

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. 437

FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER
CONFIRMING THIRD AMENDED JOINT CHAPTER 11 PLAN OF
REORGANIZATION OF SCOTTISH HOLDINGS, INC., AND SCOTTISH ANNUITY &
LIFE INSURANCE COMPANY (CAYMAN) LTD.

Scottish Holdings, Inc. ("SHI"), and Scottish Annuity & Life Insurance Company (Cayman) Ltd. ("SALIC"), debtors and debtors in possession (together, the "Debtors"), having, in each case on the terms and to the extent set forth in the applicable pleadings and orders:

- i. filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (as amended, the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (this "Court" or the "Bankruptcy Court") on January 28, 2018 (the "Petition Date") and thereby commenced their respective bankruptcy cases (the "Chapter 11 Cases");
- ii. continued to operate their businesses and manage their properties and assets as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code, and no trustee or examiner having been appointed in the Chapter 11 Cases;
- iii. filed and served the *Motion of the Debtors for Entry of an Order (A) Approving Bidding Procedures in Connection with an Auction for Plan Sponsorship; (B) Approving Certain Stalking Horse Protections; and (C) Authorizing and Scheduling a Date and Time for an Auction Pursuant to Such Procedures* [D.I. 27] on January 31, 2018;
- iv. filed and served the *Debtors' Motion for: (A) Order Authorizing Debtors' Assumption of Restructuring Implementation Agreement and Granting Related*

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.

- Relief; and (B) Order Authorizing Debtors' Assumption of Plan Sponsorship Agreement and Granting Related Relief* [D.I. 29] on January 31, 2018;
- v. filed and served the *Debtors' Motion for Entry of an Order (A) Establishing Limited Bar Date for Filing Proofs of Claim, (B) Approving the Form and Manner for Filing Proofs of Claim, (C) Approving Notice Thereof, and (D) Granting Related Relief* [D.I. 38] on February 2, 2018;
- vi. filed the *Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* [D.I. 213] and the related proposed disclosure statement [D.I. 214] on April 18, 2018;
- vii. filed and served the *Debtors' Motion for Order: (I) Approving Disclosure Statement; (II) Scheduling Confirmation Hearing and Related Deadlines; (III) Establishing Procedures for Solicitation, Temporary Allowance of Claims and Vote Tabulation; (IV) Approving Form of Ballots; (V) Approving Form, Manner and Sufficiency of Notice of Confirmation Hearing and Related Deadlines; and (VI) Granting Related Relief* [D.I. 242] on May 4, 2018, and modified by the Debtors' related filing on June 28, 2018 [D.I. 377] (as modified, the "Solicitation Procedures Motion");
- viii. filed the *First Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* and related proposed disclosure statement [D.I. 357] on June 15, 2018;
- ix. conducted an Auction on May 30, 2018, as contemplated by the Bidding Procedures Order (as defined below);
- x. executed the *Stock Purchase Agreement By and Among Scottish Annuity & Life Insurance Company (Cayman) Ltd., Scottish Holdings, Inc., and Hildene Re Holdings, LLC*, dated as of June 11, 2018 (as amended, modified or supplemented from time to time, and together with all schedules and exhibits thereto, the "Stock Purchase Agreement"), and filed it with the Court [D.I. 342-1] on June 11, 2018;
- xi. obtained entry of the *Order: (I) Approving Debtors' Designation of (A) Winning Bid and Winning Bidder and (b) Backup Bid and Backup Bidder; and (II) Granting Related Relief* on June 12, 2018 [D.I. 346] (the "Winning Bidder Order"), which approved the designation of Hildene Re as the Winning Bidder and its Bid as set forth in the Stock Purchase Agreement and related documents as the Winning Bid and granted related relief;
- xii. terminated that certain *Plan Sponsorship Agreement by and among Scottish Annuity & Life Insurance Company (Cayman) Ltd., Scottish Holdings, Inc., and HSCM Bermuda Fund Ltd.*, dated January 28, 2018, as amended by the *Order Authorizing Debtors to Assume Plan Sponsorship Agreement and Granting Related Relief* [D.I. 115], entered February 27, 2018 (the "PSA Order"), pursuant to a notice provide to the Stalking Horse in accordance with the PSA on June 20, 2018;

- xiii. filed the *Second Amended Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* and related proposed disclosure statement [D.I. 375] on June 27, 2018;
- xiv. having obtained entry, after notice and a hearing on the Solicitation Procedures Motion, of the *Order (I) Approving Disclosure Statement; (II) Scheduling Confirmation Hearing and Related Deadlines; (III) Establishing Procedures for Solicitation; (IV) Approving Forms of Ballots; (V) Approving Form, Manner and Sufficiency of Notice of Confirmation Hearing and Related Deadlines; and (VI) Granting Related Relief* [D.I. 379] (the “Disclosure Statement Order”) on June 28, 2018, whereby the Court, among other things, approved the Disclosure Statement as containing adequate information under section 1125 of the Bankruptcy Code and approved the Solicitation Procedures, the Temporary Allowance Procedures and Vote Tabulation Procedures (each as defined in the Disclosure Statement Order);
- xv. filed the solicitation versions of the *Second Amended Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* [D.I. 381] (the “Second Amended Plan”) and related disclosure statement [D.I. 382] (together with all schedules and exhibits, the “Disclosure Statement”) on June 29, 2018;
- xvi. filed and served the *Notice of Deadline of May 7, 2018 to File Proofs of Claim for Prepetition Claims* [D.I. 202] (the “Notice of Bar Date”) on April 2, 2018, and the *Notice of Deadline of August 21, 2018 as the Special Bar Date to File Proofs of Claim for Prepetition Claims* [D.I. 416] (the “Notice of Special Bar Date”) on July 31, 2018, as well as affidavits and declarations of service relating to the foregoing;
- xvii. filed the *Notice of (I) Deadline For Casting Votes To Accept Or Reject The Debtors Second Amended Joint Chapter 11 Plan, (II) Hearing To Consider Confirmation Of The Debtors Second Amended Joint Chapter 11 Plan Of Reorganization Of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd. and (III) Certain Related Matters* [D.I. 384] (the “Confirmation Hearing Notice”) on June 29, 2018;
- xviii. completed, through the services of Prime Clerk LLC, acting as the Court-appointed voting agent for these Chapter 11 Cases (the “Voting Agent”), the distribution of the Solicitation Materials (as defined below), consistent with the Bankruptcy Code, the Bankruptcy Rules, the Disclosure Statement Order and the Solicitation Procedures Motion as approved by the Disclosure Statement Order, on July 3, 2018, as described in the *Affidavit of Service of Solicitation Materials* (the “Solicitation Affidavit”) [D.I. 395];
- xix. filed and served the *Notice of (A) Debtors’ Potential Assumption of Certain Executory Contracts and Unexpired Leases Pursuant to Debtors Second Amended Joint Chapter 11 Plan of Reorganization, (B) Cure Amounts, if Any, and (C)*

Procedure in Connection Therewith [D.I. 409] on July 20, 2018 (the “Contract Assumption Notice”);

- xx. filed and served the various documents comprising the initial plan supplement on August 1, 2018 [D.I. 418] (the “Original Plan Supplement”), the first addendum thereto on August 6, 2018 [D.I. 424] (the “PS First Addendum”) and the second addendum thereto on August 21, 2018 [D.I. 465] (the “PS Second Addendum,” (collectively, with the Original Plan Supplement and the PS First Addendum, as such documents may be further amended, modified or supplemented from time to time prior to the Effective Date in accordance with the Plan, the “Plan Supplement”);
- xxi. filed and served the *Third Amended Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* [D.I. 437, Ex. A] (as it may be altered, amended, modified or supplemented from time to time in accordance with its terms and together with the Stock Purchase Agreement and the Plan Supplement, the “Third Amended Plan” or the “Plan”), together with a redline of the text of the Plan marked against the text of the Second Amended Plan [D.I. 437, Ex. B], which redline demonstrates that the modifications made to the Second Amended Plan are technical and non-material as to Creditors and other parties-in-interest that have not affirmatively consented to such modifications;
- xxii. filed and served the *Debtors’ Motion Pursuant To Bankruptcy Rule 9019 For Entry Of An Order Approving Stipulation By And Among Scottish Annuity & Life Insurance Company (Cayman) Ltd. And Scottish Holdings, Inc., Debtors And Debtors In Possession, And Scottish Financial (Luxembourg) S. r.l., Acting Through Max Mailliet As Its Appointed Bankruptcy Receiver In Its Luxembourg Bankruptcy Proceeding, Regarding (I) Allowance Of SFL Note Claim As Class 6 Claim Under Debtors’ Plan Of Reorganization, (II) Voting Of SFL Note Claim For Debtors’ Plan Of Reorganization, And (III) Related Matters* [D.I. 445] an August 16, 2018 (the “SFL Settlement Motion”), pursuant to which the Debtors are seeking, among other things approval of the stipulation between the Debtors and the SFL Receiver annexed as Exhibit 1 to the proposed order attached as Exhibit A thereto (the “SFL Stipulation”), and requested by a contemporaneously filed and served motion to shorten notice [D.I. 446] that the Court schedule the SFL Settlement Motion to be heard at the Confirmation Hearing;
- xxiii. filed and served the proposed *Findings of Fact, Conclusions of Law, and Order Confirming Third Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* on [D.I. 456] on August 20, 2018;
- xxiv. filed and served the *Declaration of Gregg Klingenberg in Support of Confirmation of the Debtors’ Third Amended Plan of Reorganization* (the “Confirmation Declaration”) [D.I. 453] on August 20, 2018;

- xxv. filed and served the *Declaration of James Daloia of Prime Clerk LLC Regarding the Solicitation of Votes And Tabulation of Ballots Cast on the Second Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* (the "Voting Report") [D.I. 452] on August 17, 2018; and
- xxvi. filed and served the *Memorandum of Law in Support of Confirmation of Debtors' Third Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* (the "Confirmation Brief") [D.I. 451] on August 17, 2018;

This Court having:

- i. entered the *Order (A) Approving Bidding Procedures In Connection With An Auction For Plan Sponsorship Or Other Alternative Transaction; (B) Approving Certain Stalking Horse Protections; And (C) Authorizing And Scheduling A Date And Time For An Auction Pursuant To Such Procedures* [D.I. 119] (the "Bidding Procedures Order") on February 28, 2018;
- ii. entered the PSA Order on February 27, 2018;
- iii. entered the *Order Authorizing Debtors To Assume Restructuring Implementation Agreement And Related Relief* [D.I. 170] on March 19, 2018;
- iv. entered the *Order (A) Establishing Bar Dates for Filing Proofs of Claim, (B) Approving the Form and Manner for Filing Proofs of Claim, (C) Approving Notice Thereof, and (D) Granting Related Relief* (the "Claims Bar Date Order") on March 28, 2018;
- v. Entered the Winning Bidder Order on June 12, 2018;
- vi. Entered the Disclosure Statement Order on June 29, 2018;
- vii. held a hearing to consider the Confirmation of the Plan commencing on August 22, 2018 (the "Confirmation Hearing");
- viii. reviewed the Disclosure Statement, the Plan, the Plan Supplement, the other Plan Documents, the Confirmation Brief, the Voting Report, and all other pleadings, evidence, exhibits, statements, documents and filings regarding confirmation of the Plan; and
- ix. heard and considered the statements of counsel and all other testimony and evidence proffered and/or adduced at or in connection with the Confirmation Hearing and in respect of confirmation of the Plan.

NOW THEREFORE, it appearing to this Court that notice of the Confirmation Hearing and the opportunity for any party in interest to object to Confirmation have been adequate and

appropriate as to all parties affected or to be affected by the Plan and the transactions contemplated thereby, and the legal and factual bases set forth in the documents filed in support of Confirmation and presented at the Confirmation Hearing establish just cause for the relief granted herein; and after due deliberation thereon and good cause appearing therefor, this Court hereby makes and issues the following Findings of Fact, Conclusions of Law, and orders:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

A. Commencement and Joint Administration of the Chapter 11 Cases

1. On January 28, 2018 (the "Petition Date"), each of the above-captioned Debtors commenced a case under Chapter 11 of the Bankruptcy Code. By prior order of the Bankruptcy Court, the Chapter 11 Cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"). The Debtors have operated their businesses and managed their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Chapter 11 Cases.

B. Jurisdiction and Venue

2. Venue in the Bankruptcy Court was proper as of the Petition Date with respect to each Debtor pursuant to 28 U.S.C. §§ 1408 and 1409 and continues to be proper during the Chapter 11 Cases. Confirmation of the Plan ("Confirmation") is a core proceeding under 28 U.S.C. § 157(b)(2). The Bankruptcy Court has subject matter jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and exclusive jurisdiction to determine whether the Plan complies with the applicable provisions of the Bankruptcy Code and should be confirmed.

C. Objections

3. Any resolutions of objections to Confirmation explained on the record at the Confirmation Hearing are incorporated by reference. All unresolved objections, statements, and reservations of rights are overruled on the merits.

D. Burden of Proof

4. Based on the Court's review of the evidence submitted in support of Confirmation, including, without limitation, the declarations proffered as testimony, the Debtors have met their burden of proving the elements of Section 1129 of the Bankruptcy Code.

E. Disclosure Statement

5. The Disclosure Statement, previously approved as containing adequate information within the meaning of section 1125 of the Bankruptcy Code, was included in the Solicitation Packages and properly distributed to Holders of Claims and Interests in connection with solicitation of their acceptance or rejection of the Plan, in accordance with the provisions of the Bankruptcy Code.

F. Service of Solicitation Materials; Notice; Voting Report

6. As evidenced in the Solicitation Affidavit, the Debtors complied with the notice and service requirements and procedures with respect to solicitation of votes and distribution of notices of non-voting status or other notices, as approved in the Disclosure Statement Order. No objections were filed with respect to the Solicitation Affidavit.

7. All procedures used to (a) provide notice and distribute the materials necessary to vote on the Plan (the "Solicitation Materials") to the applicable voting Holders of Claims and Interests and (b) tabulate the Ballots and Master Ballots (as defined in the Disclosure Statement Order Order) were fair and conducted in accordance with the Disclosure Statement Order, the Bankruptcy Code, the Bankruptcy Rules and the local rules of this Court.

8. As evidenced by the Voting Report, all Ballots were properly tabulated, and votes for acceptance and rejection of the Plan were solicited in good faith and in compliance with sections 1125 and 1126 and other applicable provisions of the Bankruptcy Code, Rules 3017 and 3018 and other applicable Bankruptcy Rules, the Disclosure Statement Order and any applicable local rules of this Court.

9. Each of the Debtors and, to the extent applicable, their respective affiliates, agents, directors, members, partners, officers, employees, advisors and attorneys have solicited votes on the Plan in good faith and in compliance with the applicable provisions of the Disclosure Statement Order, the Bankruptcy Code, the Bankruptcy Rules and the local rules of this Court.

G. Bankruptcy Rule 3016

10. The Plan is dated and identifies the entities submitting it, thereby satisfying Bankruptcy Rule 3016(a). The filing of the Disclosure Statement with the Clerk of the Bankruptcy Court satisfied Bankruptcy Rule 3016(b). The injunction, release, and exculpation provisions in the Disclosure Statement and Plan describe, in bold font and with specific and conspicuous language, all acts to be enjoined and identify the entities that will be subject to the injunction, thereby satisfying Bankruptcy Rule 3016(c).

H. Confirmation Hearing Notice

11. As evidenced by the Solicitation Affidavit, the Debtors served the Confirmation Hearing Notice in accordance with the procedures approved in the Disclosure Statement Order.

I. Voting Result

12. Class 4 (SHI TruPS claims), Class 5 (SHI General Unsecured Claims), Class 6 (SALIC TruPS Claims & SFL Claims) and Class 7 (SALIC General Unsecured Claims) are

Impaired under the Plan and therefore eligible to vote on the Plan. As evidenced by the Voting Report, each Class eligible to vote on the Plan has voted to accept the Plan.

J. Classes Deemed to Have Accepted the Plan

13. Class 1 (Secured Claims), Class 2 (Priority Non-Tax Claims), Class 3 (Intercompany Claims) and Class 10 (SALIC Existing Equity Interests) are Unimpaired under the Plan and the Holders of Claims and Interests in such Classes are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code.

K. Classes Deemed to Have Rejected the Plan

14. Class 8 (Subordinated Claims) and Class 9 (SHI Existing Equity Interests) are not entitled to receive or retain any property under the Plan on account of their Claims or Interests, and therefore the Holders of Claims or Interests in such classes are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code.

L. Plan Supplement

15. The documents identified in the Plan Supplement were filed as required by the Plan, the Disclosure Statement Order and any applicable provisions of the Bankruptcy Code, the Bankruptcy Rules or the local rules of this Court. The Debtors provided adequate and sufficient notice of such documents in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Disclosure Statement Order and the local rules of this Court, and no other or further notice is or shall be required. The Debtors are authorized to modify and amend the Plan Supplement through and including the Effective Date, as to each document included in the Plan Supplement subject to (a) the respective consent rights of Purchaser and the Official Committee as contained in the definition of "Plan Supplement" set forth at Section 1.113 of Exhibit A to the Plan and (b) the SRGL Consent Rights to the extent the SRGL Consent Rights are applicable to any further modifications or amendments to the Plan Supplement. Additionally, the Debtors are authorized

to take all actions necessary and appropriate to effect the transactions contemplated in the Plan Supplement documents through, including and following the Effective Date.

M. Purchaser's Election Regarding Issuer of New Equity

16. Purchaser has directed, pursuant to Section 9.4 of the Stock Purchase Agreement and Section 6.1(f) of the Plan, that the New Equity will be issued by New Holdco, and has timely filed a notice annexed as Exhibit A the Plan Supplement [D.I. 418] in accordance with Section 6.1(f) of the Plan disclosing that the New Equity will be issued by New Holdco. Additionally, Purchaser has timely and properly identified Ludlow Holdings (Cayman) Ltd., an exempted company limited by shares incorporated and existing under Cayman Islands law, as New Holdco.

N. Compliance with the Requirements of Section 1129 of the Bankruptcy Code

b. Section 1129(a)(1)—Compliance of the Plan with Applicable Provisions of the Bankruptcy Code

17. The Plan complies with all applicable provisions of the Bankruptcy Code as required by section 1129(a)(1) of the Bankruptcy Code, including, without limitation, sections 1122 and 1123 of the Bankruptcy Code.

c. Sections 1122 and 1123(a)(1)—Proper Classification

18. Article III of the Plan designates Classes of Claims and Interests other than Administrative Claims and Priority Tax Claims (which are not required to be designated pursuant to section 1123(a)(1) of the Bankruptcy Code). As required by section 1122(a) of the Bankruptcy Code, each Class of Claims and Interests contains only Claims or Interests that are substantially similar to the other Claims or Interests within that Class. Without limiting the foregoing, the SALIC TruPS Claims and SFL Claims are appropriately classified in Class 6. Valid reasons exist for separately classifying the various Classes of Claims and Interests created

under the Plan. The Plan, therefore, satisfies sections 1122 and 1123(a)(1) of the Bankruptcy Code.

d. Sections 1123(a)(2) and 1123(a)(3)—Specific Unimpaired and Impaired Classes

19. Articles III and IV of the Plan specify that (a) Claims in Class 1 (Secured Claims), Class 2 (Priority Non-Tax Claims) and Class 3 (Intercompany Claims) and (b) Interests in Class 10 (SALIC Existing Equity Interests) are Unimpaired. Administrative Claims and Priority Tax Claims, which are not classified under the Plan, also are Unimpaired. Article IV of the Plan further specifies the treatment of each Impaired Class under the Plan, which are Class 4 (SHI TruPS claims), Class 5 (SHI General Unsecured Claims), Class 6 (SALIC TruPS Claims & SFL Claims) and Class 7 (SALIC General Unsecured Claims). The Plan, therefore, satisfies sections 1123(a)(2) and 1123(a)(3) of the Bankruptcy Code.

e. Section 1123(a)(4)—No Discrimination

20. Article IV of the Plan provides the same treatment for each Claim or Interest within a particular Class, unless the Holder of a particular Claim or Interest has agreed to a less favorable treatment with respect to such Claim or Interest. The Plan provides that Holders of General Unsecured Claims and TruPS Claims are to receive Distributions on a *pari passu* basis. The Plan, therefore, satisfies the requirements of section 1123(a)(4) of the Bankruptcy Code.

f. Section 1123(a)(5)—Adequate Means for Implementation of the Plan

21. The Plan, the Stock Purchase Agreement, the Restructuring Implementation Agreement, the various documents and agreements set forth in the Plan Supplement and other related documents provide adequate and proper means for the Plan's implementation. Moreover, the Plan provides adequate means for its implementation, including, without limitation: (a) the restructuring of the Debtors' prepetition debts via the consummation of the transactions set forth

in or contemplated by the Plan, the Stock Purchase Agreement and the Restructuring Implementation Agreement; (b) the continued corporate existence of the Debtors as Reorganized Debtors, as set forth in the Plan, the Stock Purchase Agreement and Plan Supplement; (c) the vesting of the Debtors' assets in the Reorganized Debtors and in the Distribution Trust as more fully set forth herein and in the Plan; (d) the issuance and distribution of the New Equity under the Plan; (e) the entry into the New Corporate Governance Documents; (f) the establishment and funding of the Distribution Trust; (g) funding Distributions under the Plan through cash on hand or the Plan Funding Payment (as provided for in the Plan); (h) the appointment of the Distribution Trustee; (i) the vesting of the Distribution Trust Property (as defined herein) in the Distribution Trust; and (j) the cancellation of the TruPS Documents, the SFL Note and related documents and agreements, each as and to the extent provided for in Art. VI, § 6.7 of the Plan. The Plan, therefore, satisfies the requirements of section 1123(a)(5) of the Bankruptcy Code.

g. Section 1123(a)(6)—Non-Voting Equity Securities

22. The New Corporate Governance Documents for the Reorganized Debtors prohibit the issuance of non-voting securities to the extent required by section 1123(a)(6) of the Bankruptcy Code. The Plan, therefore, satisfies the requirements of section 1123(a)(6) of the Bankruptcy Code.

h. Section 1123(a)(7)—Designation of Directors and Officers

23. The identities of the directors and officers of the Reorganized Debtors, as selected by the Purchaser, are set forth in Exhibit D of the Plan Supplement. The identity and compensation terms of the initial Distribution Trustee, as selected by the Official Committee, are set forth in Exhibit H of the Plan Supplement. The identities of the initial three (3) Oversight Committee Members (as defined in the Distribution Trust Agreement) are set forth in the signature pages to the form of Distribution Trust Agreement annexed to the PS Second

Addendum. The selections of each director or officer of the Reorganized Debtors, the Distribution Trustee and the Oversight Committee Members are consistent with the best interests of all Creditors, Interest Holders and public policy. The Plan, therefore satisfies the requirements of section 1123(a)(7) of the Bankruptcy Code.

i. Section 1123(b)—Discretionary Contents of the Plan

24. The Plan contains various provisions that may be construed as discretionary and not required for Confirmation under the Bankruptcy Code. As set forth below, such discretionary provisions comply with section 1123(b) of the Bankruptcy Code and are not inconsistent with the applicable provisions of the Bankruptcy Code. Thus, section 1123(b) of the Bankruptcy Code is satisfied.

(a) Section 1123(b)(1)—Impairment/Unimpairment of Classes

25. The Plan is consistent with Bankruptcy Code section 1123(b)(1). Articles III and IV of the Plan Impair or leave Unimpaired each Class of Claims or Interests.

(b) Section 1123(b)(2)—Assumption of Executory Contracts and Unexpired Leases

26. The Plan is consistent with Bankruptcy Code section 1123(b)(2). Article VIII of the Plan, the Contract Assumption Notice and the Rejection Schedule (which Rejection Schedule may be amended, modified or supplement from time to time through the Effective Date subject to the terms and conditions of Article VIII of the Plan) provide for the assumption or rejection of each of the Debtors' Executory Contracts and Unexpired Leases not previously assumed, assumed and assigned, or rejected during the Chapter 11 Cases pursuant to section 365 of the Bankruptcy Code. For the avoidance of doubt, unless otherwise expressly provided in the Rejection Schedule, all SRUS Retrocession Agreements, all Third-Party Reinsurance

Agreements, all Trust Agreements, all SALIC Net Worth Maintenance Agreements and any and all other reinsurance treaties and trust agreements shall be deemed assumed by SALIC.

(c) Section 1123(b)(3)—Settlement, Releases, Exculpation, Discharge, Injunction and Preservation of Certain Claims and Causes of Action

27. The Plan is consistent with section 1123(b)(3) of the Bankruptcy Code. The compromise and settlements embodied in the Plan, including the Plan Settlements (as defined herein), are in the best interests of the Debtors, the Estates, and all Holders of Claims and Interests, and are fair, equitable, and reasonable.

28. Section 10.2 of the Plan describes certain releases (the “Debtor Releases”) granted by the Debtors. The Debtors have satisfied the business judgment standard with respect to the propriety of the Debtor Releases. Such Debtor Releases constitute a necessary and integral element of the Plan, and are fair, reasonable, and in the best interests of the Debtors, the Estates, and Holders of Claims and Interests. Also, the Debtor Releases are: (a) in exchange for the good and valuable consideration provided by the Released Parties; (b) a good-faith settlement and compromise of the Claims released by Section 10.2 of the Plan; (c) given, and made, after due notice and opportunity for hearing; and (d) a bar to any of the Debtors, the Estates, the Distribution Trust, the Distribution Trustee or any person or entity claiming through, on behalf of, or for the benefit of any of the foregoing Entities, asserting any Claim or Cause of Action released by Section 10.2 of the Plan.

29. Section 10.3 of the Plan describes certain releases (the “Third-Party Releases”) granted by (i) Holders of Claims who vote to accept the Plan, (ii) Holders of Claims who are Unimpaired under the Plan, (iii) Holders of Claims entitled to vote on the Plan who do not submit a ballot and do not timely object to or opt-out of the releases, and (iv) each of the Purchaser, the Joint Liquidators, SRGL, and for each of the foregoing, their respective

Representatives (other than with respect to SRGL, the SRGL Equity Holders) (collectively, the “Releasing Parties”) of the Released Parties. The Third-Party Release is consensual with respect to the Releasing Parties.

30. The exculpation, described in Section 10.5 of the Plan (the “Exculpation”), is appropriate under the Bankruptcy Code, Bankruptcy Rules and local rules of this Court, including, because it was proposed in good faith, was formulated following extensive good-faith, arm’s-length negotiations with key constituents and is appropriately limited in scope.

31. The discharge, described in Section 10.4(a) of the Plan (the “Discharge”), is appropriate under the Bankruptcy Code, including section 1141(d) of the Bankruptcy Code, the Bankruptcy Rules and local rules of this Court. None of the exceptions to a discharge set forth in section 1141(d)(3) of the Bankruptcy Code are applicable, in that: (a) the Plan does not provide for the liquidation of all or substantially all of property of either Debtor’s Estate; (b) each Debtor will engage in business after consummation of the Plan; and (c) no facts and circumstances exist that would cause either Debtor to be denied a discharge under section 727(a) of the Bankruptcy Code were its Chapter 11 Case a case under chapter 7 of the Bankruptcy Code. Additionally, none of the debts at issue in the Debtors’ Chapter 11 Cases are of a kind that are nondischargeable under section 1141(d)(6) of the Bankruptcy Code.

32. The injunction provision set forth in Section 10.4(b) of the Plan (the “Injunction,” and collectively with the Debtor Release, the Third-Party Release, the Exculpation and the Discharge, the “Release, Exculpation, Discharge and Injunction Provisions”) is necessary to implement, preserve, and enforce the Debtor Releases, the Third-Party Release, the Exculpation and the Discharge, and is narrowly tailored to achieve these purposes.

33. Each of the Release, Exculpation, Discharge and Injunction Provisions is: (a) within the jurisdiction of the Court under 28 U.S.C. §§ 1334(a), 1334(b) and 1334(d); (b) an essential means of implementing the Plan pursuant to section 1123(a)(5) of the Bankruptcy Code; (c) an integral element of the transactions incorporated into or contemplated by the Plan; (d) conferring material benefit on, and is in the best interests of, the Debtors and their Estates; (e) important to the overall objectives of the Plan to maximize value and preserve the Debtors as going concerns; and (f) consistent with sections 105, 1123 and 1129 and other applicable provisions of the Bankruptcy Code.

34. In accordance with and subject to Section 6.5 of the Plan, the Retained Causes of Action are appropriately preserved for the Reorganized Debtors pursuant to section 1123(b)(3)(B) of the Bankruptcy Code. Also, in accordance with and subject to Section 6.5 of the Plan, all Causes of Action against the SRGL Equity Holders are appropriately preserved for, transferred to and vested in the Distribution Trust pursuant to section 1123(b)(3)(B) of the Bankruptcy Code. The Plan's provisions regarding the preservation of the Retained Causes of Action and Causes of Action against the SRGL Equity Holders are appropriate and are in the best interests of the Debtors, the Estates and Holders of Claims and Interests.

j. Section 1123(d)—Curing Defaults

35. The Plan satisfies section 1123(d)'s requirement that any amounts necessary to cure any defaults, if any, associated with each Executory Contract to be assumed pursuant to the Plan in accordance with section 365(b)(1) of the Bankruptcy Code have been determined in accordance with the relevant underlying agreement and applicable nonbankruptcy law.

k. Section 1129(a)(2)—the Debtors’ Compliance with Applicable Provisions of the Bankruptcy Code

36. The Debtors, as Plan proponents, have complied with all applicable provisions of the Bankruptcy Code as required by section 1129(a)(2) of the Bankruptcy Code, including, without limitation, sections 1125 and 1126 of the Bankruptcy Code and Bankruptcy Rules 3017, 3018 and 3019. In particular, the Debtors are eligible debtors under section 109 of the Bankruptcy Code and proper Plan proponents under section 1121(a) of the Bankruptcy Code. Furthermore, the solicitation of acceptances and rejections of the Plan: (a) complied with the Disclosure Statement Order; (b) occurred only after disclosing “adequate information,” as section 1125(a) of the Bankruptcy Code defines that term, to Holders of Claims and Interests; (c) complied with all applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the local rules of this Court relating to the adequacy of disclosure in connection with such solicitation, the form of such solicitation or the manner of such solicitation; and (d) any modifications made to the Plan in order to implement settlements or resolve objections to Confirmation of the Plan comply with Bankruptcy Rule 3019 and, for the avoidance of doubt, do not require the Debtors to resolicit any creditors. The Debtors, the Purchaser and their respective Representatives, each in their capacities as such, have acted in “good faith” within the meaning of section 1125(e) of the Bankruptcy Code. The Plan, therefore, satisfies the requirements of section 1129(a)(2) of the Bankruptcy Code.

l. Section 1129(a)(3)—Proposal of the Plan in Good Faith

37. The Plan satisfies the requirements of section 1129(a)(3) of the Bankruptcy Code. The Debtors have proposed the Plan in good faith and not by any means forbidden by law. In so determining, the Court has examined the totality of the circumstances surrounding the filing of the Chapter 11 Cases, the Plan itself, the process leading to Confirmation, including the

overwhelming support of Holders of Claims and Interests for the Plan, and the transactions to be implemented pursuant thereto, including the issuance of New Equity. The Chapter 11 Cases were filed, and the Plan was proposed, with the legitimate purpose of allowing the Debtors to emerge from bankruptcy with a capital and organizational structure that will allow them to conduct their businesses and satisfy their obligations with sufficient liquidity and capital resources. The Stock Purchase Agreement to be consummated in connection with the Plan is an essential element of the Plan, and the terms of the Stock Purchase Agreement are in the best interests of the Reorganized Debtors, the Debtors, their Estates, creditors and Interest Holders and were negotiated and obtained in good faith.

m. Section 1129(a)(4)—Bankruptcy Court Approval of Certain Payments as Reasonable

38. Payments made or to be made by the Debtors for services or for costs and expenses in connection with the Chapter 11 Cases prior to confirmation, or in connection with the Plan and incidental to the Chapter 11 Cases, including payments on account of Professional Fee Claims and the U.S. Trustee fees, have been approved by, or are subject to the approval of, this Court as reasonable. After the Effective Date, the Court will retain jurisdiction with respect to applications for allowance of Professional Fee Claims incurred up to and through the Effective Date. The Plan, therefore, satisfies the requirements of section 1129(a)(4) of the Bankruptcy Code.

n. Section 1129(a)(5)—Disclosure of Identity of Proposed Management and Compensation of Insiders and Consistency of Management Proposals with the Interests of Creditors and Public Policy

39. The Debtors have satisfied the requirements of section 1129(a)(5) of the Bankruptcy Code. Section 6.4(b) of the Plan and Exhibits D and E of the Plan Supplement disclose the identity and affiliations of the individuals proposed to serve as the initial directors

and officers of the Reorganized Debtors, and the nature of any compensation for any insider (as section 101 of the Bankruptcy Code defines that term) who will be employed or retained by the Reorganized Debtors. The proposed directors and officers for the Reorganized Debtors are qualified, and the appointments to, or continuance in, such offices by the proposed directors and officers is consistent with the interests of the Holders of Claims and Interests and with public policy.

o. Section 1129(a)(6)—Approval of Rate Changes

40. The Plan does not contain any rate changes subject to jurisdiction of any governmental regulatory commission and will not require governmental regulatory approval. Therefore, section 1129(a)(6) of the Bankruptcy Code does not apply to the Chapter 11 Cases.

p. Section 1129(a)(7)—Best Interests of Creditors and Interest Holders

41. The Plan satisfies section 1129(a)(7) of the Bankruptcy Code. The liquidation analysis attached as Exhibit 2 to the Disclosure Statement (the “Liquidation Analysis”) and the other evidence related thereto, as supplemented by the evidence proffered or adduced at or prior to the Confirmation Hearing, including the methodology used and assumptions made in the Liquidation Analysis, (a) are persuasive and credible as of the dates such evidence was prepared, presented or proffered, (b) have not been controverted by other persuasive evidence and have not been challenged, (c) are based upon reasonable and sound assumptions, and (d) provide a reasonable estimate of the liquidation value of the Debtors’ Estates upon a conversion to a Chapter 7 proceeding.

42. With respect to Class 4 (SHI TruPS claims), Class 5 (SHI General Unsecured Claims), Class 6 (SALIC TruPS Claims & SFL Claims), Class 7 (SALIC General Unsecured Claims), Class 8 (Subordinated Claims) and Class 9 (SHI Existing Equity Interests), the Impaired Classes under the Plan, each Holder of a Claim or Interest in any such Impaired Class

has accepted the Plan or will receive under the Plan on account of its respective Claim or Interest property of a value, as of the Effective Date, that is not less than the amount that each such Holder would so receive or retain if the Debtors were liquidated on the Effective Date under Chapter 7 of the Bankruptcy Code. The Plan, therefore, satisfies the requirements of section 1129(a)(7) of the Bankruptcy Code.

q. Section 1129(a)(8)—Acceptance of the Plan by Each Impaired Class

43. Class 1 (Secured Claims), Class 2 (Priority Non-Tax Claims) and Class 3 (Intercompany Claims) at each Debtor and Class 10 (SALIC Existing Equity Interests) at SALIC are deemed to accept the Plan. Class 4 (SHI TruPS claims), Class 5 (SHI General Unsecured Claims), Class 6 (SALIC TruPS Claims & SFL Claims) and Class 7 (SALIC General Unsecured Claims), each Impaired Classes, voted to accept the Plan.

44. Holders of Claims in Class 8 (Subordinated Claims) at each Debtor and Holders of Interests in Class 9 (SHI Existing Equity Interests) at SHI are deemed to have rejected the Plan. Such Classes are Impaired and therefore section 1129(a)(8) of the Bankruptcy Code is not satisfied. Nevertheless, the Plan is confirmable because it satisfies section 1129(b) of the Bankruptcy Code with respect to such non-accepting and impaired Classes of Claims and Interests.

r. Section 1129(a)(9)—Treatment of Claims Entitled to Priority Pursuant to Section 507(a) of the Bankruptcy Code

45. The treatment of (i) Administrative Claims, as set forth in Sections 4.1(a) and (c) of the Plan, (ii) Priority Tax Claims, as set forth in Section 4.1(b) of the Plan, and (iii) any Allowed Other Priority Claim, as set forth in Section 4.2(b) of the Plan, is in accordance with the requirements of section 1129(a)(9) of the Bankruptcy Code. The Plan, therefore, satisfies section 1129(a)(9) of the Bankruptcy Code

s. Section 1129(a)(10)—Acceptance by at Least One Impaired Class

46. As set forth in the Voting Report and herein, Class 4 (SHI TruPS Claims), Class 5 (SHI General Unsecured Claims), Class 6 (SALIC TruPS Claims & SFL Claims) and Class 7 (SALIC General Unsecured Claims), each Impaired Classes, voted to accept the Plan. Specifically, Class 4 (SHI TruPS Claims) still would have voted to accept the Plan even if the SHI TruPS Claims held by SRGL were disregarded. Similarly, Class 6 (SALIC TruPS Claims & SFL Claims) still would have voted to accept the Plan even if the SALIC TruPS Claims held by SRGL and the SFL Note Claim held by SFL were disregarded. As such, there is at least one Class of Claims that is Impaired under the Plan that has accepted the Plan as to each Debtor, determined without including any acceptance of the Plan by any insider, thus satisfying section 1129(a)(10) of the Bankruptcy Code.

t. Section 1129(a)(11)—Feasibility of the Plan

47. The Plan is feasible and satisfies the requirements of section 1129(a)(11) of the Bankruptcy Code. The Disclosure Statement and the other evidence supporting Confirmation of the Plan proffered or adduced by the Debtors at, or prior to, or in a declaration filed in connection with, the Confirmation Hearing: (a) are reasonable, persuasive and credible; (b) utilize reasonable and appropriate methodologies and assumptions; (c) have not been controverted by other evidence; (d) establish that the Plan is feasible and Confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization of the Reorganized Debtors or any successor to the Reorganized Debtors under the Plan, except as provided in the Plan; and (e) establish that the Reorganized Debtors and the Distribution Trust will have sufficient funds available to meet their respective obligations under the Plan.

ii. Section 1129(a)(12)—Payment of Statutory Bankruptcy Fees

48. Section 12.12 of the Plan provides that all fees payable by the Debtors or the Distribution Trustee (as applicable) pursuant to section 1930 of title 28 of the United States Code, as determined by the Bankruptcy Court, shall be paid for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed or closed, whichever occurs first. The Plan, therefore, satisfies the requirements of section 1129(a)(12) of the Bankruptcy Code

v. Section 1129(a)(13)—Retiree Benefits

49. The Debtor does not owe retiree benefits (as defined under section 1114 of the Bankruptcy Code), and accordingly section 1129(a)(13) does not apply to the Plan.

w. Section 1129(a)(14), 1129(a)(15) or 1129(a)(16)

50. The Debtors do not owe any domestic support obligations, are not individuals, and are not nonprofit corporations. Therefore, none of sections 1129(a)(14), 1129(a)(15) or 1129(a)(16) of the Bankruptcy Code apply to the Chapter 11 Cases.

x. Section 1129(b)—Classification of Claims and Interests and Confirmation of Plan Over Rejecting Classes

51. The classification and treatment of Claims and Interests in the Plan meets all of the applicable requirements of section 1129(a) of the Bankruptcy Code other than paragraph (8) and satisfies section 1129(b) of the Bankruptcy Code. Although the Plan separately classifies Claims in Class 4 (SHI TruPS Claims), Class 5 (SHI General Unsecured Claims), Class 6 (SALIC TruPS Claims & SFL Claims) and Class 7 (SALIC General Unsecured Claims), which Claims have the same priority, such classification complies with the Bankruptcy Code, the Bankruptcy Rules and local rules of this Court, it treats such Claims on a *pari passu* basis and does not unfairly discriminate against any non-accepting and Impaired Class of Claims or Interests. The Plan is fair and equitable with respect to each Class of Claims or Interests that is

Impaired under, and has not accepted, the Plan, because it provides that the Holder of any Claim or Interest that is junior to the Claims of such Class will not receive or retain any property on account of such junior Claim or Interest unless the creditors in such impaired Class receive payment equal to the full Allowed amount of their claim. Therefore, the Plan meets the requirements of section 1129(b)(1) of the Bankruptcy Code.

y. Section 1129(c)—Only One Plan

52. Other than the Plan (including previous versions thereof), no other plan has been filed for the Debtors in the Chapter 11 Cases. The Plan, therefore, satisfies the requirements of section 1129(c) of the Bankruptcy Code.

z. Section 1129(d)—Principal Purpose of Plan is Not Avoidance of Taxes

53. The principal purpose of the Plan is not the avoidance of taxes or the avoidance of the application of Section 5 of the Securities Act (15 U.S.C. § 77e). The Plan, therefore, satisfies the requirements of section 1129(d) of the Bankruptcy Code.

aa. Section 1129(e)—Small Business Case

54. None of these Chapter 11 Cases is a “small business case,” as that term is defined in the Bankruptcy Code, and, accordingly, section 1129(e) of the Bankruptcy Code is inapplicable.

O. Satisfaction of Confirmation Requirements

55. Based upon the foregoing, the Plan satisfies the requirements for confirmation set forth in section 1129 of the Bankruptcy Code.

P. Good Faith—Sections 1125(e) and 1126(e)

56. Based upon the record before the Court in the Chapter 11 Cases, including all testimony and evidence proffered or adduced at or prior to the Confirmation Hearing, the Debtors, the Official Committee, the Purchaser, the TruPS Institutional Trustees, BNYM as the

trustee for the SFLST I TruPS CDO Facility Holders and the Preferred Term Securities XV collateralized debt obligation facility, as a Beneficial Holder of SHST III TruPS (BNYM, in any such trustee capacity, the “CDO Trustee”), the Joint Liquidators, SRGL, the SFL Receiver, SFL and the Representatives of each of the foregoing Persons have acted in “good faith” within the meaning of sections 1125(e) and 1126(e) of the Bankruptcy Code in compliance with the applicable provisions of the Bankruptcy Code and Bankruptcy Rules in connection with all of their respective activities relating to support of the Plan, including, without limitation, (a) the execution, delivery and performance of the Restructuring Implementation Agreement and the Stock Purchase Agreement and (b) the and solicitation of acceptances of the Plan, and are entitled to the protections afforded by section 1125(e) of the Bankruptcy Code.

Q. Disclosure of Agreements and Other Documents

57. The Debtors have disclosed all material facts regarding the Plan, including, without limitation, the Restructuring Implementation Agreement, the Stock Purchase Agreement, the terms of issuance of the New Equity, the adoption, execution and delivery of all other material contracts, leases, instruments, releases and other agreements relating to any of the foregoing and the fact that each applicable Debtor will emerge from its Chapter 11 Case as a validly existing corporation, limited liability company, partnership, or other form, as applicable, with separate assets, liabilities and obligations.

R. Implementation of Other Necessary Documents and Agreements

58. All documents and agreements necessary to implement the Plan, including, without limitation, the Stock Purchase Agreement, the Restructuring Implementation Agreement, those contained in the Plan Supplement, and all other relevant and necessary documents and agreements relating to the Plan or the transactions contemplated thereby are in the best interests of the Debtors and the Holders of Claims and Interests, and have been negotiated in good faith

and at arm's length. The Debtors have exercised reasonable business judgment in determining to enter into all such documents and agreements and have provided sufficient and adequate notice of such documents and agreements to parties in interest.

S. Executory Contracts and Unexpired Leases; Adequate Assurance

59. The Debtors have exercised reasonable business judgment in determining whether to assume or reject each of their Executory Contracts and Unexpired Leases as set forth in Article VIII of the Plan, the Rejection Schedule or otherwise, and in this Confirmation Order.

60. The assumption or rejection of Executory Contracts (including, but not limited to, all SRUS Retrocession Agreements, Third-Party Reinsurance Agreements, Trust Agreements, SALIC Net Worth Maintenance Agreements and any and all other reinsurance treaties and trust agreements to be assumed by SALIC pursuant to the Plan) and Unexpired Leases pursuant to this Confirmation Order and in accordance with Article VIII of the Plan is integral to the Plan and is in the best interests of the Debtors and their Estates, Creditors, Holders of Interests and other parties in interest.

61. The Debtors have provided adequate assurance of future performance for each of the assumed Executory Contracts (including, but not limited to, all SRUS Retrocession Agreements, Third-Party Reinsurance Agreements, Trust Agreements, SALIC Net Worth Maintenance Agreements and any and all other reinsurance treaties and trust agreements to be assumed by SALIC pursuant to the Plan) and Unexpired Leases that are being assumed by the Reorganized Debtors, as applicable, pursuant to the Plan. The Debtors have cured or provided adequate assurance that the Reorganized Debtors will cure defaults (if any) under or relating to each of the Executory Contracts and Unexpired Leases that are being assumed by the Reorganized Debtors, as applicable, pursuant to the Plan. Except as otherwise provided in the Contract Assumption Notice or this Order, no Cure Amounts with respect to assumed Executory

Contracts and Unexpired Leases, are necessary under section 365(b) of the Bankruptcy Code. By the payment of the Cure Amounts, if and where applicable, the Debtors shall have cured and/or provided adequate assurance of cure of any monetary default existing as of the Effective Date and provided for compensation or adequate assurance of compensation to any party for actual pecuniary loss to such party resulting from a default under such assumed Executory Contracts and Unexpired Leases. The Plan, therefore, satisfies the requirements of section 365 of the Bankruptcy Code.

T. Reserves

62. The Plan provisions related to the Disputed Claims Reserve, the Professional Fee Reserve, the Trust Administration Reserve, the Post-Effective Date Indenture Trustee Fee Reserve, and the Distribution Trust Agreement (including, without limitation, Sections 6.1(b), 6.3(f) and 6.3(g) of the Plan) are reasonable and appropriate under the circumstances. With respect to the Disputed Claims Reserve, the Distribution Trust Agreement and Plan adequately protect the interests of Holders of Disputed Claims pending determination of such Claims.

U. Post-Petition Interest

63. Pursuant to Section 7.12 of the Plan, no interest shall accrue on any Allowed Claim amount nor shall such interest on Allowed Claims be paid by any Debtor or the Distribution Trust.

V. Settlements and Compromises; Rule 9019

64. The Plan incorporates an integrated compromise and settlement of numerous issues, disputes and Claims designed to achieve a beneficial and efficient resolution of these Chapter 11 Cases for all parties in interest, including, but not limited to, (a) any disputes regarding the appropriate allocation of general and administrative costs across the Debtors' assets and Estates, (b) any disputes regarding the allocation of the Plan Funding Payment and

any other value received by the Debtors under the Stock Purchase Agreement between the Debtors' Estates, and (c) any disputes regarding whether and, if so, to what extent the Debtors' assets and liabilities should be pooled for voting, Distribution and other purposes into a single, substantively consolidated estate (collectively, the "Plan Settlements"). Based upon the Confirmation Brief, the Voting Report, the Confirmation Declaration, the other pleadings and arguments of counsel for the Debtors and all other testimony given or proffered at the Confirmation Hearing, the Court hereby finds that, pursuant to sections 1129(a)(3) and 1123(b) of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration of the Distributions and other benefits provided under the Plan, the compromises and settlements embodied in the Plan, including the Plan Settlements, constitute good faith compromises and settlements of controversies in connection with the Plan. Such compromises and settlements are fair, equitable, reasonable, appropriate in light of the costs, risks, and all relevant facts and circumstances underlying such compromises and settlements, are within the range of litigated outcomes, and are in the best interests of the Debtors and Holders of Claims and Interests.

65. The Plan Settlements meet the criteria for approval based on the factors set out in *In re Martin*, 91 F.3d 389 (3d Cir. 1996): (1) the probability of success in litigation; (2) the likely difficulties in collection; (3) the complexity of the litigation involved, and the expense, inconvenience and delay necessarily attending it; and (4) the paramount interest of the creditors. Without limiting the following, the following factors, among others, weigh strongly in favor of approval of the Plan Settlements: (a) the significant risk regarding the Debtors' ability to achieve a better outcome than the Plan Settlement terms embodied in the Plan and related Plan Documents, whether considered separately or collectively; (b) the uncertainty of the Debtors' probability of success with respect to the various litigations, disputes and other issues settled

pursuant to the Plan; (c) the unique complexity of the allocation disputes that are among the subjects of the Plan Settlements, taking into account the multi-national character of the Debtors' operations and the pendency of court proceedings for SRGL in the Cayman Islands and for SFL in Luxembourg; (d) the accompanying expense, inconvenience, and delay that would inevitably result from litigation in the United States, Cayman Islands and/or Luxembourg courts; and (5) creditors' interest in bringing these cases to conclusion, avoiding additional costs and delays, and obtaining increased and expeditious Distributions.

W. Good Faith Purchaser

66. The Purchaser is a good faith purchaser within the meaning of section 363(m) of the Bankruptcy Code and is therefore entitled to all of the protections afforded by section 363(m) of the Bankruptcy Code. The Purchaser has proceeded in good faith in all respects in connection with this proceeding.

X. Arm's-Length Sale

67. The Stock Purchase Agreement was negotiated, proposed and entered into by the Debtors and the Purchaser without collusion, in good faith and from arm's-length bargaining positions. The Purchaser is not an "insider" of the Debtors, as that term is defined in section 101(31) of the Bankruptcy Code. Neither the Debtors nor the Plan Sponsor have engaged in any conduct that would cause or permit the Stock Purchase Agreement to be avoided under section 363(n) of the Bankruptcy Code. Specifically, the Purchaser has not acted in a collusive manner with any person and the purchase price was not controlled by any agreement among bidders.

Y. No Fraudulent Transfer; Consideration

68. The Stock Purchase Agreement was not entered into for the purpose of hindering, delaying or defrauding creditors under the Bankruptcy Code and under the laws of the United States, any state, territory, possession, or the District of Columbia, or foreign jurisdiction.

Neither the Debtors nor the Purchaser is entering into the transactions contemplated by the Stock Purchase Agreement fraudulently. The consideration provided by the Purchaser pursuant to the Stock Purchase Agreement (i) is fair and reasonable; (ii) is the highest and best offer; (iii) will provide a greater recovery for the Debtors' creditors than would be provided by any other practical alternative; and (iv) constitutes equivalent value and fair consideration under or with respect to the fraudulent transfer or comparable laws of any jurisdiction, foreign or domestic, as to which equivalence and/or fairness of consideration is a constitutive element, determinative, or otherwise legally relevant fact.

Z. Modifications to the Plan

69. The modifications made to the Plan since the solicitation of votes thereon, including those modifications reflected in in the Third Amended Plan and set forth in this Order, (a) comply in all respects with section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 and (b) do not require re-solicitation of votes with respect to the Plan. Adequate and sufficient notice of such modifications has been given, no further notice is or shall be required, and such modifications are approved in full. The votes cast to accept the Plan are deemed to have been cast with respect to the Plan as so modified.

AA. Conditions to Confirmation and the Effective Date

70. The conditions to confirmation of the Plan set forth in Section 9.1 of the Plan have been satisfied.

71. Each of the conditions precedent to the Effective Date, as set forth in Section 9.2 of the Plan, is reasonably likely to be satisfied or waived in accordance with the Plan.

BB. Retention of Jurisdiction

72. Except as otherwise provided in the Restructuring Implementation Agreement and the Plan (including Section 7.5(g)(iii) thereof) as to certain matters relating to SRGL, the Joint

Liquidators and Cayman Islands Winding Up Proceedings, this Court retains jurisdiction over all matters arising out of or related to the Chapter 11 Cases, the Debtors, the Reorganized Debtors, the Distribution Trust, the Distribution Trustee, their respective property, and the Plan after the Effective Date, to the fullest extent permitted by law, in accordance with Article XI of the Plan.

ORDER

ACCORDINGLY, IT IS HEREBY ORDERED, ADJUDGED, DECREED, AND DETERMINED THAT:

I. Confirmation of Plan; Approval of Stock Purchase Agreement

73. The Plan and each of its provisions, all documents and agreements necessary to implement the Plan, including, without limitation, the Stock Purchase Agreement and those contained in the Plan Supplement, and all other relevant and necessary documents and agreements are APPROVED and CONFIRMED in accordance with section 1129 of the Bankruptcy Code. Each term and provision of the Plan is valid and enforceable pursuant to its terms.

II. Objections to Plan Overruled

74. Except as otherwise expressly set forth herein, to the extent that any objections, reservations of rights, requests, statements, or joinders to or related to Confirmation have not been withdrawn, waived, or settled prior to entry of the Confirmation Order or otherwise resolved or adjourned for later adjudication by the Court as stated on the record of the Confirmation Hearing, they are hereby overruled on the merits.

III. Findings of Fact and Conclusions of Law

75. The findings of fact and conclusions of law stated in the Confirmation Order shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to these Chapter 11 Cases by bankruptcy Rule 9014. Any and all findings of fact shall

constitute findings of fact even if they are stated as conclusions of law, and any and all conclusions of law shall constitute conclusions of law even if they are stated as findings of fact. Further, any findings of fact and conclusions of law announced on the record in open court are incorporated by reference herein.

IV. Terms Binding

76. Subject to the satisfaction or waiver of the conditions precedent set forth in Section 9.2 of the Plan, the terms of the Plan, the Plan Supplement, and all agreements, documents, instruments and certificates relating thereto, including the terms of the Stock Purchase Agreement and the Restructuring Implementation Agreement in accordance with the Plan, shall be effective and binding as of the Effective Date of the Plan, or as applicable, when executed or adopted thereafter, and shall be binding in accordance with their respective terms.

V. Approval of Stock Purchase Agreement and Authorization of Transaction

77. The Stock Purchase Agreement is hereby approved. The consideration provided to the Debtors under the Stock Purchase Agreement constitutes reasonably equivalent value and fair consideration for the New Equity. The Debtors are authorized to implement and consummate the transactions and are authorized and directed to execute and deliver all necessary documents or agreements required to perform their obligations thereunder, and such documents or agreements are approved in their entirety. The transactions effect a legal, valid, enforceable and effective sale and transfer of the New Equity and vest the Purchaser with title to such New Equity free and clear of all Liens, Claims, and encumbrances.

VI. Separate Plans

78. Except as otherwise provided in the Plan, the Plan constitutes a separate Chapter 11 Plan for each individual Debtor, and the classification of Claims and Interests set forth therein shall apply separately to each of the Debtors.

VII. Modifications to Plan

79. Any modifications to the Plan, including those modifications to the Second Amended Plan reflected in the Third Amended Plan and those set forth in this Order, meet the requirements of sections 1127(a) and (c) of the Bankruptcy Code. Such amendments do not adversely change the treatment of the Claim of any creditor or Interest of any equity security holder within the meaning of Bankruptcy Rule 3019, and no further solicitation of votes or voting is required.

80. Notwithstanding anything to the contrary in the text of the Third Amended Plan as filed on August 9, 2018 [D.I. 437, Ex. A] or the Stock Purchase Agreement, the definitions of “DT Post-Closing Rights” (a) set forth in Section 1.65 of Exhibit A to the Third Amended Plan and (b) set forth in Section 1.1 of the Stock Purchase Agreement are hereby amended and superseded in their entirety with the following:

“DT Post-Closing Rights”² means:

(a) all rights, Claims and counterclaims of the SALIC Parties arising under or in connection with the Stock Purchase Agreement to enforce the obligations of Purchaser (i) to pay, or cause Reorganized SALIC and Reorganized SHI to pay at and following the Closing, Cure Amounts, in each case in accordance with the terms of the Stock Purchase Agreement, including Sections 2.2(b), 2.3(f), 2.4(d) and 2.4(e) of the Stock Purchase Agreement; (ii) under Section 5.8 of the Stock Purchase Agreement in respect of Indemnified D&O Parties; and (iii) under Section 5.1(c) of the Stock Purchase Agreement;

² All capitalized terms in this definition of “DT Post-Closing Rights” have the meanings ascribed to such terms in the Stock Purchase Agreement.

(b) all remedies, privileges and defenses of Purchaser arising following the Closing under Section 5.4 of the Stock Purchase Agreement in respect of any third-party claim brought against the Distribution Trust (such remedies, privileges and defenses to be non-exclusive and which shall remain available to Purchaser to enforce directly);

(c) with respect to any Claim or Action against the Distribution Trust (a “DT Action”), all rights, Claims, counterclaims and defenses (in each case based on setoff, recoupment or similar doctrines under Applicable Law) that either SALIC Party had at any time prior to the Closing in connection with any such DT Action asserted or capable of being asserted against a SALIC Party in its capacity as a Debtor in its Chapter 11 Case or against the bankruptcy estate of either Debtor (which rights, Claims, counterclaims and defenses shall be available to, and may be asserted by, the Distribution Trust as well as each of Reorganized SALIC and Reorganized SHI); and

(d) with respect to any DT Action after the Closing by, for or on behalf of Purchaser, Reorganized SALIC, Reorganized SHI or any assignee of or successor to any of the foregoing Persons (whether by merger, consolidation, or otherwise), in each case to the extent that such DT Action arises under or in connection with the Stock Purchase Agreement, all counterclaims or defenses arising under or in connection with the Stock Purchase Agreement that would otherwise have been available to either SALIC Party against any such Person in respect of any such DT Action.

For the avoidance of doubt, the Distribution Trustee retains and may assert, and by virtue of the Stock Purchase Agreement, the Ancillary Agreements and the Transactions there shall be no waiver of, attorney-client privilege, work product or any other evidentiary privilege, as applicable, with respect to matters within the scope of any of the foregoing DT Post-Closing Rights. For purposes of this definition, references to SALIC Parties shall not include Reorganized SALIC and Reorganized SHI.

VIII. Provisions of the Plan and Confirmation Order Nonseverable and Mutually Dependent

81. The provisions of the Plan and this Confirmation Order, including the findings of fact and conclusions of law set forth herein, are each nonseverable from one another and are mutually dependent.

IX. Implementation of Other Necessary Documents and Agreements

82. The Debtors, the Reorganized Debtors, the Distribution Trustee and Purchaser, as applicable, are authorized, without further notice to, or action, order or approval of this Court or any other Person, to execute and deliver all agreements, documents, instruments and certificates relating to such documents and agreements and to perform their obligations thereunder, including, without limitation, to pay all fees, costs and expenses thereunder in accordance with the Plan. The terms and conditions of such documents and agreements are reaffirmed or approved, as applicable, and shall, upon completion of documentation and execution, be valid, binding and enforceable.

83. The Debtors are authorized to prepare, negotiate with the SFL Receiver and execute the SFL Distribution Agreement setting forth the mechanics for distributions to be made on account of the SFL Note Claim, which SFL Distribution Agreement shall be in form and substance (a) acceptable to Purchaser in its sole discretion and (b) reasonably acceptable to each of (i) the Official Committee, and (ii) the TruPS Institutional Trustee for the SFLST I TruPS. So long as the terms and provisions of such SFL Distribution Agreement are not inconsistent with the terms of the Plan and this Order, when fully executed, the SFL Distribution Agreement shall be effective by its terms, without need for further notice, hearing or order of the Court. Debtors or Reorganized Debtors, as applicable, shall cause a copy of the fully executed SFL Distribution Agreement to be filed on the docket of the Chapter 11 Cases within three (3) Business Days after such SFL Distribution Agreement has been fully executed.

X. Preparation, Delivery and Execution of Additional Documents By Third Parties

84. All Holders of Claims and Interests receiving Distributions pursuant to the Plan and all other parties in interest shall, from time to time and as requested by the Debtors, the

Reorganized Debtors, the Purchaser or the Distribution Trustee, take any actions provided for in, or reasonably contemplated by, the Plan, the Distribution Trust Agreement or this Order.

XI. Record Closed

85. The Record of the Confirmation Hearing is closed.

XII. Notice

86. Good and sufficient notice has been provided with respect to: (a) the Confirmation Hearing; (b) the deadline for filing and serving objections to the Plan; (c) the deadline for voting on the Plan; (d) the contents of the Plan Supplement; (e) the proposed Cure Amounts and the deadline for filing objections to Cure Amounts and raising other Assumption Disputes; (f) the Release, Exculpation, Discharge and Injunction Provisions of the Plan; and (g) the Plan Settlements. Such notice has been and is hereby approved. No other or further notice is required.

XIII. Plan Classification Controlling

87. The terms of the Plan alone shall govern the classification of Claims and Interests for purposes of the Distributions to be made thereunder. The classifications set forth on the Ballots tendered to or returned by the Claims and Interests in connection with voting to accept or reject the Plan: (a) were set forth on the Ballots solely for purposes of voting to accept or reject the Plan; (b) do not necessarily represent, and in no event shall be deemed to modify or otherwise affect, the actual classification or amounts of such Claims or Interests under the Plan for Distribution purposes; and (c) may not be relied upon by any Creditor or Holder as representing the actual classification or amounts of such Claims or Interests under the Plan for Distribution purposes. In the event of a conflict between the treatment and classifications of Claims and Interests under the Plan and the classifications set forth on the Ballots, the treatment

and classifications under the Plan shall control and the Debtors' rights and defenses against the proper classification of a Claim or Interest are expressly preserved.

88. All New Equity Elections set forth on the Ballots of New Equity Eligible Holders and Cash Elections made by any Holder of a Claim is valid, binding, and enforceable, and the Debtors provided adequate and sufficient notice and information for Holders of Claims to make informed judgments about whether to make the New Equity Election or the Cash Election.

XIV. Treatment is Full Satisfaction

89. The treatment of Claims and Interests set forth in Articles III and IV of the Plan is in full and complete satisfaction of the legal, contractual and equitable rights that each Person holding a Claim or an Interest may have against the Debtors, the Estates or their respective property, except as expressly provided in the Plan or this Confirmation Order.

XV. No Action Required

90. Under the provisions of the Delaware General Corporation Law, including section 303 thereof, and the comparable provisions of the Delaware Limited Liability Company Act, and section 1142(b) of the Bankruptcy Code, no action of the directors or stockholders of SHI is required to authorize SHI to enter into, execute, deliver, file, adopt, amend, restate, consummate, or effectuate, as the case may be, the Plan and any contract, instrument, or other document to be executed, delivered, adopted, or amended in connection with the implementation of the Plan.

91. To the fullest extent permissible under applicable Cayman Islands law and section 1142(b) of the Bankruptcy Code, no action of the directors or stockholders of SALIC is required to authorize SALIC to enter into, execute, deliver, file, adopt, amend, restate, consummate, or effectuate, as the case may be, the Plan and any contract, instrument, or other document to be executed, delivered, adopted, or amended in connection with the implementation of the Plan.

XVI. Distributions

92. All Distributions under the Plan shall be made in accordance with the terms and conditions set forth in the Plan and Distribution Trust Agreement.

93. On the Effective Date or as soon as reasonably practicable after the Effective Date, each TruPS Institutional Trustee shall provide to the Reorganized Debtors, the Purchaser and the Distribution Trustee a copy of the register as of the Effective Date of record holders, nominees or beneficial holders, inclusive of names and addresses, as such information is readily available to such TruPS Institutional Trustee for each such TruPS Institutional Trustee's TruPS.

XVII. Corporate Existence; Vesting of Assets in the Reorganized Debtors or Distribution Trust, as Applicable

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

95. Except for the Distribution Trust Property, or as otherwise expressly provided in this Confirmation Order, pursuant to sections 1123(b)(3) and 1141(b)-(c) of the Bankruptcy Code, on the Effective Date, all of the property and assets of each Debtor shall automatically vest in the respective Reorganized Debtor, free and clear of all Claims, Liens and Interests. For the avoidance of doubt, such property and assets of each Debtor that will automatically vest in the Reorganized Debtors includes, but is not limited to, any SALIC Group Services Claim incurred on or after the Petition Date and any Causes of Action against the Specified SALIC Officers and Directors. From and after the Effective Date, each Reorganized Debtor shall continue to exist

after the Effective Date as a separate corporate entity, limited liability company or other form, as the case may be, with all the powers of a corporation, limited liability company or other form, pursuant to the Applicable Laws in the jurisdiction in which each applicable Reorganized Debtor is incorporated or formed and pursuant to the respective certificate of incorporation or bylaws (or other formation documents) in effect prior to the Effective Date, except to the extent such certificate of incorporation or bylaws (or other formation documents) are amended by or in accordance with this Plan, their terms and Applicable Law. On and after the Effective Date, except as otherwise provided in the Plan or this Order, the Reorganized Debtors may operate their businesses and may use, acquire, or dispose of property and compromise or settle any Retained Causes of Action without supervision or approval by the Court and free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules. Similarly, on and after the Effective Date, except as otherwise provided in the Plan, the Distribution Trust Agreement or this Order, the Distribution Trustee on behalf of the Distribution Trust may use and dispose of property and compromise or settle any Claims, Interests or Causes of Action that are Distribution Trust Assets without supervision or approval by the Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

XVIII. Issuance of Interests in Reorganized Debtors and New Equity; Related Events Involving Existing Equity Interests

96. The Purchaser's direction, pursuant to Section 9.4 of the Stock Purchase Agreement and Section 6.1(f) of the Plan, that the New Equity will be issued by New Holdco has been validly exercised and is fully enforceable. Ludlow Holdings (Cayman) Ltd., an exempted company limited by shares incorporated and existing under Cayman Law, may properly serve as New Holdco for the issuance of the New Equity under the Plan. Notwithstanding anything to the

contrary in the Plan or Restructuring Implementation Agreement, upon the occurrence of the Effective Date, all Ordinary Shares of Reorganized SALIC will be issued to New Holdco.

97. On the Effective Date, New Holdco is authorized to and shall issue and distribute, or cause to be distributed, the New Equity in accordance with the terms of the Plan. To the fullest extent permissible under applicable Cayman Islands law, the issuance and Distribution of the New Equity are authorized, as of the Effective Date, without further notice to or order of the Court, any further corporate action, or any further act or action, or the vote, consent, authorization or approval of any Person. The issuance of the New Equity is duly authorized, validly issued and, in the case of any equity securities, fully paid and non-assessable.

98. On the Effective Date, all SHI Existing Equity Interests shall be cancelled. Simultaneously, on the Effective Date, New SHI Equity shall be deemed issued by Reorganized SHI to the Purchaser and immediately thereafter deemed contributed by the Purchaser to Reorganized SALIC.

99. On the Effective Date and immediately following the New SALIC Equity issuance to New Holdco, in accordance with the terms and conditions of the Restructuring Implementation Agreement, the Stock Purchase Agreement and the Plan, SRGL shall complete the Final Share Surrender (as defined in the Restructuring Implementation Agreement). As a result of the Plan, SRGL as the Holder of the SALIC Existing Equity Interests shall not receive or retain any property under the Plan on account of such SALIC Existing Equity Interests (it being understood that this provision is without prejudice to the right of SRGL to receive Distributions under and in accordance with the Plan on account of its SRGL TruPS Claims).

XIX. Good Faith Buyer

100. The transactions contemplated by the Stock Purchase Agreement are undertaken by the Purchaser without collusion and in good faith, as that term is used in section 363(m) of the

Bankruptcy Code and, accordingly, the reversal or modification on appeal of the authorization provided herein to consummate such transactions shall not affect the validity of the transactions with the Purchaser, unless such authorization is duly stayed pending such appeal. The Purchaser is a good faith purchaser and is entitled to all of the benefits and protections afforded by section 363(m) of the Bankruptcy Code.

XX. Bankruptcy Code Section 363(n)

101. The consideration being provided by the Purchaser under the Stock Purchase Agreement is fair and reasonable and the transactions contemplated by the Stock Purchase Agreement may not be avoided under section 363(n) of the Bankruptcy Code.

XXI. Purchaser Rights

102. Other than with respect to the Stock Purchase Agreement, any consent or consultation rights afforded the Purchaser under this Order, the Plan or any other Plan Document shall be deemed to be afforded to the Hildene Master Funds.

XXII. Preservation of Causes of Action

103. Except to the extent any Claim or Cause of Action against an Entity is expressly waived, relinquished, exculpated, released, compromised or settled in the Plan or by a Final Order or is a Distribution Trust Asset, all Causes of Action of the Debtors (the "Retained Causes of Action") shall, in accordance with section 1123(b) of the Bankruptcy Code, vest in and be retained by the Reorganized Debtors, including any Causes of Action against the Specified SALIC Officers and Directors. The applicable Reorganized Debtors (with respect to the Retained Causes of Action and any Causes of Action arising after the Petition Date), in accordance with section 1123(b) of the Bankruptcy Code, shall retain and may enforce, sue on, settle, or compromise (or decline to do any of the foregoing) all Claims, rights, Causes of Action, suits, and proceedings, whether in law or in equity, whether known or unknown, that they each

may respectively hold against any Person without the approval of the Bankruptcy Court and the Reorganized Debtors' rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. For the avoidance of doubt, no Causes of Action against the SRGL Equity Holders shall be Retained Causes of Action; instead, such Causes of Action against the SRGL Equity Holders shall be transferred and assigned to the Distribution Trust. On the Effective Date, all Causes of Action that are Distribution Trust Assets shall, in accordance with Section 1123(b) of the Bankruptcy Code, vest in the Distribution Trust, and, in accordance with the Distribution Trust Agreement, the Distribution Trust may enforce, sue on, settle, or compromise (or decline to do any of the foregoing) all such Claims, rights, Causes of Action, suits, and proceedings, whether in law or in equity, known or unknown, and the Distribution Trust's rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. For the avoidance of doubt, the failure to list any Causes of Action in the Disclosure Statement, the Plan, the Plan Supplement, or otherwise in no way limits the rights of the Reorganized Debtors or the Distribution Trust as set forth above.

XXIII. Authorization to Consummate

104. The Debtors are authorized to consummate the Plan at any time after the entry of this Confirmation Order subject to satisfaction or waiver (by the required parties) of the conditions precedent to effectiveness set forth in Section 9.2 of the Plan.

XXIV. Release, Discharge, Exculpation and Injunction Provisions

105. The Release, Exculpation, Discharge and Injunction Provisions set forth in the Plan and below are approved and authorized in their entirety, and such provisions are effective and binding on all Persons and Entities.

106. Releases by the Debtors. As of the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, the Debtors, the Reorganized Debtors, and any Person or Entity seeking to exercise the rights of the Estates, including, without limitation the Distribution Trust, the Distribution Trustee, any successor to the Debtors or any Estate representative appointed or selected pursuant to section 1123(b)(3) of the Bankruptcy Code, are deemed to forever release, waive, and discharge each of the Released Parties from any and all Claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities whatsoever, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, at equity, or otherwise, that are based in whole or in part on any act, omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the conduct of the Debtors' business, the Chapter 11 Cases, the Disclosure Statement, the Plan, or other documents implementing the Plan, *provided, however*, that nothing in Section 10.2 of the Plan or this Paragraph shall be deemed to release, or otherwise to prohibit the Reorganized Debtors or the Distribution Trustee from asserting and enforcing, any Claims, obligations, suits, judgments, demands, debts, rights, causes of action, or liabilities any of them may hold related to, or arising out of, the Plan, the DT Post-Closing Rights, the SALIC Claims, the Admitted SALIC/SRGL Revolver Claim, the Retained Causes of Action (solely as to the Reorganized Debtors), Causes of Action that are Distribution Trust Assets (solely as to the Distribution Trustee), the Stock Purchase Agreement, the Restructuring Implementation Agreement, the Distribution Trust Agreement, and the other documents implementing the Plan, *provided, further*, that nothing in Section 10.2 of the Plan or this Paragraph: (i) shall be deemed to release, or otherwise to prohibit the Reorganized Debtors, the Distribution Trust or the

Distribution Trustee, or anyone claiming through them from enforcing any confidentiality or non-disclosure agreement or any Claim, right or cause of action related thereto; (ii) shall be deemed to release, impair, or otherwise affect any parties' rights or interests under any Executory Contract or Unexpired Lease that is assumed by the Reorganized Debtors, and all such rights and interests shall be unaffected by the Plan (subject, however, to the effects of Section 8.3(a), (c), and (h) of the Plan) or this Order; (iii) shall be deemed to release any Intercompany Claims; (iv) shall be deemed to release any Causes of Action specifically identified in the Plan as Distribution Trust Assets; (v) shall be deemed to release any Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct, actual fraud, or gross negligence as determined by a Final Order; or (vi) shall be deemed to release any Person's rights under the Plan.

107. Releases by Holders of Claims and Interests. To the fullest extent permitted by Applicable Law and except as otherwise specifically provided in the Plan or this Order, for good and valuable consideration, including the contributions of the Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, effective as of the Effective Date, (i) Holders of Claims who vote to accept the Plan, (ii) Holders of Claims who are Unimpaired under the Plan, (iii) Holders of Claims entitled to vote on the Plan who do not submit a Ballot and do not timely object to or opt-out of the releases contained in Section 10.3 of the Plan, and (iv) each of the Purchaser, the Joint Liquidators, SRGL, and for each of the foregoing, their respective Representatives (other than with respect to SRGL or the SRGL Equity Holders), are deemed to forever release, waive, and discharge the Released Parties of any and all Claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities whatsoever in connection with or related

to the Debtors, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, at equity, or otherwise, including those that any of the Debtors, the Reorganized Debtors, the Estates, or their Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Interest or other Entity based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the conduct of the Debtors' business, the Chapter 11 Cases, the Disclosure Statement, the Plan or the documents implementing the Plan, and the negotiation, formulation, or preparation thereof, the solicitation of votes with respect to the Plan, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any of the Debtors and any Released Party, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, or upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct, actual fraud, or gross negligence as determined by a Final Order. Notwithstanding the foregoing, nothing in Section 10.3 of the Plan or this Paragraph, shall cause (i) a release, waiver or discharge of SFL from any Claim against it under the SFLST I TruPS Documents or (ii) SRGL to release, waive or discharge any Claim it may have against any of SRGL's Representatives (except for the Debtors and the Debtors' Representatives).

108. Each Person or Entity providing releases under the Plan, including the Debtors, the Estates, and the Holders of Claims (regardless of whether such Holder is a Released Party), is deemed to have granted the releases set forth in Section 10.3 of the Plan and the immediately preceding Paragraph of this Order notwithstanding that such Person or Entity may hereafter

discover facts in addition to, or different from, those which it now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and such Person or Entity is deemed to have expressly waived any and all rights that it may have under any statute or common law principle which would limit the effect of such releases to those Claims or causes of action actually known or suspected to exist at the time of execution of such release.

109. Discharge. On and after the Effective Date, pursuant to Section 10.4(a) of the Plan and except as otherwise provided in the Plan and this Order, to the fullest extent provided under sections 524 and 1141(d)(1)(A) and other applicable provisions of the Bankruptcy Code, the Debtors, their Estates, and any of their respective assets or properties shall be discharged from any and all Claims and Interests of any kind or nature whatsoever, including, but not limited to, demands and liabilities that arose before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, whether or not (i) a proof of Claim has been filed or deemed filed under section 501 of the Bankruptcy Code, (ii) such Claim is Allowed under section 502 of the Bankruptcy Code, or (iii) the Holder of such Claim has accepted the Plan. To the fullest extent permissible under sections 524 and 1141(d)(1)(A) and other applicable provisions of the Bankruptcy Code, the discharge under the Plan and this Confirmation Order shall (i) void any judgment at any time obtained against the Debtors or the Reorganized Debtors, or any of their respective assets or properties, to the extent that such judgment relates to discharged Claims and Interests and (ii) permanently enjoin the commencement or continuation of any action, the employment of any process, or any act, to collect, recover or offset any such discharged Claim or Interest against any Debtor or Reorganized Debtor, or any of their respective assets or properties. None of the exceptions to a

discharge of a debtor set forth in or contemplated by section 1141(d)(3) of the Bankruptcy Code apply to these Debtors or Reorganized Debtors. For the avoidance of doubt, the foregoing discharge shall not apply to the ability of Holders of Allowed Claims to recover from the Distribution Trust on account of such Allowed Claims and/or Interests, all in accordance with the terms of this Order, the Plan and Distribution Trust Agreement. For the further avoidance of doubt, SRGL (in its capacity as the Holder of such SALIC Existing Equity Interests) and the Joint Liquidators (acting on behalf of SRGL in such capacity) are not subject to the discharge provisions of this Paragraph or Section 10.4(a) of the Plan solely to the extent that SRGL needs to take actions with respect to the SALIC Existing Equity Interests necessary to complete the Final Share Surrender.

110. Exculpation. To the fullest extent permitted by Applicable Law and except as otherwise specifically provided in this Order or the Plan, each of the Exculpated Parties will not have or incur any liability for any act or omission in connection with, or arising out of, the formulation, negotiation, preparation, dissemination, implementation or pursuit of approval of the Plan, the Disclosure Statement, the Restructuring Implementation Agreement, the Stock Purchase Agreement, the Plan Supplement, the SFL Stipulation, the Distribution Trust Agreement, or any documents, instruments or agreements implementing or related to the foregoing, or the solicitation of votes for or Confirmation of the Plan, or the consummation of the Plan, the Restructuring Implementation Agreement, the Stock Purchase Agreement, the Plan Supplement, the SFL Stipulation, the Distribution Trust Agreement, or the transactions contemplated, implemented and effectuated thereby or the administration of the Plan or the property to be distributed under the Plan, or any other act or omission during the administration of the Debtors' Estates or in contemplation of the Chapter 11 Cases, except for willful

misconduct, actual fraud or gross negligence as determined by a Final Order, and in all respects, will be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under or in connection with the Plan.

111. Injunctions. Except as otherwise expressly provided in the Plan or this Order and except for the rights that remain in effect from and after the Effective Date to enforce the Plan, the Stock Purchase Agreement and the Plan Documents, to the fullest extent permitted by Applicable Law, as of the Effective Date, all Persons that have held, currently hold, may hold, or allege that they hold, a Claim, Interest, Cause of Action, or other debt or liability that is satisfied, released, exculpated or discharged pursuant to the terms of the Plan or this Order are permanently enjoined from taking any of the following actions against the Debtors, the Reorganized Debtors, the Distribution Trust, the Distribution Trustee and their respective Representatives or their property on account of any such discharged Claims, debts, liabilities or rights: (a) commencing or continuing, in any manner or in any place, any action or other proceeding; (b) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order; (c) creating, perfecting, or enforcing any Lien or encumbrance; (d) asserting a setoff, right of subrogation, or recoupment of any kind against any debt, liability, or obligation due to the Debtors or the Reorganized Debtors; or (e) commencing or continuing any action or other proceeding of any kind, in each such case in any manner, in any place, or against any Person that does not comply with or is inconsistent with the provisions of the Plan.

XXV. Compliance with Tax Requirements

112. Each Holder of an Allowed Claim or Interest that is to receive a Distribution under the Plan shall be liable for any tax obligations imposed by any governmental unit, including income, withholding and other tax obligations, on account of such Distribution and any amounts deducted or withheld from any Distribution under the Plan shall be treated as if

distributed to such Holder of an Allowed Claim or Interest in connection with the Plan. Any party making any Distribution under the Plan has the right, but not the obligation, to not make a Distribution until such Holder has made arrangements satisfactory to such issuing or distributing party for payment of any such tax obligations. The Debtors, the Reorganized Debtors, the Distribution Trustee or any Distribution Agent as applicable, are authorized to take any and all actions that may be necessary or appropriate to comply with applicable withholding and reporting requirements, including liquidating a portion of the Distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding Distributions pending receipt of information necessary to facilitate such Distributions, or establishing any other mechanisms they believe are reasonable and appropriate. Except as otherwise provided in the Plan, the aggregate consideration paid to Holders with respect to their Allowed Claims shall be treated pursuant to the Plan as allocated first to the principal amount of such Allowed Claims (as determined for federal income tax purposes), and, thereafter, to the accrued, but unpaid interest, if any (but solely to the extent that interest is an allowable portion of such Allowed Claim). In the event that the Debtors, the Reorganized Debtors, the Distribution Trustee or any Distribution Agent as applicable, fails to withhold in respect of amounts distributed with respect to any Holder of an Allowed Claim receiving a Distribution under the Plan and the Debtors, Reorganized Debtors, the Distribution Trustee or Distribution Agent that made such Distribution, as applicable, is later held liable for the amount of such withholding, such Holder shall reimburse such Debtors, the Reorganized Debtors, the Distribution Trustee or Distribution Agent, as the case may be, for such liability.

XXVI. Continued Effect of Stays and Injunction

113. Unless otherwise provided in the Plan or this Confirmation Order, any injunction or stay arising under or entered during the Chapter 11 Cases under sections 105 or 362 of the

Bankruptcy Code or otherwise that is in existence on the Confirmation Date shall remain in full force and effect until the later of the Effective Date and the date indicated in the order providing for such injunction or stay.

XXVII. Binding Effect; Effectiveness

114. Upon the entry of this Confirmation Order and subject to the occurrence of the Effective Date, the terms of the Plan, including all agreements, instruments and other documents filed in connection with the Plan, are immediately effective and enforceable and deemed binding on the Debtors, the Reorganized Debtors, the Purchaser, the Official Committee, the TruPS Institutional Trustees, the CDO Trustee, the Distribution Trust, the Distribution Trustee, any and all Holders of Claims or Interests (regardless of whether such Holders of Claims or Interests have or are deemed to have accepted the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, discharges and injunctions described in the Plan, each Entity acquiring property under the Plan, and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors. Notwithstanding the foregoing or any other provision herein, if there is any direct conflict between the Plan, the Plan Supplement and all exhibits and addenda thereto (including the terms of the Plan, the Plan Supplement, all exhibits and addenda thereto, incorporated by reference herein), and the terms of this Confirmation Order, the terms of this Confirmation Order shall control.

115. The payments, obligations and benefits of any entity named or referred to in the Plan shall be binding upon and inure to the benefit of such entity's heirs, executors, administrators, successors or assigns, including, with respect to the Debtors, the Reorganized Debtors, any successor to the Debtors or the Reorganized Debtors or any Estate representative appointed or selected pursuant to section 1123 of the Bankruptcy Code, including any trustee subsequently appointed in any of the Chapter 11 Cases or in any superseding chapter 7 case.

XXVIII. Directors and Officers of Reorganized Debtors

116. The directors and officers of the Reorganized Debtors shall consist of the Persons identified in Exhibit D of the Plan Supplement or subsequently appointed in accordance with the provisions of the Plan. On the Effective Date and effective as of the Effective Date, the new directors and officers of the Reorganized Debtors shall be deemed appointed, without the need for any further notice to or action, order or approval of this Court, or other act or action.

XXIX. Selection and Appointment of the Distribution Trustee, Oversight Committee Members and Distribution Agent

117. Subject to occurrence of the Effective Date and execution of the Distribution Trust Agreement, (a) the initial Distribution Trustee shall be the Person selected by the Official Committee, as set forth in Exhibit H of the Plan Supplement, and (b) the initial Oversight Committee Members shall be the Persons so identified on the signature pages to the Distribution Trust Agreement. The Distribution Trustee and Oversight Committee Members shall have those powers and duties as set forth in the Plan and the Distribution Trust Agreement, respectively. The appointment of Prime Clerk LLC as the Distribution Agent in accordance with Section 7.5(c)(i) of the Plan is hereby approved.

118. The Distribution Trust Agreement is hereby authorized and approved. Upon execution, the Distribution Trust Agreement shall be immediately enforceable against the parties thereto in accordance with the terms and conditions thereof without further action of this Court. The Distribution Trustee is hereby established as successor to the Debtors solely as relates to the Distribution Trust Property.

119. On the Effective Date, the Debtors shall, subject to and in accordance with the provisions of the Plan and the Distribution Trust Agreement, (a) establish the Distribution Trust and (b) irrevocably transfer, assign, convey and deliver (and shall be deemed to have irrevocably

transferred, assigned, conveyed, and delivered, as of the Effective Date), the Distribution Trust Property free and clear of all Liens, Claims and encumbrances, to the Distribution Trust for and on behalf of the beneficiaries of the Distribution Trust (other than the Purchaser and Reorganized Debtors' respective reversionary interests, if any, in the Distribution Trust Reserves).

XXX. Exemption from Transfer Taxes

120. Pursuant to section 1146(a) of the Bankruptcy Code, neither (a) the issuance, transfer, or exchange under the Plan of the New Equity, the New SALIC Equity, the New SHI Equity, beneficial interests in the Distribution Trust or any other security (as defined in section 101(49) of the Bankruptcy Code) nor (b) the making or delivery of an instrument of transfer under the Plan may be taxed under any law imposing a stamp tax or similar tax. All appropriate state or local government officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

XXXI. Exemption from Securities Laws

121. Pursuant to section 1125(e) of the Bankruptcy Code, the Debtors' transmittal of the Solicitation Materials as set forth herein and their solicitation of acceptances of the Plan are not and will not be governed by or subject to any otherwise applicable law, rule, or regulation governing the solicitation or acceptance of a plan of reorganization or the offer, issuance, sale, or purchase of securities.

122. The offering, sale, issuance and distribution of the New Equity, and the issuance of interests in the Distribution Trust, in each case as contemplated by the Plan, shall, to the extent such offering, sale, issuance or distribution is made pursuant to section 1145 of the Bankruptcy Code, be exempt from the registration requirements of Section 5 of the Securities Act and any other applicable law requiring registration or qualification prior to the offering, issuance,

distribution, or sale of securities under section 1145 of the Bankruptcy Code, except with respect to any person who is deemed to be an “underwriter” within the meaning of section 1145 of the Bankruptcy Code.

123. The Debtors and Reorganized Debtors are authorized and directed to take actions to preserve the foregoing exemptions in accordance with the terms of the Stockholders Agreement, the Plan or otherwise as the Debtors and Reorganized Debtors, as applicable, determine is appropriate and necessary.

XXXII. Documents, Mortgages and Instruments

124. Each federal, state, commonwealth, local, foreign, or other governmental agency is authorized to accept any and all documents, mortgages and instruments necessary or appropriate to effectuate, implement, or consummate the Plan and this Confirmation Order.

XXXIII. Executory Contracts and Unexpired Leases; Cure Costs; Rejection Claims

125. Pursuant to Section 8.1 of the Plan and unless otherwise specified therein, as of, and subject to, the occurrence of the Effective Date and the payment of any applicable Cure Amounts, all Executory Contracts and Unexpired Leases to which a Debtor is a party, and which have not expired by their own terms on or prior to the Confirmation Date shall be deemed assumed, except for any Executory Contract or Unexpired Lease that (a) previously has been assumed or rejected pursuant to a Final Order of the Bankruptcy Court, (b) is the subject of a separate motion for assumption or rejection under section 365 of the Bankruptcy Code filed by the Debtor before the Confirmation Date, (c) is designated as a contract or lease to be rejected on the Rejection Schedule, or (d) is the subject of a pending Assumption Dispute. Subject to the occurrence of the Effective Date, entry of this Order shall constitute approval of the assumptions and rejections provided for in the Plan pursuant to sections 365(a) and 1123 of the Bankruptcy

Code. Each Executory Contract and Unexpired Lease assumed pursuant to the Plan shall vest in, and be fully enforceable by, the applicable Reorganized Debtor or Reorganized Debtors in accordance with its terms, except as modified by the provisions of the Plan, and any order of the Bankruptcy Court authorizing and providing for its assumption. For the avoidance of doubt, unless otherwise expressly provided in the Plan, the Rejection Schedule or this Order, all SRUS Retrocession Agreements, Third-Party Reinsurance Agreements, Trust Agreements, SALIC Net Worth Maintenance Agreements, and any and all other reinsurance treaties and trust agreements shall be deemed assumed by SALIC.

126. The terms and provisions of Article VIII of the Plan are hereby approved, including: (a) the provisions relating to the assumption of Executory Contracts and Unexpired Leases set forth in Section 8.1 of the Plan; (b) the ability to amend the Rejection Schedule through the Effective Date and other provisions relating to the rejection of Executory Contracts and Unexpired Leases set forth in Section 8.2; (c) the provisions relating to the determination of Cure Amount disputes and other Assumption Disputes set forth in Section 8.3 of the Plan, including, but not limited to the provisions of Section 8.3(c) of the Plan deeming counterparties to Executory Contracts and Unexpired Leases that fail to timely object to the proposed assumption of such contract or lease to have assented to (i) the proposed Cure Amount, and (ii) the assumption of the applicable contract or lease notwithstanding any provision thereof that purports to (A) prohibit, restrict, or condition the transfer or assignment of such contract or lease, (B) terminate or modify, or permit the termination or modification of, a contract or lease as a result of any direct or indirect transfer or assignment of the rights of a Debtor under such contract or lease or a change, if any, in the ownership or control of a Debtor, (C) increase, accelerate, or otherwise alter any obligations or liabilities of a Debtor under such Executory

Contract or Unexpired Lease, or (D) create or impose a Lien upon any property or asset of a Debtor or a Reorganized Debtor; (d) the provisions governing the payment of Cure Amounts set forth in Section 8.5 of the Plan; and (e) the establishment of the Rejection Claim Bar Date set forth in Section 8.5(c) of the Plan. Except as otherwise provided in the Contract Assumption Notice or this Order, the Cure Claim to be paid in connection with the assumption of any Executory Contract or Unexpired Lease shall be \$0.00. The Contract Assumption Notice may be amended by the Debtors, with the consent of the Purchaser, at any time prior to the Effective Date, subject to the ability of any counterparty to a contract or lease that is the subject of such amendment of the Contract Assumption Notice to object to the amendment in accordance with the procedures set forth in Section 8.3 of the Plan. Any contract or lease counterparty that fails to assert an Assumption Dispute in the time periods prescribed in section 8.3 of the Plan shall be forever barred from receiving a payment of a Cure Claim other than as set forth on the Contract Assumption Notice.

127. With respect to the Rejection Claim Bar Date, absent further order of the Bankruptcy Court, any proof of Claim arising from or relating to the rejection of a contract or lease that is subject to the Rejection Claim Bar Date but is not properly filed by the Rejection Claim Bar Date shall (a) be time-barred and (b) not appear on the register of Claims maintained by the Court, the Distribution Trustee and/or the Distribution Agent, as applicable. Except as otherwise ordered by the Court, any Claims subject to the Rejection Claim Bar Date and that are not filed by the Rejection Claim Bar Date are forever barred from receiving a Distribution from the Debtors, the Reorganized Debtors, the Estates or the Distribution Trust.

XXXIV. Estimation of Claims

128. Other than as expressly set forth in the Plan, the Distribution Trust Agreement, or this Order, pursuant to Section 7.4 of the Plan, the Debtors, Reorganized or Distribution Trustee

may at any time request that the Bankruptcy Court estimate for any purpose including, Distributions, any contingent, unliquidated or Disputed Claim pursuant to section 502(c) of the Bankruptcy Code or otherwise, regardless of whether such Debtor previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection. The Bankruptcy Court will retain exclusive jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including, without limitation, during the pendency of any proceedings relating to any such Disputed Claim or any appeal relating to any such objection to a Disputed Claim. In the event that the Bankruptcy Court estimates any contingent, unliquidated or Disputed Claim, the amount so estimated shall constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court estimating such Claim. If the estimated amount constitutes a maximum limitation on the amount of such Claim, such Debtor may pursue supplementary proceedings to object to the allowance of such Claim. All of the aforementioned objection, estimation and resolution procedures are intended to be cumulative and not exclusive of one another. Claims may be estimated and subsequently disallowed, reduced, compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court.

XXXV. Dissolution of Official Committee of Unsecured Creditors

129. Effective on the Effective Date, the Official Committee shall dissolve automatically and its members shall be released from any further duties and responsibilities in the Chapter 11 Cases and under the Bankruptcy Code without need for a further order of the Bankruptcy Court; *provided, however*, that (a) following the Effective Date, the Official Committee shall continue in existence and have standing and a right to be heard solely for the following limited purposes: (1) Claims and/or applications for compensation by Professionals and requests for allowance of Administrative Claims for substantial contribution pursuant to

section 503(b)(3)(D) of the Bankruptcy Code; and (2) any appeals relating to the Plan to which the Official Committee is a party. Except for the purposes described above (for which only the Distribution Trust will be liable), the Debtors, the Reorganized Debtors and the Distribution Trust shall not have any obligation to pay or reimburse any fees of any official or unofficial committee of creditors incurred after the Effective Date. For the avoidance of doubt, any obligations arising under confidentiality agreements, joint interest agreements and protective orders, if any, entered during the Chapter 11 Cases shall remain in full force and effect in accordance with their terms.

XXXVI. Payment of Statutory Fees

130. All pre-confirmation fees due and payable pursuant to section 1930 of Title 28 of the U.S. Code prior to the Effective Date shall be paid by the Debtors. On or after the Effective Date, the Distribution Trustee shall cause the Distribution Trust to pay any and all such fees when due and payable from the Trust Administration Reserve, and shall file with the Bankruptcy Court quarterly reports in a form reasonably acceptable to the United States Trustee. The Distribution Trust shall remain obligated to pay quarterly fees to the Office of the United States Trustee for each of the Chapter 11 Cases until such Chapter 11 Case has been closed, dismissed, or converted to a case under chapter 7 of the Bankruptcy Code.

XXXVII. First and Second Bars Dates for Allowance and Payment of Administrative Expense Claims

a. First Administrative Claims Bar Date

131. All requests for allowance and/or payment of Administrative Claims incurred prior to the Confirmation Date (other than Professional Fee Claims which must be filed in accordance with Section 4.1(c)(ii) of the Plan and any fees and charges assessed against a Debtor's Estate under chapter 123 of title 28 of the United States Code, 28 U.S.C. §§ 1911–

1930) must be filed so as to be actually received by the Bankruptcy Court on or before the date that is the first Business Day that is thirty (30) days following the Confirmation Date, unless otherwise ordered by the Bankruptcy Court (the “First Administrative Claims Bar Date”). Additionally, any such requests for allowance and/or payment of Administrative Claims subject to the First Administrative Claims Bar Date must be served so as to be received on or before the First Administrative Claims Bar date by (a) counsel for the Debtors, (b) counsel for the Purchaser, (c) counsel for the Official Committee and (d) the U.S. Trustee.

132. A notice (which may be incorporated in the Notice of Plan Confirmation (as defined herein)) setting forth the Confirmation Date of the Plan, the First Administrative Claims Bar Date and procedures for Entities to assert Administrative Claims subject to the First Administrative Claims Bar Date shall be (a) filed on the Bankruptcy Court’s docket, (b) posted on the Debtors’ case information website at <http://www.scottishre.com/content/Chapter11Info.asp>, and (c) served, in accordance with Bankruptcy Rules 2002 and 3020(c), on all Persons having been served with notice of the Confirmation Hearing within five (5) Business Days after the Confirmation Date.

b. Second Administrative Claims Bar Date

133. All requests for allowance and/or payment of Administrative Claims incurred between the Confirmation Date and the Effective Date (other than Professional Fee Claims which must be filed in accordance with Section 4.1(c)(ii) of the Plan and any fees and charges assessed against a Debtor’s Estate under chapter 123 of title 28 of the United States Code, 28 U.S.C. §§ 1911–1930) must be filed so as to be actually received by the Bankruptcy Court on or before the date that is the first Business Day that is thirty (30) days following the Effective Date, unless otherwise ordered by the Bankruptcy Court (the “Second Administrative Claims Bar Date,” and together with the First Administrative Claims Bar Date, the “Administrative Claims

Bar Date”). Additionally, any such requests for allowance and/or payment of Administrative Claims subject to the Second Administrative Claims Bar Date must be served so as to be received on or before the Second Administrative Claims Bar date by (a) counsel for the Reorganized Debtors, (b) counsel for the Distribution Trustee and (c) the U.S. Trustee.

134. A notice (which may be incorporated in the Notice of Effective Date (as defined herein)) setting forth the Effective Date of the Plan, the Second Administrative Expense Claims Bar Date and procedures for Entities to assert Administrative Claims subject to the Second Administrative Claims Bar Date shall be (a) filed on the Bankruptcy Court’s docket, (b) posted on the Debtors’ case information website at <http://www.scottishre.com/content/Chapter11Info.asp>, and (b) served by the Distribution Trustee, in accordance with Bankruptcy Rules 2002 and 3020(c), on all Persons having been served with notice of the Confirmation Hearing within five (5) Business Days after the Effective Date.

c. Provisions Generally Applicable to Administrative Claims

135. Any request for payment of an Administrative Claim that is subject to an Administrative Claims Bar Date, in addition to being Filed with the Bankruptcy Court and served so as to be received by the applicable Administrative Claims Bar Date, must include, at a minimum, (a) the name of the Debtor(s) purported to be liable for the Administrative Claim, (b) the name of the Holder of the Administrative Claim, (c) the amount of the Administrative Claim, and (d) a statement of the legal and factual bases for the Administrative Claim.

136. Absent further order of the Bankruptcy Court, any requests for payment of Administrative Claims that are not properly filed and served by the applicable Administrative Claims Bar Date shall (a) be time-barred and (b) not appear on the register of Claims maintained by the Court, the Distribution Trustee and/or the Distribution Agent, as applicable. Except as

otherwise ordered by the Court, any Claims not filed by the Administrative Claims Bar Date are forever barred from receiving a Distribution from the Debtors, the Reorganized Debtors, the Estates or the Distribution Trust.

XXXVIII. Notice of Plan Confirmation; Notice of Effective Date

137. In accordance with Bankruptcy Rules 2002 and 3020(c), the Debtors shall file with the Bankruptcy Court and serve a notice of confirmation of Plan and the entry of this Confirmation Order (the "Notice of Plan Confirmation") by email and by hand, overnight courier service, or United States mail, first-class postage prepaid, to all Persons having been served with the notice of the Confirmation Hearing within five (5) Business Days after the Confirmation Date. The form of Notice of Plan Confirmation attached hereto as **Exhibit A** is hereby approved, both for purposes of this Paragraph and for providing notice of the First Administrative Claims Bar Date. Additionally, the Debtors shall cause notice in substantially the form of the Notice of Plan Confirmation to be published once in (a) the national edition of *USA Today* or comparable newspaper with a national circulation, (b) the *Charlotte Observer*, and (c) the *Cayman Islands Gazette*.

138. In accordance with Bankruptcy Rules 2002 and 3020(c), the Distribution Trustee shall file with the Bankruptcy Court and serve a notice of Effective Date (the "Notice of Effective Date") by email and by hand, overnight courier service, or United States mail, first-class postage prepaid, to all Persons having been served with the notice of the Confirmation Hearing within five (5) Business Days after the conditions to effectiveness of the Plan set forth in Section 9.2 of the Plan have been satisfied or waived. The form of Notice of Effective Date attached hereto as **Exhibit B** is hereby approved, both for purposes of this Paragraph and for providing notice of the Second Administrative Claims Bar Date and the Rejection Claim Bar Date. Additionally, the Debtors shall cause notice in substantially the form of the Notice of

Effective Date to be published once in (a) the national edition of *USA Today* or comparable newspaper with a national circulation, (b) the *Charlotte Observer*, and (c) the *Cayman Islands Gazette*.

139. Mailing and publication of the Notice of Plan Confirmation and the Notice of Effective Date in the time and manner set forth in the preceding two Paragraphs shall constitute good and sufficient notice of the information provided in the Notice of Plan Confirmation and the Notice of Effective Date, respectively, including without limitation, notice of confirmation of the plan as required by the Bankruptcy Code, the Bankruptcy Rules and local rules of this Court, the First Administrative Claims Bar Date, the Second Administrative Expense Claims Bar Date, the Rejection Claim Bar Date and the Effective Date.

140. No further notice is necessary or required.

XXXIX. References to Plan Provisions

141. The Plan is confirmed in its entirety. The failure to reference or discuss any particular provision of the Plan in this Confirmation Order shall not diminish or impair the effectiveness of, or otherwise affect, the validity, binding effect, and enforceability of such provision.

XL. Rules Governing Conflicts Between Documents

142. Notwithstanding the foregoing or any other provision herein, if there is any direct conflict between the Plan, the Plan Supplement, the Stock Purchase Agreement, the Restructuring Implementation Agreement, the Distribution Trust Agreement, the Plan Supplement or other Plan Document (including with respect to any of the foregoing documents, any exhibits, schedules or addenda thereto) and the terms of this Confirmation Order, the terms of this Confirmation Order shall control.

XLII. Capitalized Terms

143. Except as otherwise provided in this Order, capitalized terms used in this Order and not otherwise defined herein have the meanings ascribed to such terms in the Plan.

XLIII. Headings

144. Headings utilized herein are for convenience and reference only, and shall not constitute a part of the Plan or this Confirmation Order for any other purpose.

XLIV. Retention of Jurisdiction

145. Pursuant to sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding the entry of this Confirmation Order or the occurrence of the Effective Date, this Court shall retain jurisdiction as provided in the Plan over all matters arising out of, or related to, the Chapter 11 Cases, the Debtors, the Reorganized Debtors, the Distribution Trust, the Distribution Trustee and the Plan, to the fullest extent permitted by Applicable Laws, including, without limitation, jurisdiction over those matters set forth in Article XI of the Plan.

XLV. Post-Confirmation Modifications

146. Without need for further order or authorization of the Court, the Debtors and the Reorganized Debtors, as applicable, are authorized and empowered to make any and all modifications to any and all documents that are related to the Plan that do not materially modify the terms of such documents. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 and those restrictions on modifications set forth in the Plan, the Stock Purchase Agreement and the Restructuring Implementation Agreement, the Debtors and the Reorganized Debtors may revoke or withdraw, or to alter, amend, or modify materially the Plan with respect to such Debtor, one or more times, after Confirmation, and, to the extent necessary, may initiate proceedings in the Court to so alter, amend, or modify the Plan, or remedy any defect or omission, or reconcile any inconsistencies in

the Plan, the Disclosure Statement, or this Confirmation Order, in such manner as may be necessary to carry out the purposes and intent of the Plan. Any such modification or supplement shall be considered a modification of the Plan and shall be made in accordance with Section 12.4 of the Plan.

XLV. Resolutions of Certain Objections and Responses

a. Comerica Bank

147. The following language is included in this Order in resolution of any and all objections, responses or reservations of rights that Comerica Bank ("Comerica") may have to the confirmation of the Plan and/or entry of this Order:

a. Reference is made to the Proof of Claim filed by Comerica Bank against SALIC on May 3, 2018, and identified by the Clerk as Claim No. 5-1 (the "Comerica Claim"). Capitalized terms used this Paragraph and not otherwise defined in the Plan or this Order, have the meanings ascribed to such terms in Exhibit A to the Comerica Claim.

b. The Comerica Account will vest in Reorganized SALIC upon the Effective Date of the Plan, subject to Comerica's security interest in accordance with the terms of the Standby Letter of Credit Application and Agreement (attached as Exhibit 2 to the Comerica Claim) (the "L/C Application"), the Security Agreement (attached as Exhibit 3 to the Comerica Claim), the Account Agreement for Collateral Fund (attached as Exhibit 4 to the Comerica Claim) (collectively, with the Letter of Credit, the L/C Application and the Security Agreement, the "L/C Documents") and Applicable Law. Subject to the occurrence of the Effective Date, the Comerica Claim is an Allowed Secured Claim to the extent of the amount on deposit in the Comerica Account and shall continue to be secured by the Comerica Account in accordance with the L/C Documents and Applicable Law.

c. The funds in the Comerica Account constitute Comerica's cash

collateral. For the avoidance of doubt, neither the automatic stay nor any discharge injunction or other provision of the Plan prohibits Comerica from sending any notice of nonrenewal to the beneficiary of the Letter of Credit.

d. Without further order of the Bankruptcy Court, to the extent it is authorized to do so pursuant to the terms of the L/C Documents and Applicable Law, Comerica may (i) reimburse itself from funds in the Comerica Account with respect to any draws on the Letter of Credit, and (ii) pay or reimburse itself from funds in the Comerica Account any of its fees and expenses relating to the Letter of Credit, including letter of credit or trust fees and legal fees and expenses. Neither the automatic stay nor any discharge injunction or other provision of the Plan prohibits Comerica from taking such actions.

e. Nothing in this Confirmation Order is intended to affect or enlarge the parties' rights or obligations with respect to the Letter of Credit, any other L/C Document or the Comerica Account, including any rights or obligations with respect to nonrenewal of the Letter or Credit or to recover fees, expenses or other amounts with respect to the Letter of Credit. In the event that the Letter of Credit expires (with or without a draw) or is returned by the beneficiary to Comerica undrawn with instructions to cancel the Letter of Credit, all amounts in the Comerica Account (less any amounts owing with respect to draws or reimbursement of expenses) shall be immediately returned to Reorganized SALIC.

b. NW Cullman Park LP

148. Reference is made to that certain *Lease*, dated as of December 23, 2009 (as amended, modified or supplemented from time to time, and together with all exhibits and schedules thereto, the "Lease"), by and among NW Cullman Park LP, as lessor (the "Lessor"), and SHI and SRUS as co-lessees, with respect to the premises located at Cullman Park, 14120 Ballantyne Corporate Place, Charlotte, NC 28277. For the avoidance of doubt and

notwithstanding anything to the contrary in the Plan, the Plan Documents (including the Plan Supplement), the Disclosure Statement, the Disclosure Statement Order and this Confirmation Order, (a) the Lease shall not be included on the Rejection Schedule and, subject to the occurrence of the Effective Date, the Lease will be assumed by Reorganized SHI in accordance with Article VIII of the Plan with a Cure Amount of zero dollars (\$0.00), and (b) the Plan, the Plan Documents (including the Plan Supplement), the Disclosure Statement, the Disclosure Statement Order and this Confirmation Order do not affect and are without prejudice to, in relation to SRUS, the rights, claims, defenses, duties, responsibilities, obligations and liabilities of the Lessor and SRUS arising under the Lease or Applicable Law; *provided, however*, that if the Lease is assumed by SHI pursuant to the Plan, following the Effective Date, Lessor shall not seek to enforce against SRUS any purported default under the Lease that arises from or relates to SHI's commencement of its Chapter 11 Case or the continuation thereof.

c. Security Life of Denver Insurance Company

149. Notwithstanding anything to the contrary in the Plan, any Plan Document or this Order, the Plan (including, but not limited to, any releases contained in Section 10.3 of the Plan and any related injunctions), the Plan Documents and this Order are without prejudice to any rights, Claims or Causes of Action that Security Life of Denver Insurance Company ("SLD") may have against SRGL, SRUS, SRLB or SRD under that certain Master Asset Purchase Agreement, dated as of January 22, 2009 (as amended, modified or supplemented from time to time, the "MAPA") on account of any existing or future reimbursement obligations of the Sellers pursuant to Section 7.8(b)(iii) of the MAPA.

150. For the avoidance of doubt, nothing in the Plan, any Plan Document or this Order constitutes an admission by any Entity concerning whether the MAPA, or any portion thereof, is an "executory contract," as such term is used in section 365(a) of the Bankruptcy Code.

Nevertheless, in the event the MAPA is subsequently adjudicated to be an executory contract as between SHI and SLD, SHI shall be deemed to have rejected the MAPA effective as of the date of entry of such order or judgment determining that the MAPA is executory. Further, the rights of all Entities are fully preserved as to whether the MAPA is an executory contract and nothing in the Plan or this Order shall prejudice any Entity's rights in connection therewith.

d. SFL and SFL Receiver

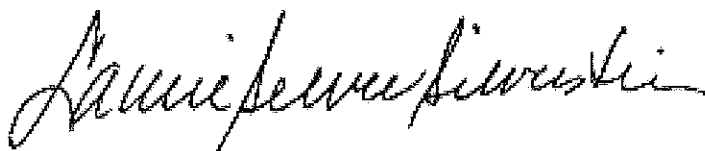
151. Notwithstanding anything to the contrary in the Plan, any Plan Document or this Order, nothing in the Plan, any Plan Document or this Order is intended to, or shall, (a) waive or release any Cause of Action of SFL (or of the SFL Receiver on behalf of SFL and/or its creditors) against any current or former member of the board of managers for SFL (each, in such capacity, a "SFL Manager") and collectively in such capacity, the "SFL Managers") for acts or omissions relating to or arising from the SFL Note in their respective capacities as managers of SFL (such Causes of Action, "SFL Causes of Action"), or (b) stay or enjoin the SFL Receiver from commencing any SFL Cause of Action or pursuing any SFL Cause of Action against any SFL Manager.

[CONTINUED ON NEXT PAGE]

XLVI. Final Order; Time to Appeal

152. This Confirmation Order is a Final Order. For the avoidance of doubt, notwithstanding any stay of the effectiveness of this order that may be in place pursuant to Bankruptcy Rule 3020(e) or otherwise, the period in which an appeal with respect to this Order must be filed shall commence immediately upon the entry of this Order.

Dated: August 27th, 2018
Wilmington, Delaware



LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

**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. ____

**NOTICE OF (A) ENTRY OF ORDER CONFIRMING THIRD AMENDED JOINT
CHAPTER 11 PLAN OF REORGANIZATION OF SCOTTISH HOLDINGS, INC., AND
SCOTTISH ANNUITY & LIFE INSURANCE COMPANY (CAYMAN) LTD., AND (B)
FIRST ADMINISTRATIVE CLAIMS BAR DATE**

TO: ALL PARTIES IN INTEREST

**PLEASE READ THIS NOTICE CAREFULLY. IT CONTAINS A DEADLINE TO
ASSERT ADMINISTRATIVE CLAIMS THAT AROSE PRIOR TO CONFIRMATION
OF THE PLAN AS WELL AS OTHER INFORMATION THAT MAY AFFECT YOUR
RIGHTS.**

PLEASE TAKE NOTICE THAT:

1. Confirmation of the Plan. On August __, 2018 (the "Confirmation Date"), the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") entered its *Findings of Fact, Conclusions of Law, and Order Confirming Third Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* (the "Confirmation Order") (D.I. ____). Unless otherwise defined herein, capitalized terms used in this Notice shall have the meanings ascribed to such terms in the *Third Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.*, dated August 9, 2018 (D.I. 437, Ex. A) (as it may be altered, amended, modified or supplemented from time to time in accordance with its terms and together with the Stock Purchase Agreement and the Plan Supplement, the "Plan") or the Confirmation Order, as applicable.

2. Copies of Documents and Further Information. Copies of the Confirmation Order and the Plan are available and may be examined by interested parties (i) free of charge at the web page maintained by the Debtors for restructuring information at

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.

<http://www.scottishre.com/content/Chapter11Info.asp>; (ii) at the office of the Clerk of the Court, 824 N. Market Street, Wilmington, Delaware 19801 between the hours of 8:00 a.m. and 3:00 p.m. (ET); (iii) on the Court's electronic docket of these Cases at the address <http://www.pacer.gov> (charges may applied); and (iv) free of charge upon reasonable written request to the Debtors' counsel identified in this notice.

3. The Effective Date of the Plan. The Plan will become effective in accordance with its terms on the date on which all conditions to the effective date of the Plan have been satisfied or waived as provided in Section 9.2 of the Plan (the "Effective Date"). The Debtors shall file a notice of the occurrence of the Effective Date with the Bankruptcy Court, serve a copy thereof on all parties entitled to notice in these Chapter 11 Cases, and post a copy on the restructuring web page maintained by the Debtors at <http://www.scottishre.com/content/Chapter11Info.asp>.

4. Deadline and Procedure for Filing Administrative Claims that Arose Prior to Confirmation of the Plan. In accordance with Sections 4.1(a) and 4.1(c)(i) of the Plan and Article XXXVII of the Confirmation Order, any and all requests for allowance and/or payment of Administrative Claims incurred prior to the Confirmation Date (*i.e.* incurred prior to August ___, 2018) must be Filed with the Clerk of the Bankruptcy Court, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801 so as to be actually received on or before _____, **2018** (the "First Administrative Claims Bar Date").² Any such request must include, at a minimum, (a) the name of the Debtor(s) purported to be liable for the Administrative Claim, (b) the name of the Holder of the Administrative Claim, (c) the amount of the Administrative Claim, and (d) a statement of the legal and factual bases for the Administrative Claim.

Any such request for allowance and/or payment of Administrative Claims subject to the First Administrative Claims Bar Date must also be served so as to be received on or before the First Administrative Claims Bar Date by:

counsel for the Debtors, (a) Hogan Lovells US LLP, 875 Third Avenue, New York, NY 10022, Attn: Peter Ivanick, peter.ivanick@hoganlovells.com; and John Beck, john.beck@hoganlovells.com; and (b) Morris, Nichols, Arsht & Tunnell LLP, 1201 North Market Street, 16th Floor, P.O. Box 1347, Wilmington, DE 19899, Attn: Eric Schwartz, eschwartz@mnat.com; Gregory Werkheiser, gwerkheiser@mnat.com; and Matthew Harvey, mharvey@mnat.com;

counsel for the Purchaser, (a) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 11036, Attn: Stephen D. Zide, szide@kramerlevin.com; and Anupama Yerramalli, ayerramalli@kramerlevin.com; and (b) Potter Anderson & Corroon LLP,

² The First Administrative Claims Bar Date does not apply to the following: (a) Professional Fee Claims addressed in Section 4.1(c)(ii) of the Plan, and (b) any fees and charges assessed against a Debtor's Estate under chapter 123 of title 28 of the United States Code, 28 U.S.C. §§ 1911–1930.

1313 N. Market Street, P.O. Box 651, Wilmington, DE 19899; Attn: Jeremy William Ryan, jryan@potteranderson.com; R. Stephen McNeill, rmcneill@potteranderson.com;

counsel for the Official Committee of Unsecured Creditors, Pepper Hamilton LLP, Hercules Plaza, Suite 5100, 1313 N. Market Street, Wilmington, DE 19801, Attn: David M. Fournier, fournierd@pepperlaw.com; and John H. Schanne II, schannej@pepperlaw.com; and 37th Floor, 620 Eighth Avenue, New York, NY 10018-1405, Attn: H. Peter Haveles, Jr., havelesp@pepperlaw.com; and

the office of the United States Trustee for the District of Delaware, Caleb Boggs Federal Building, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Timothy J. Fox, Jr., timothy.fox@usdoj.gov.

UNLESS OTHERWISE ORDERED BY THE BANKRUPTCY COURT, ANY REQUEST FOR ALLOWANCE AND/OR PAYMENT OF AN ADMINISTRATIVE CLAIM ARISING BEFORE THE CONFIRMATION DATE THAT IS NOT PROPERLY FILED AND SERVED BY THE FIRST ADMINISTRATIVE CLAIMS BAR DATE IS TIME BARRED; SHALL NOT APPEAR ON THE REGISTER OF CLAIMS MAINTAINED BY THE COURT, THE DISTRIBUTION TRUSTEE AND/OR THE DISTRIBUTION AGENT, AS APPLICABLE; AND SHALL BE FOREVER BARRED FROM RECEIVING A DISTRIBUTION FROM THE DEBTORS, THE REORGANIZED DEBTORS, THE ESTATES OR THE DISTRIBUTION TRUST.

Dated: _____, 2018
Wilmington, Delaware

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/ DRAFT

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Gregory W. Werkheiser (No. 3553)
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- and -

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john.beck@hoganlovells.com

Counsel for Debtors and Debtors in Possession

EXHIBIT B

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. ____

NOTICE OF (I) EFFECTIVE DATE OF THIRD AMENDED JOINT
CHAPTER 11 PLAN OF REORGANIZATION OF SCOTTISH HOLDINGS,
INC., AND SCOTTISH ANNUITY & LIFE INSURANCE COMPANY
(CAYMAN) LTD., AND (II) CERTAIN CLAIMS BAR DATES

TO: ALL PARTIES IN INTEREST

PLEASE READ THIS NOTICE CAREFULLY. IT CONTAINS DEADLINES TO ASSERT (I) ADMINISTRATIVE CLAIMS THAT AROSE AFTER CONFIRMATION OF THE PLAN AND PRIOR TO THE EFFECTIVE DATE OF THE PLAN, (II) PROFESSIONAL FEE CLAIMS, AND (III) CLAIMS FOR DAMAGES BASED ON REJECTION OF A CONTRACT. THIS NOTICE ALSO CONTAINS ADDITIONAL INFORMATION THAT MAY AFFECT YOUR RIGHTS.

PLEASE TAKE NOTICE THAT:

1. **Entry of Confirmation Order.** On August __, 2018 (the "Confirmation Date"), the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") entered its *Findings of Fact, Conclusions of Law, and Order Confirming Third Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.* (the "Confirmation Order") (D.I. ____). Unless otherwise defined herein, capitalized terms used in this Notice shall have the meanings ascribed to such terms in the *Third Amended Joint Chapter 11 Plan of Reorganization of Scottish Holdings, Inc., and Scottish Annuity & Life Insurance Company (Cayman) Ltd.*, dated August 9, 2018 (D.I. 437, Ex. A) (as it may be altered, amended, modified or supplemented from time to time in accordance with its terms and together with the Stock Purchase Agreement and the Plan Supplement, the "Plan") or the Confirmation Order, as applicable.

2. **Effective Date.** Each of the conditions precedent to the effectiveness of the Plan has occurred or was waived in accordance with Section 9.2 of the Plan and the Plan became effective and was substantially consummated on _____, 2018 (the "Effective Date"). The Plan and its provisions are binding on the Debtors, any holder of a Claim or Interest, and such holder's respective

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.

successors and assigns, whether or not the Claim or Interest of such holder is Impaired under the Plan, and whether or not such holder or Entity voted to accept the Plan.

3. **Bar Date for Administrative Expense Claims.** In accordance with Sections 4.1(a) and 4.1(c)(i) of the Plan and Article XXXVII of the Confirmation Order, any and all requests for allowance and/or payment of Administrative Claims incurred between the Confirmation Date (*i.e.*, August __, 2018) and the Effective Date (*i.e.* _____, 2018) must be Filed with the Clerk of the Bankruptcy Court, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801 so as to be actually received on or before _____, 2018 (the “Second Administrative Claims Bar Date”).² Any such request must include, at a minimum, (a) the name of the Debtor(s) purported to be liable for the Administrative Claim, (b) the name of the Holder of the Administrative Claim, (c) the amount of the Administrative Claim, and (d) a statement of the legal and factual bases for the Administrative Claim.

Any such request for allowance and/or payment of Administrative Claims subject to the Second Administrative Claims Bar Date must also be served so as to be received on or before the Second Administrative Claims Bar Date by:

counsel for the Reorganized Debtors, Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 11036, Attn: Stephen D. Zide, szide@kramerlevin.com; and Anupama Yerramalli, ayerramalli@kramerlevin.com;

counsel for the Distribution Trustee, [TBD]; and

the office of the United States Trustee for the District of Delaware, Caleb Boggs Federal Building, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Timothy J. Fox, Jr., timothy.fox@usdoj.gov.

UNLESS OTHERWISE ORDERED BY THE BANKRUPTCY COURT, ANY REQUEST FOR ALLOWANCE AND/OR PAYMENT OF AN ADMINISTRATIVE CLAIM ARISING BETWEEN THE CONFIRMATION DATE AND THE EFFECTIVE DATE THAT IS NOT PROPERLY FILED AND SERVED BY THE SECOND ADMINISTRATIVE CLAIMS BAR DATE IS TIME BARRED; SHALL NOT APPEAR ON THE REGISTER OF CLAIMS MAINTAINED BY THE COURT, THE DISTRIBUTION TRUSTEE AND/OR THE DISTRIBUTION AGENT, AS APPLICABLE; AND SHALL BE FOREVER BARRED FROM RECEIVING A DISTRIBUTION FROM THE DEBTORS, THE REORGANIZED DEBTORS, THE ESTATES OR THE DISTRIBUTION TRUST.

4. **Bar Date for Professional Fee Claims.** In accordance with Section 4.1(c)(ii) of the Plan, all final requests for payment of Professional Fee Claims pursuant to Bankruptcy Code Sections 327, 328, 330, 331, 503(b) and 1103 of the Bankruptcy Code for services rendered before the Effective Date (including, without limitation, any compensation requested by any Professional or any other Entity for making a substantial contribution in the Chapter 11 Cases) (each a “Final Fee Application”) shall file an application for final allowance of compensation and reimbursement of expenses no later

² The Second Administrative Claims Bar Date does not apply to the following: (a) Professional Fee Claims addressed in Section 4.1(c)(ii) of the Plan, and (b) any fees and charges assessed against a Debtor’s Estate under chapter 123 of title 28 of the United States Code, 28 U.S.C. §§ 1911–1930. Professional Fee Claims are subject to the Final Fee Application process and deadline set forth in this Notice.

than _____, 2018 and simultaneously notice and serve such Final Fee Application as set forth in Section 4.1(c)(ii) of the Plan.

5. **Bar Date for Rejection Claims.** Pursuant to Article XIII of the Plan, Article XXXIII of the Confirmation Order, and the General Bar Date Order, any Creditor asserting a Claim for monetary damages as a result of the rejection of an executory contract or unexpired lease rejected pursuant to this Plan must file a proof of claim (“Rejection Claim”) substantially in the form of Official Form 410 with the Court by either electronic upload via the Court’s web portal (<https://ecf.deb.uscourts.gov/cgi-bin/autoFilingClaims.pl>) or by hardcopy delivered to United States Bankruptcy Court, Attn: Claims, 824 North Market Street, 3rd Floor Wilmington, DE 19801 so as to be received by _____, 2018 (the “Rejection Claim Bar Date”), and, at the same time, serve such Rejection Claim upon (a) counsel for the Reorganized Debtors, (b) counsel for the Distribution Trustee, and (c) the U.S. Trustee, at the addresses identified in section 3 above.

UNLESS OTHERWISE ORDERED BY THE BANKRUPTCY COURT, ANY PROOF OF CLAIM ARISING FROM OR RELATING TO THE REJECTION OF A CONTRACT OR LEASE THAT IS SUBJECT TO THE REJECTION CLAIM BAR DATE BUT IS NOT TIMELY AND PROPERLY FILED BY THE REJECTION CLAIM BAR DATE IS TIME BARRED; SHALL NOT APPEAR ON THE REGISTER OF CLAIMS MAINTAINED BY THE COURT, THE DISTRIBUTION TRUSTEE AND/OR THE DISTRIBUTION AGENT, AS APPLICABLE; AND SHALL BE FOREVER BARRED FROM RECEIVING A DISTRIBUTION FROM THE DEBTORS, THE REORGANIZED DEBTORS, THE ESTATES OR THE DISTRIBUTION TRUST.

6. **Copies of the Plan and the Confirmation Order.** Copies of the Confirmation Order and the Plan are available and may be examined by interested parties (i) free of charge at the web page maintained by the Debtors for restructuring information at <http://www.scottishre.com/content/Chapter11Info.asp>; (ii) at the office of the Clerk of the Court, 824 N. Market Street, Wilmington, Delaware 19801 between the hours of 8:00 a.m. and 3:00 p.m. (ET); (iii) on the Court’s electronic docket of these Cases at the address <http://www.pacer.gov> (charges may applied); and (iv) free of charge upon reasonable written request to the Debtors’ counsel identified in this notice.

Dated: _____, 2018

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