

TO ALL KNOWN CREDITORS

14 March 2025

Ref: RB/SE/PK/LM

Email: CXRe@uk.ey.com

Dear Sir or Madam

CX Reinsurance Company Limited (in Administration) (“the Company”)

High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (ChD), Number CR-2020-003307

As you are aware, the Company entered administration on 17 August 2020 and Simon Edel and I were appointed to act as Joint Administrators. The appointment was made by the High Court following an application under the provisions of paragraph 12(1) (b) of Schedule B1 to the Insolvency Act 1986. Under the terms of appointment, any act required or authorised to be done by the Joint Administrators can be carried out by any one of them.

In addition, a Chapter 15 Recognition Order (“Chapter 15 Order”) was granted by the US Bankruptcy Court on 8 October 2020 pursuant to which the Joint Administrators are recognised as the foreign representatives authorised to act on behalf of the Company for the duration of the Chapter 15 case.

I write, in accordance with Rule 18.3 of the Insolvency (England and Wales) Rules 2016, to provide creditors with a report on the progress of the administration. This report covers the period from 17 August 2024 to 16 February 2025 (“the Period”) and should be read in conjunction with the Joint Administrators’ Statement of Proposals dated 7 October 2020 (“the Proposals”) and the Joint Administrators’ progress reports dated 16 March 2021, 16 September 2021, 16 March 2022, 16 September 2022, 16 March 2023, 16 September 2023, 13 March 2024 and 13 September 2024.

Statutory information about the Company, the administration and the office holders are provided at Appendix A.

Copies of the above documents and other announcements are available at the following website:
https://www.ey.com/en_uk/ey-cx-reinsurance-company-administration.

Summary of progress to 16 February 2025

During the period, the Company launched a Scheme of Arrangement pursuant to Part 26 of the Companies Act 2006 (“the Direct Scheme”) with its creditors with claims arising in respect of direct insurance policies (collectively the “Direct Scheme Creditors”).

The court hearing to sanction the Direct Scheme took place on 17 January 2025 and, by an order of the same date, the Court sanctioned the Direct Scheme. The order was subsequently delivered to the Registrar of Companies on 20 January 2025 as required by the Companies Act 2006, and the Direct Scheme became effective from that date. Full details in respect of the Direct Scheme, including all documents issued to Direct Scheme Creditors, are available at the Company’s Direct Scheme Website: https://www.ey.com/en_uk/administrations/cxreinsurancecompanydirectscheme

In addition to the launch of the Direct Scheme, substantial progress has been made in the Period in relation to the future resolution of the Company's US Trust Funds. Further details in respect of the Direct Scheme and progress of the administration are provided below.

Extension of the Administration

As creditors will be aware, an extension of the administration to 16 February 2025 was approved by the Court in order to allow the Joint Administrators time to agree and implement an appropriate exit strategy, namely the Direct Scheme.

Following implementation of the Direct Scheme, the Joint Administrators considered that it was necessary and appropriate for the administration to be further extended to support the running of the Direct Scheme alongside the administration and to allow key stakeholders to agree an approach to enable the resolution of the US Trust Funds.

Accordingly, following consultation with the Creditor's Committee and UK regulators, the Joint Administrators made an application to the Court for an extension of the administration for a further 24 month period. At a hearing on 31 January 2025 the Court granted an order extending the administration for 24 months to 16 February 2027. A copy of the Court order is available to view on the administration website.

Direct Scheme of Arrangement

As previously reported, the Direct Scheme was proposed to enable the conclusion of the Company's direct insurance business and a distribution to Direct Scheme Creditors.

A meeting of Direct Scheme Creditors was held on 12 December 2024 at which all those Direct Scheme Creditors participating in the meeting (whether in person or by proxy) voted in favour of the Direct Scheme. As noted above, following the Direct Scheme Meeting, the Company applied to the Court for sanction of the Direct Scheme and a hearing took place on 17 January 2025. The Court subsequently sanctioned the Direct Scheme by an order of the same the date and the Direct Scheme was deemed effective from 20 January 2025.

Formal Notice of the Effective Date and the Final Claims Deadline, being 11.59pm on 21 July 2025, was issued to all Direct Scheme Creditors for which the Company had contact details by email or post on 20 January 2025,

IMPORTANT:

All Direct Scheme Creditors are reminded that they must submit their Direct Scheme Claims to the Company by no later than the Final Claims Deadline in order to be entitled to receive any payment from the Company in respect of a Direct Scheme Claim, other than for the exceptions noted in the formal notice.

Further information regarding the Direct Scheme and all documents referred to above are available to view and download at the Direct Scheme Website
https://www.ey.com/en_uk/administrations/cxreinsurancecompanydirectscheme.

Should anyone believe they are a Direct Scheme Creditor and is yet to receive information regarding the Direct Scheme, please contact the Joint Administrators at CXRe@uk.ey.com or at the contact details in appendix A to request hard copies of any documentation.

Asset Realisations

Trust Fund arrangements

As creditors are aware, the Company is party to two trust funds in the US, a Surplus Line Trust, and a Reinsurance Trust (together “the US Trust Funds”), which hold investment portfolios with combined assets valued at USD c.\$17m as of 31 January 2025.

As reported previously, due to legal complexities, the US Trust Funds were required to remain remote from the Direct Scheme.

During the Period, the Company, in consultation with its US legal advisors, progressed discussions with the New York Department of Financial Services (“DFS”) and other key stakeholders regarding an appropriate resolution of the US Trust Funds.

Shortly after the period end, an amendment to the Surplus Lines Trust Deed has been approved that will authorise the Joint Administrators to set a bar date for all potential creditors to file their claims against the Surplus Lines Trust Fund and, subsequently, to determine the value of such claims and distribute the assets within Surplus Lines Trust.

Further information regarding the Surplus Lines Trust and the trust deed amendment will be issued to all those creditors that the Company believes to be impacted by the Surplus Lines Trust by the end of March 2025, as well as being made available to view on the Company’s administration website.

In respect of the US Reinsurance Trust, the Joint Administrators have now completed an exercise to contact known beneficiaries of the US Reinsurance Trust with open claim reserves in the Company’s records in order to identify whether it is possible to commute all business covered by this trust, as far as possible, and subsequently make an application for any surplus balance to be remitted to the Company for the benefit of creditors of the estate.

The Joint Administrators have recently made an application to the DFS to request a release of funds in the amount of \$494k from the US Reinsurance Trust to settle agreed commutation settlements in respect of the known beneficiaries of this trust and costs in the amount of \$83k settled by the Company in respect of this trust during the administration period. Following payments of these liabilities, the Joint Administrators intend to make a further application for the release of surplus funds in the US Reinsurance Trust to the Company for the benefit of the remaining creditors of the estate.

In the Period, fees in the amount of \$34,467 were paid from the administration estate to State Street, who act as Custodian to the Company, in respect of services provided in Q1 and Q2 of 2024, and fees in the amount of \$33,981 were paid to Blackrock, who provide asset management and accounting services to the Company, in respect of the US Trust Funds. A further \$4,120 was paid from the estate in respect of State regulator costs associated with the US Trust Funds. The Joint Administrators propose to request reimbursement of these costs from the US Trust Funds in due course.

Debt Purchase Assets and Reinsurance Debtors

During the reporting Period, no realisations have been made in relation to Debt Purchase Assets, which predominantly relate to agreed claims in the insolvency proceedings of other insurance companies. It is estimated that the future realisations in respect of Debt Purchase Assets will be approximately \$1.1m, of which \$0.9m is currently estimated to be recoverable during 2025. The Company staff are currently

collating the underlying documentation supporting the Debt Purchase Assets to enable the Joint Administrators to approach potential purchasers of the assets in advance of any potential distribution within the Direct Scheme.

As previously reported, the matters that impact the recoverability of the remaining debts are outside of the Joint Administrators' control and, therefore, actual amounts recovered in due course and the timing of receipts may differ from current estimates.

During the period, a commutation was agreed with, and funds in the amount of \$30k received from, a previous reinsurer of the Company in respect of historical reinsurance contracts. The Joint Administrators believe there may be further potential balances recoverable in offset to creditor claims as part of the Direct Scheme, but no other cash recoveries are expected.

Other recoveries

A total of €9,002 was collected during the period in respect of refunds of retained reserves and historic premium plus interest held by certain agents and brokers on behalf of the Company.

Treasury Management

As of 31 January 2025, non-trust investments which are comprised of bonds with a market value of \$518k were held by the Company's custodian, State Street Corporation ("State Street").

No investment maturities took place in the reporting Period. The next maturity is due in November 2025 in the amount of \$350k. All other remaining non-trust investments are due to mature beyond 2025. As the investments are liquid and actively traded, the Joint Administrators will consider a sale of the investments with long maturity dates in advance of any distribution process within the Direct Scheme.

The Joint Administrators monitor short term, low risk investment options for the funds held in each currency in the estate and, where appropriate, place funds on short-term treasury deposit accounts to maximise interest income. Interest income received in the reporting period in this regard was \$60,452 and £2,844 respectively.

SICAV arrangements

As previously reported, the Company is party to 'Société d'investissement à Capital Variable' ("SICAV") arrangements with Natixis Bank based in France which holds security over cash set aside for certain creditors within France. As of 31 January 2025, the cash held totalled c.€375k.

As previously advised, based on correspondence with Natixis Bank, it is understood that the potential liabilities of the creditors for whom the security is held are estimated to be greater than the value of the assets in the SICAVs. Accordingly, it is not expected that there will be any realisable surplus funds from the SICAVs for the general estate.

Liability Management

The Joint Administrators continue to assess liabilities of the Company, where possible, in preparation for the claim valuation process within the Direct Scheme.

Litigation

As previously reported, the Company remains party to litigation cases in the US Courts, and the Chapter 15 Court Order granted on 8 October 2020 remains in place to protect the Company's US estate. During the administration period, the Company has also received notification that it is subject to a potential litigation matter in the French Courts.

The table below summarises the current status of these matters.

Status	Matters
Concluded/Concluding (either via settlement, dismissal, a final judgement or cessation of litigation)	21
Not pursued further by the claimant	6
Stayed	2
Awaiting final outcome (from either trial or settlement discussions)	10
Live	-
Total Matters	39

For the avoidance of doubt, with exception to the matters discussed below and in our previous progress reports, matters that have been classed as having been concluded through settlement have been done so as part of market-wide settlements and in accordance with the automatic stay imposed through the Chapter 15 Bankruptcy Order. Claims are anticipated to be submitted in due course within the Direct Scheme in respect of any amounts due from the Company as a result of those matters.

The Joint Administrators have assessed all matters which are yet to conclude and expect to agree claim values in respect of these matters as part of the Direct Scheme.

As referenced above and reported previously, the Joint Administrators were previously made aware of a litigation matter in the French Courts to which certain parties were attempting to join the Company.

During the period, the Joint Administrators received formal service of the litigation. After consulting with French legal advisors, the Joint Administrators have appealed the order, with an appeal hearing set for June 2025. Assuming the appeal is granted, the Joint Administrators will consider the next most appropriate steps to protect the Company, and its estate as required. We will update creditors as more information arises.

Each situation will continue to be assessed on its relative merits, taking into account the costs and benefits to the estate.

Legal fees

Legal fees in the sum of £151,290 have been paid in the Period to US bankruptcy counsel primarily for advice in relation to strategy and review of the Direct Scheme documentation, including regarding Bankruptcy Law requirements and recognition of the Direct Scheme under Chapter 15. They have also advised on matters relating to certain litigation and the associated Bankruptcy Court requirements.

Payments in the sum of \$13,734 have been made in the Period to US insurance counsel for advice regarding strategy for the US Trust Funds, including in relation to the Surplus Lines Trust Deed Amendment discussed above.

Legal fees in the sum of £96,362 have been paid in the Period to UK Legal advisors and Counsel in relation to strategy, planning, preparation of documents and implementation of the Direct Scheme, including preparation for and attendance at Leave to Convene and Sanction Hearings and the Direct Scheme Meeting. Further fees in the sum of £6,720 have also been paid in the period to UK Legal advisors and Counsel in relation to the extension of the administration.

Legal fees in the sum of \$7,216 and €16,237 have additionally been paid to US and French legal advisors for advice relating to certain of the US and French litigation matters referenced above, and for assistance with collection of an outstanding debt from a foreign insolvency estate.

Pre-Scheme Expenses

During the Period, the Company has incurred Pre-Scheme Expenses in the amount of £42,962 and \$37,500 as part of the process to enable implementation of the Direct Scheme.

Of this amount, £32,812 relates to statutory advertisements placed in local and international publications notifying potential Direct Scheme Creditors across all relevant jurisdictions of the Leave to Convene Hearing and the Direct Scheme Meeting and £10,150 relates to services provided by Lumi Global in hosting the Direct Scheme Meeting and voting process.

An amount of \$27,500 was incurred in respect of an expert legal opinion required by the Court at the sanction hearing regarding the likelihood of the Direct Scheme receiving recognition under Chapter 15 of the US Bankruptcy Code and \$10,000 relates to a retainer payment required to engage the Direct Scheme Adjudicator in preparation for the Direct Scheme.

Additionally, in accordance with the terms of the Direct Scheme, the Company issued the PSL, notice of the Direct Scheme Meeting and copies of the Direct Scheme Document to all potential Direct Scheme Creditors for which contact details were available during the period. This was undertaken by the previously engaged noticing agent, Epiq Corporate Restructuring LLC ("Epiq"), who were paid fees and expenses totalling \$92,983 in the period for their services, which also included managing and collating returned and queried mail.

Run off Operating model

The Company continues to employ two members of staff, one full time and one part time. In the period, the Company's staff have worked on preparation and implementation of the Direct Scheme and assessing potential valuations of Direct Scheme Creditor claims. Retention of the employees remains subject to the Company's operational needs and will continue to be monitored by the Joint Administrators throughout the administration and the Direct Scheme.

During this reporting period, a total of £132,845 has been paid in respect of the Company's staff, consisting of salaries, employer taxes and pension contributions.

Outsource providers

Various outsource providers continue to provide services to the Company both in respect of the ongoing operations of the runoff and in support of the Direct Scheme. Total costs of £14,595 have been paid in the period in this regard.

Of this amount, £8,860 relates to tax and accounting services provided by Lee-Anne van Heusden Limited ("LVHL") to meet the Company's accounting and corporation tax filing requirements, £769 relates to services provided by payroll and accounting systems providers, £800 relates to services provided by

PRO Insurance Solutions Limited and £4,165 relates to services provided by SNL Consultants Limited (“SNL”) relating to insurance market claims analysis in advance of the Direct Scheme implementation.

As reported previously, following the initial three year agreement agreed with Espire Infolabs Limited (“Espire”) as part of the development of the Company’s claims management system, an extension for the license was agreed, alongside the minimum required support costs at a 20% reduced rate, given use of the system is critical to the efficient running of the Direct Scheme. The Company received the initial extension invoice (for the period to March 2024) from Espire at the end of the Period, therefore, these costs will be paid in the next reporting period.

The Joint Administrators anticipate a further extension will be required until at least the termination of the Direct Scheme and expect that this will be agreed with Espire and invoiced in the next reporting period. The Joint Administrators will monitor the requirements of the system in order that services are terminated as soon as reasonably practicable.

The Company’s books and records, including US claim files, are retained in line with statutory requirements, and total costs of £5,199 and \$600 have been paid in this respect to the storage facilitators in the UK and US during the reporting period.

VAT

Input VAT in the amount of £63,813 has been incurred by the Company in respect of expenses incurred and paid in the Period.

VAT returns for all periods to 30 November 2024 have been filed with HMRC and VAT refunds totalling £202,511, with VAT repayment supplement totalling £422, have been received in the Period in respect of returns to 31 May 2024, 31 August 2024 and 30 November 2024.

As previously advised, an element of the costs incurred in the US are subject to a UK VAT reverse charge which is accounted for as an expense of the estate.

Corporation Tax

A Corporation Tax return for the period 1 January 2023 to 31 December 2023 has been filed with HMRC during the Period. No tax liability arose in respect of this return as the Company incurred a trading loss. The Joint Administrators are working with LVHL and their EY tax colleagues in order to prepare and submit the Corporation Tax return for the period 1 January 2024 to 31 December 2024 as soon as practicable. No tax liability is anticipated for the 2024 period.

Regulatory Engagement

The Company remains a regulated insurance company and must comply with various regulatory requirements. The Joint Administrators provide updates to the PRA and FCA on the progress of the administration as and when appropriate.

As mentioned above, the Joint Administrators have liaised with the UK regulators throughout the period in relation to the Direct Scheme and US Trust Funds and they will continue to liaise with them, the DFS and any other regulatory body, as required, throughout the remainder of the process to ensure the Direct Scheme remains compliant with the necessary requirements in both the UK and the US.

Creditors' Committee

There have been no changes to the constitution of the Creditors' Committee in the reporting period. The Joint Administrators have remained in consultation with the Creditors' Committee throughout the period, although no formal meetings have taken place. The next (tenth) meeting is scheduled for 20 March 2024.

Receipts and payments account

A summary of the Joint Administrators' receipts and payments for the reporting period from 17 August 2024 to 16 February 2025, and cumulatively from the commencement of the administration to 16 February 2025, is attached at Appendix B. The Joint Administrators' receipts and payments account is a statement of cash received and cash paid out and does not reflect estimated future realisations or costs.

The Joint Administrators present receipts and payments accounts for each of the three primary currencies which the Company has transactions in (pound sterling, US dollar and euro) rather than consolidating these into pound sterling which would give rise to presentational foreign exchange gains or losses.

Joint Administrators' remuneration and disbursements

The statutory provisions relating to remuneration are set out in Part 18 of the Insolvency (England and Wales) Rules 2016. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the web site of the Institute of Chartered Accountants in England and Wales at <https://www.icaew.com/en/technical/insolvency/creditors-guides> or is available in hard copy upon written request.

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses, or to apply to court if they consider the costs to be excessive (Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016). Further information is provided in 'A Creditors' Guide to Administrators' Fees' referred to above.

As previously reported, due to the complexity of the administration of the Company and a number of material uncertainties that existed at the outset of the administration, a revised fee estimate dated 15 April 2024 ("the Revised Fee Estimate"), which estimated total fees in the amount of £6.6m for the period to 16 February 2025, was approved by resolution of the Creditors' Committee on 15 April 2024.

During the period covered by this report, the Joint Administrators have incurred time costs in the amount of £644,428, of which none have been drawn. Subject to approval of the Creditors' Committee, the Joint Administrators intend to draw further fees in accordance with the Revised Fee Estimate in the next reporting period.

The Joint Administrators also intend to discuss a further revised fee estimate with the Creditors' Committee given the extension of the administration to 16 February 2027. Further information in this respect will be included in the next report to creditors.

An analysis of the time spent in the period, a comparison with the Revised Fee estimate dated 15 April 2024, and summary of the tasks undertaken is attached at Appendix D to this report. Appendix D also provides a statement of the Joint Administrators' policy in relation to charging time and expenses.

The below table summarises the cumulative time incurred by the Joint Administrators and their staff and amounts drawn to date from the estate.

	Previously reported £	Time incurred during period £	Total
Time incurred (£)	5,940,994	644,428	6,585,422
Fees drawn (£)	5,390,849	-	5,390,849
Subject to Creditors' Committee approval	550,146	644,428	1,194,574

To date, the Joint Administrators have incurred Category 1 and 2 expenses amounting to £28,431, of which £12,848 has been incurred in the reporting period, and £15,188 has been drawn from the estate to date, in accordance with approvals from the Creditors' Committee. An analysis of the expenses paid to date is set out in Appendix C of this report.

The time costs and expenses summarised above exclude the time costs and expenses of the Direct Scheme Administrators since the Direct Scheme became effective, which are accounted for separately and are subject to review and approval of the Direct Scheme Creditors' Committee under the terms of the Direct Scheme.

Joint Administrators' statement of expenses incurred

During the period covered by this report, expenses totalling £645,597 (made up by £453,641, \$225,144 and €16,240) (net of VAT and excluding Joint Administrators' fees and Category 1 and 2 expenses) have been paid to third parties in administering the Company's estate. A breakdown of expenses incurred in this period is enclosed at Appendix C.

Similar to the Joint Administrators' fees, as previously reported, expenses previously exceeded the estimate contained in the statement of expenses dated 7 October 2020, primarily due to the additional operational costs incurred as a result of the extension to the administration and US and UK legal fees incurred in providing assistance to the Joint Administrators in planning for the Direct Scheme and resolving the complexities surrounding the US Trust Funds. Accordingly, a revised estimate of expenses was shared with the Creditors' Committee at the meeting on 22 April 2024 and is provided at Appendix C.

Details to why these costs have been incurred are also provided at Appendix C and described in our previous reports.

Distributions to creditors

As insurance policyholders are aware, the administration of the Company does not terminate or cancel a policyholder's contract of insurance (unless specifically stated in their policy). Accordingly, claims continue to be directed to the Company in the normal course.

Preferential Creditors

During the period, the claims of preferential creditors totalling £11,841 in respect of three former employees of the Company were agreed and paid in full.

Direct Insurance Creditors

As noted above, the hierarchy of debts for an insurance company is set out in The Insurers (Winding-up and Reorganisation) Regulations 2004 and applies to the Company. The effect of which is that Direct Insurance creditors have priority over other classes of unsecured creditors, including Reinsurance Creditors.

As explained in this report, claims of Direct Scheme Creditors will be valued as part of the claim valuation process within the Direct Scheme. It is not possible at this stage to provide an estimate of the likely distribution to Direct Scheme Creditors but further updates will be provided in future reports.

Reinsurance Creditors

As mentioned above, the Joint Administrators recently submitted a formal request to the DFS for a release of funds from the Reinsurance Trust in order to settle agreed commutation payments to the remaining cedants of the Company with entitlements against the Reinsurance Trust.

At this stage it remains unlikely that funds will be available to make a distribution to Reinsurance Creditors. However, this will depend on the level of claims submitted in the Direct Scheme and in respect of the Surplus Lines Trust. Further updates in this respect will be included in future reports.

Next report

I will report to you again in six months' time by 16 September 2025. The report will be shared with creditors by publication on the Company's website unless individual creditors have opted to receive reports by post.

Should you have any queries, please contact the Joint Administrators by emailing CXRe@uk.ey.com.

Yours faithfully
for the Company



Richard Barker
Joint Administrator

Richard Barker and Simon Edel are licensed in the United Kingdom to act as insolvency practitioners by The Insolvency Practitioners Association.

The affairs, business and property of the Company are being managed by the Joint Administrators and Foreign Representatives (in respect of the Company's US estate), Richard Barker and Simon Edel, who act as agents of the Company only and without personal liability.

The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy

Appendix A

Information about the proceedings, the Company, and the office holders, as required by Rule 18.3(1) of the Insolvency (England and Wales) Rules 2016

Name of court:	High Court of Justice Business and Property Courts of England and Wales and Companies (ChD)
Court reference number:	CR-2020-003307
Company registered number:	01086556
Registered name of the company:	CX Reinsurance Company Limited
Registered office address of the company:	Ernst & Young LLP, 1 More London Place, London, SE1 2AF
Former principal trading address (if different from above):	118 Pall Mall, London United Kingdom, SW1Y 5ED
Name(s) and address(es) of Joint Administrator(s):	Richard Barker and Simon Edel Ernst & Young LLP, 1 More London Place London, SE1 2AF
Office holder number(s):	17150 / 9810
Division of Administrators' responsibility:	Any of the functions to be performed or powers exercisable by the Joint Administrators may be carried out/exercised by any one of them acting alone or by any or all of them acting severally
Name of alternative person to contact with enquiries about the case:	CXRe@uk.ey.com
Prescribed Part	The Joint Administrators have established that there are no valid fixed or floating charges registered against the Company. In the absence of a floating charge, there are no monies required to be set aside to creditors under s176A of the Act being under the 'Prescribed Part' formula.

Statement concerning the EC Regulation

The EC Council Regulation on Insolvency proceedings does not apply to this Administration.

Appendix B

Joint Administrators' Summary of Receipts and Payments from 17 August 2024 to 16 February 2025 – GBP

	Notes	Statement of Affairs GBP £	Amounts as at 17 August 2024 GBP £	Movement in period to 16 February 2025 GBP £	Amounts as at 16 February 2025 GBP £
RECEIPTS					
Assets subject to fixed charge	5	18,364,117	-	-	-
Surplus from Trust Assets		-	488,584	-	488,584
Cash at Bank	4	745,513	89,363	-	89,363
Investments	5	9,277,715	2,307,832	-	2,307,832
Prepayments and accrued interest	5	172,549	-	-	-
Debt Purchase	3	2,362,893	505	-	505
Reinsurers share of technical provisions		361,888	-	-	-
Trade Debtors		2,582,193	-	-	-
Loss Fund & Premium Recoveries		-	1,680	-	1,680
Recoveries from surrendered losses		-	388,850	-	388,850
Pre-appointment VAT refunds		-	13,814	-	13,814
VAT Repayment Supplement		-	20,011	422	20,433
Investment Income and Bank Interest		-	8,790	2,844	11,634
FX Transfers from currency accounts		-	6,995,862	200,632	7,196,494
Total Receipts		33,866,868	10,315,292	203,898	10,519,190
PAYMENTS					
Staff costs		-	(1,159,720)	(132,845)	(1,292,565)
Outsource Providers		-	(771,724)	(14,595)	(786,319)
Systems Transformation		-	(498,057)	0	(498,057)
Software Licensing		-	(10,113)	(2,866)	(12,979)
IT Systems		-	(23,563)	(176)	(23,739)
Storage Charges		-	(49,307)	(5,199)	(54,506)
US Legal fees & Expenses		-	(910,026)	(151,290)	(1,061,316)
UK Legal fees & Expenses		-	(206,830)	(6,720)	(213,550)
Pre-Appointment Administrators' Fees		-	(45,000)	0	(45,000)
Post-Appointment Administrators' Fees		-	(5,390,849)	0	(5,390,849)
Post-Appointment Administrators' Disbursements		-	(15,188)	0	(15,188)
UK Scheme of Arrangement Legal Fees & Expenses		-	(200,742)	(96,362)	(297,105)
UK Scheme of Arrangement - Pre-Scheme Expenses		-	-	(42,962)	(42,962)
Sundry Expenses		-	(4,353)	(605)	(4,958)
Corporation Tax		-	(300)	0	(300)
Input VAT incurred	7	-	(768,564)	138,698	(629,865)
Bank Charges		-	(246)	(20)	(267)
Total Payments		-	(10,054,582)	(314,943)	(10,369,525)
DISTRIBUTIONS					
Preferential Creditors		-	-	(11,841)	(11,841)
Net Receipts/(Payments)		33,866,868	260,710	(122,886)	137,824
Cash Balance as at 16 February 2025	8				137,824

Appendix B

Joint Administrators' Summary of Receipts and Payments from 17 August 2024 to 16 February 2025 – USD

	Notes	Amounts as at 17 August 2024 USD \$	Movement in period to 16 February 2025 USD \$	Amounts as at 16 February 2025 USD \$
RECEIPTS				
Assets subject to fixed charge	4	-	-	-
LOC Surplus	2	530,760	-	530,760
Surplus from Trust Assets		-	-	-
Cash at Bank	3	821,849	-	821,849
Investments	4	5,348,940	292	5,349,232
Prepayments and accrued interest	4	-	-	-
Debt Purchase	2	2,948,648	-	2,948,648
Reinsurers share of technical provisions		-	30,000	30,000
Trade Debtors		-	-	-
Escrow Fund Recoveries		73,941	-	73,941
Loss Fund & Premium Recoveries		46,842	-	46,842
Refund of Pre-Appointment Legal Fees		5,941	-	5,941
Investment Income and Bank Interest	2	420,659	60,452	481,110
Total Receipts		10,197,580	90,744	10,288,324
PAYMENTS				
Outsource Providers		(36,679)	-	(36,679)
Storage Charges		(13,763)	(600)	(14,363)
US Legal fees & Expenses		(298,294)	(13,734)	(312,028)
Legal Costs - Various Attorneys		(308,293)	(7,216)	(315,509)
US Legal Settlement payment		(172,867)	-	(172,867)
US Chapter 15 Bankruptcy Noticing Agent		(62,206)	(92,983)	(155,190)
US Trust & Non-Trust Fees		(391,701)	(72,568)	(464,268)
Input VAT incurred	6	(46,785)	-	(46,785)
UK Scheme of Arrangement Implementation Expenses		-	(37,500)	(37,500)
Bank Charges		(4,265)	(542)	(4,808)
Total Payments		(1,334,852)	(225,144)	(1,559,996)
Net Receipts/(Payments)		8,862,727	(134,400)	8,728,328
INTER-ACCOUNT CROSS CURRENCY PAYMENTS				
FX Transfer to GBP account	5	(5,390,000)	(250,000)	(5,640,000)
FX Transfer to EUR account		(5,000)	-	(5,000)
Net Receipts/(Payments)		3,467,727	(384,400)	3,083,328
Cash Balances as at 16 February 2025	8			3,083,328
GBP Equivalent value as at 16 February 2025	7			2,443,595

Joint Administrators' Summary of Receipts and Payments from 17 August 2024 to 16 February 2025 – Euro

		Amounts as at 17 August 2024	Movement in period to 16 February 2025	Amounts as at 16 February 2025
	Notes	EUR €	EUR €	EUR €
RECEIPTS				
Cash at Bank	3	41,962	-	41,962
Investments	4	2,496,151	-	2,496,151
Debt Purchase	2	238,157	-	238,157
Escrow Fund Recoveries		456	-	456
Loss Fund & Premium Recoveries		352,234	9,002	361,236
FX Transfers from currency accounts		4,502	-	4,502
Total Receipts		3,133,462	9,002	3,142,464
PAYMENTS				
Legal Costs - Litigation matters		(17,049)	(10,813)	(27,862)
Legal Costs - Debt recovery		(44,978)	(5,425)	(50,403)
Bank Charges		(53)	(3)	(56)
Total Payments		(62,081)	(16,240)	(78,321)
Net Receipts/(Payments)		3,071,382	(7,238)	3,064,143
INTER-ACCOUNT CROSS CURRENCY PAYMENTS				
FX Transfer to GBP account	5	(3,062,423)	-	(3,062,423)
Net Receipts/(Payments)		8,959	(7,238)	1,720
Cash Balance as at 16 February 2025	8			1,720
GBP Equivalent value as at 16 February 2025	8			1,433

Notes

1. Receipts and payments are stated net of VAT.
2. Statement of Affairs balances are shown in GBP.
3. At the date of administration, the Company held assets predominantly in GBP and USD. Whilst in previous reports the receipts and payments accounts were reported in a consolidated GBP position, the receipts and payments accounts are now shown by individual currency with the net cash balance translated to GBP for each currency using the Bank of England exchange rate at the period end date (GBP 1: USD 1.2618 and GBP 1: EUR 1.2007). This change has been made in accordance with Statement of Insolvency Practice 7 with a view to provide creditors clear and informative information and to help them understand the nature and accurate amounts of receipts and payments void of fluctuation in exchange rates.
4. Cash at bank is held in bank accounts in the Company's name controlled by the Joint Administrators. The receipts and payments reflect transactions through these accounts only.
5. Certain of the Company's assets are held by third parties in accounts in the name of the Company and over which the Joint Administrators have authority to act. These balances include:
 - a. Assets held with State Street, valued as at 31 January 2025:
 - i. Assets subject to a fixed charge – USD 17,055,242
 - ii. Unencumbered non-trust investments – USD 923,512
 - b. Assets held with Natixis, valued as at 31 January 2025
 - iii. Assets subject to a fixed charge – EUR 375,961
6. Inter-account cross currency receipts and payments reflect the transfer of funds held in the foreign currency bank accounts into Sterling accounts to as part of treasury management.
7. The Net VAT incurred includes all input VAT and VAT reverse charges less VAT recoveries received from HMRC based on the Company's partial recovery rate. Further details can be found within the body of the report.
8. Cash balances at 16 February 2025 are held in the following currencies:
 - a. £ 137,824.10 of GBP;
 - b. \$ 3,083,327.79 of USD; and
 - c. € 1,720.45 of EUR.

Appendix C

Summary of the Joint Administrators' expenses incurred for the period to 16 February 2025

Category of Expense	Per estimate dated 22 April 2024 £ (exc VAT)	Total paid to 16 August 2024 £ (exc VAT)	Paid in period to 16 February 2025 £ (exc VAT)	Total paid to 16 February 2025 £ (exc VAT)
Payments made from the estate which are not expenses (see notes 1 and 2)				
Employee wages & salaries	1,319,250	1,075,610	123,770	1,199,380
Employee pension contributions	95,000	84,110	9,075	93,185
Service & overhead costs - TAL	70,662	70,662	-	70,662
Service costs - Pro	373,629	372,365	800	373,165
Specialist Contractors	172,478	144,208	4,165	148,373
IT & Finance Systems	629,826	571,868	3,042	574,910
Tax & Accounting Service Contractors	206,124	176,324	9,448	185,772
Insurance	3,843	2,343	460	2,803
UK Legal fees & Expenses - Stevens & Bolton	238,655	206,155	6,720	212,875
UK Legal fees & Expenses - Other Law firms	675	675	-	675
US Legal fees & Expenses- Fried Frank	1,007,121	1,079,781	151,290	1,231,071
US Legal fees & Expenses - Insurance specialists	54,380	50,663	10,884	61,547
US Legal costs - various US attorneys	243,329	245,211	5,719	250,930
US Legal Settlement	-	-	-	-
UK Scheme of arrangement legal fees	271,076	200,743	68,882	269,625
US Scheme of arrangement legal fees	200,000	-	-	-
UK Scheme of arrangement legal fees - Counsel	60,000	-	27,480	27,480
UK Scheme of Arrangement - Pre-Scheme Expenses	-	-	72,682	72,682
EU Legal costs - various attorneys	64,351	41,885	13,523	55,408
Agent Fees and expenses- Epiq (Notice Agent)	125,991	47,320	73,691	121,011
Agent Fees- Abacus (Payroll Agent)	1,302	1,224	181	1,405
Bank & Interest Charges	7,498	3,571	452	4,023
US Trust Fund - Regulator Fees	9,950	5,726	3,265	8,991
Fund manager costs- Blackrock & State Street	327,180	226,755	54,246	281,001
Storage Costs	70,163	61,888	5,675	67,563
Sundry expenses	5,087	87	145	232
Corporation Tax Penalty	300	300	-	300
Total	5,557,869	4,669,474	645,597	5,315,071
Pre-Appointment Costs				
Pre-Appointment Administrators Fees	45,000	45,000	-	45,000
Total pre-appointment costs	45,000	45,000	-	45,000
TOTAL	5,602,869	4,221,452	645,597	5,360,071
Category 1 expenses				
Specific penalty bond	1,280	1,280	-	1,280
External photocopying, printing & courier	11,485	7,885	-	7,885
Public Notices	215	95	-	95
Category 2 expenses				
Printing, postage & shipping	8,628	5,928	-	5,928
Stationary & hardware	-	-	-	-
Mileage	-	-	-	-
Total category 1 & 2 expenses	21,608	15,188	-	15,188
TOTAL EXPENSES	5,624,477	4,236,640	645,597	5,375,259

Notes

- Expenses comprise sums paid or to be paid to third parties and sums paid or payable to the Joint Administrators' firm in respect of out-of-pocket expenses and costs which include an element of shared or allocated costs.
- The table details the expenses expected to be incurred during the administration, which was originally estimated at £2,949,268 plus VAT per the fee and expenses estimate dated 7 October

2020, comprising pre-administration costs and expenses of the administration. Please note, there are some costs that we were and continue to be unable to estimate, such as legal costs for US attorneys.

3. Following the initial extension of the Administration, a revised expenses estimate was shared with the Creditors Committee, dated 22 April 2024. To date, total expenses have not exceeded the revised expenses estimate provided. However, for those expenses which were either not included in or have individually exceeded the revised estimate dated 22 April 2024, an explanation is provided below. As indicated above, given the further extension of the administration, we will be holding discussions with the Creditors' Committee regarding a further revised fee estimate which will include an estimate for future expenses.
4. The costs detailed in the table are reported as at the date incurred and these figures are subject to FX fluctuations.

▸ **Legal costs**

Legal costs relate to costs incurred for advice on the key litigation matters that the Company has been involved in, including the impact of Chapter 15 Bankruptcy on these matters; the apostilling of the Administration documents; the court applications for each of the extensions of the administration period; communication with the US regulators and advice and assistance provided by US insurance legal specialists with regards to accessing the US Trust Funds and obtaining the necessary amendment to the Surplus Lines Trust Deed in line with Bankruptcy Law; and preparation and implementation of the Scheme including drafting of the Scheme documentation, preparing the Court applications for each hearing and facilitating the Scheme Meeting.

▸ **Payroll Agent**

Services provided by an external agent to calculate and manage employee payroll. As noted above, as the administration has been extended, additional operational costs, such as employee related costs, have been incurred to maintain the Company's operations.

▸ **Pre-Scheme Expenses**

Pre-Scheme expenses relate to costs incurred by the Company in preparing for the Scheme including running the Direct Scheme Meeting and satisfying the Court of all necessary statutory requirements in relation to advertisement of the Convening Hearing and Direct Scheme Meeting and obtaining an expert's opinion on the likely recognition of the Scheme under Chapter 15.

Summary of the Joint Administrators' time costs incurred for the period from 17 August 2024 to 16 February 2025 and cumulative to date

	Previous reporting period 17 August 2020 to 16 August 2024		This reporting period 17 August 2024 to 16 February 2025									Cumulative Total			Per Estimate dated 22 April 2024			
	Total hours	Total Cost (£)	Partner	Director	Assistant director	Manager	Executive	Analyst	Total hours	Time Cost (£)	Average Hourly Rate	Total hours	Total Cost (£)	Average Hourly Rate	Total Estimated hours	Total Estimated Cost (£)	Average Hourly Rate	
Realisation of assets																		
Trust assets	409.6	225,921	6.0	-	7.4	1.2	43.2	3.2	61.0	28,573	468	470.6	254,494	541	450.0	250,608	557	
Debt purchases	205.3	85,727	1.1	-	4.8	0.5	5.3	0.1	11.8	6,401	542	217.1	92,128	424	218.2	91,452	419	
Reinsurance and other debtors	192.4	76,279	1.2	-	0.6	-	5.2	0.7	7.7	3,706	481	200.1	79,985	400	221.8	91,963	415	
Loss fund and premium refunds	24.0	9,728	-	-	-	-	0.5	-	0.5	195	390	24.5	9,923	405	32.4	13,364	412	
Treasury management	412.9	190,518	0.5	1.2	-	-	33.1	3.5	38.3	15,178	396	451.2	205,696	456	435.8	202,686	465	
Subtotal	1,244.2	588,173	8.8	1.2	12.8	1.7	87.3	7.5	119.3	54,053	453	1,363.5	642,226	471	1,358.2	650,072	479	
Insolvency process																		
Initial letters and notices	158.4	66,557	-	-	-	-	-	-	-	-	-	158.4	66,557	420	158.4	66,557	420	
Proposals, decisions procedure and creditor consultation OR Statement of Affairs	157.8	78,970	-	-	-	-	-	-	-	-	-	157.8	78,970	500	167.7	83,603	499	
CDDA and SIP2 compliance	93.8	36,107	-	-	-	-	-	-	-	-	-	93.8	36,107	385	93.8	36,107	385	
Creditors' Committee	790.4	401,658	-	-	0.5	-	4.5	0.1	5.1	2,093	410	795.5	403,751	508	787.9	404,277	513	
Reporting to creditors	904.6	372,675	9.5	-	2.3	5.2	50.3	13.7	81.0	36,270	448	985.6	408,945	415	926.2	383,533	414	
Other statutory and compliance	73.8	28,258	-	-	-	-	-	-	-	-	-	73.8	28,258	383	102.8	41,213	401	
Statement of Affairs	9.9	4,633	-	-	-	-	-	-	-	-	-	9.9	4,633	468	0.0	-	-	
Insurance	9.3	3,975	-	-	-	-	-	-	-	-	-	9.3	3,975	427	15.0	6,558	437	
Subtotal	2,198.0	992,833	9.5	-	2.8	5.2	54.8	13.8	86.1	38,362	446	2,284.1	1,031,195	451	2,251.8	1,021,847	454	
Dealing with creditors																		
Creditor enquiries and management	585.6	175,859	0.5	-	-	0.5	8.0	88.8	97.8	26,065	267	683.4	201,924	295	529.6	164,438	310	
Subtotal	585.6	175,859	0.5	-	-	0.5	8.0	88.8	97.8	26,065	267	683.4	201,924	295	529.6	164,438	310	
Insurance run off																		
Employees and Board	403.7	169,403	6.7	-	8.9	0.6	31.3	12.1	59.6	27,423	460	463.3	196,826	425	434.7	183,597	422	
Receipts and payments	1,022.7	312,629	-	-	-	-	12.7	107.5	120.2	31,828	265	1,142.9	344,457	301	1,093.1	337,509	309	
Administrators' supervision of run off	1,581.5	801,740	4.7	-	25.8	10.1	33.4	2.9	76.9	39,849	518	1,658.4	841,589	507	1,702.2	863,194	507	
Subtotal	3,007.9	1,283,772	11.4	-	34.7	10.7	77.4	122.5	256.7	99,100	386	3,264.6	1,382,872	424	3,230.0	1,384,300	429	
Management of Company's affairs																		
Accounting and treasury	739.7	316,108	3.0	0.1	5.7	0.8	88.8	-	98.4	41,532	422	838.1	357,640	427	807.6	340,159	421	
Pensions	25.2	10,453	-	-	-	-	-	-	-	-	-	25.2	10,453	415	26.2	11,078	423	
VAT & Tax	1,161.3	538,895	2.4	0.2	20.7	0.3	68.8	33.5	125.9	50,720	403	1,287.2	589,615	458	1,158.2	538,884	465	
Regulatory (UK & US)	286.4	148,346	0.2	-	-	-	0.8	2.4	3.4	1,100	324	289.8	149,446	516	311.1	158,614	510	
Chapter 15	61.6	33,688	-	-	-	-	-	-	-	-	-	61.6	33,688	547	80.6	42,718	530	
Claims litigations matters	1,858.2	812,021	5.3	-	10.4	1.4	30.9	81.9	129.9	44,778	345	1,988.1	856,799	431	1,824.9	809,492	444	
Data & Software	303.2	149,388	-	-	-	-	0.6	-	0.6	234	390	303.8	149,622	493	313.6	152,236	485	
Subtotal	4,435.6	2,008,899	10.9	0.3	36.8	2.5	189.9	117.8	358.2	138,363	386	4,793.8	2,147,262	448	4,522.2	2,053,181	454	
Scheme of arrangement																		
Scheme of arrangement	1,202.8	648,354	38.5	-	104.5	38.4	365.2	25.1	571.7	271,326	475	1,774.5	919,680	518	2,148.5	1,095,483	510	
Subtotal	1,202.8	648,354	38.5	-	104.5	38.4	365.2	25.1	571.7	271,326	475	1,774.5	919,680	518	2,148.5	1,095,483	510	
Strategy and planning																		
Project management and administration oversight	547.5	243,112	-	-	-	-	44.0	-	44.0	17,160	390	591.5	260,272	440	570.6	252,834	443	
Subtotal	547.5	243,112	-	-	-	-	44.0	-	44.0	17,160	390	591.5	260,272	440	570.6	252,834	443	
Grand Total Hours																		
	13,221.6	5,940,998	79.6	1.5	191.6	59.0	826.6	375.5	1,533.80			14,755.4	6,585,430	446	14,610.9	6,622,152	453	
			74,824	1,155	119,750	32,450	322,374	93,875		644,428								
			940	770	625	550	390	250		420								
Grand Total Time Cost (£)																		
Average Hourly Rate (£)																		
			Category 1 Expenses (£)								8,064							
			Category 2 Expenses (£)								4,783							
											12,848							

Appendix D

SIP 9 Notes

- 1 Statement of Insolvency Practice 9 ("SIP 9") defines expenses as amounts properly payable from the insolvency estate which are not otherwise categorised as office holders' remuneration or a distribution to a creditor or a member. Expenses also include disbursements. Disbursements are payments which are first met by the office holder, and then reimbursed to the office holder from the estate.
- 2 SIP 9 defines expenses as a type of payment which is met by, and reimbursed to, an office holder in connection with an insolvency appointment. Expenses fall into two categories: Category 1 and Category 2.
 - Category 1 expenses are defined as specific expenditure relating to the administration of the insolvent's affairs and referable to payment to an independent third party. Such expenses can be paid from the insolvent's assets without approval from the Creditors' Committee. In line with Statement of Insolvency Practice No. 9, it is our policy to disclose Category 1 expenses drawn but not to seek approval for their payment. We are prepared to provide such additional information as the Committee require to support the expenses drawn.
 - Category 2 expenses are charges made by the office holder's firm that include elements of shared or overhead costs. Statement of Insolvency Practice No. 9 provides that such expenses are subject to approval as if they were remuneration. It is our policy, in line with SIP 9, to seek approval for this category of expense before they are drawn.

Appendix D

Summary narrative of Joint Administrators' time costs incurred for the period from 17 August 2024 to 16 February 2025

The Joint Administrators' time costs incurred during the reporting period totals £644,428 as noted above. Set out below is a summary narrative of the significant areas of work in relation to which costs were incurred in this period.

Realisation of assets

Tasks providing a direct benefit to creditors via asset realisations

- Quarterly review of debt purchases and assessing the quantum and timing of recoverability
- Corresponding with debtors, brokers, agents and relevant parties
- Reviewing, assessing and maintaining the debt purchase ledgers
- Corresponding with Natixis with regards to the maintenance and closure of the accounts held
- Liaising with agents and the Company staff to arrange collection of other debtors and assets, including retained reserves, loss funds and premium refunds
- Working with the Investment Manager regarding the investment strategy of trust assets and maintenance of the trust accounts
- Liaising with the Company staff with regards to the reinsurance contracts and consideration of commutation proposals and/or recovery of outstanding reinsurance debt
- Review of the non-trust investment portfolio, arranging the cash withdrawals in respect of matured investments, including of interest net of local applicable tax, and correctly reporting interest earned on the cash balance monthly
- Review of the investment portfolio and regularly considering the appropriate investment approach, into money market deposits for example, to maximise returns of available cash whilst maintaining the operations of the Company
- Review of quarterly cashflows and discussions regarding expecting inflows and outflows ensuring the currency allocations held in GBP, EUR and USD remain appropriate

Insolvency process

Tasks required by statute

- Statutory case reviews and maintenance of case files
- Preparation of periodic progress reports and issuing to the creditors, the UK Registrar of Companies, the UK High Court, and the US Bankruptcy Court
- Preparation for and holding meetings with members of the Creditors' Committee to discuss the progress of the administration, Joint Administrator's fees and the proposed Scheme of arrangement
- Other necessary statutory duties including filing of the annual confirmation statements, periodic review of bonding requirement, maintaining records for the key decisions taken, diary management and overall case management
- Maintenance of the dedicated website
- Arranging open cover and appropriate ongoing insurance through appointed broker
- Maintaining records for all receipts and payments for the purpose of reporting and entering them into the accounting systems

Dealing with creditors

Tasks providing a benefit to creditors

- Responding to emails and queries received from all classes of creditors
- Responding to creditor, broker, and agent queries regarding claims, dividend prospects, and administration progress
- Acknowledge receipt of filed proofs of debts received from creditors

Insurance run off

Tasks providing a benefit to insurance creditors

- Maintenance of monthly payroll, ensuring appropriate deductions of PAYE/NIC are made and paid over to HMRC
- General project discussions and review of the Company's claim records on calls with existing employees
- Operations management calls and correspondence with regards to the Systems transformation
- Project management input into the Systems transformation, including escalating queries where appropriate
- Coordinate the engagement between various outsource providers
- Arranging payments to outsource service providers, suppliers and third-party agents

Management of Company's affairs

Tasks providing an indirect benefit to creditors and required by statute

- Corresponding with the trust agents, investment manager, trustees and banks regarding specific transfers
- Corresponding with the accounts manager with regards to the management accounts of the Company
- Preparation of the Corporation Tax computations and filling of the annual corporation tax return for the Company
- Preparing the VAT computation and filling of VAT returns to HMRC and keeping record of the refunds received
- Correspondence with HMRC to follow up on the delayed VAT refund and supplement payments
- Periodic updates to UK regulators on the status of the administration and responding to any queries raised regarding the administration process and strategy
- Arranging the renewal of the Legal Entity Identification, data protection registration and relevant FCA regulatory submissions
- Liaising with US bankruptcy Counsel and the US notifying agent, as relevant, with regards to Chapter 15 requirements and keeping the US creditor distribution list updated
- Strategic discussions and cost analysis reviews regarding various litigation matters and ongoing correspondence with legal representatives of the Company and UK and US counsel regarding live matters where immediate steps are required
- Performing analysis and holding discussions with creditors regarding expected claims amounts in preparation for the Scheme
- Dealing with records in storage and statutory reviews of the listing of records held

Scheme of arrangement

Tasks providing an indirect benefit to creditors and required by statute

- Liaising with UK and US legal advisors and counsel with regards to the design and implementation of the proposed exit strategy
- Drafting of the proposed Scheme timeline, heads of terms, rules and all other supporting documentation to be provided to creditors.
- Discussions with UK and US regulators and legal advisors with regards to specific mechanisms of the US trust funds within Scheme to agree a permitted approach, if available
- Discussions and meetings with creditors to provide introductory information regarding the Scheme and the proposed timeline
- Reviewing creditor claim listing to establish creditor classes in preparation for voting process to approve the proposed Scheme
- Present updates and liaise with the Creditors Committee with regards to the Scheme design and implementation
- Liaising with actuary team regarding actuarial assessment of Company's claim reserves
- Preparing complete listing of relevant creditors for Direct Scheme notices, including liaison with US noticing agent regarding database update for historical addresses.
- Preparing and distributing necessary documentation to relevant creditors in preparation for Convening and Sanction Hearings including the PSL, Scheme document and Scheme Meeting Notices.
- Preparation for and attendance at Direct Scheme Meeting, including liaison with third party remote meeting provider and creditors regarding access IDs.

- Preparation of Applications, including witness statements, and attendance at subsequent hearings for Leave to Convene and Sanction Hearing.

Strategy and planning

Tasks providing an indirect benefit to creditors and required by statute

- Holding strategic team review meetings critical to achieve the objectives of administration
- Preparation in regards with issuing fees and maintaining budget

Appendix D

Statement of Joint Administrators' charging policy for remuneration and disbursements pursuant to Statement of Insolvency Practice No.9

Joint Administrators' charging policy for remuneration

The Joint Administrators have engaged managers and other staff to work on the Administration. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the Company's bank accounts and statutory compliance diaries. Work carried out by all staff is subject to the overall supervision of the Joint Administrators.

All time spent by staff working directly on case-related matters is charged to a time code established specifically for this engagement. Time is recorded in units of six minutes. Each member of staff has a specific hourly rate, which is subject to change over time. The hourly rate for each category of staff over the period in accordance with resolutions passed by the Creditors Committee on 10 August 2021 is shown below:

Grade Description	Hourly Rate (£)
Partner	940
Director	770
Senior Manager	625
Manager	550
Executive	390
Analyst	250
Staff & Support	150