on the part of any party hereto; provided, however, that if (i) Purchaser shall have terminated this Agreement and shall have suffered loss as a result of a material breach of this Agreement by SALIC or SHI and (ii) such loss is the result of a third party claim against Purchaser, then such termination shall not relieve SALIC or SHI of liability for such breach of this Agreement with respect to such third party claim.

(b) To the extent permitted by Applicable Law, no party hereto shall assert, and each party hereto waives, any Claim against any party hereto, such party's Affiliates or any Representatives of such party or such party's Affiliate (solely in such capacity) on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, the Ancillary Agreements, the Transactions or any agreement or instrument contemplated by any of the foregoing.

(c) Notwithstanding Section 8.2(a), if this Agreement is terminated pursuant to Section 8.1, then:

(i) each party will return or destroy all documents, workpapers and other material of any other party relating to the Transactions, whether so obtained before or after the execution of this Agreement, to the party furnishing the same;

(ii) if this Agreement is terminated (i) jointly by Purchaser and SALIC pursuant to Section 8.1(a), (ii) by Purchaser or the SALIC Parties pursuant to Sections 8.1(b), or (iii) by Purchaser pursuant to Sections 8.1(d), then Purchaser shall be entitled to receive, and, to the extent necessary the SALIC Parties shall cause the Deposit Escrow Agent to return to Purchaser, the Deposit Escrow Amount within five (5) Business Days of the Termination Date; and

(iii) if this Agreement is terminated by the SALIC Parties pursuant to Section 8.1(c), then SALIC shall be entitled to receive, and, to the extent necessary, Purchaser shall cause the Deposit Escrow Agent to deliver to SALIC, the Deposit Escrow Amount within five (5) Business Days of the Termination Date, and receipt of the Deposit Escrow Amount shall be the sole and exclusive remedy of the SALIC Parties and their Affiliates, on the one hand, against Purchaser and its Affiliates, on the other hand, for any loss suffered as a result of any breach by Purchaser or any of its Affiliates of any

representation, warranty, covenant or agreement in this Agreement, the Ancillary Agreements or the transactions contemplated hereby or thereby.

Section 8.3 Fees and Expenses. Except as otherwise expressly provided in this Agreement whether or not the Transactions are consummated, all direct and indirect costs and expenses incurred in connection with this Agreement and the Transactions shall be borne by the party incurring such expenses; provided, however, that Purchaser shall bear the costs described in Section 5.3(b).

MISCELLANEOUS

Section 9.1 No Survival of Representations and Warranties. Except as otherwise provided in this Agreement, the representations, warranties, covenants and agreements of SALIC and Purchaser contained in or made pursuant to this Agreement or in any certificate furnished pursuant to this Agreement (other than those covenants and agreements contained herein that by their terms apply or are to be performed in whole or in part after the Closing Date, which shall survive in accordance with their terms) shall terminate at, and be of no further force and effect following, the Closing.

Section 9.2 Notices. All notices, requests, claims, demands or other communications hereunder shall be deemed to have been duly given and made if in writing and (a) at the time personally delivered if served by personal delivery upon the party for whom it is intended, (b) at the time received if delivered by registered or certified mail (postage prepaid, return receipt requested) or by a national courier service (delivery of which is confirmed), or (c) upon confirmation of receipt if sent by facsimile or email; in each case to the Person at the address set forth below, or such other address as may be designated in writing hereafter, in the same manner, by such Person:

To SALIC or SHI:

Post Office Box HM 2939
Hamilton HM MX, Bermuda
Telephone: (441) 298-4375
Facsimile: (441) 295-7576
Email: Gregg.Klingenberg@scottishre.com
Attention: Gregg Klingenberg

with copies (which shall not constitute notice to SALIC for the purposes of this Section 9.2) to:

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
Attention: Stephen G. Rooney, Esq.
Francis R. Monaco, Esq.

Hogan Lovells US LLP
875 Third Avenue
New York, New York 10022
Telephone: (212) 918-5560
Facsimile: (212) 918-3100
Email: peter.ivanick@hoganlovells.com
Attention: Peter Ivanick, Esq.

Morris, Nichols, Arsht & Tunnell LLP
1201 North Market Street, 16th Floor
P.O. Box 1347
Wilmington, Delaware 19899-1347
Telephone: (302) 351-9229
Facsimile: (302) 425-4663
Email: eschwartz@MNAT.com
gwerkheiser@MNAT.com
Attention: Eric D. Schwartz, Esq.
Gregory W. Werkheiser, Esq.

To Purchaser:

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 (which shall not constitute notice to Purchaser for the purposes of this Section 9.2) 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.

Section 9.3 Amendment; Modification and Waiver. Any provision of this Agreement may be amended, modified or waived if, and only if, such amendment, modification or waiver is in writing and signed, in the case of an amendment, by the parties, or in the case of a waiver, by the party hereto against whom the waiver is to be effective. No failure or delay by any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 9.4 Assignment. Neither this Agreement nor any of the rights, interests or obligations under it may be directly or indirectly assigned, delegated, sublicensed or transferred by any of the parties, in whole or in part, to any other Person (including any bankruptcy trustee) by operation of law or otherwise, whether voluntarily or involuntarily, without the prior written consent of the other party, and any attempted or purported assignment in violation of this Section 9.4 will be null and void. Notwithstanding the foregoing, (a) Purchaser may assign all or any portion of its rights hereunder to an Affiliate of Purchaser (including the equityholders of Purchaser or their Affiliates) without the prior written consent of SALIC or SHI, including transactions prior to the Closing pursuant to which Purchaser redomiciles or reorganizes in another jurisdiction and (b) Purchaser may assign its rights hereunder by way of security in connection with any financing obtained by Purchaser or its Affiliates in connection with the Transactions and such secured party may assign such rights by way of exercise of remedies, in each case, without the prior written consent of SALIC or SHI, provided that no such assignment will relieve Purchaser of its obligations hereunder. Subject to the two immediately preceding sentences, this Agreement will be binding upon, inure to the benefit of, and be enforceable by the parties and their respective heirs, executors, administrators, successors, legal representatives and permitted assigns. Notwithstanding anything to the contrary contained herein or in the Plan Term Sheet, it is understood that in the event Purchaser determines prior to the Closing to have SALIC owned one hundred percent (100%) by a newly formed holding company immediately following the Closing as contemplated by footnote 6 of the Plan Term Sheet, all Ordinary Shares of SALIC to be issued in connection with the Closing in respect of the Purchaser Shares and the TruPS Shares as contemplated by Sections 2.4(b)(ii) and the Chapter 11 Plan shall be issued at Closing to such newly formed holding company, as assignee of Purchaser under this Section 9.4, and all applicable TruPS Holders shall receive their respective TruPS Shares directly from such newly formed holding company in accordance with the Chapter 11 Plan. All rights of the Debtors and Purchaser are reserved with respect to the specific terms and conditions relating to any contemplated issuance of the TruPS Shares by a newly formed holding company instead of Reorganized SALIC.

Section 9.5 Entire Agreement. This Agreement, the Ancillary Agreements, along with the Schedules and Exhibits hereto and thereto, constitute the entire agreement between the

parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters, except for the Confidentiality Agreement which will remain in full force and effect until the Closing at which point it shall automatically terminate.

Section 9.6 No Third Party Beneficiaries. Other than the parties, the Distribution Trustee and the Distribution Trust (as to the Distribution Trustee and the Distribution Trust, solely as to the DT Post-Closing Rights), and the Indemnified D&O Parties (as to such Indemnified D&O Parties solely as to Section 5.12 hereof), and their respective heirs, executors, administrators, successors, legal representatives and permitted assigns, nothing expressed or implied in this Agreement is intended to confer any rights, benefits, remedies, obligations or liabilities upon any Person.

Section 9.7 Public Disclosure. The parties shall agree in writing on the form and content of any initial press release and, except with the prior written consent of the other party hereto (which consent shall not be unreasonably withheld, delayed or conditioned), shall not issue any other press release or other public statement or communication with respect to this Agreement or the Transactions other than filings made in the Bankruptcy Court, Bermuda Court or Cayman Islands Court; provided that each party hereto may, without the prior written consent of the other party hereto, issue such communication or make such public statement as may be required by Applicable Law or stock exchange rules, in which case the party required to make the communication or statement shall allow the other party reasonable time to comment on such release or announcement in advance of such issuance.

Section 9.8 Disclosure Schedules. Disclosures on the Purchaser Disclosure Schedule or the SALIC Disclosure Schedule shall be arranged in sections corresponding to the numbered and lettered sections of this Agreement, and any disclosure set forth on any section of a Disclosure Schedule shall be deemed to be disclosed by the party hereto delivering such Disclosure Schedule for all sections of this Agreement and all other sections of such Disclosure Schedule to the extent that it is readily apparent that such disclosure is applicable to such other sections of this Agreement or such other sections of such Disclosure Schedule; provided, however, that no disclosure shall qualify any SALIC Fundamental Rep or Purchaser Fundamental Rep unless it is set forth in the specific Disclosure Schedule, or the section or subsection of the Disclosure Schedule, corresponding to such SALIC Fundamental Rep or Purchaser Fundamental Rep. The headings contained in a Disclosure Schedule are for convenience of reference only and shall not be deemed to modify or influence the interpretation of the information contained in such Disclosure Schedule or this Agreement. The inclusion of any information in any section of a Disclosure Schedule shall not be deemed to be an admission or acknowledgment by the party hereto delivering such Disclosure Schedule or otherwise imply that such information is required to be listed in any section of such Disclosure Schedule or that any such matter rises to a SALIC Material Adverse Effect or Purchaser Material Adverse Effect, as applicable, or is material to or outside the Ordinary Course of Business. Matters reflected in a Disclosure Schedule are not necessarily limited to matters required by this Agreement to be reflected in such Disclosure Schedule. Such additional matters are set forth for informational purposes and do not necessarily include other matters of a similar nature. All references in a Disclosure Schedule to the enforceability of agreements with third parties, the existence or non-

existence of third-party rights, the absence of breaches or defaults by third parties, or similar matters or statements, are intended only to allocate rights and risks between Purchaser and SALIC and were not intended to be admissions against interests, give rise to any inference or proof of accuracy, be admissible against either party to this Agreement by any Person who is not a party to this Agreement, or give rise to any claim or benefit to any Person who is not a party to this Agreement. The disclosure in a Disclosure Schedule of any allegation, threat, notice or other communication shall not be deemed to include disclosure of the truth of the matter communicated. In addition, the disclosure of any matter in a Disclosure Schedule is not to be deemed an admission that such matter actually constitutes noncompliance with, or a violation of Applicable Law, any Order or Governmental Authorization or Contract or other topic to which such disclosure is applicable. In no event shall the disclosure of matters disclosed in a Disclosure Schedule or, in the case of SALIC, the Electronic Data Rooms, be deemed or interpreted to constitute or broaden a representation, warranty, obligation, covenant, condition or agreement of the party hereto delivering such Disclosure Schedule except to the extent provided in this Agreement.

Section 9.9 Governing Applicable Law and Jurisdiction.

(a) Except to the extent governed by the Bankruptcy Code, this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

(b) Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Bankruptcy Court and any appellate court thereof, in any action or proceeding arising out of or relating to this Agreement or the Ancillary Agreements, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all Claims in respect of any such action or proceeding may be heard and determined in such court(s); provided that if the Bankruptcy Court does not have (or abstains from exercising) jurisdiction, then the courts of the State of Delaware, sitting in New Castle County, and of the United States District Court for the District of Delaware, and any appellate court from any thereof shall have exclusive jurisdiction with respect to any of the foregoing and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such Delaware state court or, to the fullest extent permitted by applicable law, in such Delaware venued federal court. In addition, each of the parties hereto (i) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court; (ii) agrees that it will not bring any Proceeding relating to this Agreement in any court other than the above-named courts; and (iii) agrees that it will not seek to assert by way of motion, as a defense or otherwise, that any such Proceeding (A) is brought in an inconvenient forum, (B) should be transferred or removed to any court other than one of the above-named courts, (C) should be stayed by reason of the pendency of some other proceeding in any court other than one of the above-named court, or (D) that this Agreement or the subject matter hereof may not be enforced

in or by the above-named courts. Each party hereto agrees that service of process upon such party in any such Proceeding shall be effective if notice is given in accordance with Section 9.2.

Section 9.10 WAIVER OF JURY TRIAL. EACH PARTY HERETO ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY FOR ANY DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE BREACH, TERMINATION OR VALIDITY THEREOF OR ANY TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY HERETO CERTIFIES AND ACKNOWLEDGES THAT (A) NEITHER THE OTHER PARTY HERETO NOR ITS REPRESENTATIVES, AGENTS OR ATTORNEYS HAVE REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) EACH PARTY HERETO UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) EACH PARTY HERETO MAKES THIS WAIVER VOLUNTARILY AND (D) EACH PARTY HERETO HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS OF THIS SECTION 9.10. ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

Section 9.11 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to constitute an original, but all of which shall constitute one and the same agreement, and may be delivered by facsimile or other electronic means intended to preserve the original graphic or pictorial appearance of a document.

Section 9.12 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any Applicable Law, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the Transactions is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties to this Agreement shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the Transactions be consummated as originally contemplated to the greatest extent possible.

Section 9.13 Specific Performance. The parties agree that irreparable harm would occur and that the parties would not have an adequate remedy at law if any of the provisions of this Agreement were not performed in accordance with their specific terms on a timely basis or were otherwise breached. It is accordingly agreed that, without posting bond or other undertaking, the parties shall be entitled to injunctive or other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court of competent jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity. If any such action is brought in equity to enforce the provisions of

this Agreement, no party hereto will allege, and each party hereto hereby waives the defense or counterclaim, that there is an adequate remedy at law. The parties further agree that (a) by seeking any remedy provided for in this Section 9.13, a party hereto shall not in any respect waive its right to seek any other form of relief that may be available to such party hereto under this Agreement and (b) nothing contained in this Section 9.13 shall require any party hereto to institute any action for (or limit such party's right to institute any action for) specific performance under this Section 9.13 before exercising any other right under this Agreement.

Section 9.14 Non-Recourse. Except to the extent otherwise expressly set forth in the Ancillary Agreements, all claims, obligations, liabilities, or causes of action (whether in Contract or in tort, in law or in equity, or granted by statute) that may be based upon, in respect of, arise under, out or by reason of, be connected with, or relate in any manner to this Agreement, or the negotiation, execution or performance of this Agreement (including any representation or warranty made in, in connection with, or as an inducement to, this Agreement), may be made only against (and such representations and warranties are those solely of) the Persons that are expressly identified as parties in the preamble to this Agreement (the "Contracting Parties"). No Person who is not a Contracting Party, including any current, former or future director, officer, employee, incorporator, member, partner, manager, stockholder, Affiliate, agent, attorney, other Representative or assignee of, and any financial advisor or lender to, any Contracting Party, or any current, former or future director, officer, employee, incorporator, member, partner, manager, stockholder, Affiliate, agent, attorney, other Representative or assignee of, and any financial advisor or lender to, any of the foregoing (collectively, the "Nonparty Affiliates"), shall have any liability (whether in Contract or in tort, in law or in equity, or granted by statute) for any claims, causes of action, obligations or liabilities arising under, out of, in connection with, or related in any manner to this Agreement or based on, in respect of, or by reason of this Agreement or its negotiation, execution, performance or breach (other than as expressly set forth in the Ancillary Agreements), and, to the maximum extent permitted by law, each Contracting Party hereby waives and releases all such liabilities, claims, causes of action and obligations against any such Nonparty Affiliates. For the avoidance of doubt, nothing in this Section 9.14 or elsewhere in this Agreement shall limit any rights of any party to this Agreement in the case of fraud.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**SCOTTISH ANNUITY & LIFE INSURANCE
COMPANY (CAYMAN) LTD.**

By: 

Name: Gregg Klingenberg

Title: Chief Executive Officer

SCOTTISH HOLDINGS, INC.

By: Thomas J. Keller
Name: Thomas J. Keller
Title: Executive Vice President, Chief Financial
Officer

HILDENE RE HOLDINGS, LLC

By: 
Name: Brett Jefferson
Title: President

EXHIBIT A

Plan Term Sheet

See attached.

IN RE SCOTTISH HOLDINGS, INC., *et al.*
18-10160 (LSS)

CHAPTER 11 PLAN TERM SHEET

This Plan Term Sheet (together with the exhibits and schedules attached hereto, as each may be amended, restated, supplemented, or otherwise modified from time to time, the “Term Sheet”) describes a proposed chapter 11 plan of reorganization (“Plan”) for Scottish Holdings, Inc. (“SHI”) and Scottish Annuity & Life Insurance Company (Cayman) Ltd. (“SALIC”), and together with SHI, the “Debtors”). This term sheet should be read in conjunction with the proposed bid submitted by Hildene Re Holdings, LLC, a Delaware Limited Liability Company (the “Purchaser”), which contains that certain stock purchase agreement (together with all exhibits, schedules, and other ancillary documents, as each may be amended, restated, supplemented, or otherwise modified from time to time, in accordance with the terms thereof, the “Stock Purchase Agreement”), to which this term sheet is an exhibit. This term sheet uses the proposed chapter 11 plan found at docket number 213 (“Filed Plan”) as a basis to describe the transactions proposed in this Term Sheet and such Filed Plan will have to be modified to reflect the terms of this Term Sheet or as otherwise agreed to between the Parties. Capitalized terms used herein but not defined are ascribed the meanings set forth in the Filed Plan.

THIS TERM SHEET SHALL NOT CONSTITUTE AN ADMISSION BY ANY PERSON OR ENTITY, AND IS NOT INTENDED TO AND DOES NOT CREATE ANY LEGAL OR EQUITABLE OBLIGATIONS ON ANY PARTY. THIS TERM SHEET HAS BEEN PRODUCED IN CONNECTION WITH SETTLEMENT DISCUSSIONS AND IS SUBJECT TO THE PROVISIONS OF RULE 408 OF THE FEDERAL RULES OF EVIDENCE AND OTHER SIMILAR APPLICABLE STATE AND FEDERAL RULES.

THIS TERM SHEET IS NOT AN OFFER OR A SOLICITATION WITH RESPECT TO ANY SECURITIES OF ANY PARTY OR WITH RESPECT TO A CHAPTER 11 PLAN OF THE DEBTORS. ANY SUCH OFFER OR SOLICITATION SHALL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE AND WILL BE SUBJECT TO THE FINALIZATION OF A CHAPTER 11 PLAN AND ACCOMPANYING DISCLOSURE STATEMENT.

CHAPTER 11 PLAN TERM SHEET OVERVIEW

<p>Party Definitions:</p>	<p>“<u>Debtors</u>” has the meaning ascribed to such term in the Preamble to this Term Sheet.</p> <p>“<u>Joint Liquidators</u>” means the duly appointed liquidators in the winding up proceeding SRGL has commenced before the Supreme Court of Bermuda and/or any liquidators that may be duly appointed for SRGL in the parallel winding up proceeding SRGL has commenced before Grand Court of the Cayman Islands, Financial Services Division.</p> <p>“<u>Purchaser</u>” has the meaning ascribed to such term in the Preamble to this Term Sheet.</p> <p>“<u>SALIC</u>” has the meaning ascribed to such term in the Preamble to this Term Sheet.</p> <p>“<u>SALIC Non-Debtor Subsidiaries</u>” means SFL and SALIC Subsidiaries (other than SHI).</p> <p>“<u>SHI</u>” has the meaning ascribed to such term in the Preamble to this Term Sheet.</p> <p>“<u>SRGL</u>” has the meaning ascribed to such term in the Preamble to this Term Sheet.</p>
<p>Overview of Alternative Transaction:¹</p>	<p>As contemplated by the Bidding Procedures Order, the proposed Alternative Transaction (as such term is defined in the Bidding Procedures Order) embodied in the Stock Purchase Agreement and the Term Sheet provides the following: (a) Hildene Re Holdings, LLC shall receive at least 70% of the equity of the Reorganized SALIC; (b) holders of Allowed TruPS Claims can elect to receive their Pro Rata share of either (i) 30% of the equity of the Reorganized SALIC (the “<u>TruPS Offered Shares</u>” and such amount of TruPS Offered Shares to be distributed to all holders of Allowed TruPS Claims electing for TruPS Offered Shares, the “<u>TruPS Shares</u>”) or (ii) the Plan Funding Payment available for distribution to unsecured creditors (the “<u>TruPS Offered Cash</u>” and such amount of cash to be distributed to all holders of Allowed TruPS Claims electing for TruPS Offered Cash, the “<u>TruPS Cash</u>”)².</p>

¹ This Term Sheet outlines the proposed chapter 11 plan to implement the transaction embodied in the Stock Purchase Agreement and the Filed Plan shall be modified to implement the transaction set forth therein and herein. The Term Sheet does not include a description of all of the terms, conditions, and other provisions that are to be contained in the definitive documentation governing the Alternative Transaction (e.g. the Plan Supplement), which remain subject to further discussion and negotiation.

² The default election for the holders of TruPS will be determined by the Purchaser prior to filing the amended chapter 11 plan.

	As set forth herein, (a) any TruPS Offered Shares not distributed to the holders of TruPS shall be Purchaser Shares and shall be distributed to the Purchaser and (b) any TruPS Offered Cash not distributed to holders of the TruPS shall reduce the Plan Funding Payment (the “ <u>TruPS Returned Cash</u> ”).
Parties:	<ul style="list-style-type: none"> • The Debtors and their non-debtor subsidiaries; • Certain fund(s) managed by Hildene Capital Management, LLC (“<u>Hildene</u>”); and • Hildene Re Holdings, LLC (the “<u>Purchaser</u>”).
Additional Definitions:	Capitalized terms not otherwise defined in this Term Sheet (including its Preamble and Annex 1) have the meanings ascribed to such terms in the Stock Purchase Agreement or, if not defined therein, the Restructuring Implementation Agreement or the Filed Plan.
CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS	
Administrative Expense Claims, Priority Tax Claims and Priority Claims:	Same treatment as the Filed Plan.
Other Secured Claims:	Same treatment as the Filed Plan.
SHI TruPS and General Unsecured Claims:	SHI TruPS Claims³: Unless a holder of an Allowed SHI TruPS Claim agrees to a lesser treatment, on or as soon as reasonably practicable following the Effective Date, 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 Allowed SHI TruPS Claim, (a) its Pro Rata share (calculated based on the aggregate amount of Allowed SHI TruPS Claims and Allowed SHI General Unsecured Claims) of either the TruPS Shares or the TruPS Cash and (b) its Pro Rata share of Distribution Trust Interests.
	SHI General Unsecured Claims: Unless a holder of an Allowed SHI General Unsecured Claim agrees to a lesser treatment, on or as soon as reasonably practicable following the Effective Date, each holder of an Allowed SHI General Unsecured Claim will receive, in full and final satisfaction, compromise, settlement, release, and discharge of and in

³ The SHI TruPS Claims shall include the TruPS held by SRGL against SHI. The Joint Liquidators have confirmed in writing that they will elect cash, thus, SRGL will only be able to receive cash on account of the TruPS held by SRGL against SHI, unless the Purchaser and SRGL agree otherwise pursuant to mutually agreeable terms to be included in the Plan.

In addition, the SHI TruPS Claims shall not include the fees and expenses of indenture trustees or other agents. The Charging Lien of the Indenture Trustees shall be satisfied through the TruPS Trustee Fees and Expenses (as such term is defined in the Stock Purchase Agreement).

	exchange for such Allowed SHI General Unsecured Claim, (a) its Pro Rata share of the Plan Funding Payment available for distribution to unsecured creditors and (b) its Pro Rata share of Distribution Trust Interests.
	<u>Classification:</u> To the extent permissible under the Bankruptcy Code and reasonably determined by the Debtors and the Purchaser to be conducive to obtaining confirmation of the Chapter 11 Plan, the Chapter 11 Plan should provide for separate classification of SHI TruPS Claims and any SHI General Unsecured Claims.
SALIC TruPS and General Unsecured Claims:	<u>SALIC TruPS Claims</u> ⁴ : Unless a holder of an Allowed SALIC TruPS Claim agrees to a lesser treatment, on or as soon as reasonably practicable following the Effective Date, 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 Allowed SALIC TruPS Claim, (a) its Pro Rata share of either the TruPS Shares or the TruPS Cash and (b) its Pro Rata share of Distribution Trust Interests.
	<u>SALIC General Unsecured Claims:</u> Unless a holder of an Allowed SALIC General Unsecured Claim agrees to a lesser treatment, on or as soon as reasonably practicable following the Effective Date, 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 Allowed SALIC General Unsecured Claim, (a) its Pro Rata share of the Plan Funding Payment available for distribution to unsecured creditors and (b) its Pro Rata share of Distribution Trust Interests.
	<u>Classification:</u> To the extent permissible under the Bankruptcy Code and reasonably determined by the Debtors and the Purchaser to be conducive to obtaining confirmation of the Chapter 11 Plan, the Chapter 11 Plan should provide for separate classification of SALIC TruPS Claims and any SALIC General Unsecured Claims.
Inter-Debtor Claims:	Same treatment as Filed Plan.

⁴ The SALIC TruPS Claims include the TruPS held by SRGL against SALIC. The Joint Liquidators have confirmed in writing that they will elect cash, thus, SRGL will only be able to receive cash on account of the TruPS held by SRGL against SALIC, unless the Purchaser and SRGL agree otherwise pursuant to mutually agreeable terms to be included in the Plan.

The classification and treatment of any claims held by SFL against SALIC is subject to further discussion among the Debtors, the Purchaser and SFL. Any such classification and treatment of SFL's claims shall be consistent with this Plan Term Sheet and the Stock Purchase Agreement and on terms acceptable to Purchaser.

Further, the SALIC TruPS Claims shall not include the fees and expenses of the indenture trustees or other agents. The Charging Lien of the Indenture Trustees shall be satisfied through the TruPS Trustee Fees and Expenses (as such term is defined in the Stock Purchase Agreement).

Intercompany Non-Debtor Claims:	Same treatment as Filed Plan.
SHI Existing Equity Interests:	Same treatment as Filed Plan.
SALIC Existing Equity Interests:	Same treatment as Filed Plan. ⁵
GENERAL PLAN PROVISIONS	
Sale of Reorganized SALIC Equity Interests:	<p>Pursuant to the Chapter 11 Plan and the Stock Purchase Agreement, on the Effective Date, Reorganized SALIC will issue to the Purchaser 70% of 19,999,999,999 shares of US\$0.001 par value New SALIC Shares, which shall be deemed fully paid and non-assessable upon issuance. The remaining 30% of the equity of the Reorganized SALIC shall be issued to either the Purchaser or the holders of TruPS (as applicable) in accordance with the Chapter 11 Plan.⁶</p> <p>Pursuant to and subject to the terms and conditions set forth in the Stock Purchase Agreement, in consideration of its contemplated receipt of the New SALIC Shares and other good and valuable consideration, the Purchaser will pay, on the Effective Date, the Purchase Price (as defined in the Stock Purchase Agreement).</p> <p>The Chapter 11 Plan and the Confirmation Order shall each provide that the issuance of any equity securities in connection therewith, including the New SALIC Shares, will be exempt from securities laws to the fullest extent permitted by section 1145 of the Bankruptcy Code.</p>
Plan Distribution	Pursuant to the Chapter 11 Plan and a liquidation trust agreement (the

⁵ Purchaser reserves the right to amend the treatment based upon applicable Cayman law.

⁶ Notwithstanding anything to the contrary in this Plan Term Sheet or the Stock Purchase Agreement to the contrary, in connection with any assignment by Purchaser of its rights under the Stock Purchase Agreement (including any transaction prior to the Closing pursuant to which Purchaser redomiciles or reorganizes in another jurisdiction) pursuant to Section 9.4 of the Stock Purchase Agreement, Purchaser may determine to have the TruPS Shares issued by a newly formed holding company organized for the purpose of directly or indirectly holding all of the issued and outstanding Ordinary Shares of SALIC immediately following the Closing, through which newly formed holding company Purchaser and the TruPS Holders who receive TruPS Shares at the Closing in accordance with the Chapter 11 Plan indirectly hold their equity interests in Reorganized SALIC (it being understood that if Purchaser determines to modify the Plan Term Sheet and/or the Chapter 11 Plan in accordance with the foregoing, in all instances, Reorganized SALIC will be a directly or indirectly wholly-owned subsidiary of such newly formed holding company through which Purchaser and such TruPS Holders hold their equity interests in Reorganized SALIC). Capitalized terms in this footnote shall have the meaning ascribed to them in the Stock Purchase Agreement. For the avoidance of doubt, although this footnote sets forth the agreement in concept of the Debtors and Purchaser that Purchaser may determine to have the TruPS Shares issues by a newly formed holding company as set forth above, all rights of the Debtors and the Purchaser are reserved with respect to the specific terms and conditions relating to any contemplated issuance of the TruPS Shares by a newly formed holding company instead of Reorganized SALIC.

**Trust and
Application of the
Plan Funding
Payment:**

terms of which are to be determined, but which shall be acceptable to the Debtors and reasonably acceptable to the Purchaser), on the Effective Date, a liquidating trust (the “Distribution Trust”) will be established on terms and conditions intended to qualify and be treated as a grantor trust for U.S. federal income tax purposes pursuant to Sections 671 through 677 of the Internal Revenue Code of 1986. The Debtors shall appoint the initial trustee of the Distribution Trust (the “Distribution Trustee”), which person or entity shall be reasonably acceptable to the Purchaser.

The beneficiaries of the Distribution Trust shall be (i) the holders of Other Secured Claims, Administrative Expense Claims, Priority Claims and Priority Tax Claims that have not received through the Closing Date Plan Distributions made on account of such Claims all distributions to which the holders of such Claims are entitled under the Chapter 11 Plan, and (ii) the holders of Allowed SHI TruPS Claims, Allowed SHI General Unsecured Claims, Allowed SALIC TruPS Claims and Allowed SALIC General Unsecured Claims.

Upon the Effective Date, the Plan Funding Payment shall be allocated as follows:

- (a) First, to fund all Closing Date Plan Distributions to the extent that such Closing Date Plan Distributions are not fully funded from the unrestricted Cash available to SALIC and SHI;
- (b) Second, to fund the Professional Fee Reserve;
- (c) Third, to fund the Trustee Administration Reserve;
- (d) Fourth, to fund the TruPS Trustee Fees and Expenses;
- (e) Fifth, to fund the Disputed Claims Reserve.
- (f) Sixth, to fund distributions Pro Rata to Allowed SHI General Unsecured Claims, Allowed SALIC General Unsecured Claims, Allowed SHI TruPS Claims (that elect to receive TruPS Cash) Allowed SALIC TruPS Claims (that elect to receive TruPS Cash).

For the avoidance of doubt, any Plan Funding Payment not allocated to the Distribution Trust on account of the distributions to be made to Allowed SHI TruPS Claim and Allowed SALIC TruPS Claims electing to receive equity shall reduce the Plan Funding Payment made by Purchaser.

In addition, upon the Effective Date, the following shall be contributed and transferred to the Distribution Trust: (i) to the extent contemplated by the Confirmation Order, all capital stock or share capital of SFL held by any SALIC Group Company; (ii) all SALIC/SRGL Claims; (iii) all DT Post-Closing Rights and (iv) causes of action against the equity holders of SRGL. For the avoidance of doubt, these assets

	transferred to the Distribution Trust shall solely be for the benefit of all holders of Allowed SHI TruPS Claims, Allowed SHI General Unsecured Claims, Allowed SALIC TruPS Claims, and Allowed SALIC General Unsecured Claims; <u>provided</u> , that to the extent the Closing Date Plan Distributions are not satisfied in full, then such assets described in this paragraph may be used to fulfill such Closing Date Plan Distributions.
Tax Matters:	To the extent possible, the Restructuring contemplated by this Term Sheet shall be structured so as to obtain the most beneficial tax structure for the Reorganized Debtors and the holders of the Reorganized SALIC Equity Interests as reasonably determined by the Debtors and the Purchaser.
Claims Resolution Matters:	Other than as set forth in the Restructuring Implementation Agreement, prior to the Effective Date of the Chapter 11 Plan, the Debtors shall not enter into any agreements with holders of Claims or Equity Interests relating to the allowance, estimation, validity, extent or priority of such Claims or Equity Interests, or the classification and treatment of such Claims or Equity Interests under the Chapter 11 Plan, without the consent of the Purchaser (such consent not to be unreasonably withheld), except for (i) claims which the Debtors are authorized to pay pursuant to an applicable first day order, (ii) undisputed Administrative Expense Claims arising postpetition in the ordinary course of business, and (iii) Claims for which the allowed amount is less than US\$100,000. For the avoidance of doubt, on and after the Effective Date, the Distribution Trustee may enter into any such agreements with holders of Claims and Equity Interests without the consent of the Purchaser.
Executory Contracts:	Except as otherwise ordered by the Bankruptcy Court, on the Effective Date, the Debtors: (a) will assume all Executory Contracts required or otherwise designated by the Purchaser to be assumed pursuant to the Stock Purchase Agreement; and (b) will reject all Executory Contracts required or otherwise designated by the Purchaser to be rejected pursuant to the Stock Purchase Agreement.
Board of Reorganized SALIC:	The initial board of directors of Reorganized SALIC shall be selected by the Purchaser in its sole discretion.
Other Governance Matters/Reporting Obligations:	Pursuant to the Chapter 11 Plan, all corporate governance documents related to each of the Reorganized Debtors, including, but not limited to, the charter, bylaws and/or other organizational documents, shall be in form and substance acceptable to the Purchaser in its sole discretion.
Retained Causes of Action:	The Chapter 11 Plan shall contain customary provisions regarding revesting in the Reorganized Debtors of all causes of action, other than those expressly released pursuant to the Chapter 11 Plan, subject to the consent of the Purchaser. Any causes of action against Released Parties shall not be transferred or assigned to the Distribution Trust.

Releases and Exculpation:	<p>The Chapter 11 Plan shall include, to the extent permitted by law, customary release and exculpation provisions in favor of (i) the Debtors, (ii) Hildene, (iii) the Purchaser, (iv) the trustees of the trusts established pursuant to the TruPS Declarations, (v) the indenture trustees under the TruPS Indentures, (vi) the Joint Liquidators and SRGL, (vii) any official committee of creditors appointed by the United States Trustee in the Chapter 11 Cases and the members thereof (in such capacity only), (viii) the Plan Sponsor (as such term is defined in the Filed Plan), and (ix) for each of the entities identified in the preceding clauses (i) through (viii), each entity’s respective current and former affiliates, current and former officers, managers, directors, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, assigns, subsidiaries, principals, members, employees, agents, independent contractors, managed accounts or funds, management companies, fund advisors, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such in their capacities as such; <u>provided, however</u>, that, the equity holders of SRGL shall not be a Released Party or a Representative of a Released Party (as such terms are defined in the Filed Plan).</p>
Injunction/Discharge:	<p>The Chapter 11 Plan and Confirmation Order shall contain discharge and injunction provisions that are satisfactory to the Debtors and the Purchaser.</p>
Conditional Transfer of SFL Equity Interests to Distribution Trust:	<p>On the Effective Date, to the extent not previously abandoned by order of the Bankruptcy Court, all Equity Interests held by SALIC in SFL shall be contributed to the Distribution Trust.</p>
Conditions to Confirmation and Effectiveness:	<p>The Chapter 11 Plan shall contain and be subject to usual and customary conditions to confirmation and effectiveness (as applicable), as well as such other conditions that are reasonably satisfactory to the Debtors and the Purchaser, including the following:</p> <ul style="list-style-type: none"> • The satisfaction or waiver in accordance with the Stock Purchase Agreement of all conditions to closing of the Stock Purchase Agreement. • The Bankruptcy Court shall have entered a Disclosure Statement Order in form and substance reasonably acceptable to the Debtors and the Purchaser. • Except as provided in the immediately succeeding bullet, the Chapter 11 Plan and all documents contained in any Plan Supplement (which will include the management agreement with AlesiaRe), including any exhibits, schedules, amendments, modifications or supplements thereto, and all other Restructuring Documents shall have been negotiated,

	<p>executed, delivered and filed with the Bankruptcy Court in substantially final form and in form and substance reasonably acceptable to the Debtors and Purchaser.</p> <ul style="list-style-type: none"> • With respect to the amended Restructuring Implementation Agreement, (i) the amended RIA Order shall have been entered by the Bankruptcy Court and be a Final Order, (ii) all necessary Foreign Court Approvals shall have been obtained and remain in full force and effect, and (iii) the amended Restructuring Implementation Agreement shall not have been terminated and shall be in full force and effect. • The Bankruptcy Court shall have entered a Confirmation Order in form and substance reasonably acceptable to the Debtors and the Purchaser and the Confirmation Order shall be a Final Order. • The Debtors and Purchaser shall have obtained all authorizations, consents, regulatory approvals, rulings, waivers or other documents that are necessary to implement and effectuate the Chapter 11 Plan and Stock Purchase Agreement. • SRGL’s winding up proceedings before the Supreme Court of Bermuda and its parallel winding up proceeding before the Grand Court of the Cayman Islands, Financial Services Division shall not have been dismissed without the consent of the Debtors and the Purchaser. • SRUS shall not have become the subject of a pending DDOI Proceeding.
OTHER PROVISIONS	
Director and Officer Indemnification:	To be treated in accordance with the Stock Purchase Agreement.
Definitive Documents:	As soon as reasonably practicable, the Debtors and Purchaser will execute definitive documentation implementing the Restructuring in form and substance materially consistent with this Term Sheet.

Term Sheet Annex 1

Additional Definitions

“Entity” means an “entity” as defined in section 101(15) of the Bankruptcy Code.

“Equity Interest” means all outstanding ownership interests in an Entity, including any interest evidenced by common or preferred stock, a limited liability company or other membership or partnership interest or unit, a warrant, an option, or any other right to acquire or otherwise receive any ownership interest in such Entity, or any right to payment or compensation based upon any such interest, whether or not such interest is owned by the holder of such right to payment or compensation.

“Professionals” means (a) any Entity employed in the Chapter 11 Cases pursuant to section 327, 328, 363 or 1103 of the Bankruptcy Code or otherwise and (b) any Entity seeking compensation or reimbursement of expenses in connection with the Chapter 11 Cases pursuant to section 503(b)(4) of the Bankruptcy Code.

“Reorganized” means, in reference to a Debtor, such Debtor from and after the Effective Date.

“Restructuring Implementation Agreement” has the meaning ascribed to such term in the Preamble to this Term Sheet.

“SALIC General Unsecured Claim” means any Claim against SALIC that is not an Other Secured Claim, Administrative Expense Claim, Priority Tax Claim, Priority Claim, Inter-Debtor Claim or Intercompany Non-Debtor Claim.

“SALIC Share Subdivision” means the subdivision by SALIC of each US\$1.00 par value Existing SALIC Share into 1,000 US\$0.001 par value shares. The SALIC Share Subdivision was made on January 19, 2018, pursuant to a duly authorized written shareholder resolution from SRGL.

“SALIC TruPS Claim” means any TruPS Claim against SALIC.

“SHI General Unsecured Claim” means any Claim against SHI that is not an Other Secured Claim, Administrative Expense Claim, Priority Tax Claim, Priority Claim, Inter-Debtor Claim or Intercompany Non-Debtor Claim.

“SHI TruPS Claim” means any TruPS Claim against SHI.

“Stock Purchase Agreement” has the meaning ascribed to such term in the Preamble to the Term Sheet.