

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

SCOTTISH HOLDINGS, INC., et al.,

Debtors.¹

Chapter 11

Case No. 18-10160 (LSS)

Jointly Administered

Re: D.I. 29

**ORDER AUTHORIZING DEBTORS TO ASSUME RESTRUCTURING
IMPLEMENTATION AGREEMENT AND GRANTING RELATED RELIEF**

Upon the *Debtors' Motion For: (A) Order Authorizing Debtors' Assumption Of Restructuring Implementation Agreement And Granting Related Relief; And (B) Order Authorizing Debtors' Assumption Of Plan Sponsorship Agreement And Granting Related Relief* [D.I. 29] (the "Motion"), insofar as such Motion seeks authorization for the above-captioned debtors and debtors-in-possession (together, the "Debtors") to assume the Restructuring Implementation Agreement attached hereto as Exhibit 1 (the "RIA");² and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and venue being proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion being adequate and appropriate under the particular circumstances; and a hearing having been held to consider the relief requested in the Motion (the "Hearing"); and upon consideration of the First Day Declaration, the supplemental declaration of Gregg Klingenberg in support of, among other

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

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

things, the Motion [D.I. 28], the record of the Hearing and all proceedings had before the Court; the Parties (as defined in the RIA) having determined that it may be in their best interest to seek a stay of the Bermuda Winding Up Proceeding (as defined in the RIA) (the "Bermuda Stay"); and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors' estates, their creditors and other parties in interest; and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and any objections to the requested relief having been withdrawn, resolved as set forth in this Order or on the record at the Hearing, or overruled on the merits; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED, as set forth herein.
2. The Debtors are authorized to: (a) assume the RIA, as modified by this Order, in its entirety, and, effective as of the date of entry of this Order, the RIA is hereby assumed pursuant to section 365(a) of the Bankruptcy Code; (b) comply with the terms of the RIA; and (c) take any and all actions necessary to implement the terms of the RIA (except for actions that require further orders of the Court).
3. The RIA, as modified by this Order, shall be binding and specifically enforceable against the parties thereto in accordance with its terms.
4. The failure to describe specifically or include any particular provision of the RIA in the Motion or this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the RIA be assumed by the Debtors in its entirety, as modified by this Order.
5. Section 9 (Limitations) of the RIA shall be stricken in its entirety and replaced with the language set forth in the insert attached hereto as Exhibit 2.

6. Section 3.2(a) of the RIA is amended by replacing “either Winding Up Proceeding” with “the Cayman Islands Winding Up Proceeding.”

7. Section 10.2(b) of the RIA is amended by replacing “either Winding Up Proceeding” with “the Cayman Islands Winding Up Proceeding.”

8. Notwithstanding anything set forth in the RIA, including Section 5.4(c) of the RIA, nothing in the RIA or this Order obligates the Debtors or SRGL to pursue releases for insiders and affiliates, other than SRGL and the Joint Liquidators (to the extent that they are deemed insiders or affiliates). For the avoidance of doubt, this Order and the relief granted hereunder are without prejudice to the ability of any party in interest, including the Committee, to object to the granting of any releases, including those contemplated by Section 5.4(c) of the RIA.

9. Unless and until the RIA is terminated in accordance with Article 10 of the RIA as modified by this Order and except only as provided in Section 10.5(a)(iii) of the RIA with respect to a termination that occurs following the New SALIC Share Issuance, (a) the acknowledgements and stipulations (collectively, the “SRGL TruPS Claims Stipulations”) set forth in the RIA relating to the SRGL TruPS Claims, including those in Section 7.1 of the RIA, are binding upon the Debtors and their estates, effective immediately upon the entry of this Order in accordance with the RIA and (b) the SRGL TruPS Claims are deemed allowed unsecured, nonpriority claims against the Debtors, without duplication, in accordance with the SRGL TruPS Claims Stipulations.

10. For the avoidance of doubt, nothing in the RIA or this Order entitles SRGL to collect duplicate distributions on account of the allowed SRGL TruPS Claim (for example, through a direct distribution on account of the allowed SRGL TruPS Claim and a distribution made through any institutional trustee or indenture trustee relating to the SHST II TruPS, the

GPIC TruPS or the SHST III TruPS, as applicable) that would allow SRGL a greater pro rata recovery on account of the SRGL TruPS Claims than afforded to Other TruPS Claims, whether under a Chapter 11 Plan or otherwise.

11. Section 6.1(a) of the RIA shall be and hereby is amended by adding the following after the words “January 1, 2018” at the end of the existing provision: “(the “Admitted SALIC/SRGL Revolver Claim”), and the Admitted SALIC/SRGL Revolver Claim is allowed and admitted in full in the Winding Up Proceedings;”.

12. For the avoidance of doubt, except as provided in Section 10.5(a)(iii) of the RIA with respect to a termination that occurs following the New SALIC Share Issuance, if the RIA is terminated in accordance with Article 10, as modified by this Order: (a) (i) the SRGL TruPS Claims Stipulations, including the provisions set forth in Article 7 of the RIA (*SRGL TruPS Claims and Holdings; Distributions on Account Thereof in Chapter 11 Cases*), shall not be binding upon the estates and (ii) the allowance of SRGL TruPS Claims as unsecured, nonpriority claims against the Debtors in accordance with the SRGL TruPS Claims Stipulations pursuant Paragraph 9, clause (b) of this Order shall no longer be effective and the SRGL TruPS Claims shall be fully subject to allowance or disallowance in these Chapter 11 Cases in accordance with the law applicable in these Chapter 11 Cases; and (b)(i) Article 6 (*SALIC Claims; Distributions on Account Thereof in Winding Up Proceedings*) of the RIA shall not be binding upon SRGL, and (ii) notwithstanding Section 6.1(a) of the RIA as modified by this Order, the Admitted SALIC/SRGL Revolver Claim shall cease to have the status of a finally admitted and allowed claim against SRGL in connection with Winding Up Proceedings and shall be fully subject to allowance or disallowance in the Winding Up Proceedings in accordance with the law applicable in such Winding Up Proceedings.

13. Section 10.2 of the RIA is hereby deemed amended to add thereto a new Section 10.2(h) that provides: “(h) the Restructuring Transactions with the Purchaser are not consummated and a chapter 11 plan of reorganization for SALIC and SHI is confirmed and becomes effective that does not require SRGL’s surrender of Existing SALIC Shares.”

14. If (x) the Restructuring Transactions with the Purchaser are not consummated and (y) a chapter 11 plan of reorganization for the Debtors is confirmed and becomes effective that does not require SRGL’s surrender of Existing SALIC Shares, then, unless otherwise agreed in writing by the Committee (which may be by email from the Committee’s counsel of record in the Chapter 11 Cases) and unless the RIA has been previously terminated in accordance with the terms thereof, the SALIC Parties shall deliver a Termination Notice pursuant to section 10.2(h) of the RIA, as modified by this Order, in accordance with the terms of the RIA. Upon termination of the RIA in accordance with its terms, all parties’ rights and defenses are reserved regarding the allowance of or any objections to the SRGL TruPS Claims and the SRGL/SALIC Revolver Claims with respect to any proposed chapter 11 plan that does not require SRGL’s surrender of Existing SALIC Shares.

15. Section 10.2(g) of the RIA is hereby deemed amended by adding immediately prior to the period at the end thereof: “and that requires SRGL’s surrender of Existing SALIC Shares.”

16. Reference is made to the definitions of “SALIC/SRGL Claims,” “Chapter 11 Plan” and “Distribution Trust” in Section 1.1 of the Stock Purchase Agreement and Section 2.4(h) of the Stock Purchase Agreement concerning assets to be contributed and transferred to the Distribution Trust at the Closing of the Stock Purchase Agreement (each a “SALIC/SRGL Claims-Related SPA Provision”). Notwithstanding anything to the contrary set forth in the RIA, the Plan Sponsorship Agreement, or the Stock Purchase Agreement, without the prior written

consent of the Committee (which may be by email from the Committee's counsel of record in the Chapter 11 Cases), (a) the Debtors shall not amend, modify or waive enforcement of any SALIC/SRGL Claims-Related SPA Provision insofar as any such SALIC/SRGL Claims-Related Provision concerns the contribution or transfer of the SALIC/SRGL Claims (including the SALIC/SRGL Revolver Claim and any right to a distribution on account of the Admitted SALIC/SRGL Revolver Claim), and (b) the Debtors shall not enter into any agreement for an Alternative Transaction that does not similarly preserve such SALIC/SRGL Claims for the benefit of the Debtors' creditors under a confirmed and effective plan of reorganization.

17. For the avoidance of doubt, nothing in this Order or the RIA is intended to adjudicate whether or to what extent the SRGL TruPS Claims would be counted for purposes of determining, pursuant to section 1129(a)(10) of the Bankruptcy Code, whether at least one class of claims that is impaired under the Chapter 11 Plan has accepted the Chapter 11 Plan.

18. Subject to Paragraph 16 of this Order, the Debtors, after consultation with the Committee and the Purchaser, are authorized, but not directed, to enter into amendments to, modifications of or waivers of terms of the RIA, from time to time as necessary, including to facilitate the Bermuda Stay, subject to the terms and conditions set forth in the RIA and without further order of the Court, *provided, however*, that any such amendment, modification or waiver shall be effective only upon further order of the Court if such amendment, modification or waiver (a) is or reasonably should be anticipated by the Debtors to have a material adverse effect on the Debtors' estates, or (b) is an amendment to or modification or waiver of Section 9 (Limitations) or Section 10.2 of the RIA, as modified by this Order. Within two (2) Business Days of the effective date of each such amendment, modification or waiver for which a further order of the Court is not required, the Debtors will file a notice attaching a copy of any such amendment, modification or waiver with the Court.

19. Notice of the Motion as provided therein shall be deemed good and sufficient and the requirements of the Bankruptcy Rules and the Local Rules are satisfied by such notice.

20. To the extent the automatic stay provisions of section 362 of the Bankruptcy Code would otherwise apply, such provisions are vacated and modified to permit the delivery of any Termination Notice pursuant to the RIA.

21. Except for the rights of the Joint Liquidators and, as applicable, the Purchaser or other Plan Sponsor, and except as expressly stated within the RIA, the RIA shall be solely for the benefit of the parties thereto and no other person or entity shall be a third-party beneficiary to the RIA. Except as expressly provided in the RIA, no entity, other than the parties to the RIA or their respective successors (including any trustee appointed in these bankruptcy cases) shall have any right to seek or enforce specific performance under the RIA agreement.

22. For the avoidance of doubt, no prior consent of the Purchaser is required for the SALIC Parties to deliver a Termination Notice on the basis of the SALIC Parties' conclusion in accordance with Section 10.2(d) that continued performance under the RIA is inconsistent with the Limitations set forth in Article 9 of the RIA as modified by this Order, even if the facts and circumstances giving rise to such conclusion involve SRGL's material breach of the RIA in a way that gives rise to a termination right under Section 10.2(e); provided, that this provision does not affect Purchaser's right to notice under Section 10.2(d) or its separate consent rights under Section 10.2(e).

23. The failure of any party to seek relief or otherwise exercise its rights and remedies under this Order, the RIA, or applicable law, as the case may be, shall not constitute a waiver of any of the rights hereunder, thereunder, or otherwise of any of the parties.

24. The RIA and this Order are not intended to, and do not, foreclose bidders from making and the Debtors from accepting bids for Alternative Restructuring Transactions as defined in the Bid Procedures Order (D.I. 119).

25. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062, 9014 or otherwise, this Order shall be immediately effective and enforceable upon its entry.

26. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order.

27. The Debtors are directed to file, within three (3) days after entry of this Order, the RIA as conformed to reflect the modifications made pursuant to this Order.

28. The Court retains jurisdiction with respect to all matters arising from or related to the interpretation or implementation of this Order. For the avoidance of doubt, nothing in the RIA or this Order cedes or limits in any way (a) the jurisdiction of this Court over any claims scheduled, filed, asserted or otherwise made against either Debtor in the Chapter 11 Cases, including, but not limited to the SRGL TruPS Claims, or (b) the jurisdiction of the Cayman Islands Court over any claims filed, asserted or otherwise made against SRGL in the Winding Up Proceedings, including, but not limited to, the SALIC/SRGL Revolver Claims.

Date: March 19, 2018


THE HONORABLE LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

[RIA]

EXECUTION VERSION

RESTRUCTURING IMPLEMENTATION AGREEMENT

**By and Among
Scottish Re Group Limited (Joint Provisional Liquidators Appointed)**

And

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

THIS RESTRUCTURING IMPLEMENTATION AGREEMENT IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF VOTES WITH RESPECT TO A PLAN OF REORGANIZATION. ANY SUCH OFFER OR SOLICITATION WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE.

THIS RESTRUCTURING IMPLEMENTATION AGREEMENT (as may be amended, restated, supplemented, or otherwise modified from time to time in accordance with the terms hereof, together with the exhibits and schedules attached hereto (as each may be amended, restated, supplemented, or otherwise modified from time to time, in accordance with the terms hereof, the “**Agreement**”) is made on January 28, 2018 (the “**Agreement Date**”) between the following parties (collectively, the “**Parties**”):

- (a) **Scottish Re Group Limited**, an exempted company limited by shares incorporated and existing under the laws of the Cayman Islands (“**SRGL**”), with a permit to operate in Bermuda where Joint Provisional Liquidators (as defined herein) have been appointed;
- (b) **Scottish Annuity & Life Insurance Company (Cayman) Ltd.**, an exempted company limited by shares incorporated and existing under the laws of the Cayman Islands (“**SALIC**”); and
- (c) **Scottish Holdings, Inc.**, a corporation organized and existing under the laws of the state of Delaware (“**SHI**”).

RECITALS

- (A) **SALIC** and certain of its direct and indirect subsidiaries, including **Scottish Re (U.S.), Inc. (“SRUS”)**, are engaged in the reinsurance of life insurance, annuities and annuity-type products (the “**SALIC Group Business**”).
- (B) **SRGL**, **SALIC**, **SHI** and certain of their affiliates have undertaken an evaluation of strategic alternatives and have determined to effectuate a restructuring of themselves and the **SALIC Group Business** with the assistance of their legal and financial advisors on the terms set forth in the Restructuring Documents (as defined below) (the “**Restructuring**”).
- (C) On May 17, 2017, **SRGL** (i) commenced a winding up proceeding (the “**Bermuda Winding Up Proceeding**”) in the Supreme Court of Bermuda (the “**Bermuda Court**”) by filing a petition (the “**Bermuda Winding Up Petition**”) seeking its winding up pursuant to Part XIII of the Bermuda Companies Act 1981 and other applicable Bermuda law, and (ii) commenced a parallel winding up proceeding (the “**Cayman Islands Winding Up Proceeding**,” and together with the Bermuda Winding Up Proceeding, the “**Winding Up Proceedings**”) in 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**”) seeking its winding up under Cayman Islands law.

- (D) 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.
- (E) 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 (as defined herein) for SRGL in connection with the Bermuda Winding Up Proceeding.
- (F) The Parties contemplate that, following the execution of this Agreement, (i) upon the application by SRGL, the Bermuda Court will make a winding up order for SRGL and will grant the Joint Provisional Liquidators wider powers as set forth in the Bermuda Act, and (ii) the Cayman Islands Court will make a winding up order and appoint Mr. McKenna and Ms. Fisher as joint official liquidators in the Cayman Islands Winding Up Proceeding (in such capacity following the making of the winding up orders in the Bermuda Winding Up Proceeding and the Cayman Islands Winding Up Proceeding, and without personal liability, the “**Joint Official Liquidators**”), the effect of which will be to displace the powers of the board of SRGL.
- (G) On January 19, 2018, pursuant to a duly authorized written shareholder resolution from SRGL, each US\$1.00 par value Ordinary Share (as defined herein) was subdivided into 1,000 US\$0.001 par value Ordinary Shares (such event, the “**SALIC Share Subdivision**”). After giving effect to the SALIC Share Subdivision, as of the Agreement Date, SALIC’s authorized share capital is US\$20,000,000 divided into 20,000,000,000 Ordinary Shares having a par value of US\$0.001 each.
- (H) As of the Agreement Date, SRGL owns one-hundred percent (100%) of the Ordinary Shares.
- (I) As of the Agreement Date, SALIC owns one-hundred percent (100%) of the issued and outstanding common stock of SHI.
- (J) As of the Agreement Date, SHI owns one-hundred percent (100%) of the issued and outstanding common stock of SRUS.
- (K) In furtherance of the Restructuring, SALIC and SHI each contemplate filing a voluntary petition for relief under Chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”).
- (L) In furtherance of the Restructuring, contemporaneously with the Parties’ entry into this Agreement, HSCM Bermuda Fund Ltd., a Bermuda limited company (“**Purchaser**”),

SALIC and SHI are entering into (i) the Stock Purchase Agreement (as defined herein) and (ii) the Plan Sponsorship Agreement (as defined herein).

- (M) This Agreement sets forth the Parties' understanding concerning certain of the steps and actions relating to SRGL and its businesses and property required to effectuate the Restructuring and the Restructuring Transactions (as defined herein).
- (N) The agreements and undertakings of the Parties made, subject to and in accordance with the terms of this Agreement and other applicable Restructuring Documents (as defined herein), include: (i) SRGL's diligent prosecution of its requests for Orders of the Bermuda Court and the Cayman Islands Court granting the Winding Up Petitions; (ii) SRGL's consent to, support for and cooperation with the Restructuring Transactions, including the Initial Shares Surrender, the Final Share Surrender and the New SALIC Shares Issuance (each as defined herein); (iii) SRGL's diligent prosecution of an application to the Cayman Islands Court to authorize the Joint Liquidators to cause SRGL to undertake its obligations under this Agreement and the Share Surrender Documents; (iv) the SALIC Parties' timely commencement and diligent prosecution of their Chapter 11 Cases on terms consistent with this Agreement; (v) an agreement between SRGL and the SALIC Parties allowing their respective intercompany claims; (vi) agreements among SRGL (including the Joint Liquidators), the SALIC Parties and the Purchaser as to certain releases, limitations of liability and exculpatory provisions, which shall be set forth in the Chapter 11 Plan and the Confirmation Order; and (vii) additional agreements and undertakings in furtherance of the contemplated Restructuring and Restructuring Transactions.

THE PARTIES, intending to be legally bound and in consideration for the mutual undertakings provided by each of the other Parties hereto, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby AGREE as follows:

1 DEFINITIONS; INTERPRETATION

- 1.1** As used in this Agreement, the following terms have the meanings set forth below:

"Agreement" has the meaning set forth in the Preamble.

"Bankruptcy Code" has the meaning set forth in the Recitals.

"Bankruptcy Court" has the meaning set forth in the Recitals.

"Bermuda Court" has the meaning set forth in the Recitals.

"Cayman Court Power" means an Order made by the Cayman Islands Court

authorizing the Joint Liquidators to cause SRGL to undertake its obligations under this Agreement and the Share Surrender Documents.

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

“CIMA” means the Cayman Islands Monetary Authority.

“Claim” means (a) any right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, legal, equitable, secured or unsecured; or (b) any right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured. As against any SALIC Party, the term **“Claim”** shall have a meaning coextensive with that of the term **“Claim”** as defined in section 101(5) of the Bankruptcy Code.

“Existing SALIC Shares” means any and all Ordinary Shares that SALIC is authorized to issue, whether prior to (when such Existing SALIC Shares had a par value of US\$1.00 per share) or after (when such Existing SALIC Shares have a par value of US\$0.001 per share) giving effect to the SALIC Share Subdivision.

“Final Share Surrender” means the surrender by SRGL to Reorganized SALIC of any and all Ordinary Shares in the possession, custody or control of SRGL for cancellation, which surrender and cancellation shall occur immediately after the closing of the Stock Purchase Agreement, but in all events not later than one (1) Business Day after the closing of the Stock Purchase Agreement.

“Initial Shares Surrender” means the surrender by SRGL to SALIC of all but one (1) of the Existing SALIC Shares in accordance with the Share Surrender Documents, and after giving effect to the SALIC Share Subdivision. Following the Initial Shares Surrender, SRGL shall hold one (1) US\$0.001 par value Ordinary Share, and 19,999,999,999 unissued Ordinary Shares shall remain in SALIC’s authorized capital. The Initial Shares Surrender shall be completed on or before the fifth (5th) Business Day after the latest of the date that (w) the RIA Order is entered and effective by its terms, (x) the Cayman Court Power is made and effective by its terms, (y) the Bermuda Court’s Winding Up Order is made and effective by its terms, and (z) if it is determined in good faith by SALIC, after consultation with Maples and Calder, that regulatory approval of CIMA is required, the date that SALIC receives CIMA’s regulatory approval for the Initial Shares Surrender. Additionally, the Initial Shares Surrender shall be completed in a manner and on terms consistent with this Agreement and the Stock Purchase Agreement in all material respects.

“JL Advisors” means Robin J. Mayor, Conyers Dill & Pearman, (441) 299-4929, robin.mayor@conyersdill.com; Aristos Galatopoulos, Maples and Calder, (345) 814-5241, aristos.galatopoulos@maplesandcalder.com; Ned S. Schodek, Shearman & Sterling LLP, (212) 848-7052, ned.schodek@shearman.com; as the same may be replaced from time to time and collectively with any other advisors retained by the Joint Liquidators.

“Joint Liquidators” means the Joint Provisional Liquidators and the Joint Official Liquidators and shall also be construed so as to include any other Person(s) who from time to time may be appointed by either the Bermuda Court or the Cayman Islands Court as a liquidator over SRGL (whether as provisional or official liquidator and whether with full or limited powers), in such capacity and without personal liability.

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

“Joint Provisional Liquidators” means (a) the individuals (initially John C. McKenna of Finance & Risk Services Ltd., and Eleanor Fisher of Kalo (Cayman) Limited) appointed by the Bermuda Court as joint provisional liquidators for SRGL in connection with the Bermuda Winding Up Proceeding and, (b) such individuals or their successors to whom the Bermuda Court may grant wider powers, and, in each case, in such capacity and without personal liability.

“Limitations” has the meaning ascribed to such term in Article 9 (*Limitations*) of this Agreement.

“New SALIC Shares” means 19,999,999,000 shares of US\$0.001 par value Ordinary Shares in Reorganized SALIC to be issued through the New SALIC Shares Issuance.

“New SALIC Shares Issuance” means the authorization and issuance by SALIC, upon the occurrence of the Effective Date of the Chapter 11 Plan and the closing of the Stock Purchase Agreement, of the New SALIC Shares as fully-paid, free and clear to the Plan Sponsor pursuant to the terms and conditions of the Stock Purchase Agreement, the Plan Sponsorship Agreement, the Chapter 11 Plan, the Share Surrender Documents and the New SALIC Shares Issuance Documents. The New SALIC Share Issuance shall occur in a manner and on terms consistent with this Agreement and the Stock Purchase Agreement in all material respects.

“New SALIC Shares Issuance Documents” means each of the documents, directions and resolutions reasonably required of SALIC to effectuate the New SALIC Shares Issuance. The New SALIC Shares Issuance Documents shall be in form and substance reasonably satisfactory to the Parties and the Purchaser, and otherwise subject to the SRGL Consent Rights.

“Ordinary Shares” means the ordinary shares of SALIC.

“Other TruPS Claims” means all TruPS Claims other than the SRGL TruPS Claims.

“Parties” has the meaning set forth in the Preamble; provided, however, that from and after the Effective Date of the Chapter 11 Plan, any reference to a SALIC Party as a “Party” shall be construed to include the Distribution Trustee (or similar estate representative appointed under the Chapter 11 Plan) to the extent of the DT Post-Closing Rights.

“Plan Sponsor” means the Purchaser or such other Person that is determined pursuant to the Winning Bidder Order to be the Winning Bidder if such Person’s Winning Bid contemplates sponsorship of a plan of reorganization for the SALIC Parties.

“Plan Sponsorship Agreement” means that certain Plan Sponsorship Agreement, dated as of January 28, 2018, by and among SALIC, SHI, and Purchaser, substantially in the form as attached hereto as **Exhibit A**, 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. In the event that the Purchaser is not the Winning Bidder, the term **“Plan Sponsorship Agreement”** as used in this Agreement shall be deemed to refer to the plan sponsorship agreement that is executed by and among SALIC, SHI and the Person that is the Winning Bidder and that embodies the bid that is designated as the Winning Bid. The Plan Sponsorship Agreement shall be consistent in all material respects with this Agreement and subject to the SRGL Consent Rights.

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

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

“Restructuring Documents” means the Specified Restructuring Documents, collectively with this Agreement, the RIA/PSA Motion, the Bidding Procedures Motion, the Bidding Procedures Order, the Disclosure Statement Motion, the Disclosure Statement, the Disclosure Statement Order, the Winning Bidder Order and the Organizational Documents. The Restructuring Documents shall, unless otherwise expressly indicated herein, be consistent in all material respects with this Agreement.

“Restructuring Steps” means the undertakings of the Parties hereto and other Persons party to applicable Restructuring Documents and the associated deadlines for completing them, each as set forth in Article 5 (*Restructuring Steps*) of this Agreement.

“Restructuring Transactions” means the transactions necessary to the Restructuring on terms set forth in the Restructuring Documents, including (i) completion of the Initial Shares Surrender, the New SALIC Shares Issuance and the Final Share Surrender, and (ii) consummation of the Stock Purchase Agreement and the Chapter 11 Plan.

“SALIC Claims” means the SALIC/SRGL Revolver Claims and the SALIC Group Services Claim.

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

“SALIC Group Services Claims” means all Claims arising out of or relating to the provision of information technology, legal, administrative and other services by any

SALIC Group Company to or for the benefit of SRGL. For purposes of this Agreement, the aggregate SALIC Group Services Claims shall not exceed US\$100,000.

“SALIC Parties” means SALIC and SHI, whether prior to the Petition Date or as debtors in their respective Chapter 11 Cases; provided, however, that from and after the Effective Date of the Chapter 11 Plan, any reference to a “SALIC Party” or “SALIC Parties” shall be construed to include the Distribution Trustee (or similar estate representative appointed under the Chapter 11 Plan) to the extent of the DT Post-Closing Rights.

“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.

“SALIC/SRGL Revolver Claims” means all Claims against SRGL arising under or relating to the SRGL Revolver Facility and the SRGL Revolver Facility Documents, including Claims for principal, interest, charges, fees and expenses of attorneys and other professionals, and any other obligations arising thereunder or in connection therewith.

“Share Surrender Documents” means each of the documents, directions and resolutions reasonably required of SRGL to effectuate the Initial Shares Surrender and the Final Share Surrender. The Share Surrender Documents shall be in form and substance reasonably satisfactory to the Parties and otherwise subject to the SRGL Consent Rights.

“Share Surrender” means the Initial Shares Surrender together with Final Share Surrender, which will result in SRGL’s surrender of all Existing SALIC Shares.

“Specified Restructuring Documents” means the Stock Purchase Agreement, the Plan Term Sheet, the RIA Order, the Plan Sponsorship Agreement, the PSA Order, the Share Surrender Documents, the New SALIC Shares Issuance Documents, the Chapter 11 Plan, the Plan Supplement (to the extent that any documents contained therein adversely affect the Joint Liquidators, SRGL or the SRGL TruPS Claims), the Sale Order and the Confirmation Order. The Specified Restructuring Documents shall be consistent in all material respects with this Agreement and subject to the SRGL Consent Rights.

“SRGL Consent Rights” means a requirement for the SALIC Parties to obtain the written consent (which may be provided by email) of SRGL (such consent not to be unreasonably withheld) to (i) any Specified Restructuring Document not attached hereto, and (ii) any amendment or modification of a Specified Restructuring Document that would adversely affect the Joint Liquidators, SRGL or the SRGL TruPS Claims; provided, however, that an amendment or modification to a Specified Restructuring Document that may have the effect of reducing, but for the avoidance of doubt not eliminating, the anticipated recovery under the Chapter 11 Plan on account of any or all SRGL TruPS Claims shall not solely or primarily as a result of such amendment or

modification be subject to the SRGL Consent Rights unless such amendment or modification disproportionately and adversely affects the anticipated recovery under the Chapter 11 Plan on account of the SRGL TruPS Claims relative to anticipated recoveries under the Chapter 11 Plan for Other TruPS Claims.

“SRGL TruPS Claims” means all TruPS Claims relating to or arising out of any SRGL TruPS Holdings, whether such Claims are held by SRGL or by another Person (including any trustee) in a fiduciary capacity for SRGL’s benefit on account of its SRGL TruPS Holdings.

“SRGL TruPS Holdings” means any and all TruPS owned or held by SRGL as of the Agreement Date, including: (i) approximately US\$20.0 million of SHST II TruPS; (ii) approximately US\$10.0 million of GPIC TruPS; and (iii) approximately US\$13.0 million of SHST III TruPS.

“Stock Purchase Agreement” means that certain Stock Purchase Agreement, dated as of January 28, 2018, entered into by and among SALIC, SHI and the Purchaser, substantially in the form as attached hereto as **Exhibit B**, 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. In the event that the Purchaser is not the Winning Bidder, the term **“Stock Purchase Agreement”** as used in this Agreement shall be deemed to refer to the stock purchase agreement that is executed by and among SALIC, SHI and the Person that is the Winning Bidder and that embodies the Winning Bid. The Stock Purchase Agreement shall be consistent in all material respects with this Agreement and subject to the SRGL Consent Rights.

“Termination Date” means the date any termination of this Agreement is effective in accordance with Article 10 (*Termination*) hereof.

“Termination Notice” has the meaning set forth in Section 10.2 of this Agreement.

“TruPS” means:

(i) the undivided beneficial interests, having an aggregate liquidation amount of US\$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 (the **“SHST I TruPS”**);

(ii) the undivided beneficial interests, having an aggregate liquidation amount of US\$20,000,000.00, in Scottish Holdings, Inc. Statutory Trust II, a Connecticut statutory trust (**“SHST II”**), issued pursuant to that certain Amended and

Restated Declaration of Trust, dated as of October 29, 2003, among U.S. Bank National Association, as institutional trustee, the administrators of the issuer named therein, SHI as the sponsor of the issuer, and the holders from time to time of undivided beneficial interests in the assets of the issuer (the “**SHST II TruPS**”);

(iii) the undivided preferred beneficial interests, having an aggregate liquidation amount of US\$10,000,000.00, in GPIC Holdings Inc. Statutory Trust, a Delaware statutory trust (“**GPIC**”), issued pursuant to that certain Amended and Restated Trust Agreement dated as of November 14, 2003, among JPMorgan Chase Bank as property trustee, Chase Manhattan Bank USA, National Association as Delaware trustee, the administrators of the issuer named therein, SHI as the sponsor of the issuer, and the holders from time to time of undivided beneficial interests in the assets of the issuer (the “**GPIC TruPS**”);

(iv) the undivided beneficial interests, having an aggregate liquidation amount of US\$32,000,000.00, in Scottish Holdings, Inc. Statutory Trust III, a Connecticut statutory trust (“**SHST III**”), issued pursuant to that certain Amended and Restated Declaration of Trust, dated as of May 12, 2004, among U.S. Bank National Association, as institutional trustee, the administrators of the issuer named therein, SHI as the sponsor of the issuer, and the holders from time to time of undivided beneficial interests in the assets of the issuer (the “**SHST III TruPS**”); and

(v) the undivided beneficial interests, having an aggregate liquidation amount of US\$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 (the “**SFL TruPS**”).

“**TruPS Claims**” means Claims of any Person relating to or arising out of any TruPs, TruPS Junior Subordinated Debentures or TruPS Documents, including any Claims relating to or arising out of any TruPS Documents. For the avoidance of doubt, TruPS Claims shall include all of the Claims set forth in the preceding sentence that could be asserted by one or more of the several parties thereto without duplication.

“**TruPS Declarations**” means:

(i) with respect to the SHST I TruPS, that certain Amended and Restated Declaration of Trust by and among State Street Bank and Trust Company of Connecticut, National Association, as Institutional Trustee, Scottish Holdings, Inc., as Sponsor, and Paul Goldean and Oscar R. Scofield, as Administrators, dated as of December 4, 2002.

(ii) with respect to the SHST II TruPS, that certain Amended and

Restated Declaration of Trust by and among U.S. Bank National Association, as Institutional Trustee, Scottish Holdings, Inc., as Sponsor, and Paul Goldean and Oscar R. Scofield, as Administrators, dated as of October 29, 2003.

(iii) with respect to the GPIC TruPS, that certain Amended and Restated Declaration of Trust by and among Scottish Holdings, Inc., as Depositor, JPMorgan Chase Bank, as Property Trustee, Chase Manhattan Bank USA, National Association, as Delaware Trustee, and The Administrative Trustees Named Herein, as Administrative Trustees, dated as of November 14, 2003.

(iv) with respect to the SHST III TruPS, that certain Amended and Restated Declaration of Trust by and among U.S. Bank National Association, as Institutional Trustee, Scottish Holdings, Inc., as Sponsor, and Paul Goldean and Oscar R. Scofield, as Administrators, dated as of May 12, 2004.

(v) with respect to the SFL TruPS, that certain Amended and Restated Declaration of Trust by and among Wilmington Trust Company, as Institutional Trustee, Wilmington Trust Company, as Delaware Trustee, Scottish Financial (Luxembourg) S.À.R.L., as Sponsor, and Paul Goldean and George Scott, as Administrators, dated as of December 15, 2004.

"TruPS Documents" means collectively all TruPS Indentures, all documents evidencing TruPS Junior Subordinated Debentures, all TruPS Declarations, all TruPS Sponsor Guarantees, all TruPS Parent Guarantees and all related and ancillary documents and instruments, each as altered, amended, modified or supplemented from time to time and including all exhibits and schedules thereto.

"TruPS Indentures" means:

(i) with respect to the SHST I TruPS, that certain Indenture for the Floating Rate Junior Subordinated Deferrable Interest Debentures, due 2032, between Scottish Holdings, Inc. as Issuer, and State Street Bank and Trust Company of Connecticut, National Association, as Trustee, dated as of December 4, 2002;

(ii) with respect to the SHST II TruPS, that certain Indenture for the Floating Rate Junior Subordinated Deferrable Interest Debentures, due 2033, between Scottish Holdings, Inc., as Issuer, and U.S. Bank National Association, as Trustee, dated as of October 29, 2003;

(iii) with respect to the GPIC TruPS, that certain Junior Subordinated Indenture, due 2033, between Scottish Holdings, Inc., as Issuer, and JPMorgan Chase Bank, as Trustee, dated as of November 14, 2003;

(iv) with respect to the SHST III TruPS, that certain Indenture for the Floating Rate Junior Subordinated Deferrable Interest Debentures, due 2034, between Scottish Holdings, Inc., as Issuer, and U.S. Bank National Association, as Trustee, dated

as of May 12, 2004; and

(v) with respect to the SFL TruPS, that certain Indenture for the Floating Rate Junior Subordinated Deferrable Interest Debentures, due 2034, between Scottish Financial (Luxembourg) S.À.R.L., as Issuer, and Wilmington Trust Company, as Trustee, dated as of December 15, 2004.

“TruPS Junior Subordinated Debentures” means:

(i) with respect to the SHST I TruPS, that certain Floating Rate Junior Subordinated Deferrable Interest Debenture between Scottish Holdings, Inc., and State Street Bank and Trust Company of Connecticut, National Association, due 2032;

(ii) with respect to the SHST II TruPS, that certain Floating Rate Junior Subordinated Deferrable Interest Debenture between Scottish Holdings, Inc., and U.S. Bank National Association, due 2033;

(iii) with respect to the GPIC TruPS, that certain Floating Rate Junior Subordinated Note Due 2033 between Scottish Holdings, Inc., and JPMorgan Chase Bank;

(iv) with respect to the SHST III TruPS, that certain Floating Rate Junior Subordinated Deferrable Interest Debenture between Scottish Holdings, Inc., and U.S. Bank National Association, due 2034; and

(v) with respect to the SFL TruPS, that certain Floating Rate Junior Subordinated Deferrable Interest Debenture between Scottish Financial (Luxembourg) S.À.R.L. and Wilmington Trust Company, due 2034.

“TruPS Parent Guarantees” means:

(i) with respect to the SHST I TruPS, that certain Parent Guarantee Agreement by and between Scottish Annuity & Life Insurance Company (Cayman) Ltd. and State Street Bank and Trust Company of Connecticut, National Association, dated as of December 4, 2002;

(ii) with respect to the SHST II TruPS, that certain Parent Guarantee Agreement by and between Scottish Annuity & Life Insurance Company (Cayman) Ltd. and U.S. Bank National Association, dated as of October 29, 2003;

(iii) with respect to the GPIC TruPS, that certain Parent Guarantee Agreement by and between Scottish Annuity & Life Insurance Company (Cayman) Ltd. and JPMorgan Chase Bank, dated as of November 14, 2003;

(iv) with respect to the SHST III TruPS, that certain Parent Guarantee Agreement by and between Scottish Annuity & Life Insurance Company (Cayman) Ltd. and U.S. Bank National Association, dated as of May 12, 2004; and

(v) with respect to the SFL TruPS, that certain Parent Guarantee Agreement by and between Scottish Annuity & Life Insurance Company (Cayman) Ltd. and Wilmington Trust Company, dated as of December 15, 2004.

“TruPS Sponsor Guarantees” means:

(i) with respect to the SHST I TruPS, that certain Guarantee Agreement by and between Scottish Holdings, Inc., and State Street Bank and Trust Company of Connecticut, National Association, dated as of December 4, 2002;

(ii) with respect to the SHST II TruPS, that certain Guarantee Agreement by and between Scottish Holdings, Inc., and U.S. Bank National Association, dated as of October 29, 2003;

(iii) with respect to the GPIC TruPS, that certain Guarantee Agreement by and between Scottish Holdings, Inc., and JPMorgan Chase Bank, dated as of November 14, 2003;

(iv) with respect to SHST III TruPS, that certain Guarantee Agreement by and between Scottish Holdings, Inc., and U.S. Bank National Association, dated as of May 12, 2004; and

(v) with respect to the SFL TruPS, that certain Guarantee Agreement by and between Scottish Financial (Luxembourg) S.À.R.L and Wilmington Trust Company, dated as of December 15, 2004.

“Winding Up Orders” means: (a) the Order to be made by the Bermuda Court in the Bermuda Winding Up Proceedings that, among other things, will expand the powers and responsibilities of the Joint Provisional Liquidators such that they become Bermuda Full Powers Liquidators for SRGL; and (ii) the Order to be made by the Cayman Islands Court in the Cayman Islands Winding Up Proceeding that, among other things, will appoint Mr. McKenna and Ms. Fisher as the Joint Official Liquidators.

1.2 Capitalized terms not otherwise defined in this Agreement have the meanings ascribed to such terms in the Stock Purchase Agreement, in the form attached hereto as **Exhibit B**.

1.3 In interpreting this Agreement, unless the context otherwise requires:

- (a) the headings to Articles are for convenience only and shall not affect the construction of anything in this Agreement;
- (b) references to Articles and Schedules are to be construed as references to the Articles of, and Schedules to, this Agreement, respectively;
- (c) references to the singular includes the plural and vice versa and

references to any gender includes the other genders;

- (d) a reference to “including” means including, without limitation;
- (e) references to a Party includes such Party’s successors-in-title, but does not include the Joint Liquidators;
- (f) reference to any statutory provision includes all prior and subsequent enactments, amendments and modifications relating to that provision and any subordinate legislation made under it; and
- (g) in the event that any additional SALIC Group Companies become debtors in Chapter 11 Cases that are commenced in the Bankruptcy Court with the consent of SRGL and SALIC and that are jointly administered with the Chapter 11 Cases of SALIC and SRGL, any reference in this Agreement to a “SALIC Party” or “SALIC Parties” shall be deemed to include reference to such additional SALIC Group Companies.

2 RECITALS

The above recitals are and shall be incorporated by reference in and made a part of this Agreement.

3 UNDERTAKINGS BY SRGL

Until the Termination Date:

3.1 SRGL shall:

- (a) to the extent not in agreed form prior to the date of this Agreement, use its commercially reasonable efforts to reach agreement on the terms of and cooperate and assist in the preparation of the Share Surrender Documents and New SALIC Shares Issuance Documents on terms consistent in all material respects with this Agreement;
- (b) within five (5) Business Days after the latest of the date that (w) the RIA Order is entered and effective by its terms, (x) the Cayman Court Power is obtained and effective by its terms, (y) the Bermuda Court’s Winding Up Order is made and effective by its terms, and (z) if it is determined in good faith by SALIC, after consultation with Maples and Calder, that regulatory approval of CIMA is required, the date that SALIC receives CIMA’s regulatory approval for the Initial Shares Surrender, execute and

deliver the Share Surrender Documents pertaining to the Initial Share Surrender;

- (c) if either Winding Up Order or the receipt of the Cayman Court Power is appealed by any Person (or if any petition for higher court review or motion for reconsideration, amendment, clarification, modification, vacation, stay, rehearing or reargument shall be filed with respect to any of such Orders) subject to rights otherwise arising from this Agreement, at SRGL's own cost and expense, use commercially reasonable efforts to defend against any such appeal, petition for higher court review, or motion for reconsideration, amendment, clarification, modification, vacation, stay, rehearing or reargument; and
- (d) execute and deliver any document or resolution, and give any notice, confirmation, consent, order, instruction or direction, make any application, filing, registration or announcement as may be reasonably necessary to support, facilitate, implement, consummate or otherwise effectuate the Share Surrender and New SALIC Shares Issuance in accordance with the Share Surrender Documents and New SALIC Shares Issuance Documents; provided in each case, that such actions are on terms in all material respects consistent with this Agreement.

3.2 Except as permitted by Section 3.3 of this Agreement, SRGL shall not:

- (a) take, encourage, assist or support (or procure that any other Person takes, encourages, assists or supports) any action which would, or would reasonably be expected to, breach or be inconsistent with the Restructuring Transactions, any Restructuring Document or this Agreement, including, without limitation, dismissing either Winding Up Proceeding; or
- (b) materially delay, impede, or prevent the implementation or consummation of the Restructuring (to the extent that the restructuring is being conducted in a manner otherwise consistent with this Agreement), including the Restructuring Steps and the Restructuring Transactions.

3.3 For the avoidance of doubt, this Article 3 is without prejudice to the ability of SRGL and its Representatives to participate in activities relating to a potential SRGL Debt Financing in accordance with Section 6.1(i) of the Stock Purchase Agreement, and nothing in this Agreement shall preclude SRGL or the Joint Liquidators from commencing and prosecuting any proceedings for SRGL under Chapter 15 of the Bankruptcy Code in furtherance of the Winding Up Proceedings.

3.4 Notwithstanding anything to the contrary in this Agreement, if the RIA Order has

not been entered and become effective by its terms by the 90th day after the Petition Date, SRGL may suspend all further performance under this Agreement until such time as the RIA Order has been entered and become effective by its terms.

4 UNDERTAKINGS BY SALIC PARTIES

Until the Termination Date:

- 4.1** The SALIC Parties each shall act in good faith and promptly take all actions reasonably necessary to support, facilitate, implement, consummate or otherwise effectuate the Restructuring Transactions in accordance with the terms of this Agreement and the Restructuring Documents, including:
- (a) reasonably negotiating, preparing, and executing and delivering the Restructuring Documents on terms consistent in all material respects with this Agreement and the SRGL Consent Rights prior to entering into, amending, supplementing or otherwise modifying any Specified Restructuring Document;
 - (b) making commercially reasonable efforts, in consultation with Maples and Calder, to determine in good faith whether CIMA approval is required for the Initial Shares Surrender, and if CIMA approval is required for the Initial Shares Surrender, to obtain CIMA's approval for the Initial Shares Surrender as expeditiously as practicable under the circumstances;
 - (c) making commercially reasonable efforts (i) to provide draft copies of all documents, motions, orders, procedures, agreements and other papers the SALIC Parties intend to file with the Bankruptcy Court to the Joint Liquidators and the JL Advisors no later than three (3) calendar days prior to the date the SALIC Parties intend to file any such document, motion, order, procedure, agreement or other paper (other than the Disclosure Statement, the Chapter 11 Plan and other Restructuring Documents, which shall be provided within a longer reasonable time) and (ii) to consult in advance in good faith with the Joint Liquidators and the JL Advisors regarding the form and substance of any such proposed filing with the Bankruptcy Court and to the extent that any Joint Liquidator or JL Advisor is in attendance at the Auction, prior to designating the Winning Bidder;
 - (d) executing and delivering any document and giving any notice, confirmation, consent, order, instruction or direction, making any application, filing, registration or announcement as may be necessary or

desirable to support, facilitate, implement, consummate or otherwise effectuate the Restructuring Transactions, provided in each case, on terms that are in all material respects consistent with this Agreement;

- (e) preparing for and filing for any legal process or proceedings and any supporting petitions or applications to any Governmental Authority, to support, facilitate, implement consummate or otherwise effectuate the Restructuring Transactions and Restructuring, in each case on terms that are in all material respects consistent with this Agreement; and
- (f) upon the occurrence of the Effective Date of the Chapter 11 Plan and the closing of the Stock Purchase Agreement, effect the New SALIC Shares Issuance in accordance with the New SALIC Shares Issuance Documents.

4.2 The SALIC Parties shall use commercially reasonable efforts to obtain, comply with and maintain in full force and effect any necessary authorization required under any Applicable Law to:

- (a) enable each SALIC Party to perform its obligations under the Restructuring Steps and Restructuring Documents; and
- (b) if the RIA Order, PSA Order, Bidding Procedures Order, Disclosure Statement Order or Confirmation Order is appealed by any Person (or if any petition for higher court review or motion for reconsideration, amendment, clarification, modification, vacation, stay, rehearing or reargument shall be filed with respect to any of such Order) subject to rights otherwise arising from this Agreement, at the SALIC Parties' own cost and expense, use commercially reasonable efforts to defend against any such appeal, petition for higher court review, or motion for reconsideration, amendment, clarification, modification, vacation, stay, rehearing or reargument.

4.3 The SALIC Parties shall:

- (a) cause their officers and counsel and other advisors to be available for conference calls and meetings at commercially reasonable times and on commercially reasonable notice to consult with and provide updates to the Joint Liquidators and the JL Advisors regarding the Restructuring Transactions; and
- (b) promptly following receipt thereof and to the extent not publicly available, provide the JL Advisors with copies of all proposals, term sheets or other material correspondences related to the Restructuring Transactions.

4.4 Except as provided in Section 4.5 of this Agreement, the SALIC Parties shall not:

- (a) take, encourage, assist or support (or procure that any other Person takes, encourages, assists or supports) any action which would, or would reasonably be expected to, breach or be inconsistent with the any of the Restructuring Transactions, any Restructuring Document or this Agreement;
- (b) materially delay or impede, or prevent, the implementation or consummation of any Restructuring Transaction, the Winding Up Proceedings (to the extent that the Winding Up Proceedings are being conducted in a manner otherwise consistent with this Agreement) or any proceeding under chapter 15 of the Bankruptcy Code commenced by SRGL or the Joint Liquidators in furtherance of the Winding Up Proceedings; or
- (c) following the Initial Shares Surrender, issue any New SALIC Shares other than in accordance with the New SALIC Shares Issuance or with prior written approval of SRGL.

4.5 For the avoidance of doubt, this Article 4 is without prejudice to the ability of any officer, director or employee of any SALIC Group Company that is also an officer or director of SRGL to participate in activities concerning a potential SRGL Debt Financing in accordance with Section 6.1(i) of the Stock Purchase Agreement.

5 RESTRUCTURING STEPS

5.1 Each of the Parties will use commercially reasonable efforts to accomplish the following:

- (a) by no later than one (1) Business Day after execution of this Agreement, SRGL will approve SALIC filing a voluntary Chapter 11 bankruptcy petition in the Bankruptcy Court by the deadline set forth in the Stock Purchase Agreement;
- (b) by no later than one (1) Business Day after execution of this Agreement, SALIC will approve SHI filing a voluntary Chapter 11 bankruptcy petition in the Bankruptcy Court by the deadline set forth in the Stock Purchase Agreement; and
- (c) by no later than the date of the applicable deadline set forth in the Stock Purchase Agreement, SALIC and SHI each will file voluntary Chapter

11 bankruptcy petitions in the Bankruptcy Court.

5.2 Each SALIC Party will use commercially reasonable efforts:

- (a) to cause the Bankruptcy Court to enter the RIA Order within 35 days after the Petition Date;
- (b) to cause the Bankruptcy Court to enter the PSA Order within 35 days after the Petition Date;
- (c) to cause the Bankruptcy Court to enter the Bidding Procedures Order within 21 days after the Petition Date;
- (d) to cause the Bankruptcy Court to enter the Disclosure Statement Order within 90 days after the Petition Date; and
- (e) to cause the Bankruptcy Court to enter the Confirmation Order within 45 days after the Disclosure Statement Order is entered.

5.3 SRGL will use commercially reasonable efforts:

- (a) to request the Bermuda Court to make a Winding Up Order for SRGL, which shall include extending the powers of the Joint Provisional Liquidators, within 21 days after the Petition Date;
- (b) to pursue its pending application to the Cayman Islands Court for a Winding Up Order appointing John C. McKenna of Finance & Risk Services Ltd., and Eleanor Fisher of Kalo (Cayman) Limited as Joint Official Liquidators within 21 days after the Petition Date; and
- (c) to apply to the Cayman Islands Court to make the Cayman Court Power so that such Cayman Court Power is fully enforceable by its terms by no later than 35 days after the Petition Date.

For the avoidance of doubt, the time periods for performing any of the actions set forth in this Article 5 may be extended by written agreement of the Parties without further approval of any Governmental Authority, but only to the extent consistent with the Stock Purchase Agreement or with the consent of the Purchaser.

5.4 Restructuring Documents. The Parties acknowledge and agree that:

- (a) To the fullest extent permissible under Applicable Law, the Cayman Court Power, the Winding Up Orders, the RIA Order, the Share Surrender Documents and the New SALIC Shares Issuance Documents

each must be in form and substance reasonably acceptable to each of the Parties and consistent in all material respects with this Agreement and the Stock Purchase Agreement, and otherwise subject to the SRGL Consent Rights;

- (b) All Restructuring Documents, other than those set forth in Section 5.4(a) above must be consistent in all material respects with this Agreement and the Stock Purchase Agreement;
- (c) To the fullest extent permissible under Applicable Law, as set forth more fully in the Plan Term Sheet, the Chapter 11 Plan shall contain mutual releases, limitations of liability, exculpatory provisions and related injunctive relief for the benefit of SRGL, the Joint Liquidators, the SALIC Parties, the Purchaser, the Plan Sponsor, their respective Affiliates and their respective Representatives, which provisions shall be in all respects consistent with this Agreement, the Stock Purchase Agreement and the Plan Sponsorship Agreement; and
- (d) The Specified Restructuring Documents are subject to the SRGL Consent Rights.

6 SALIC CLAIMS; DISTRIBUTIONS ON ACCOUNT THEREOF IN WINDING UP PROCEEDINGS

6.1 Subject to the completion of the Initial Shares Surrender, SRGL acknowledges and agrees that:

- (a) SRGL is unconditionally liable, without defense, counterclaim, offset or setoff of any kind to SALIC on account of the SALIC/SRGL Revolver Claims in an amount not less than US\$77,505,389, plus additional interest, fees and other charges that may have accrued or may accrue on or after January 1, 2018;
- (b) as of the Agreement Date it may be indebted to SALIC or other SALIC Group Companies for certain SALIC Group Services Claims; provided, however, that the Parties agree that any such SALIC Group Services Claims existing as of the Agreement Date do not exceed US\$100,000 in the aggregate; and
- (c) SALIC, in connection with the Winding Up Proceedings (but not otherwise), shall receive, on account of the SALIC Claims, equal and ratable treatment and distributions with other unsecured claims against SRGL, if any, excluding only any such unsecured claims that are part of a preferred class of claims under applicable Bermuda or Cayman Islands Law.

- 6.2 For the avoidance of doubt, this Agreement is without prejudice to the right of SRGL, in accordance with applicable Bermuda and Cayman Islands law governing the Winding Up Proceedings, to reserve such amounts, if any, that SRGL or the Joint Liquidators reasonably determine in good faith to be necessary to fund the reasonable fees and expenses of SRGL, the Joint Liquidators, and the JL Advisors in connection with the Winding Up Proceedings and any Chapter 15 proceedings in respect thereof and any other amounts that SRGL or the Joint Liquidators are permitted to retain under Cayman Islands and Bermuda law, including the Companies (Winding Up) Rules 1982 or the Companies Act 1981; and Cayman Islands law, including the Companies Law (2016 Revision), the Companies Winding Up Rules 2008 (as amended) or Cayman Islands common law.

7 SRGL TruPS CLAIMS AND HOLDINGS; DISTRIBUTIONS ON ACCOUNT THEREOF IN CHAPTER 11 CASES

- 7.1 Subject to the completion of the Initial Shares Surrender, the SALIC Parties acknowledge and agree that as of the Agreement Date: (a) SRGL holds undivided beneficial interests having an aggregate liquidated amount of approximately US\$20,000,000, plus deferred interest as of December 31, 2017 in the amount of US\$5,025,241.00, plus additional interest, fees and other charges that may accrue, in SHST II; (b) SRGL holds undivided beneficial interests having an aggregate liquidated amount of approximately US\$10,000,000, plus deferred interest as of December 31, 2017 in the amount of US\$2,506,585, plus additional interest, fees and other charges that may accrue, in GPIC; (c) SRGL holds undivided beneficial interests having an aggregate liquidated amount of approximately US\$13,000,000, plus deferred interest as of December 31, 2017, in the amount of US\$3,175,458, plus additional interest, fees and other charges that may accrue, in SHST III; (d) SALIC is unconditionally liable under the TruPS Parent Guarantees issued in connection with the SRGL TruPS Holdings in an amount not less than the aggregate of the amounts set forth in clauses (a), (b) and (c) above, without defense, counterclaim, offset or setoff of any kind, which liability is an unsecured, nonpriority Claim against SALIC; (e) SHI is unconditionally liable under the TruPS Sponsor Guarantees issued in connection with the SRGL TruPS Holdings in an amount not less than the aggregate of the amounts set forth in clauses (a), (b) and (c) above, without defense, counterclaim, offset or setoff of any kind, which liability is an unsecured, nonpriority Claim against SHI. The foregoing stipulated amounts are the aggregate amounts that may be asserted on account of the SRGL TruPS Claims, whether by SRGL on account of its SRGL TruPS Holdings or by any trustee or other fiduciary under any TruPS Document acting on behalf or for the benefit of the SRGL TruPS Holdings.
- 7.2 Subject to the completion of the Initial Shares Surrender, the SALIC Parties acknowledge and agree that the treatment afforded the SRGL TruPS Claims under the Chapter 11 Plan shall be consistent with that set forth in the Plan Term Sheet

and not materially disparate from the treatment to be afforded to Other TruPS Claims under the Chapter 11 Plan.

8 [RESERVED]

9 LIMITATIONS

Notwithstanding any other provision of this Agreement, nothing in this Agreement or the Restructuring Documents shall require any Party or the Joint Liquidators to (whether by action or omission) breach, or procure the breach of (in each case provided that such breach cannot be avoided or removed by taking commercially reasonable steps):

- 9.1** any Applicable Law;
- 9.2** without limiting the scope of Section 9.1 hereof, any obligations of the Joint Liquidators or their respective financial or legal advisors pursuant to, in the case of the Joint Liquidators appointed by the Bermuda Court, the Companies Act 1981 and Companies (Winding Up) Rules 1982 of Bermuda and any Orders of the Bermuda Court and in the case of the Joint Liquidators appointed by the Cayman Islands Court (as applicable), the Companies Law (2016 Revision) and the Companies Winding up Rules 2008 (as amended) of the Cayman Islands and any Orders of the Cayman Islands Court;
- 9.3** any Order, judgment or direction of any relevant court or Governmental Authority; or
- 9.4** any fiduciary duties owed by a Party (or such Party's officers, directors or managers) or Joint Liquidator under Applicable Law.

For the avoidance of doubt, a Party's failure to perform its obligations under this Agreement due to any of the limitations set forth in Sections 9.1 through 9.4 above (the "**Limitations**") may constitute a material breach of this Agreement entitling the other Parties to terminate this Agreement pursuant to Article 10 hereof; provided, however, that any such material breach shall not entitle other Parties to this Agreement to any damages or other relief under this Agreement.

10 TERMINATION

10.1 Mutual Voluntary Termination

This Agreement may be terminated with immediate effect by a signed writing executed by each of the Parties, subject, as to the SALIC Parties, to the prior written consent of the Purchaser.

10.2 Unilateral Termination by Any of the Parties

Any Party may terminate this Agreement without further approval by any Court or other Governmental Authority effective five (5) Business Days after such Party delivers written notice in accordance with Article 13 of this Agreement (such notice, a “**Termination Notice**”), with a copy delivered simultaneously to the Purchaser, of one or more of the following events:

- (a) except through the action or inaction (where such Party has a duty to act) of the Party issuing the Termination Notice, the Bermuda Court or Cayman Islands Court denies on a final basis to make a Winding Up Order for SRGL;
- (b) except through the action or inaction (where such Party has a duty to act) of the Party issuing the Termination Notice, either Winding Up Proceeding is dismissed with prejudice to re-filing a winding up proceeding for SRGL;
- (c) except through the action or inaction (where such Party has a duty to act) of the Party issuing the Termination Notice, the Cayman Islands Court denies on a final basis to grant the Cayman Court Power;
- (d) the board of directors or managers (or comparable governing body) or court-appointed fiduciary (including, in the case of SRGL, the Joint Liquidators), as applicable, of the Party has determined in good faith based upon advice of his, her or its counsel that continued performance under this Agreement would be inconsistent with the Limitations set forth in Article 9 of this Agreement; provided, however, that the SALIC Parties shall not deliver a Termination Notice on this basis without first providing the Purchaser with at least three (3) Business Days’ prior written notice of their intent to do so;
- (e) another Party is in material default of such Party’s obligations under this Agreement, including but not limited to a material breach of this Agreement resulting from failure to perform due to the Limitations, and, to the extent such default is capable of cure, such default has not been cured within 10 Business Days of the non-breaching Party’s provision of written notice of such default in accordance with Article 13 of this Agreement to the defaulting Party; provided, however, that the SALIC Parties shall not deliver a Termination Notice on this basis without the prior written consent of the Purchaser;
- (f) the RIA Order or Confirmation Order ceases to be in full force and effect, is reversed, stayed, vacated or subjected to a stay pending appeal

or is amended, supplemented or otherwise modified in any manner that materially and adversely alters or impairs the rights or obligations under this Agreement of the Party delivering such notice and the RIA Order or Confirmation Order, as applicable, has not been reinstated to its former full force and effectiveness within thirty (30) days after the occurrence of such event; or

- (g) the SALIC Parties or the Plan Sponsor terminates the Plan Sponsorship Agreement or the Stock Purchase Agreement pursuant to its terms; provided, however, that termination of the Plan Sponsorship Agreement and/or the Stock Purchase Agreement shall not constitute a basis to deliver a Termination Notice if a Person or Persons other than the Purchaser have been designated the Winning Bidder or Winning Bidders following the Auction and such Winning Bidder or Winning Bidders have executed transaction documents in connection with their Winning Bid or Winning Bids that in the aggregate are on terms and conditions not materially less favorable to the Party that would be delivering the Termination Notice than the terms and conditions contained in the Stock Purchase Agreement and Plan Sponsorship Agreement.

10.3 Unilateral Termination by SRGL

This Agreement may be terminated by SRGL effective, except as otherwise provided below, five (5) Business Days after SRGL's delivery of a Termination Notice to the SALIC Parties, with a copy delivered simultaneously to the Purchaser, each in accordance with Article 13 of this Agreement, if:

- (a) the Bankruptcy Court enters an Order denying the RIA/PSA Motion with prejudice to any future requests by the SALIC Parties in the Chapter 11 Cases to assume this Agreement or otherwise approve its material terms, and in such event the termination of this Agreement shall be automatically effective, without need for SRGL to deliver a Termination Notice, ten (10) Business Days after entry of such Order;
- (b) the closing under the SPA or the Effective Date of the Chapter 11 Plan has not occurred by March 31, 2019, and in such event the termination of this Agreement shall be automatically effective without need for SRGL to deliver a Termination Notice;
- (c) the Bankruptcy Court or any court of competent jurisdiction enters an Order granting relief inconsistent with this Agreement that eliminates or materially and adversely reduces anticipated distributions under the Chapter 11 Plan on account of SRGL TruPS Claims but does not comparably eliminate or materially reduce anticipated distributions under the Chapter 11 Plan on account of the Other TruPS Claims that are

similarly situated; or

- (d) the Bankruptcy Court enters or makes an Order (i) disallowing all or any substantial part of the SRGL TruPS Claims (including pursuant to section 502(d) of the Bankruptcy Code), (ii) recharacterizing as equity all or any substantial part of the SRGL TruPS Claims, (iii) subordinating all or any substantial part of the SRGL TruPS Claims to similarly situated Other TruPS Claims, (iv) reducing the SRGL TruPS Claims to an amount less than the stipulated amount of the SRGL TruPS Claims set forth in Section 7.1 of this Agreement or (v) otherwise subject the SRGL TruPS Claims to treatment that is materially inferior to the treatment that similarly situated Other TruPS Claims are receiving in the Chapter 11 Cases.

10.4 Unilateral Termination by SALIC Parties

This Agreement may be terminated by any SALIC Party effective five (5) Business Days after such SALIC Party's delivery of a Termination Notice to SRGL and the Joint Liquidators, with a copy to the Purchaser, each in accordance with Article 13 of this Agreement, if:

- (a) the Bermuda Court, the Cayman Islands Court or any court of competent jurisdiction enters an Order granting relief inconsistent with this Agreement that materially and adversely reduces the actual or anticipated distributions on account of SALIC/SRGL Revolver Claim relative to the actual or anticipated distributions to *pari passu* Claims in the Winding Up Proceedings; or
- (b) the Bermuda Court, the Cayman Islands Court or any other court of competent jurisdiction makes or enters an Order (i) disallowing all or a substantial part of the SALIC/SRGL Revolver Claim, (ii) recharacterizing as equity all or any substantial part of the SALIC/SRGL Revolver Claim, (iii) subordinating all or any substantial part of the SALIC/SRGL Revolver Claim to Claims that otherwise have similar priority of distribution in the Winding Up Proceedings, (iv) reducing the SALIC/SRGL Revolver Claim to an amount less than the stipulated amount of the SALIC/SRGL Revolver Claim set forth in Section 6.1 of this Agreement, or (v) otherwise subjecting the SALIC/SRGL Revolver Claim to treatment that is materially inferior to the treatment that *pari passu* Claims are receiving in the Winding Up Proceedings.

10.5 Effect of Termination

- (a) If this Agreement terminates in accordance with this Article 10 (*Termination*), the Parties shall immediately be released from all of their undertakings and other obligations under this Agreement, including any

acknowledgements, stipulations or other agreements pertaining to SRGL TruPS Claims and the SALIC Claims; provided, however, that such termination:

- (i) shall not limit or prejudice the rights of each Party against any other Party which relate to any Party's unexcused breaches of this Agreement; provided, further, that for the avoidance of doubt, no Party or Joint Liquidator shall have or incur any liability to any other Party or Joint Liquidator under this Agreement for any breach of any provision of this Agreement for which such Party or Joint Liquidator's performance was excused solely or primarily pursuant to Article 9 (*Limitations*) of this Agreement;
 - (ii) shall not limit the effectiveness of Article 1 (*Interpretation*), Section 4.6 (*Undertakings by the SALIC Parties*), Section 4.4(c) (*Undertakings by SALIC Parties*) (but as to Section 4.4(c), only if termination is pursuant to Section 10.2(e) on account of a SALIC Party's material default of its obligations under this Agreement), Section 10.5 (*Effect of Termination*), Article 11 (*Acknowledgement*), Article 12 (*Confidentiality and Announcements*), Article 13 (*Notices*), Article 14 (*Enforcement by Third Parties*), Article 15 (*Joint Liquidators' Liability*), Article 16 (*Governing Law*) and Article 17 (*General*); and
 - (iii) shall be without prejudice to any rights or obligations arising under or in connection with the SRGL TruPS Claims, the SALIC Claims, the SRGL Revolver Facility or SALIC/SRGL Revolver Facility Documents; provided, however, that if such termination takes place following the New SALIC Share Issuance, such termination shall not limit the effectiveness of Article 6 (*SALIC Claims; Distributions on Account Thereof in Winding Up Proceedings*) and Article 7 (*SRGL TruPS Claims and Holdings; Distributions on Account Thereof in Chapter 11 Cases*).
- (b) In the event that this Agreement is terminated in accordance with its terms after the Initial Shares Surrender has been completed (but before the New SALIC Shares Issuance has occurred) and such termination was for a reason other than pursuant to Section 10.2(e) on account of a breach of this Agreement by SRGL, then within five (5) Business Days after the termination of this Agreement is effective, (x) to the extent practicable, SALIC shall return to SRGL all Ordinary Shares previously surrendered by SRGL to SALIC as part of the Initial Shares Surrender, or (y) to the extent that the Ordinary Shares are no longer capable of being returned to SRGL, to the extent practicable, SALIC shall cause Ordinary Shares with like properties (including their par value) to be issued to SRGL

equal in number to the Ordinary Shares surrendered by SRGL.

10.6 Automatic Stays

To the fullest extent permitted under Applicable Law, the Parties agree that the delivery of a Termination Notice under this Agreement shall not be a violation of any applicable stay that automatically arises in connection with the Winding Up Proceedings or the Chapter 11 Cases (including the automatic stay of section 362 of the Bankruptcy Code) and, to the fullest extent permitted under Applicable Law, the Parties waive the applicability of any such stay to the giving of such Termination Notice.

11 ACKNOWLEDGEMENT

Notwithstanding any other provision herein, this Agreement is not and shall not be deemed to be an offer with respect to any securities or solicitation of votes for the acceptance of a plan of reorganization for purposes of sections 1125 and 1126 of the Bankruptcy Code or otherwise. Any such offer or solicitation will be made only in compliance with all applicable securities laws and provisions of the Bankruptcy Code. The SALIC Parties will not solicit acceptances of the Chapter 11 Plan or any other plan of reorganization in any manner inconsistent with the Bankruptcy Code or applicable bankruptcy law and rules and orders of the Bankruptcy Court.

12 CONFIDENTIALITY AND ANNOUNCEMENTS

12.1 Subject to Section 12.2, each Party agrees to keep confidential and not disclose any information, including with respect to the Purchaser, that reasonably ought to be considered confidential received by any other Party in connection with this Agreement, the Restructuring Documents and the Restructuring.

12.2 Any Party may disclose any information that it is otherwise required to be kept confidential under this Article 12 (*Confidentiality and Announcements*):

- (a) to the extent that it is already in possession of such information or such information is generally known to the public (in each case, not as a result of a breach of any duty of confidentiality);
- (b) to its professional advisers, directors, employees and officers; provided, however, that such directors, employees and officers shall have been instructed to treat the information as commercially sensitive, confidential and privileged in accordance with the provisions of this Agreement;
- (c) to its auditors;
- (d) to the Plan Sponsor or any other prospective purchaser of some or all of

the stock or assets of the Debtors; provided, however, that the Plan Sponsor or such other prospective purchaser(s) shall execute a form of confidentiality agreement consistent with the terms of this Article 12 (*Confidentiality and Announcements*) as a precondition to accessing such information;

- (e) to Governmental Authorities or other Persons or entities to the extent that disclosure is required by Applicable Law;
- (f) to other Persons or entities to the extent disclosure is required or requested by a relevant regulatory body, tax authority, governmental authority or securities exchange;
- (g) with the prior written approval of the Party that provided the information; and
- (h) to the Joint Liquidators, who may disclose information that it is otherwise required to be kept confidential under this Article 12 (*Confidentiality and Announcements*) to the extent such disclosure is made in the exercise of the duties of the Joint Liquidators or to the extent such disclosure is required to enable the Joint Liquidators to properly carry out the duties of their office.

12.3 No announcement, statement, circulation, or other publicity in connection with this Agreement or its subject matter (unless otherwise permitted by this Agreement) shall be made by or on behalf of the Parties, without the prior written approval of the Parties (such approval not to be unreasonably withheld or delayed).

13 NOTICES

13.1 Any confirmation or notice given under this Agreement must be in writing in the English language and may be given in person or by hand, post, courier or email.

13.2 The contact details (names, mailing addresses (courier addresses, if different), contact person and title thereof, and email addresses) of the Parties, the Purchaser and the Joint Liquidators for all notices under this Agreement are as follows:

To SRGL:

Prior to the appointment of the Joint Official Liquidators:

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

After the appointment of the Joint Official Liquidators:

At the contact information for the Joint Liquidators set forth below.

To the Joint Liquidators:

Eleanor Fisher
Kalo (Cayman) Limited
PO Box 776
38 Market Street
Suite 4208, Canella Court
Camana Bay
Grand Cayman, KY1-9006
Telephone: (345) 814-4035
Email: efisher@kaloadvisors.com

John C. McKenna
Finance & Risk Services Ltd.
P.O. Box HM 321
Hamilton HM BX
Bermuda
Telephone: (441) 292-5526
Email: john.mckenna@frsl.bm

with copies (which shall not constitute notice to the Joint Liquidators for the purposes of this Article 13) to:

Robin J. Mayor
Conyers Dill & Pearman
Clarendon House
2 Church Street, Hamilton HM 11 Bermuda
Telephone: (441) 299-4929
Email: robin.mayor@conyersdill.com

Aristos Galatopoulos
Maples and Calder
PO Box 309, Ugland House South Church Street
KY1-1104 George Town
Grand Cayman
Cayman Islands
Telephone: (345) 814-5241
Email: aristos.galatopoulos@maplesandcalder.com

Ned S. Schodek
Shearman & Sterling LLP
599 Lexington Avenue
New York, NY 10022
Telephone: (212) 848-7052
Email: ned.schodek@shearman.com

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 Article 13) to:

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:

HSCM Bermuda Fund Ltd.
c/o Hudson Structured Capital Management Ltd.
One Dock Street, Suite 404
Stamford, Connecticut 06902
Telephone: (203) 975-4859

Email: ajay.mehra@hscm.com
Attention: Ajay Mehra, General Counsel

with a copy (which shall not constitute notice to Purchaser for the purposes of this Article 13 to:

Sidley Austin LLP
787 Seventh Avenue
New York, New York 10019
Telephone: (212) 839-7365
Facsimile: (212) 839-5599
Email: dmanfredi@sidley.com
lattanasio@sidley.com
Attention: Dennis M. Manfredi, Esq.
Lee S. Attanasio, Esq.

13.3 Any Party hereto and any Joint Liquidator may modify its contact details by providing written notice thereof to the other Parties and the Joint Liquidators in accordance with this Article 12, which such changes deemed to be effective three (3) Business Days after the date such notice is provided.

13.4 Any notice under this Agreement will be deemed to be given as follows:

- (a) if in person, at the time of delivery;
- (b) if by inland post, three Business Days after being deposited in the post, postage prepaid in a correctly addressed envelope;
- (c) if by international priority courier delivery, three days after delivery to such courier; or
- (d) if by email or fax, when received in legible form.

13.5 For the purpose of this Agreement, an email notice will be treated as being in writing.

13.6 Any notice given to SRGL hereunder shall also be given to the Joint Liquidators, whether or not the Joint Liquidators are full powers liquidators at the time of the giving of such notice.

14 ENFORCEMENT BY THIRD PARTIES

There shall be no third party beneficiaries to this Agreement, except that:

14.1 The Joint Liquidators shall be express third party beneficiaries to this Agreement and entitled, as if they were a party to this Agreement, to enforce and enjoy the

benefit of all limitations, exclusions, undertakings and covenants in their favor and in favor of SRGL contained in this Agreement, from which the Joint Liquidators will continue to benefit notwithstanding their discharge from office as Joint Liquidators of SRGL;

14.2 Each of the Joint Liquidators' firm, its members, partners, directors, officers, employees, agents, advisers and representatives shall be entitled to rely on, enforce and enjoy the benefit of Article 15 (*Joint Liquidators' Liability*) as if they were a party to this Agreement;

14.3 any person who from time to time is appointed as a liquidator of SRGL (including pursuant to an order of the Bermuda Court and/or the Cayman Islands Court) shall be entitled to rely on, enforce and enjoy the benefit of the rights granted to the Joint Liquidators under this Agreement and any such person and his or her firm, its members, partners, directors, officers, employees, agents, advisers and representatives shall be entitled to rely on, enforce and enjoy the benefit of Article 15 (*Joint Liquidators' Liability*) as if they were a party to this Agreement; and

14.4 The Plan Sponsor or Purchaser, as applicable, is an intended third-party beneficiary of and may enforce Article 3 (*Undertakings by SRGL*), Article 4 (*Undertakings by SALIC Parties*), Article 5 (*Restructuring Steps*), any provision of Article 10 (*Termination*) requiring prior notice to or prior written consent of the Purchaser or Plan Sponsor, Article 12 (*Confidentiality and Announcements*), and this Article 14 (*Enforcement by Third Parties*).

15 JOINT LIQUIDATORS' LIABILITY

Any Restructuring Documents to be executed by the Joint Liquidators (unless expressly otherwise stated therein) or other actions to be taken by the Joint Liquidators in furtherance of the Restructuring Transactions will be done by the Joint Liquidators solely in their capacity as Court-appointed agents of SRGL, acting without personal liability. The Joint Liquidators are not Parties to this Agreement and are third-party beneficiaries to this Agreement as set forth in Article 14 above, and neither the Joint Liquidators, nor any subsequent liquidator (whether appointed pursuant to an order of the Bermuda Court, the Cayman Islands Court or otherwise), nor any of their firm, partners, employees, advisers, representatives or agents shall incur any personal liability whatsoever under this Agreement (or any agreements or arrangements entered into pursuant to or referred to in this Agreement), howsoever arising.

16 GOVERNING LAW

16.1 This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

16.2 The Parties irrevocably agree that prior to the Petition Date only the Bermuda

Court or the Cayman Islands Court shall have jurisdiction to hear and determine any suit, action or proceeding and/or to settle any dispute which may arise out of or in connection with or in any way relate to this Agreement and which involves the rights, claims, duties or liability of SRGL or either Joint Liquidator. Each of the Parties irrevocably waives any objection which it might now or hereafter have to the Cayman Islands Court and the Bermuda Court being nominated as the forum to hear and determine any such suit, action or proceeding and/or any dispute.


- 16.3** The Parties irrevocably agree that, following the Petition Date and except as otherwise provided in Section 16.4, only the Bankruptcy Court shall have jurisdiction to hear and determine any suit, action or proceeding and/or to settle any dispute which may arise out of or in connection with or in any way related to this Agreement. Except as otherwise provided in Section 16.4, each of the Parties irrevocably waives any objection which it might now or hereafter have to the Bankruptcy Court being nominated as the forum to hear and determine any such suit, action or proceeding and/or any dispute.
- 16.4** Sections 16.2 and 16.3 shall in no way restrict or otherwise affect the supervisory jurisdiction of the Bankruptcy Court, the Bermuda Court or the Cayman Islands Court in relation to the respective bankruptcy or liquidation proceedings before those Governmental Authorities and each of those Governmental Authorities shall, among other things, retain exclusive jurisdiction to interpret their own orders. It is expressly understood and agreed by the Parties that the Joint Liquidators are not Parties to this Agreement and do not consent to and shall not be subject to the jurisdiction of the Bankruptcy Court and that only the Bermuda Court or the Cayman Islands Court shall have jurisdiction over any suits, actions, or proceedings naming the Joint Liquidators as parties and/or to settle any dispute which may arise out of or in connection with or in any way related to: (a) the exercise of SRGL of its rights under Section 10.2(a) or 10.2(c) to terminate this Agreement; (b) SRGL's failure to perform its obligations under this Agreement pursuant to Article 9; and (c) any interpretation of Section 12.2(h), Section 14.1, Section 14.2, Section 14.3 and Article 15 (*Joint Liquidators' Liability*). Each of the Parties irrevocably waives any objection which it might now or hereafter have to the Cayman Islands Court or the Bermuda Court being nominated as the forum to hear and determine any such suit, action or proceeding and/or any such dispute. Further, it is expressly understood and agreed by the Parties that the Share Surrender Documents and the New SALIC Shares Issuance Documents, shall be governed by the laws of the Cayman Islands and subject to the exclusive jurisdiction of the Cayman Islands Court.
- 16.5** The Bermuda Court, and if Cayman Islands Joint Official Liquidators are appointed by the Cayman Islands Court or an order winding up SRGL is made in the Cayman Islands, the Cayman Islands Court, shall have exclusive jurisdiction of any and all matters relating to the liquidation of SRGL and the powers and actions of the Joint Liquidators in those respective jurisdictions.

17 GENERAL

- 17.1** This Agreement may not be modified, amended or supplemented except in a writing executed by each of the Parties and the written consent of the Joint Liquidators.
- 17.2** This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors, assigns and transferees.
- 17.3** Failure by the Parties to require performance of any term or condition of this Agreement shall not prevent the subsequent enforcement of such term or condition nor shall such failure be deemed to be a waiver of any subsequent breach of this Agreement, or any right or remedy granted by this Agreement or by the general law in respect of such breach.
- 17.4** The terms of this Agreement represent the entire agreement between the Parties relating to the subject matter of this Agreement and this Agreement supersedes any previous arrangement between the Parties in relation to the matters dealt with in this Agreement.
- 17.5** This Agreement may be executed in hard copy, by original fax or by pdf copy in any number of counterparts, and by each of the Parties on separate counterparts, each of which so executed and delivered will be an original, but all counterparts will together constitute one and the same Agreement.

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

SCOTTISH RE GROUP LIMITED

By: 
Name: Gregg Klingenberg
Title: Chief Executive Officer

**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: EVP, Chief Financial Officer

EXHIBIT A

PLAN SPONSORSHIP AGREEMENT

Exhibit A, Plan Sponsorship Agreement, Intentionally Omitted

See Plan Sponsorship Agreement attachment to the Motion

EXHIBIT B

STOCK PURCHASE AGREEMENT

Exhibit B, Stock Purchase Agreement, Intentionally Omitted

See Exhibit B to D.I. 27

Exhibit 2

[Insert – Text of Revised Section 9 of RIA]

9 LIMITATIONS

9.1 Notwithstanding any other provision of this Agreement, nothing in this Agreement or the Restructuring Documents shall require any Party or the Joint Liquidators to (whether by action or omission) breach, or procure the breach of (in each case provided that such breach cannot be avoided or removed by taking commercially reasonable steps):

- (a) any Applicable Law;
- (b) without limiting the scope of Section 9.1 hereof, any obligations of the Joint Liquidators or their respective financial or legal advisors pursuant to, in the case of the Joint Liquidators appointed by the Bermuda Court, the Companies Act 1981 and Companies (Winding Up) Rules 1982 of Bermuda and any Orders of the Bermuda Court and in the case of the Joint Liquidators appointed by the Cayman Islands Court (as applicable), the Companies Law (2016 Revision) and the Companies Winding up Rules 2008 (as amended) of the Cayman Islands and any Orders of the Cayman Islands Court;
- (c) any Order, judgment or direction of any relevant court or Governmental Authority; or
- (d) any fiduciary duties owed by a Party (or such Party's officers, directors or managers) or Joint Liquidator under Applicable Law.

9.2 Without limiting the foregoing and notwithstanding anything to the contrary in this Agreement, (a) nothing in this Agreement shall require any Party, any directors or officers of any Party (in such person's capacity as a director or officer of a Party) or any Joint Liquidator to take any action, or to refrain from taking any action, to the extent such action or forbearance violates its or their fiduciary obligations under applicable law, as determined after consultation with its or their legal advisors, and (b) in the event any Party, any Party's board of directors (or equivalent decision making body) or the Joint Liquidators reasonably determine, or the Bankruptcy Court orders, consistent with its or their fiduciary obligations and in consultation with their legal advisors, that any condition to effectiveness of the Restructuring cannot be satisfied or proceeding with any of the terms or conditions of the Restructuring would violate their fiduciary duties, they may terminate this Agreement without incurring any liability to any Party under this Agreement or to the Joint Liquidators.

9.3 For the avoidance of doubt, a Party's failure to perform its obligations under this Agreement due to any of the limitations set forth in Sections 9.1 and 9.2 above (the "**Limitations**") may constitute a material breach of this Agreement entitling the other Parties to terminate this Agreement pursuant to Article 10 hereof; provided, however, that any such material breach shall not entitle other Parties to this Agreement to any damages or other relief under this Agreement.