

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. THIS PROPOSAL MAY AFFECT YOUR LEGAL RIGHTS. PLEASE READ IT CAREFULLY AND IT SHOULD BE READ IN CONJUNCTION WITH THE SCHEME DOCUMENT

Explanatory Statement:

Proposal in relation to a

Scheme of Arrangement

(pursuant to Part VIII of the Companies Act 2014)

between

Elite Insurance Company Limited (in administration)
(“Elite”)

and

the Joint Administrators of Elite

(as defined in the Scheme of Arrangement)

and

the Scheme Creditors

(as defined in the Scheme of Arrangement)

Elite uses some technical words in this document. You can tell which words they are because they have capital letters. You can find the meaning for each of these words in the [glossary](#) [*insert hyperlink*].

If you are in any doubt as to any aspect of this proposal or as to the action you should take, you should consult a professional adviser or your insurance broker without delay.

PART 1 - INTRODUCTION TO THE SCHEME

1. What is this document?

- 1.1. Elite is proposing to enter into a legal process called a scheme of arrangement (the “**Scheme**”) under Part VIII of the Gibraltar Companies Act 2014. The Scheme will be between Elite and its creditors with claims arising in respect of direct insurance contracts. A direct insurance contract means a contract where the cover was provided by Elite to a direct insurance policyholder, as opposed to a reinsurance contract where the cover was provided by Elite to another insurer.
- 1.2. The Scheme is being proposed for the purposes of bringing closure to Elite’s affairs following the commencement of administration proceedings on 11 December 2019 because of its insolvency.
- 1.3. By law, Elite must provide you with information about the Scheme.
- 1.4. This document is called an ‘Explanatory Statement’ and is a summary of the key provisions of the Scheme. This document will help you to understand Elite’s proposal and to decide if you agree with it. This Explanatory Statement also includes details on how to vote on the Scheme and value and submit your claims.
- 1.5. Each Scheme Creditor is advised to read and consider carefully the full text of this Explanatory Statement, the Scheme Document itself and any appendices. Reading individual sections in isolation may not provide you with all relevant information and may be misleading.
- 1.6. Copies of this Explanatory Statement, the Scheme Document and the appendices are available to be downloaded from www.pwc.co.uk/elite-insurance (the “**Website**”) or, upon request, from Elite using the contact details set out at paragraph 48 of this document.
- 1.7. Please note, this Explanatory Statement is a guide only and should not be relied upon as a substitute for reading the Scheme Document in its entirety. In the event of any inconsistency between the terms of this Explanatory Statement and the provisions of the Scheme, the provisions of the Scheme shall prevail. Capitalised terms defined in this Explanatory Statement have been defined in summary for ease of reference. Full definitions of capitalised terms are given in the Scheme Document. A capitalised term used but not defined in this Explanatory Statement shall have the meaning given to it in the Scheme Document.

2. Why am I receiving this?

- 2.1. You are receiving this Explanatory Statement because Elite believes:
 - 2.1.1. you are or may be a policyholder of an Elite direct insurance contract and therefore you may be affected by the Scheme; or
 - 2.1.2. you have or may have a direct insurance claim under or pursuant to a contract of insurance bought directly from Elite (including a third

party eligible to bring a claim under another party's insurance policy) and therefore you may be affected by the Scheme; or

- 2.1.3. you have or may have a direct insurance claim under or pursuant to a contract of insurance bought from a third-party intermediary (“**coverholder**”), including a third party eligible to bring a claim under another party's insurance policy, and therefore you may be affected by the Scheme. A list of coverholders who sold insurance policies on Elite's behalf can be found on the Website; or
 - 2.1.4. you are a coverholder that underwrote policies on Elite's behalf. You are requested to share a copy of this Explanatory Statement with any of your clients who may be affected by the Scheme; or
 - 2.1.5. you are another party who may be involved in the claim process, for example, a lawyer acting on behalf of a claimant. You are requested to share a copy of this Explanatory Statement with any of your clients who may be affected by the Scheme; or
 - 2.1.6. you are a state compensation scheme authority and have or may have a subrogated claim and therefore may be affected by the Scheme.
- 2.2. Elite's actual and contingent creditors whose insurance claims against Elite will be compromised by the Scheme, and who are therefore entitled to vote on the Scheme, are referred to as “**Scheme Creditors**”.

Please note, receipt of documents relating to the Scheme does not necessarily mean that you are a creditor of Elite or a Scheme Creditor or that you will be affected by the Scheme.

- 2.3. Any non-direct insurance and non-insurance claims against Elite are not affected by the Scheme, and creditors with such claims are not Scheme Creditors. They will not have the right to attend and vote at the Scheme Meetings.

For the avoidance of doubt, reinsurance creditors (for example creditors who themselves are insurers but who reinsured certain Elite policies) are not Scheme Creditors. This is because reinsurance creditors rank below direct insurance creditors in the order of creditor priority under the relevant insolvency rules and it is highly unlikely that Scheme Creditors' claims, which are higher ranking, will be paid in full.

3. What is a scheme of arrangement?

- 3.1. A scheme of arrangement is a legally binding agreement between a company and its creditors (or a group of creditors).
- 3.2. A scheme of arrangement will bind the company and each of its creditors affected if:
 - 3.2.1. it is approved by:
 - 3.2.1.1. a majority in number, that means more than 50%, of the creditors who vote on the scheme of arrangement; and

- 3.2.1.2. 75% or more of the creditors by claims value who vote in favour of the scheme of arrangement;
 - 3.2.2. the Court approves the scheme of arrangement at a Court hearing; and
 - 3.2.3. a copy of the Court order approving the scheme of arrangement is filed with the Registrar of Companies in Gibraltar.
- 3.3. Where a scheme of arrangement affects the legal rights of creditors differently, they are required to be split into different groups, also known as classes. The Court has ordered that Scheme Creditors be divided into two classes. For the Scheme to become effective it must be approved by creditors voting in each class.

These are:

- 3.3.1. **FSCS Protected Creditors**, who may have an insurance claim against Elite that is eligible for protection by the UK Financial Services Compensation Scheme (“FSCS”); and
- 3.3.2. **Other Direct Insurance Creditors**, who may have an insurance claim against Elite or a claim under a policy which has been disclaimed and are not eligible for FSCS protection.

In a small number of circumstances, it may be possible that some Scheme Creditors have or may have a claim in both classes. The two classes of Scheme Creditors are described in more detail in Part 3. Information relating to the Scheme Meetings of the two classes of Scheme Creditors are contained in Part 7.

- 3.4. A scheme of arrangement becomes effective on the date on which the last of the steps outlined in paragraph 3.2 occurs. This is referred to as the “**Effective Date**”. When the scheme of arrangement becomes effective, the company and its relevant creditors are bound by it including those who vote against the Scheme and those who do not vote.

4. Why is Elite proposing the Scheme?

- 4.1. Elite is insolvent. On 11 December 2019, Elite entered into administration, with the Joint Administrators appointed to act as its administrators, pursuant to an order by the Court (the “**Administration**”). The purpose of the Administration is to achieve a better result for Elite’s creditors as a whole than would be likely if Elite were wound up (without first being put into administration).
- 4.2. The Joint Administrators have explored in detail various potential options to resolve Elite’s affairs, and have carefully considered possible alternatives to the Scheme. If the Scheme is implemented it will:
 - 4.2.1. allow for an earlier distribution of money from Elite;
 - 4.2.2. provide for the assessment, valuation and payment of claims against Elite in a way that is efficient and fair as between the Scheme Creditors; and

- 4.2.3. avoid additional costs involved in keeping Elite’s insolvency process open.
- 4.3. The Joint Administrators have discussed the Scheme proposals with the Creditors’ Committee established in April 2020 pursuant to Elite’s Administration (the “**Creditors’ Committee**”) and have taken on board the Creditors’ Committee’s views. Further details of the benefits of the Scheme and the likely alternative if the Scheme is not implemented are provided in paragraph 7.
- 4.4. The Creditors’ Committee comprises three creditors across both groups of Scheme Creditors who meet with the Joint Administrators on a periodic basis to discuss ongoing matters.
- 4.5. The Joint Administrators and the Creditors’ Committee have concluded that the Scheme is in the best interest of Scheme Creditors as a whole and recommend Scheme Creditors vote in favour of it.

5. **Who is, and how will I be, affected by the Scheme?**

- 5.1. If the Scheme is implemented, the Scheme will apply to all Scheme Creditors, whether or not they voted or if they voted against the Scheme, and the Scheme will affect their legal rights against Elite. The Scheme does not affect the legal rights of Elite’s creditors who are not Scheme Creditors, for example, trade creditors.
- 5.2. If the Scheme is implemented, it will affect the legal rights of the two groups of Scheme Creditors differently, these two groups are:
 - 5.2.1. **FSCS Protected Creditors** – who are those eligible for protection by FSCS and may continue to submit claims in the ordinary course until the “**Cut-Off Date**”, which is currently expected to be 5pm CET on 31 December 2027; and
 - 5.2.2. **Other Direct Insurance Creditors** – who are those not eligible for FSCS protection and who have an insurance claim against Elite or a claim under a policy which has been disclaimed. All Other Direct Insurance Creditors must submit claims by the Claims Submission Deadline.
- 5.3. The Court ordered that these two classes should consider and vote on the Scheme at two separate Scheme Meetings. The Scheme Meetings will take place on 7 May 2026 and Scheme Creditors can vote online or at the Scheme Meetings. Further information about voting at the Scheme Meetings is at Part 7.
- 5.4. If the Scheme becomes effective, all Other Direct Insurance Creditors must submit a Claim Form in respect of any Scheme claims they have or may have by a deadline (a “**Scheme Claim**”). This includes creditors with a claim already notified to Elite under their policy, whether the claim is agreed or not by Elite.
- 5.5. The Scheme will establish the “**Claims Submission Deadline**” for Other Direct Insurance Creditors to submit their Claim Forms to Elite, whether these are insurance claims that arose prior to the natural expiry or disclaimer of their

policies or claims that creditors have because of the loss or damage caused by the disclaimer of their policy.

- 5.6. The Claims Submission Deadline is 5pm (CET) on the first Business Day falling 180 calendar days after (and not including) the date on which the Scheme becomes effective. The Claims Submission Deadline is expected to be in Q4 2026.
- 5.7. The Claims Submission Deadline will be notified on the Website to Other Direct Insurance Creditors if the Scheme becomes effective.
- 5.8. Please note, if an Other Direct Insurance Creditor fails to submit a Claim Form before the Claims Submission Deadline they will not be entitled to receive any payment from (or have any further rights against) Elite.
- 5.9. The Joint Administrators have negotiated a separate agreement with FSCS and, as a result, insurance policies held by FSCS Protected Creditors (“**FSCS Protected Policies**”) will not be disclaimed. Policyholders with FSCS protection will, therefore, retain access to compensation from FSCS if it becomes due under the policy until the Cut-Off Date. At the Cut-Off Date, FSCS Protected Policies will be treated as if they had been disclaimed. This agreement with FSCS has been formulated to ensure it does not unfairly prejudice Elite’s Other Direct Insurance Creditors and, in particular, FSCS will continue to pay the costs associated with the run-off of FSCS Protected Policies. The agreement is conditional on the Scheme being implemented. Further information on the FSCS Protected Creditors can be found in paragraph 15.6.
- 5.10. You should ensure that you understand how the Scheme will affect you and your rights against Elite. Further information on the two groups of Scheme Creditors and what a disclaimer is are set out in Part 3 and Part 4 respectively.

6. Fairness of the Scheme

- 6.1. The Joint Administrators consider that the Scheme treats all Scheme Creditors fairly. This is because:
 - 6.1.1. Other Direct Insurance Creditors will be paid an equal percentage of the total amount that Elite owes them; and
 - 6.1.2. FSCS Protected Creditors will retain any eligibility for FSCS protection until the Cut-Off Date without prejudicing Other Direct Insurance Creditors. This is because the costs associated with the extended run-off of FSCS Protected Policies will be borne by FSCS. In other words, the existence of FSCS Protected Creditors will have no bearing on the ultimate outcome of the Scheme for Other Direct Insurance Creditors.

7. What if the Scheme is not implemented?

- 7.1. Elite’s overall financial position is such that it will not be able to meet all of its obligations in full. The Joint Administrators consider that, whilst alternatives such as a liquidation could be utilised for an insurance company in financial difficulties in appropriate circumstances, all Scheme Creditors will be better off

under the Scheme than in the most likely alternative, a liquidation. Further information on the alternatives to the Scheme and the specific disadvantages that render them inappropriate for Elite are set out in Part 6.

7.2. In summary, the Joint Administrators are of the opinion that if the Scheme does not go ahead, then Elite will be liquidated. In this event, it is likely that:

7.2.1. FSCS Protected Policies would be disclaimed as soon as possible, resulting in FSCS declining to provide continuing protection;

7.2.2. Other Direct Insurance Creditors would receive a much lower return given the costs and inefficiencies of a liquidation relative to the proposed Scheme; and

7.2.3. Other Direct Insurance Creditors would have to wait longer in a liquidation before receiving distributions out of the estate.

8. How do Elite’s regulators view the Scheme?

8.1. Elite was authorised, and is regulated by, the Gibraltar Financial Services Commission (the “GFSC”). In preparing the Scheme proposal, the Joint Administrators have engaged with the GFSC and provided them with information on the construct of the Scheme. The GFSC has confirmed it has no objections to the Scheme.

8.2. The Joint Administrators have also engaged with and continue to keep Elite’s other regulators updated on progress and key developments relevant to the Administration, the proposed Scheme and their jurisdictions. No objections to the Scheme have been raised by any of Elite’s other regulators.

9. Scheme timeline

9.1. The expected process and timetable for approval of the Scheme is as follows:

Event	Time and/or date
The <i>Practice Statement Letter</i> was made available to Scheme Creditors	12 January 2026 - Practice Statement Letter was uploaded to the Website and communications were sent out to Scheme Creditors in the following weeks
Convening Hearing took place	13 March 2026
The Scheme Document and this Explanatory Statement were made available	[·]
Scheme Meetings	From 10am (CEST) on 7 May 2026
Second Court Hearing	[18 May 2026]
Effective Date	Shortly after the Second Court Hearing

Claims Submission Deadline	5pm CET on the first Business Day which is 180 calendar days after (and not including) the Effective Date
Expected Payment of Scheme Payments	On or around Q1 2027
Cut-Off Date	Estimated to be 5pm (CET) on 31 December 2027

10. How will the Scheme Meetings and voting process be conducted?

- 10.1. Elite has been given the Court’s permission to split Scheme Creditors into two voting classes as outlined in paragraph 5 and further in Part 3 for the purposes of voting on the Scheme. There is more information in Part 3 that explains why Elite has decided and the Court has given permission that its Scheme Creditors form two classes to consider, and vote on, the Scheme
- 10.2. The Scheme Meetings have been ordered by the Court to take place on 7 May 2026. The Scheme Meetings will take place via webinar as described in the Notice of the Scheme Meetings set out in Appendix C.
- 10.3. Scheme Creditors may attend the webinars either by joining themselves by video conference or telephone or a duly authorised representative or by a proxy appointed by them.
- 10.4. Each Scheme Creditor wishing to attend and/or vote at the Scheme Meeting is requested to complete and submit a Voting and Proxy Form, so as to be received by Elite, by no later than 5pm (CEST) on 6 May 2026. Further information on how to attend the Scheme Meeting is set out in Part 7.
- 10.5. The value to be attributed to each Scheme Claim (for the purposes of voting at the Scheme Meeting) will be determined by the Chair of the Scheme Meeting (the “**Chair**”). The Chair, who will be Edgar Lavarello, or in his absence, any person appointed by Elite, will consider the Voting and Forms in accordance with the details set out in Part 7.
- 10.6. The Chair has the power to reject a Scheme Claim for voting purposes, in whole or in part, only if he considers that it does not represent a reasonable assessment of the value of the claim to which it relates. The decision of the Chair as to the value to be placed on a Scheme Claim for voting purposes is final and, where the Chair has reduced or rejected a Scheme Creditor’s assessment of the value of its Scheme Claim for voting purposes, he will, if possible, notify the relevant Scheme Creditor of such decision, and the reasons therefor, before the Scheme Meeting and, in any event, before the Court hearing to sanction the Scheme. If there is any dispute, the Chair’s decision will be final and binding, subject to the Scheme Creditor’s right to make any objection to the Court at the subsequent Court hearing to consider the sanctioning of the Scheme. The Chair will include details of any dispute in his report to the Court of the result of the Scheme Meeting and full details will be included in the evidence filed with the Court for the Second Court Hearing.

10.7. Elite has appointed Colin Czapiewski (the “**Independent Vote Assessor**”) for the purposes of independently assessing the value of votes cast at the Scheme Meeting, if required. Details of the Independent Vote Assessor’s expertise are set out in his curriculum vitae at Appendix E to this Explanatory Statement. Further details on the process for the assessment of votes cast can be found in Part 7.

10.8. In the event that:

10.8.1. all votes cast in respect of the Scheme are cast in favour of it; or

10.8.2. the Scheme is approved by the requisite majority of Scheme Creditors in the Scheme Meeting,

Elite shall, as soon as reasonably practicable after the Scheme Meeting, apply to the Court for the sanction of the Scheme.

10.9. You also have the right to attend the Court hearings for the purpose of making representations and, if requested, we will be pleased to provide you with further information on arrangements for this.

11. What will happen after the Scheme becomes effective?

11.1. The Scheme will become effective only if:

11.1.1. it is approved by:

11.1.1.1. a majority in number of Scheme Creditors voting in each class, that means more than 50% of the creditors who vote on the scheme of arrangement in each class; and

11.1.1.2. 75% or more of the creditors by claims value who vote on the scheme of arrangement; and

11.1.2. the Court order sanctioning the Scheme is subsequently obtained and filed with the Registrar of Companies in Gibraltar.

11.2. Once the Scheme becomes effective, Elite will as soon as reasonably practicable send to each known Scheme Creditor for whom Elite has contact details notice that the Scheme is effective.

12. What do you need to do?

12.1. If you are a Scheme Creditor, you should:

12.1.1. read this document carefully to understand what the Scheme means for you;

12.1.2. read the FAQs on the Website and if you have any further questions, contact the email or telephone helplines set out below for more information;

12.1.3. consider consulting with a professional adviser or seeking alternative help and support; and

- 12.1.4. vote on the Scheme either online or at the relevant Scheme Meeting. Further information on voting can be found at Part 7
- 12.2. It is important you make your own decision about the proposed Scheme based on your own personal circumstances and preferences, and Elite strongly encourages Scheme Creditors to exercise their right to vote.
- 12.3. You are also entitled to attend and speak at the Second Court Hearing. If Scheme Creditors vote for the Scheme by the requisite majorities, Elite will ask the Court to sanction the Scheme at the Second Court Hearing. This is currently expected to take place on or around [18 May] 2026, but this will be confirmed nearer the time on the Website. More detail about attending the Second Court Hearing is at paragraph 12.6.1.
- 12.4. You have the right to object to these proposals and make these objections known to the Court. This does not affect your right to vote for or against the Scheme.
- 12.5. We ask that you raise your objections with us as soon as possible and ideally at least seven days before the Second Court Hearing.
- 12.6. You can do this in the following ways:
 - 12.6.1. You can attend the Second Court Hearing, at which Elite will ask the Court to approve the Scheme and explain your objection to the Court yourself. The Court will give any Scheme Creditors the chance to speak during the hearing if they wish to do so. If you would like to attend the Second Court Hearing, please email uk_elite2@pwc.com stating that this is what you would like to do.
 - 12.6.2. You can also send your objections to the Joint Administrators who will bring them to the Court's attention. You can do that by emailing uk_elite2@pwc.com.
- 12.7. If the objection at the Second Court Hearing is in relation to the voting classes or the Court's jurisdiction in respect of the Scheme, the Court will expect you to give good reasons as to why you did not raise any issues at the Convening Hearing that took place on 13 March 2026.

13. How do I get further information and guidance about the Scheme?

- 13.1. In the first instance, you should ensure that you read and consider carefully the sections that are primarily relevant to the policy or policies you have purchased:
 - 13.1.1. For an explanation of which policies are 'Other Direct Insurance Policies' and which policies are 'FSCS Protected Policies' see Part 3.
 - 13.1.2. If you purchased a policy in the United Kingdom, or have a claim under such a policy, you should read Part 8 and Part 10:
 - 13.1.2.1. Part 8 is relevant to UK policyholders who have an Other Direct Insurance Policy or are Other Direct Insurance Creditors; and

- 13.1.2.2. Part 10 is relevant to UK policyholders who have a FSCS Protected Policy or are FSCS Protected Creditors.
- 13.1.3. If you purchased a policy in any other country including France, Greece, Ireland, Italy or Spain, or have a claim under such a policy, you should read Part 8 and Appendix D.
- 13.1.4. Part 3, paragraph 15.8.1 is primarily relevant to the FGAO (the Fonds des Garantie des Assurances Obligatoires);
- 13.1.5. Part 3, paragraph 15.8.2 is primarily relevant to the GAF (the Greek Επικουρικό Κεφάλαιο Ασφάλισης Ευθύνης από Ατυχήματα Αυτοκινήτων); and
- 13.1.6. Part 3, paragraph 15.8.3 is primarily relevant to FSCS (the UK Financial Services Compensation Scheme).
- 13.2. If you have any questions, please look at the Frequently Asked Questions (FAQs) on the Website.
- 13.3. For more information in your language please contact:

Email: elite-insurance.scheme@quest-group.co.uk

Telephone enquiries:

From the UK (Freephone): 0800 327 7278

From France (Freephone): +33 805 98 54 71

From the rest of the EU: +33 805 98 54 71 (Standard call charges apply)

PART 2 - BACKGROUND

14. Background to Elite

- 14.1. Elite was incorporated in Gibraltar on 19 April 2004 and wrote various types of insurance business in several countries across Europe, including via coverholders who wrote insurance policies on Elite's behalf.
- 14.2. Elite ceased issuing new insurance policies and entered solvent run-off in July 2017.
- 14.3. In January 2018, Elite was acquired by Gunnary Limited as part of an investor group led by Armour Group Limited.
- 14.4. Shortly after Gunnary Limited's acquisition, CBL Insurance Limited, Elite's major reinsurer, entered insolvency which contributed to Elite being in breach of its minimum capital requirements.
- 14.5. During 2019, the directors commissioned an independent actuarial reserve review and concluded that Elite did not have sufficient assets to meet its liabilities and was insolvent on a balance sheet basis.
- 14.6. On 11 December 2019, Elite entered into administration in Gibraltar, and the Court appointed Edgar Lavarello of PricewaterhouseCoopers Limited Gibraltar and Dan Schwarzmann of the UK firm of PricewaterhouseCoopers LLP UK as the Joint Administrators of Elite.
- 14.7. The purpose of the administration is to achieve a better result for Elite's creditors as a whole than would be likely if Elite were wound up (without first being in administration).
- 14.8. Since their appointment, the Joint Administrators' work has included:
 - 14.8.1. assessing Elite's exposures as a result of the business written;
 - 14.8.2. ensuring claims are agreed efficiently and at an appropriate value, and where available, presented for payment to the relevant compensation authority;
 - 14.8.3. taking steps to create more value for Elite's estate and increase the amount of assets that might be available for distribution to Elite's creditors;
 - 14.8.4. considering the possible options for efficiently distributing Elite's assets to its creditors;
 - 14.8.5. designing and preparing the Scheme;
 - 14.8.6. engaging with the Creditors' Committee; and
 - 14.8.7. engaging with Elite's regulators.
- 14.9. Details on the progress of the administration have been sent to creditors and are available on the Website under the heading 'Progress Reports'.

PART 3 - THE SCHEME CREDITORS

15. Who are the Scheme Creditors?

- 15.1. As explained in the Practice Statement Letter and above in this document, the Scheme will affect all Scheme Creditors, but it will affect two groups of them differently.
- 15.2. If the Scheme is implemented, it will affect the legal rights of the two groups of Scheme Creditors differently, these two groups being:
 - 15.2.1. FSCS Protected Creditors; and
 - 15.2.2. Other Direct Insurance Creditors.
- 15.3. The Joint Administrators have negotiated a separate agreement with FSCS and, as a result, the FSCS Protected Policies will not be disclaimed. Policyholders with FSCS protection will, therefore, retain access to compensation from FSCS if it becomes due under the policy until the Cut-Off Date. At the Cut-Off Date, FSCS Protected Policies will be treated as if they had been disclaimed. This agreement with FSCS has been formulated to ensure it does not unfairly prejudice Elite's Other Direct Insurance Creditors and, in particular, FSCS will continue to pay the costs associated with the run-off of FSCS Protected Policies. The agreement is conditional on the Scheme being implemented.
- 15.4. Policyholders whose policies have been disclaimed or parties with claims against such policies are entitled to claim for any loss or damage sustained as a result of the policies being disclaimed. If they have such a claim, these creditors are Other Direct Insurance Creditors in the Scheme. Further information on this class of creditors can be found in and some of their potential claims are shown in Appendix D.
- 15.5. The Joint Administrators have explored the availability of compensation for all Scheme Creditors including those in all European jurisdictions where Elite wrote insurance policies, either directly or via coverholders. The three countries, other than the UK, in which compensation may be available to Scheme Creditors are France, Greece and Ireland.

France

- 15.5.1. All French construction policies were disclaimed by the Joint Administrators in September 2020 (the "**French Construction Disclaimer**"). This means the policies have been terminated.
- 15.5.2. The French Construction Disclaimer was prior to new legislation being enacted which provides for compensation for claims arising under French construction policies. New legislation was passed by the French parliament on 30 December 2021 which allows the Fonds de Garantie des Victimes ("**FGAO**") to intervene within the framework and limits provided for by the provisions of Articles L421-9 et seq. of the French Insurance Code for damages arising before the end of the validity of the insurance policy.

- 15.5.3. The Joint Administrators have agreed with the FGAO that eligible claims which arose prior to the French Construction Disclaimer and are submitted into the Scheme with the appropriate expert reports will be submitted to the FGAO for consideration and, if considered eligible, payment.
- 15.5.4. If you held a DO policy in effect on or after 1 July 2018 and your claim arose before 15 September 2020, you may therefore retroactively benefit from the FGAO compensation scheme. However, no protection is available for policyholders under the FGAO compensation scheme in France where policyholders have claims that arose or were submitted after the French Construction Disclaimer.
- 15.5.5. The FGAO provides compensation at 90% of the claim value for eligible claims brought under the mandatory guarantee of DO policies for damage suffered while the insurance policy was in effect. After payment, the FGAO is subrogated to the rights of the insured up to the limit of the amount compensated. In this respect, the FGAO may exercise the rights held by the insured against any third-party.

Greece

- 15.5.6. All Greek policies, including the relevant notification periods for bringing a claim, have expired. There is therefore no further protection available for policyholders under the compensation scheme in Greece, the Greek Auxiliary Fund. However, claims submitted during the period in which compensation was available are in the process of being agreed and paid by the Greek Auxiliary Fund.

Ireland

- 15.5.7. The Irish State Claims Agency concluded that Elite’s creditors do not currently qualify for payments to be made from the Insurance Compensation Fund. Compensation may be available to eligible Irish creditors once Elite enters into a liquidation process following the Scheme.

15.6. FSCS Protected Creditors.

- 15.6.1. FSCS Protected Creditors are those direct insurance creditors who may have a claim against Elite that is eligible for protection by FSCS.
- 15.6.2. You are an FSCS Protected Creditor if you are a direct insurance creditor who may have a claim against Elite under a FSCS Protected Policy in accordance with the FSCS Rules contained in the UK’s Prudential Regulation Authority’s Rulebook (the “**FSCS Rules**”). These policies continue to exist and any available FSCS protection remains for FSCS Protected Creditors’ claims. Guidance on the FSCS Rules, including on whether claims are eligible for FSCS protection, is available on the FSCS website <https://www.fscs.org.uk/making-a-claim/claims-process/eligibility-rules/> .

- 15.6.3. FSCS only protects claimants and claims that meet the requirements contained in the FSCS Rules. Whether a claim against Elite is protected by FSCS or not is determined by them and not decided by Elite or the Joint Administrators.
- 15.6.4. In summary, valid claims against Elite are likely to be eligible for FSCS protection if:
- 15.6.5. you are an eligible claimant within the meaning of Rule 7 of the FSCS Rules; and
- 15.6.6. you have a protected claim under an insurance policy where Elite is the insurer within the meaning of Rule 9 of the FSCS Rules. Specifically, the claim arises from an Elite insurance policy that insures risks originating in the UK and was issued from Gibraltar or Elite's UK branch.
- 15.6.7. Claimants who are individuals or small corporates are likely to be eligible for compensation. FSCS Protected Creditors would receive 90% or 100% of their agreed claim value depending upon the type of insurance policy. Generally, firms with turnover in excess of £1 million per annum are not eligible for FSCS compensation.
- 15.6.8. You should consider the information on the FSCS website carefully and decide whether you think you have a claim against Elite that is eligible for protection.
- 15.6.9. If the Scheme is implemented, FSCS Protected Creditors will continue to be entitled to make claims, which will be paid by FSCS, subject to the FSCS Rules, until the Cut-Off Date. Such claims should continue to be submitted in the ordinary course of business.
- 15.6.10. The Scheme will affect all FSCS Protected Creditors in the same way up until the Cut-Off Date – currently expected to be 31 December 2027. After the Cut-Off Date, FSCS Protected Policies which have not expired by the Cut-Off Date will be treated as if they had been disclaimed on the Cut-Off Date. This will mean FSCS compensation will no longer be available. After the Cut-Off Date, FSCS has confirmed it will pay, in accordance with the FSCS Rules, that part of the premium reflecting the time left on the policy (a “**Cut-Off Claim**”).
- 15.6.11. Elite has been given the Court's permission to ask FSCS Protected Creditors to consider and vote on the Scheme in a single voting class at the “**FSCS Protected Creditors' Meeting**”.

15.7. Other Direct Insurance Creditors

- 15.7.1. The Other Direct Insurance Creditors' class includes all direct insurance creditors who may have a claim against Elite, other than the FSCS Protected Creditors.

15.7.2. If you held one of the following types of insurance policies with Elite (all of which have been disclaimed) or you are a potential claimant under one of these policies, you are entitled to make a claim under the Scheme (further details of the disclaimed policies in each jurisdiction are set out at Appendix D):

15.7.2.1. the French Policies;

15.7.2.2. the Greek Policies;

15.7.2.3. the Irish Policies;

15.7.2.4. the Italian Policies;

15.7.2.5. the Spanish Policies;

15.7.2.6. the Other English Policies; and

15.7.2.7. the Other Policies,

(together, the “**Other Direct Insurance Policies**”).

15.7.3. Insurance brokers may be Other Direct Insurance Creditors where they have potential claims under an Other Direct Insurance Policy. They may have such claims if they paid a creditor under an Other Direct Insurance Policy and:

15.7.3.1. the original claimant under the Other Direct Insurance Policy has assigned their claim against Elite to the insurance broker, in writing, or given authority to pay (in a form acceptable to Elite; and

15.7.3.2. written notice of that assignment or authority has been given to Elite; or

15.7.3.3. where that assignment or authority is made after the Effective Date, written notice of it has been given to the Scheme Managers;

15.7.3.4. the payment was made pursuant to a pre-existing contractual obligation between the insurance broker and Elite; or

15.7.3.5. the payment was made pursuant to a written request of Elite.

15.7.4. The Joint Administrators have disclaimed all of Elite’s Other Direct Insurance Policies. This means that your policy no longer exists, and you may have a **Disclaimer Damages Claim** against Elite for loss or damage sustained as a result of the disclaimer of your policy. A disclaimer and the reasons for it are explained in more detail in Part 4.

15.7.5. Creditors whose policies have been disclaimed (or creditors with claims against such policies) are entitled to claim in the Scheme for any loss or damage sustained as a result of the policies being disclaimed.

- 15.7.6. Claims in respect of losses incurred prior to a disclaimer are not affected by a disclaimer (regardless of whether such claims have been notified to Elite prior to the disclaimer). However, under the Scheme, Other Direct Insurance Creditors with such claims will need to submit a new Scheme Claim prior to the Claims Submission Deadline.
- 15.7.7. Creditors who have previously submitted claims under Other Direct Insurance Policies to Elite and have agreed a settlement with Elite in respect of such Claims will still need to submit a Claim Form but will only be required to provide their Offer Letter as Supporting Information unless they wish to change the value of their claim, submit a new claim or otherwise provide additional Supporting Information.
- 15.7.8. Further information on this class of creditors can be found in Part 8 and the claims process for this class of creditors is explained in Part 9.
- 15.7.9. All Other Direct Insurance Creditors are required to submit a Claim Form before the Claims Submission Deadline, irrespective of whether such claims have already been notified to or agreed with Elite, have arisen but not yet been notified to Elite, or are an estimate of a future claim.
- 15.7.10. If you are an FSCS Protected Creditor and you have a third-party claim under another person's Other Direct Insurance Policy (which has been disclaimed), you will still be able to continue to make claims as an FSCS Protected Creditor until the Cut-Off Date. Further information on this class of creditors can be found in Part 10.
- 15.7.11. The Scheme will affect all Other Direct Insurance Creditors in the same way, regardless of the different types of policies or the different circumstances of Other Direct Insurance Creditors, including for example, the country you are located in, where you purchased the policy, or if you or a third party is claiming under an Other Direct Insurance Policy.
- 15.7.12. Elite has been given the Court's permission to ask Other Direct Insurance Creditors to consider and vote on the Scheme in a single voting class at the proposed "**Other Direct Insurance Creditors' Meeting**".

15.8. **Compensation Schemes**

France - Le Fonds de Garantie des Victimes

THE FGAO SHOULD READ THIS SECTION

- 15.8.1. The FGAO will be treated under the Scheme as an Other Direct Insurance Creditor. The FGAO's Scheme Claim is in respect of the amounts Elite owes the FGAO in connection with compensation paid by the FGAO in respect of the French DO policies. The process for voting and submitting a claim will be the same as for other Other Direct Insurance Creditors (see Part 10 and Part 8).

Greece – Greek Auxiliary Fund

THE GAF SHOULD READ THIS SECTION

15.8.2. The GAF (The Greek Επικουρικό Κεφάλαιο Ασφάλισης Ευθύνης από Ατυχήματα Αυτοκινήτων) will be treated under the Scheme as an Other Direct Insurance Creditor. The GAF's Scheme Claim is in respect of the amounts Elite owes the GAF in connection with compensation paid by the GAF in respect of the third-party motor policies. The process for voting and submitting a claim will be the same as for Other Direct Insurance Creditors (see Part 10 and Part 8).

UK – FSCS

FSCS SHOULD READ THIS SECTION

15.8.3. FSCS will be treated under the Scheme as an Other Direct Insurance Creditor. FSCS's Scheme Claim is in respect of the amounts Elite owes FSCS in connection with compensation paid by FSCS in respect of FSCS Protected Policies. The process for voting and submitting a claim will be the same as for Other Direct Insurance Creditors (see Part 10 and Part 8).

PART 4 - THE DISCLAIMERS

16. Disclaimer of Other Direct Insurance Policies

- 16.1. Under Section 209(2) of the Gibraltar Insolvency Act 2011 administrators are able to disclaim onerous property of the company.
- 16.2. The Joint Administrators have disclaimed Other Direct Insurance Policies for the purposes of bringing closure to Elite's direct insurance business and to facilitate a distribution earlier than would otherwise be possible if the policies were allowed to continue to run-off.
- 16.3. The disclaimers have terminated any policies held by Other Direct Insurance Creditors and, in effect, the policies no longer exist. However, Other Direct Insurance Creditors do have a right to bring a claim against Elite under Gibraltar law for any loss or damage sustained as a result of the disclaimer. The effects of the disclaimer are permanent, regardless of whether the Scheme is implemented or not.
- 16.4. This means a policyholder, or any other person whose rights are affected by the disclaimer, can no longer bring a claim under the terms of their insurance policy. However, under Gibraltar law, policyholders, and any other person whose rights are affected by the disclaimer, can submit a Disclaimer Damages Claim in Elite's administration for any loss or damage sustained as a result of the disclaimer.
- 16.5. Any Other Direct Insurance Creditor submitting a claim for losses or damages arising from a policy that has been disclaimed is required to make attempts to mitigate their losses sustained as a result of the disclaimer. An example of such mitigation would be for the creditor to seek alternative insurance cover for the remaining period of the direct contract of insurance which has been disclaimed. The premium paid for replacement cover may be taken into consideration when valuing a claim for damages against Elite.
- 16.6. The value of claims agreed by, or notified to, Elite prior to the disclaimer are not affected by the disclaimer (although the policy has still been disclaimed).
- 16.7. No further claims under a disclaimed policy can be notified to Elite following the disclaimer. Rather, such Other Direct Insurance Creditors have a Disclaimer Damages Claim in respect of the disclaimer. The Scheme provides a detailed set of Estimation Guidelines for valuing such claims. These may be valued based on, for example, the value of un-notified losses, the cost of obtaining replacement cover (if there is a market for the relevant policy), a return of part of the premium paid for the period remaining on that policy at the time of Disclaimer or based on potential future losses.
- 16.8. Other Direct Insurance Creditors must submit a Claim Form in respect of any Scheme Claim by the Claims Submission Deadline, including a suggested value with supporting evidence for the Scheme Claim. For guidance on how you may submit and value your Disclaimer Damages Claim, please see Part 9, and Section 3 of the Scheme Document.

PART 5 - THE SCHEME OF ARRANGEMENT

17. Introduction

17.1. The proposed Scheme is set out in full in the Scheme Document. Its key terms are summarised below. Unless otherwise expressly stated, defined terms are the same as those used in the Scheme. The Explanatory Statement, including this summary, should not be relied upon as a substitute for reading the Scheme Document itself.

Why is Elite proposing the Scheme?

17.2. The Scheme is being proposed for the purpose of bringing closure to Elite's affairs following the commencement of administration proceedings on 11 December 2019 because of its insolvency.

17.3. The Joint Administrators have explored in detail various potential options to resolve Elite's affairs, and have carefully considered possible alternatives to the Scheme. If the Scheme is implemented it will:

17.3.1. allow for an earlier distribution of money from Elite;

17.3.2. provide for the assessment, valuation and payment of claims against Elite in a way that is efficient and fair as between the Scheme Creditors; and

17.3.3. avoid additional costs involved in keeping Elite's insolvency process open.

17.4. The Joint Administrators have discussed the Scheme proposals with the Creditors' Committee and have taken on board the Creditors' Committee's views.

17.5. The Creditors' Committee comprises three creditors across both groups of Scheme Creditors who meet with the Joint Administrators on a periodic basis to discuss ongoing matters.

17.6. The Joint Administrators and the Creditors' Committee have concluded that the Scheme is in the best interest of Scheme Creditors as a whole and recommend Scheme Creditors vote in favour of it.

What is a scheme of arrangement and how does it work?

17.7. A scheme of arrangement is a legally binding agreement between a company and its creditors (or a group of creditors). In this case, the Scheme Creditors are the creditors, and Elite is the company.

17.8. A scheme of arrangement will bind the company and each of the creditors affected if:

17.8.1. it is approved by:

17.8.1.1. a majority in number, that means more than 50%, of the Scheme Creditors (whether in person or by proxy) who vote on the Scheme in each of the Scheme Meetings; and

- 17.8.1.2. 75% or more of creditors by claims value who vote on the Scheme (whether in person or by proxy) in each of the Scheme Meetings;
 - 17.8.2. the Court approves the Scheme at the Second Court Hearing; and
 - 17.8.3. a copy of the Court order approving the Scheme is filed with the Registrar of Companies in Gibraltar.
- 17.9. As described in Part 3, FSCS Protected Creditors and Other Direct Insurance Creditors will vote as two separate classes of Scheme Creditors. Both classes of Scheme Creditors must approve the Scheme by the majority described in paragraph 17.8.1.
- 17.10. Scheme Creditors cannot choose to opt out of the Scheme. All Scheme Creditors will be bound by the Scheme, whether or not they voted or if they voted against the Scheme, if:
- 17.10.1. enough of them vote in favour of it at the relevant Scheme Meeting; and
 - 17.10.2. the Court approves it.
- 17.11. In order to sanction the Scheme, the Court must be satisfied that there is a reasonable prospect that the Scheme will be recognised and given effect in relevant jurisdictions. Elite is confident that the Scheme would have substantial effect in relevant jurisdictions, including in the UK and relevant EU Member States, including as a result of Solvency II (as implemented in the relevant jurisdictions). If Scheme Creditors approve the Scheme at the Scheme Meetings, Elite intends to provide evidence to the Court on the international recognition and effectiveness on the Scheme in relevant jurisdictions.
- 17.12. If the Scheme is not implemented then the Scheme will not take effect for any Scheme Creditors and Elite will likely be liquidated. Further details of the benefits of the Scheme and the likely alternative if the Scheme is not implemented are provided in Part 6.
- 17.13. There are three important legal steps in the Scheme process. This process applies to all schemes of arrangement.

Step 1 – Convening Hearing (This took place on 13 March 2026)

The Court ordered the two Scheme Meetings to take place so that Scheme Creditors can consider and vote on the Scheme.

Step 2 – Scheme Meetings (7 May 2026)

The Scheme Meetings will be held virtually by way of video conferencing and telephone. You can attend the relevant meeting to vote or can vote online via the Website instead. There is more information on how to vote and the details and mechanics of voting in Part 10.

Step 3 – Second Court Hearing (on or around [18 May 2026]):

If the required majorities of Scheme Creditors vote in favour of the Scheme at the Scheme Meetings, Elite will ask the Court to approve the Scheme at the Second Court Hearing. In deciding whether to approve the Scheme, the Court will consider whether it is fair to Scheme Creditors.

Each Scheme Creditor is bound by the Scheme if it is implemented, not just those who vote in favour of it. To approve the Scheme at the Second Court Hearing, the Court must be satisfied that, among other things, the Scheme is a fair compromise to all Scheme Creditors.

- 17.14. Scheme Creditors will be entitled to attend the Second Court Hearing if they wish either in-person or virtually by way of video conference and telephone. Scheme Creditors have a right to make an objection to the Court at the Second Court Hearing to consider the sanctioning of the Scheme. The Chair will include details of any dispute in his report to the Court of the result of the Scheme Meeting and full details will be included in the evidence filed with the Court for the sanction hearing. The Court will consider these issues at the Second Court Hearing on or around [18 May 2026] if the Scheme Creditors vote in favour of the Scheme by the requisite majorities.

18. Fairness of the proposed Scheme

- 18.1. The Joint Administrators consider that the Scheme treats all Scheme Creditors fairly. This is because:
- 18.1.1. Other Direct Insurance Creditors will be paid an equal percentage of the total amount that Elite owes them; and
 - 18.1.2. FSCS Protected Creditors will retain any eligibility to FSCS protection until the Cut-Off Date without prejudicing Other Direct Insurance Creditors. This is because the costs associated with the extended run-off of FSCS Protected Policies will be borne by FSCS.
- 18.2. Elite is insolvent and has insufficient assets to pay all its direct insurance creditors in full. Therefore, Elite’s creditors who do not have a direct insurance claim against Elite (i.e. ordinary unsecured creditors) are not expected to receive any dividend in the administration. Unsecured creditors may still submit claims in the administration.

19. What will happen if the Scheme comes into force?

- 19.1. If the Scheme receives enough votes and the Court approves it, the Scheme is expected to take effect shortly after the Second Court Hearing – the Effective Date.
- 19.2. Elite will inform you via email or post that the Scheme has become effective and inform you of the Claims Submission Deadline, which will be 5pm (CET) on the first Business Day falling 180 calendar days after (and not including) the Effective Date – expected to be in Q4 2026. Elite will inform you in one of the following ways that the Scheme has become effective and of the Claims Submission Deadline:

- 19.2.1. not more than four weeks after the Effective Date, by email or Post (where an email address is not available) if Elite believes you may be a Scheme Creditor, but only where the Joint Administrators consider that the contact information that Elite holds is reasonably likely to be current;
- 19.2.2. not more than four weeks after the Effective Date, by email or Post (where an email address is not available) to each coverholder or insurance broker (or their respective successor(s)) who Elite knows to have been responsible for placing insurance business which is covered by the Scheme;
- 19.2.3. as soon as possible after the Effective Date, by notice in the Scheme Publications; and
- 19.2.4. not more than two weeks after the Effective Date, by notice on the Website.

20. What do I need to do?

- 20.1. Please consider whether you have a claim against Elite and whether you might be a Scheme Creditor. You may be a Scheme Creditor if you purchased an insurance policy from Elite, whether directly or indirectly:
- 20.2. If you are a Scheme Creditor, you should:
 - 20.2.1. read this document carefully to understand what the Scheme means for you;
 - 20.2.2. read the FAQs on the Website and if you have any further questions, contact the email or telephone helplines set out below for more information;
 - 20.2.3. consider consulting with a professional adviser or seeking alternative help and support; and
 - 20.2.4. vote on the Scheme either online or at the relevant Scheme Meeting. Further information on voting can be found at Part 7.
- 20.3. If you are an Other Direct Insurance Creditor, you should read Part 8 and Appendix D.
- 20.4. If you are a FSCS Protected Creditor you should read Part 10.

21. Further information and guidance

- 21.1. In the first instance, please look at the Frequently Asked Questions (FAQs) on the Website: pwc.co.uk/elite-insurance.
- 21.2. For more information in your language please contact us using the details found in Part 12.

PART 6 - THE ALTERNATIVE TO THE SCHEME

22. Financial Position of Elite

- 22.1. As at the date of its insolvency in 2019, Elite's directors reported in their filed statement of affairs that Elite's total liabilities were £315 million and its assets were £245 million. Consequently, Elite's net liabilities were c. £70 million. Elite is therefore insolvent on a balance sheet basis. This was the directors' view and the Joint Administrators did not audit or seek to review their estimated values.
- 22.2. Elite's overall financial position is such that it will not be able to meet all of its obligations in full. Given Elite's insolvency, the alternative approaches for Scheme Creditors, other than a scheme of arrangement, broadly comprise:
- 22.2.1. the commutation of liabilities on an ad hoc basis;
 - 22.2.2. an informal arrangement with creditors;
 - 22.2.3. an insolvent liquidation; and
 - 22.2.4. a distribution in administration.
- 22.3. At the date of its insolvency, Elite had nearly one million direct insurance policyholders. These alternatives, whilst capable of being utilised to tackle the problems of an insurance company in financial difficulties in appropriate circumstances, have significant disadvantages which render them inappropriate for Elite, as described below.
- 22.4. The commutation of liabilities on an ad hoc basis:
- 22.4.1. A commutation with creditors requires Elite to settle its obligations on the basis of individual negotiations with each of its direct insurance policyholders.
 - 22.4.2. Due to the volume of direct insurance policyholders, the administrative burden and cost of ad hoc commutations renders this impracticable and therefore an individual-by-individual approach is not considered appropriate or beneficial in the circumstances. However, even if ad hoc commutations with all creditors were possible, each settlement would be on the basis of the best terms which Elite could negotiate with each individual creditor. Therefore there would be no certainty that equality of treatment for all creditors would be possible.
 - 22.4.3. In addition, there would always be the possibility that early individual settlements might only be possible at levels materially higher than the amounts currently reserved by Elite. This may result in insufficient funds being available to meet them or the cost of later settlements, either on a similar basis or at all.
- 22.5. Informal arrangement with creditors:
- 22.5.1. An informal arrangement or compromise, unless agreed to by every creditor, would not bind all creditors to the arrangement, but only

those who agreed to be bound by it. With a significant number of creditors across Europe, it is unlikely that Elite could obtain the agreement of its creditors either within a reasonable time or at all.

22.6. Liquidation:

22.6.1. Elite could be placed into liquidation however, whilst this option may be suitable for those companies which wrote short tail business, this procedure is not the optimal method of dealing with insolvent insurance companies which wrote longer tail business where the aim is to ensure the quickest and most efficient return to creditors possible.

22.6.2. The principal reasons for this are that any liquidator of such an insolvent insurance company would be administering an estate where the ultimate level of claims would be unlikely to be known for a considerable time. Some of Elite's insurance policies do not expire until at least 2035 and, in certain cases, continue indefinitely (that is, they have no natural expiry date). Whilst the legislation governing the winding up of companies in Gibraltar requires a liquidator to make a just estimate of a company's unquantified and contingent liabilities as at the date of the liquidation, it is unlikely that a liquidator, mindful of personal liability, would wish to make any distribution until such time as he is satisfied that he could gauge with accuracy the level of ultimate liabilities. As a result, unless a liquidator were to use a scheme similar to this Scheme, there would usually be a material delay between the appointment of the liquidator and the first interim distribution. This would have the effect that creditors would have to wait longer before receiving distributions out of the estate and bear the financing costs of such delay.

22.6.3. In a liquidation, where the liquidator considers that the Company's ultimate liabilities can be agreed with sufficient certainty to enable a distribution to be declared, any claim in respect of which agreement has not been reached between the Company and a creditor must be determined by the Court. This requirement may result in additional delay, cost and procedural complexity before a distribution can be made.

22.6.4. The Joint Administrators are of the opinion that if the Scheme does not go ahead, Elite will be liquidated, resulting in lower returns for Scheme Creditors and a delayed payment timeline.

22.7. Distribution in Administration:

22.7.1. In the event that the Joint Administrators were to undertake a distribution in the current administration (rather than pursuant to the currently proposed scheme), similar issues as those described above in respect of a distribution in an insolvent liquidation would apply.

22.7.2. This process would involve (i) notifications to creditors; (ii) a claims process for submitting, assessing and valuing claims; (iii) the potential for challenges to be pursued before the Court; and (iv) a distribution

exercise which would likely involve seeking directions from the Court. This process would therefore involve material costs, but would not lead to the closure of Elite's estate, which would need to be pursued through a further step in the insolvency and may involve going through a similar process again, with related additional costs, in order to bring finality to Elite's affairs.

22.8. The Joint Administrators, therefore, consider a liquidation to be the most likely alternative to the Scheme because:

22.8.1. the Company has been in administration for over six years and the Joint Administrators do not consider that a further extended run-off is in the best interest of the Scheme Creditors because this would involve incurring significant costs over a potentially long period of time due to the nature of policies Elite wrote including some policies that continue in perpetuity. It is appropriate that the Company take steps to make distributions to the Scheme Creditors promptly;

22.8.2. however, the Company understands that disclaiming the FSCS Protected Policies (such that distributions can be made to its direct insurance creditors promptly) would result in the FSCS Protected Creditors losing protection from FSCS, such protection allowing these creditors to receive 90% or 100% of their agreed claim value depending upon the type of insurance policy protected by FSCS;

22.8.3. therefore, the Joint Administrators have worked with FSCS to secure extended protection for FSCS Protected Creditors (without prejudicing Other Direct Insurance Creditors) and designed the Scheme to deliver a quick and efficient return to Other Direct Insurance Creditors. The provision of extended protection for FSCS Protected Creditors is conditional on the Scheme being implemented. If the scheme is not implemented, the costs that would be incurred in an extended run-off would not be in the interests of creditors as a whole and therefore FSCS Protected Policies would be disclaimed. This would mean that FSCS Protected Creditors lose access to compensation from FSCS earlier than if the Scheme is approved;

22.8.4. therefore, if the Scheme is not implemented, the Joint Administrators do not consider that there is an alternative that would enable distributions to be made to Direct Insurance Creditors while maintaining protection for FSCS Protected Creditors;

22.8.5. instead, the Company will need to use alternative methods (outlined above) to make prompt returns to direct insurance creditors;

22.8.6. of the alternatives available, the likely alternative to the Scheme would be an insolvent liquidation (for the reasons explained above) which would require the disclaimer of FSCS Protected Creditors and likely lead to the inefficiencies of a liquidation in comparison to the Scheme; and

- 22.8.7. ultimately, this means that while the Joint Administrators consider the Scheme to be in the best interests of creditors as a whole, if it is not implemented the most appropriate alternative is likely to be a disclaimer of FSCS Protected Policies followed by an insolvent liquidation of the Company. While an insolvent liquidation is not considered to be in the best interests of all creditors as a whole, it would ultimately enable a distribution to creditors and allow for the dissolution of the Company.

23. Main advantages of the Scheme

- 23.1. The Joint Administrators consider that the Scheme will be advantageous to its Scheme Creditors for the following main reasons:

(a) Earlier distribution

- 23.1.1. The Scheme should enable Other Direct Insurance Creditors to have their Scheme Claims agreed or determined as Ascertained Scheme Claims considerably sooner than if the run-off of Elite were to continue and claims paid in the ordinary course of an administration or liquidation.

- 23.1.2. In a liquidation it is unlikely that a liquidator would pay interim dividends to any Scheme Creditors before substantially all claims had been identified and quantified. Under the Scheme, Other Direct Insurance Creditors will therefore be paid a percentage of their accepted claims much sooner than in a liquidation.

(b) Certainty and costs savings

- 23.1.3. The Scheme will enable Scheme Creditors to achieve finality significantly earlier than would be possible in a continued run-off or, likely, in a liquidation. Scheme Creditors will therefore benefit from a reduction in the time and costs associated with administering their Scheme Claims against the Company over an extended period. In particular, the Scheme will expedite the submission and agreement of claims in the following ways:

(i) Efficient claims agreement process

- 23.1.3.1. In a liquidation, all insurance claims would need to be agreed on an individual basis and any dispute dealt with by the Court. This would likely take a longer time than the claims agreement process provided for by the Scheme.

- 23.1.3.2. The Scheme will provide an efficient and cost-effective process for the assessment and determination of all existing and future Other Direct Insurance Creditors' Scheme Claims. The Estimation Guidelines, set out in detail in Schedule 1 to the Scheme Document, describe the approach to be followed by the Company and Scheme Creditors in valuing Scheme Claims. It is estimated that the faster

agreement of claims will save the Company c.£600,000 when compared with a liquidation.

23.1.3.3. Where agreement cannot be reached between the Company and a Scheme Creditor in respect of a Scheme Claim, the Scheme provides for the final determination of that claim through an independent and cost-efficient adjudication process. This process involves referral of the disputed claim to an independent adjudicator appointed in accordance with the Scheme, where appropriate. The Scheme Adjudicator's determination will be final and binding on both the Company and the relevant Scheme Creditor, thereby avoiding the need for costly and protracted court proceedings, which might otherwise arise in a liquidation. It is expected that the costs of dealing with relatively simple disputed Scheme Claim will be c.£22,000 cheaper per disputed claim than dealing with the equivalent dispute through Court proceedings.

(ii) Currency conversion

23.1.3.4. In a liquidation, claims would be converted to Pounds Sterling at the market rate on the date the Joint Administrators were appointed, even though this may not be the currency provided for by their policy and the payment of any dividend will not happen for some time leaving creditors exposed to a longer period of currency mismatch between their claims and any dividends paid.

23.1.3.5. Under the Scheme, Other Direct Insurance Creditors will be able to submit their claims in Euro or Sterling and will receive payment back in Euro or Sterling respectively.

(iii) Prolonged access to FSCS protection for FSCS Protected Creditors

23.1.3.6. In a liquidation, FSCS Protected Policies would likely be disclaimed as soon as possible, resulting in FSCS declining to provide continuing cover and the Company needing to pay the claims handling costs for FSCS Protected Creditors' claims. The costs of implementing a further disclaimer are estimated to be in the region of c.£200,000 to £250,000. Furthermore, the increased claims handling costs of processing FSCS Protected Creditors claims is estimated to be in the region of c.£600,000.

23.1.3.7. If the Scheme is implemented, FSCS Protected Creditors will continue to be protected by FSCS with valid claims being paid in the ordinary course of business until the Cut-Off Date.

23.1.3.8. If the Scheme is implemented, there will be a more cost-effective method for resolving disputed claims by use of a

Scheme Adjudicator. This is expected to reduce legal and other fees as compared with the use of more expensive and protracted Court proceedings in a liquidation.

Possible disadvantages of the Scheme

23.2. Scheme Creditors should also be aware of the following possible disadvantages in considering the Scheme.

(a) Estimation of certain Scheme Claims

23.2.1. The simplified claims agreement process has been designed to value each Scheme Claim as accurately and fairly as possible. However, the process may result in certain claims being estimated, which creates the risk that Scheme Creditors may receive a different amount (either more or less) in respect of those Scheme Claims than would have been the case had such Scheme Claims been run-off in the ordinary course of business. However, given the insolvency of Elite and the fact that certain policies never expire, it will be necessary for some form of early claims agreement process to be implemented.

Failure to submit a Claim Form by the Claims Submission Deadline

23.2.2. The Scheme provides a mechanism for cutting off Scheme Claims. Scheme Creditors will be required to notify Elite of their Scheme Claims by the Claims Submission Deadline, which will be 5pm (CEST/CET, as applicable) on the first Business Day falling 180 calendar days after (and not including) the Effective Date. If an Other Direct Insurance Creditor fails to submit a Claim Form before the Claims Submission Deadline they will not be entitled to receive any payment from (or have any further rights against) Elite.

23.2.3. The Claims Submission Deadline is necessary to enable Elite to conclude the run-off of the Scheme Claims and determine the amounts that may be paid to Scheme Creditors who did submit claims in advance of the Claims Submission Deadline.

23.2.4. The Claims Submission Deadline will be advertised, and notice of it will be posted on the Website and sent to (i) Scheme Creditors (or agents known to be acting for Scheme Creditors) for whom contact details are available, and (ii) brokers and intermediaries who have been identified as having placed relevant business with Elite.

23.2.5. In a liquidation, a similar deadline (called a 'bar date') is likely to be imposed so the position under the Scheme is unlikely to be materially different to a liquidation.

Prohibition on proceedings

23.2.6. The Scheme prohibits the commencement or continuation of any Proceedings in order to obtain payment or establish the existence or amount of a Scheme Claim against Elite. However, such prohibition does not apply where Elite and the Joint Administrators otherwise

consent to lift such restriction or where such restriction is prohibited by law. As described above, a more streamlined and cost-efficient, independent process for determining Scheme Claims has been proposed pursuant to the Scheme.

- 23.2.7. While there would also be a prohibition on the commencement or continuation of any Proceedings in a liquidation, disputes over the value of claims in a liquidation would be resolved in Court.

24. Conclusion

- 24.1. These are the main advantages and possible disadvantages of the Scheme versus the alternative for Scheme Creditors identified by the Joint Administrators. As it is not possible to address the individual circumstances of each Scheme Creditor, this list of advantages and disadvantages is not exhaustive. Each Scheme Creditor is therefore advised to make its own assessment of how the Scheme would affect its own interests.
- 24.2. The Joint Administrators and the Creditors' Committee consider that the main advantages referred to above outweigh the possible disadvantages and it is in Scheme Creditors' best interests to vote in favour of the Scheme, and this is why the Scheme is being proposed.

PART 7 - VOTING

- 24.3. The Scheme Meetings will take place on 7 May 2026 via webinars as described further in the Notice of the Scheme Meeting. The Scheme Meetings will not be held physically in person.
- 24.4. Scheme Creditors can vote online at the link available on the Website prior to the Scheme Meetings or at the Scheme Meetings themselves.
- 24.5. The Scheme will bind Elite and each of the Scheme Creditors if:
 - 24.5.1. it is approved by:
 - 24.5.1.1. a majority in number, that means more than 50%, of the Scheme Creditors (whether in person or by proxy) who vote on the Scheme in each of the Scheme Meetings; and
 - 24.5.1.2. 75% or more of creditors by claims value who vote on the Scheme (whether in person or by proxy) in each of the Scheme Meetings;
 - 24.5.2. the Court approves the Scheme at the Second Court Hearing; and
 - 24.5.3. a copy of the Court order approving the Scheme is filed with the Registrar of Companies in Gibraltar.

Classes of Scheme Creditors

- 24.6. Creditors who are able to vote together on whether or not to approve the Scheme are known as a class of creditors. All creditors within a class must have sufficiently similar rights against Elite in order to be able to consider the Scheme and vote on it.
- 24.7. Elite has concluded the Other Direct Insurance Creditors and the FSCS Protected Creditors should vote in separate classes because the Scheme affects their rights in different ways. In particular, under the Scheme:
 - 24.7.1. The Other Direct Insurance Creditors (whose insurance contracts have been disclaimed) will be subject to the claims assessment and adjudication process and will be entitled to receive distributions from Elite in respect of their admitted Scheme Claims.
 - 24.7.2. FSCS Protected Creditors will continue to have their claims settled by FSCS until the Cut-Off Date. After the Cut-Off Date they will be entitled to payment from FSCS, in accordance with the FSCS Rules, of an amount representing the premium paid for the time left on the policy. FSCS Protected Creditors will not be subject to the claims assessment and adjudication process and will not receive distributions from Elite in respect of their claims.
- 24.8. Elite has considered whether more than two classes of Scheme Creditors are required. Elite has considered the different matters that may fracture the two proposed classes, and Elite does not consider that these matters require different Scheme Creditors to consider and vote on the Scheme in separate meetings.

24.9. The Court agreed that Scheme Creditors should consider and vote on the Scheme in two separate meetings.

25. How to vote

25.1. The Joint Administrators have provided a Creditor Portal on the Website here: *[insert link]* for the purposes of voting and claim submission. A User Guide for the Creditor Portal can be found on the Website here: *[insert link]*. Alternatively, you can submit your vote by use of a hard copy Voting Form.

25.2. On the Creditor Portal:

25.2.1. You will need to submit a suggested value for your Scheme Claims with supporting evidence. For guidance on valuing your Scheme Claims see Schedule 1 of the Scheme Document.

25.2.2. You will be asked if you are representing a corporate creditor or are an individual. If you are representing yourself, click Individual. If you are representing a company or corporation, click Corporate.

25.2.3. You will be asked if you want to appoint a proxy to attend the Scheme Meetings and vote on your behalf. If you would like to nominate a proxy to vote on your behalf, please follow the instructions in the User Guide for the Creditor Portal.

25.3. You will only be allowed to vote once in your specific class. In a small number of circumstances, it may be possible that some Scheme Creditors have or may have a claim in both classes.

25.4. The question you will be asked to answer when you vote is whether you support the Scheme. You may give one of the following answers:

25.4.1. For;

25.4.2. Against; or

25.4.3. Abstain – To abstain is in effect deciding not to vote, and your vote will not be counted either for or against the Scheme.

25.5. You may also leave your vote to the discretion of your proxy meaning that they can choose how you vote.

25.6. The deadline for voting via the Creditor Portal is by 5pm CEST the day before the Scheme Meeting is scheduled being 5pm CEST on 6 May 2026.

25.7. Any votes received after this time will still be recorded but will be acknowledged as received after the deadline and may not be considered. The Chair of the meeting will have a discretion to admit votes received late on the Creditor Portal. You can amend your vote on the Creditor Portal at any point up until the Scheme Meeting scheduled for 7 May 2026.

25.8. You can also vote online during the Scheme Meetings starting at 10am CEST on 7 May 2026 if you have registered at least three Business Days in advance to attend it. If you vote via the Creditor Portal, or by using a hard copy Claim

Form, but attend the Scheme Meetings, you can change your vote during the Scheme Meeting if you would like to. In order to register to attend the meeting please contact us at:

25.8.1. **Email:** elite-insurance.scheme@quest-group.co.uk

25.8.2. **Telephone Enquiries:**

25.8.2.1. From the UK (Freephone): 0800 327 7278

25.8.2.2. From France (Freephone): +33 805 98 54 71

25.8.2.3. From the rest of the EU: +33 805 98 54 71 (Standard call charges apply)

25.9. Returning a Voting and Proxy Form will not prevent a Scheme Creditor from participating and voting at the Scheme Meeting in person (whereupon the Voting and Proxy Form will be superseded), however, it does ensure that a Scheme Creditor's vote will be counted if, due to unforeseen circumstances, it is unable to attend.

25.10. If you would prefer to vote by use of a hard copy Voting Form, please request a Voting Form using the contact details above. Within three Business Days following receipt of such a request, Elite shall send a blank, hard copy Voting Form to you. You must send the completed hard copy Voting Form to Elite to arrive three Business Days before the Scheme Meetings.

Email: elite-insurance.scheme@quest-group.co.uk

Elite Insurance Company Limited (in Administration)
c/o Quest Consulting
52-54 Gracechurch St,
London,
EC3V 0EH

25.11. If you are unclear about or have any questions concerning the action you are required to take please contact, in the first instance, Elite using the contact details above.

26. **How will votes be calculated?**

26.1. The value of your votes will be calculated, based on values in Pound Sterling as at 9am CEST on 31 March 2026, in one, or more, of the following ways, subject to appropriate steps being taken by a creditor in mitigating its losses:

26.1.1. **Unpaid agreed claim** – which is a claim that has been agreed by or on behalf of Elite before the voting date but which has not been paid by Elite or where a residual amount remains unpaid following payment by a compensation scheme and where subrogation does not exist;

26.1.2. **Notified outstanding claim** – a claim against Elite in respect of a loss or liability which has been reported to or discovered by Elite but not agreed by Elite before the voting date;

- 26.1.3. **Replacement cover** - the cost of comparable replacement cover for the remaining period of the contract of insurance which has been disclaimed;
 - 26.1.4. **Return of premium** – an estimate of a prorated return of premium based on the unexpired portion of any policy; or
 - 26.1.5. **IBNR estimate** – an estimate of an incurred but not reported (“**IBNR**”) claim in relation to the policy disclaimed.
- 26.2. The value to be attributed to each Scheme Claim (for the purposes of voting at the Scheme Meeting) will be determined by the Chair. The Chair, who will be Edgar Lavarello, or failing him, one of the other Scheme Managers, will consider Voting Forms correctly completed and submitted in accordance with the instructions provided to determine the value of each Scheme Creditor’s vote at the Scheme Meeting. The Chair’s determination shall be based on:
- 26.2.1. the information provided by the Scheme Creditors;
 - 26.2.2. the information available to Elite from its existing records;
 - 26.2.3. advice provided to Elite by Scheme Managers on the application of the Estimation Guidelines; and
 - 26.2.4. if any, the report of the Independent Vote Assessor.
- 26.3. Scheme Claims for voting will also be calculated net of any known set-off, security or other relevant deductions in Pound Sterling as at 9am CEST on 31 March 2026.
- 26.4. The Chair has the power to reject a Scheme Claim for voting purposes, in whole or in part, only if he considers that it does not represent a reasonable assessment of the value of the claim to which it relates. The decision of the Chair as to the value to be placed on a Scheme Claim for voting purposes is final and, where the Chair has reduced or rejected a Scheme Creditor’s assessment of the value of its Scheme Claim for voting purposes, he will, if possible, notify the relevant Scheme Creditor of such decision, and the reasons, before the Scheme Meeting and, in any event, before the Court hearing to sanction the Scheme.
- 26.5. If there is any dispute, the Chair’s decision will be final and binding, subject to the Scheme Creditor’s right to make any objection to the Court at the subsequent Court hearing to consider the sanctioning of the Scheme. The Chair will include details of any dispute in his report to the Court of the result of the Scheme Meeting and full details will be included in the evidence filed with the Court for the sanction hearing.
- 26.6. The Independent Vote Assessor shall review the Chair’s valuations of the estimated elements of each Scheme Claim, assess the value attributed to each vote indicated to him by the Chair (and such other votes as he shall reasonably determine) and shall report his findings to the Chair, who will review the values placed on the votes at the Scheme Meeting. The Independent Vote Assessor’s report will be made available to the Court at the sanction hearing. If the Chair revises his view of the value of a vote following review by the Independent Vote

Assessor, the Scheme Creditor will be notified of the revised determination. If there is any dispute, the Independent Vote Assessor's decision will be final and binding, subject to the Scheme Creditor's right to make any objection to the Court at the subsequent Court hearing to consider the sanctioning of the Scheme. The Chair will include details of any dispute in his report to the Court of the result of the Scheme Meeting and full details will be included in the evidence filed with the Court for the sanction hearing.

- 26.7. The Chair shall not instruct the Independent Vote Assessor to review the Chair's valuations of any votes in circumstances where:
- 26.7.1. all votes cast in respect of the Scheme are cast in favour of it; or
 - 26.7.2. the Scheme is approved by the requisite majorities of Scheme Creditors at the Scheme Meeting, where the Chair attributes:
 - 26.7.2.1. the higher of the Company's or the Scheme Creditor's valuation of the Scheme Claim when valuing the votes cast against the Scheme; and
 - 26.7.2.2. the lower of the Company's or the Scheme Creditor's valuation of the Scheme Claim when valuing the votes cast in favour of the Scheme.
- 26.8. Whatever value is ultimately applied to your vote for the purposes of determining whether the Scheme has received the required support, that value:
- 26.8.1. does not mean you will necessarily have a valid Ascertained Scheme Claim once determined in the Scheme;
 - 26.8.2. does not necessarily affect the amount that may ultimately be determined to be a valid Payable Scheme Claim; and
 - 26.8.3. does not necessarily affect the amount of money that you may end up receiving from the proposed Scheme.
- 26.9. Please note that any Other Direct Insurance Creditors will be deemed to have submitted a Claim Form if they vote on the Scheme.

27. Why is your vote important?

- 27.1. The voting process is a way for you to voice your opinion and be heard. If you do not like the proposals being put forward, you can vote against them and/or you can object.
- 27.2. If the Scheme is not approved and sanctioned, the Joint Administrators are of the opinion that Elite will be liquidated. Given that Elite is insolvent, the alternatives to the Scheme will be those described in Part 6. For the reasons given in that section, the Joint Administrators consider that the Scheme is the best option available to, and in the best interests of, Elite and the Scheme Creditors. In addition, the Creditors' Committee has approved the Scheme. Accordingly, all Scheme Creditors are encouraged to vote in favour of the proposed Scheme.

PART 8 - Other Direct Insurance Creditors

THIS SECTION ONLY APPLIES TO OTHER DIRECT INSURANCE CREDITORS

28. Other Direct Insurance Creditors

- 28.1. The Other Direct Insurance Creditors' class includes all direct insurance creditors other than FSCS Protected Creditors who may have a claim against Elite.
- 28.2. The Joint Administrators have disclaimed all of Elite's insurance policies held by Other Direct Insurance Creditors (the "**Other Direct Insurance Policies**", as further defined in paragraph 15.7.2 above). The effect of this is that Other Direct Insurance Policies have been terminated. Other Direct Insurance Creditors are entitled to damages from Elite for any loss or damage sustained as a result of the disclaimer.
- 28.3. Claims in respect of losses incurred prior to the disclaimer are not affected by the disclaimer (regardless of whether such claims have been notified to Elite prior to the disclaimer).
- 28.4. Insurance brokers may be Other Direct Insurance Creditors where they have valid claims under an Other Direct Insurance Policy. They may have such claims if they paid a creditor under an Other Direct Insurance Policy and:
 - 28.4.1. the original claimant under the Other Direct Insurance Policy has assigned their claim against Elite to the insurance broker, in writing, or given authority to pay (in a form acceptable to Elite); and
 - 28.4.1.1. written notice of that assignment or authority has been given to Elite; or
 - 28.4.1.2. where that assignment or authority is made after the Effective Date, written notice of it has been given to the Scheme Managers;
 - 28.4.2. the payment was made pursuant to a pre-existing contractual obligation between the insurance broker and Elite; or
 - 28.4.3. the payment was made pursuant to a written request by Elite.

What is the effect of the Scheme on you?

29. If the Scheme is implemented

- 29.1. If the requisite majority of Scheme Creditors vote in favour of the Scheme and the Court sanctions the Scheme, it will be implemented. In summary, if the Scheme is implemented:
 - 29.1.1. You will be bound by the Scheme even if you did not vote in favour of it or vote at all. You cannot choose to opt out of the Scheme.

- 29.1.2. Any claim submitted as part of the Scheme voting process will be deemed to have been submitted by the Claims Submission Deadline.
- 29.1.3. All Other Direct Insurance Creditors who do not vote on the Scheme or those who vote on the Scheme but elect not to use their Voting and Proxy Form as a Claim Form must submit a Claim Form in respect of any Scheme Claim by the Claims Submission Deadline, including a suggested value with Supporting Information for the Scheme Claim. Your Scheme Claim will be valued in accordance with the Estimation Guidelines set out in Schedule 1 of the Scheme Document.
- 29.1.3.1. The Estimation Guidelines set out estimation techniques that are generally accepted within the insurance market. Elite considers it appropriate that such methods are used to value Other Direct Insurance Creditors' claims and have provided the Estimation Guidelines for transparency and to assist Other Direct Insurance Creditors in valuing their claims.
- 29.1.3.2. Schedule 2 of the Scheme Document sets out examples of Supporting Information to be provided by Other Direct Insurance Creditors. Other Direct Insurance Creditors who have submitted Offer Letters to Elite or a Claims Handling Agent prior to submission of their claim do not need to submit further Supporting Information.
- 29.1.4. **If an Other Direct Insurance Creditor fails to vote on the Scheme or submit a claim by the Claims Submission Deadline they will not be entitled to receive distributions under the Scheme.**
- 29.1.5. All Scheme Claims will be valued as at the Effective Date.
- 29.1.6. Scheme Claims will initially be assessed by the Scheme Managers, who will notify Other Direct Insurance Creditors if their Scheme Claims have been accepted and, if so, for what amount. The Scheme Managers will provide a Net Statement setting out the detail of the Scheme Claimant's Ascertained Scheme Claim in full and in particular what deductions may be made in accordance with the Scheme. This includes:
- 29.1.6.1. what liabilities Elite owes to the Scheme Claimant;
- 29.1.6.2. where there are mutual dealings between the Scheme Claimant and Elite, what amounts have been set-off against their Scheme Claim;
- 29.1.6.3. where Elite holds amounts in escrow or on trust for the Scheme Claimant, what amounts are held by Elite and the impact on the Scheme Claimant's Ascertained Scheme Claim; and
- 29.1.6.4. where Elite has agreed or agrees to pay defence costs for the Scheme Claimant in connection with claims against the

Scheme Claimant, what amounts Elite proposes to deduct from the Scheme Claimant's Payable Scheme Claim before payment.

- 29.1.7. Other Direct Insurance Creditors will be entitled to dispute the Scheme Managers' rejection or valuation of a claim, through an adjudication process conducted by the independent adjudicator, the Scheme Adjudicator. If an Other Direct Insurance Creditor chooses to dispute the Scheme Managers' rejection or valuation of their claim the Scheme Adjudicator may order that they pay the costs incurred by the Scheme Adjudicator in determining that dispute.
- 29.1.8. Other Direct Insurance Creditors who are subject to Sanctions, or whose claims cannot otherwise be paid due to applicable laws or regulations, will not be paid a distribution in the Scheme. Elite will retain such Other Direct Insurance Creditors' distributions until either:
 - 29.1.8.1. they provide sufficient evidence to the Scheme Managers that payment can be made to them (e.g. because they are no longer subject to Sanctions) – in which case Elite will attempt to pay them; or
 - 29.1.8.2. the Scheme Managers consider that the Scheme is likely to be terminated in the near future or that Elite will enter into a liquidation – in which case their distributions will become part of Elite's property.
- 29.1.9. Other Direct Insurance Creditors whose Scheme Claims have been admitted as Ascertained Scheme Claims will be entitled to receive a distribution under the Scheme.
- 29.1.10. Other Direct Insurance Creditors will all be paid the same percentage of their Scheme Claims and it is unlikely that Scheme Claims will be paid in full. It is anticipated that distributions in respect of valid Scheme Claims will be made by the end of the first quarter of 2027 at the latest.
- 29.1.11. Further 'top up' distributions may be made to Other Direct Insurance Creditors from time to time in the event that further assets become available to Elite to enable it to do so.
- 29.1.12. Deductions may be made from any distributions made to an Other Direct Insurance Creditor to account for:
 - 29.1.12.1. the reasonable costs and expenses incurred in paying such distributions;
 - 29.1.12.2. any sums that Other Direct Insurance Creditor has received by breaching the prohibition on Proceedings against Elite under the Scheme;
 - 29.1.12.3. amounts Elite has paid in Elective Defence Costs in respect of claims against that Other Direct Insurance Creditor; and

29.1.12.4. any amounts directed to be deducted by the Scheme Adjudicator in respect of a disputed Scheme Claim.

29.1.13. All distributions in respect of Scheme Claims arising in connection with Other Direct Insurance Policies that were written in Euro will be paid in Euro. All other Scheme Claims will be paid in Pounds Sterling.

29.2. For more information on the valuation and payment of your Scheme Payment see Part 3, Section 3.6 of the Scheme Document.

30. If the Scheme is not implemented

30.1. The Joint Administrators are of the opinion that if the Scheme does not go ahead Elite will be liquidated.

30.2. The position of Other Direct Insurance Creditors would be adversely affected by the costs and inefficiencies of a liquidation relative to the Scheme, thus leading to a later and much lower return for such creditors.

30.3. Please see Part 6 for further details on the most likely alternative to the Scheme if the Scheme does not go ahead.

31. Recommendation

31.1. The Joint Administrators have explored in detail various potential options to resolve Elite's affairs and have carefully considered possible alternatives to the Scheme. The Joint Administrators have concluded that the Scheme is in the best interests of Scheme Creditors as a whole. This is because, if it is implemented, the Scheme would:

31.1.1. allow for an earlier distribution of money from Elite's estate than if the Scheme was not implemented as proposed; and

31.1.2. provide for the assessment, valuation and payment of claims against Elite in a way that is fair as between the Scheme Creditors.

31.2. As outlined in Part 6, Elite is insolvent and the Joint Administrators do not consider that the alternative to the Scheme is likely to provide a better outcome for you than the Scheme. The Joint Administrators and the Creditors' Committee therefore believe that it is in Scheme Creditors' best interests to vote in favour of the Scheme and this is why we are proposing the Scheme.

32. What do you need to do?

32.1. If you held one (or more) of Elite's Other Direct Disclaimed Policies listed above, you should:

32.1.1. understand what the Scheme is about and what it means for you by carefully reading this document;

32.1.2. vote on the Scheme (see Part 7);

32.1.3. if the Scheme is implemented, submit your Scheme Claim (see Part 9); and

32.1.4. consider what help and support is available to help you make a decision (see Part 12).

33. Further information and guidance

33.1. In the first instance please look at the Frequently Asked Questions (FAQs) that are available at <https://www.pwc.co.uk/elite-insurance>.

33.2. Otherwise, for more information you can contact us in the following ways:

33.2.1. Email elite-insurance.scheme@quest-group.co.uk

33.2.2. Telephone Enquiries:

33.2.2.1. From the UK (Freephone): 0800 327 7278

33.2.2.2. From France (Freephone): +33 805 98 54 71

33.2.2.3. From the rest of the EU: +33 805 98 54 71 (Standard call charges apply).

33.2.3. Writing to us by letter at:

Elite Insurance Company Limited (in Administration)
c/o Quest Consulting
52-54 Gracechurch St,
London,
EC3V 0EH

33.3. If you want to object to the Scheme, you are entitled to do so, and you should read paragraph 12 for information about how to do this.

33.4. You are entitled to attend the Second Court Hearing and can raise any point there you would like to. If you intend to do this, please read paragraph 12.6 to 12.7.

PART 9 - SUBMITTING A SCHEME CLAIM

34. Summary

- 34.1. If the Scheme is implemented, Elite will inform you that the Scheme has become effective and inform you of the Claims Submission Deadline, which will be 5pm (CEST/CET, as applicable) on the first working day falling 180 calendar days after (and not including) the Effective Date – expected to be in Q4 2026
- 34.2. Other Direct Insurance Creditors will then be entitled to submit their claims against Elite, whether these are claims based on losses that have actually arisen and/or Disclaimer Damages Claims.
- 34.3. Policyholders whose policies have been disclaimed or parties with claims against such policies are entitled to claim for any loss or damage sustained as a result of the policies being disclaimed.
- 34.4. You must submit your Scheme Claim to Elite via the Creditor Portal, email or hard copy on or before the Claims Submission Deadline. This includes creditors with a claim already notified to Elite under their policy, whether the claim is agreed or not. In the case of hard copy Claim Forms, you must send this to Elite to arrive on or before the Claims Submission Deadline.
- 34.5. **If an Other Direct Insurance Creditor fails to submit a Claim Form before the Claims Submission Deadline they will not be entitled to receive any payment from (or have any further rights against) Elite.**
- 34.6. Where a Scheme Creditor submits a valid Scheme Claim for the purposes of voting on the Scheme, that Scheme Claim, and the respective suggested value, is submitted as a Scheme Claim. Therefore, if you vote on the Scheme, there will be no need to re-submit these details. You may however submit any other Scheme Claims which you may have in addition to the Scheme Claims submitted when voting.
- 34.7. Following the Effective Date, if you would like to submit a Scheme Claim by using a hard copy Claim Form, then you can download a blank, hard copy Claim Form from the Website or request Elite to send you one. Within three Business Days following receipt of such request, Elite shall send a blank, hard copy Claim Form to you. You must send the completed hard copy Claim Form to Elite to arrive on or before the Claims Submission Deadline. Instructions on how to submit a hard copy Claim Form are stated on the Claim Form.
- 34.8. You may submit revised information via the Creditor Portal and/or a revised Claim Form, together with any relevant supporting evidence, at any time up to the Claims Submission Deadline
- 34.9. Any Scheme Claims submitted after the Claims Submission Deadline will not be accepted, and you will not receive any payment (or have any further rights against Elite) for any valid claim you may have against Elite. Any supporting information received after the Claims Submission Deadline (unless requested by Elite or the Scheme Adjudicator) will only be considered at the Joint Administrator's discretion.

- 34.10. You must submit your Scheme Claims in accordance with the instructions on the Website. You must also suggest a value for your Scheme Claims. The Estimation Guidelines for Other Direct Insurance Creditors are set out in Schedule 1 of the Scheme Document. These reflect estimation techniques generally accepted with the insurance market, that you may choose to follow in valuing your claim.
- 34.11. If you have previously submitted a claim to Elite which remains unpaid, you will need to resubmit this claim as a Scheme Claim.

35. Determination of Scheme Claims

- 35.1. The Scheme Managers will consider the information contained in each Scheme Claim submitted in accordance with Part 9. Such examination shall include, but not limited to, consideration of whether:
- 35.1.1. details of insurance contracts are correct and adequately supported by any documentation submitted;
 - 35.1.2. details of estimates of Scheme Claims are accurate and reasonable, having taken account of the principles set out in the Estimation Guidelines;
 - 35.1.3. there is any Cross-Claim to be set-off against the Scheme Claim;
 - 35.1.4. there is any other deduction which may be made in relation to amounts held by Elite for the relevant claimant in escrow or on trust; and
 - 35.1.5. if known by Elite at the time, any Elective Defence Costs incurred and referable to such Scheme Claimant at the time which may be deducted from any distribution due to the Scheme Claimant.
- 35.2. The Scheme Managers will not be bound by, or prepared to follow, any settlement made between the Scheme Claimant and another insurer or other third-party if it believes that settlement to be unreasonable.
- 35.3. As part of the process of determining a Scheme Claimant's Ascertained Scheme Claim, the Scheme Managers shall apply the principles set out in the Estimation Guidelines.
- 35.4. If there is any significant change in the value of a Scheme Claim between the Effective Date and the Claims Submission Deadline, this may be taken into account by the Scheme Managers and Scheme Adjudicator in their absolute discretion when agreeing or adjudicating the Scheme Claim.
- 35.5. The Scheme Managers may from time to time give notice to a Scheme Claimant, by email or Post (at the Scheme Managers' discretion), requesting further information or evidence reasonably required to assist them in determining your Scheme Claim and/or any Cross-claims. The Scheme Claimant must provide any information or evidence requested within 30 days after any such notice is sent by the Scheme Managers, failing which the Scheme Managers shall be entitled to determine the Scheme Claim based on the information available to them. The Scheme Claimant must submit any such information or evidence via

the Creditor Portal or by email in accordance with instructions given by the Scheme Managers. Where this is not possible, supporting evidence should be submitted by recorded mail.

- 35.6. If the Scheme Managers agree with the Scheme Claimant's estimate of the value of its Scheme Claim and Cross-claims, they shall notify the Scheme Claimant of their agreement, in writing, by email or Post (at Elite's discretion), within six months of the Claims Submission Deadline (or 30 days of the most recent receipt of further information if they have requested information following the Claims Submission Deadline). The Scheme Claimant's Scheme Claim, net of any Cross-claims, will become an Ascertained Scheme Claim on the date the notice is sent.
- 35.7. If the Scheme Managers do not agree (or only partially agrees) with a Scheme Claimant's Scheme Claim and/or Cross-claims, they shall notify the relevant Scheme Claimant of their rejection (or partial rejection), in writing, by email or Post (at the Scheme Managers' discretion), within six months of the Claims Submission Deadline (or 30 days of the most recent receipt of further information if they have requested information following the Claims Submission Deadline). The Scheme Managers and the relevant Scheme Claimant will then have a further 30 days from the date of such notice to agree the Scheme Claim and/or Cross-claims.
- 35.8. In either case, the Scheme Managers will send a Scheme Claimant a Net Statement setting out the Company's valuation of:
 - 35.8.1. the Scheme Claimant's Ascertained Scheme Claims, consisting of:
 - 35.8.1.1. the Liabilities owed by Elite to the Scheme Creditor in respect of their Scheme Claim (including, if relevant, whether the whole or any part of the amounts claimed by the Scheme Claimant have been rejected);
 - 35.8.1.2. the Cross-Claims owed by the Scheme Creditor to the Company which are eligible for set-off;
 - 35.8.2. any deduction to be applied to the Ascertained Scheme Claim in respect of amounts held in escrow or on trust;
 - 35.8.3. the value of the Scheme Claim which the Company is willing to agree and admit as a Net Ascertained Scheme Claim; and
 - 35.8.4. if known by the Company at the time, any Elective Defence Costs incurred and referable to the Scheme Claimant which shall be deducted from future distributions and 'top-up' payments.
- 35.9. If the Scheme Claim and/or Cross-claims are not agreed (or are only partially agreed) between the Scheme Managers and Scheme Creditor after this period, then unless the Scheme Managers (at their sole discretion and provided reasonable attempts have been made to give notice to the relevant Scheme Claimant) decide to extend this time period, the Scheme Claim and Cross-claims shall become a "**Disputed Scheme Claim**". However, if the Scheme Claim and/or Cross-claims are only partially agreed and the Scheme Claimant has

taken no action to seek to agree the Scheme Claim and/or Cross-claims during the 30-day period set out above, then the Scheme Claim and Cross-claims will become an Ascertained Scheme Claim.

- 35.10. The Scheme Managers shall refer the Disputed Scheme Claim to the Scheme Adjudicator as soon as reasonably practicable. Once a Disputed Scheme Claim is referred to the Scheme Adjudicator, the Scheme Adjudicator shall notify the relevant Scheme Creditor in writing by email or post that the relevant Scheme Claim has become a Disputed Scheme Claim and that the dispute will be determined by the Scheme Adjudicator in accordance with the adjudication procedure set out in paragraph 37.
- 35.11. The Scheme Adjudicator may, in their absolute discretion, direct a Scheme Creditor to pay the remuneration (including the Scheme Adjudicator's own remuneration calculated on a time costs basis) and other costs incurred by them in respect of their Disputed Scheme Claim.
- 35.12. Separately, the Scheme Managers may refer any Scheme Claim to the Scheme Adjudicator if at any time they believe that it will be impossible or impracticable to reach agreement with a Scheme Claimant in respect of a Scheme Claim. Where such referral is made, Elite shall notify the relevant Scheme Claimant and provide a written summary of the reasons for the referral.

36. How will Scheme Claims be valued?

- 36.1. All Scheme Claims will be valued as at the Effective Date, being the date on which the Court order sanctioning of the Scheme is delivered to the Registrar of Companies in Gibraltar and the Scheme therefore becomes effective.
- 36.2. The Scheme Claims are to be reviewed and assessed in accordance with the Estimation Guidelines attached at Schedule 1 of the Scheme Document.

37. Scheme adjudication procedure

- 37.1. Where there is a Disputed Scheme Claim, Elite will refer your claim to an adjudication process led by an independent Scheme Adjudicator.
- 37.2. When a Disputed Scheme Claim is referred to the Scheme Adjudicator:
 - 37.2.1. the Scheme Adjudicator will consider the Scheme Claim (and all attachments and supporting evidence provided) within four weeks of receipt of the information. If necessary, the Scheme Adjudicator will, within that four-week period, send a notice to the relevant Scheme Creditor stating that they require:
 - 37.2.1.1. further documents, data or information from the Scheme Creditor, the Claims Handling Agents, the Scheme Managers or Elite, in which case the recipient shall comply within two weeks of receipt of the request (or such other longer period as is specified by the Scheme Adjudicator in such notice); and/or

- 37.2.1.2. the Scheme Creditor and/or Elite to address them on particular matters, in which case the Scheme Creditor (or their duly authorised representative) and/or Elite or its Claims Handling Agent shall appear before the Scheme Adjudicator, at the time and place (either virtually or in person) the Scheme Adjudicator prescribes;
 - 37.2.1.3. if a Scheme Creditor or Elite fails to comply with the notice within two weeks or such other period as specified in the notice, the Scheme Adjudicator shall make their determination on the basis of the other information available to them;
 - 37.2.2. if the Scheme Adjudicator requires any person to appear before them, the Scheme Adjudicator shall be entitled to prescribe such procedures or provisions as they deem appropriate to assist them to reach their decision;
 - 37.2.3. the Scheme Adjudicator may call for such evidence (including expert evidence), documents, data and information as they may require to assist them to reach their decision;
 - 37.2.4. the Scheme Adjudicator may consult with advisers, including actuaries, legal advisers and other experts, as they deem appropriate to assist them to reach their decision; and
 - 37.2.5. the Scheme Adjudicator shall act as an expert and not as an arbitrator.
- 37.3. Within two months of the Disputed Scheme Claim being referred to them, the Scheme Adjudicator shall notify the Scheme Creditor and Elite of their determination of the Disputed Scheme Claim, in writing, by email or Post.
- 37.4. Any notice of determination given by the Scheme Adjudicator shall be a final and binding determination. Neither the Scheme Creditor or Elite shall have right of appeal or review, or any right to commence any proceedings, in respect of either the Scheme Adjudicator's determination or the procedure the Scheme Adjudicator employed.
- 37.5. At the time they give notice under paragraph 37.4, the Scheme Adjudicator may make whatever directions they think just for the payment of their remuneration and the costs, charges and expenses, incurred by them, the Scheme Creditor, and Elite, in accordance with the terms of the agreement by which the Scheme Adjudicator is appointed.
- 37.6. If, under paragraph 37.5, the Scheme Adjudicator directs the Scheme Creditor to make any payment, the amount of that payment shall be deducted from your Payable Scheme Claim prior to payment. If the amount of the payment exceeds the Scheme Creditor's Payable Scheme Claim, they shall pay the excess to the Scheme Adjudicator within two weeks of the direction under paragraph 37.5.

38. Scheme Payments

- 38.1. If a Scheme Claim is successful, you will be entitled to a Payable Scheme Claim. A Payable Scheme Claim represents the total amount Elite owes you for your Net Ascertained Scheme Claim multiplied by the Scheme payment percentage.
- 38.2. Payments will be made as soon as reasonably practicable and, in any event, after the Claims Submission Deadline.
- 38.3. As soon as reasonably practicable following the Claims Submission Deadline, Elite shall determine whether, in its reasonable opinion, based on the then currently available information, all Ascertained Scheme Claims can be paid in full by Elite from the Scheme Funds.
- 38.4. If Scheme Funds are sufficient to pay all Net Ascertained Scheme Claims in full, subject to the deduction of any reasonable costs and expenses incurred in paying such Payable Scheme Claims to the relevant Scheme Creditor, the amount payable will be the total amount of the Net Ascertained Scheme Claim.
- 38.5. In the event that, Elite determines that, in its reasonable opinion, all Ascertained Scheme Claims cannot be paid in full, it shall, as soon as reasonably practicable set a Scheme payment percentage. The Scheme payment percentage is calculated using the total Scheme Funds divided by the total agreed Scheme Claims.
- 38.6. If Elite has any funds remaining after the Cut-Off Date i.e. the date the extended run-off of FSCS Protected Policies stops, a Scheme Creditor may receive a Top-Up Scheme Payment if Elite considers that it is reasonable to make such a payment. The amount paid will represent an equal percentage of the total amount that Elite owes the relevant Scheme Creditor for its Net Ascertained Scheme Claim (less any amount(s) already paid to the Scheme Creditor in respect of its Net Ascertained Scheme Claim).

Method of Payment

- 38.7. Payments by Elite will either be made by electronic bank transfer to the bank account stated on the Claim Form or in writing, or by cheque in favour of the Other Direct Insurance Creditor or such other person as the Other Direct Insurance Creditor requests in writing, sent by Post to that person.
- 38.8. Where a broker is acting on a Scheme Creditor's behalf, payment will be made by electronic transfer to that broker, provided such broker has passed all checks requested by Elite.
- 38.9. When submitting a Scheme Claim, or when requested if deemed to have submitted a Scheme Claim, Scheme Creditors must ensure that you provide accurate and up to date bank account information.
- 38.10. Payable Scheme Claim shall be deemed paid on the date that the cheque is posted or electronic transfer instruction. The acceptance of the cheque by the drawee bank, or credit of the amount of the electronic transfer into the designated bank account, shall be good discharge and satisfaction of the Payable

Scheme Claim and the Company will have no further Liability for such Payable Scheme Claim.

Currency of Scheme Payment

38.11. Scheme Payments will be paid in:

38.11.1. For the purposes of Scheme Claims submitted in Euro, Euro; and

38.11.2. For the purposes of Scheme Claims submitted in other lawful currencies, Sterling.

Unclaimed Payments

38.12. If the electronic bank transfer is unsuccessful through no fault of Elite or its bank, Elite will make reasonable efforts to bring this to the Scheme Claimant's attention. The Scheme Claimant will then have two months from the date of the first payment to provide correct and up to date bank details and/or any other information requested in respect of any 'know your customer' or anti-money laundering checks and Elite will then re-attempt the electronic bank transfer within 14 days.

38.13. If, on the second attempt, the electronic bank transfer is unsuccessful or the Scheme Creditor does not provide correct and up to date bank details within the timeframe specified, Elite will be deemed to have discharged its obligations to the relevant Scheme Creditor in respect of that payment and the relevant amount shall accrue to Elite.

38.14. If a cheque has been sent to a Scheme Creditor and it has not been presented for payment within four months of the date of issue, Elite will make reasonable efforts to bring this to the relevant Scheme Creditor's attention, but failure to present the cheque for payment within six months of the original date of issue will be deemed to be a discharge of Elite's obligations to the relevant Scheme Creditor in respect of that payment. The amount represented by the unbanked cheque shall accrue to Elite.

Top-Up Scheme Payments

38.15. Further 'top-up' payments may be possible if Elite receives future asset realisations (but this is not guaranteed). The payment would be made in the same way as described above.

Sanctions and Illegality

38.16. The Scheme Managers, Scheme Adjudicator and the Company are not required by the Scheme to do anything that could cause them to breach sanctions or other applicable laws or regulations.

PART 10 – FSCS PROTECTED CREDITORS IN THE SCHEME

IF YOU PURCHASED AN INSURANCE POLICY IN THE UK OR YOU ARE A POTENTIAL CLAIMANT UNDER SUCH A POLICY, AND YOU THINK YOU MAY BE ELIGIBLE FOR PROTECTION BY FSCS, YOU SHOULD READ THIS PART

39. Elite’s insurance policies issued in the UK

39.1. FSCS Protected Creditors are those direct insurance creditors who may have a claim against Elite that is eligible for protection by FSCS.

39.2. If you hold one of the following types of insurance policies with Elite or you are a potential claimant under one of these policies in respect of UK risks, and you may be eligible for FSCS protection (for further information, see paragraph 40), you are entitled to make a claim under the Scheme:

39.2.1. After the Event (“ATE”) policies with policy numbers 3/16/739278 and 1/17/757700.¹

39.2.2. Building guarantee policies, please note, you may have purchased these policies with Elite from coverholders including BCR, CRL, Brents, Aedis and ICW.

39.2.3. Construction bonds policies

39.2.4. Conveyancing policies

39.2.5. Executor & Inheritance Protection policies

39.2.6. GAP policies

39.2.7. Household policies

39.2.8. Insurance Backed Guarantee policies

39.2.9. Liability / Property policies

39.2.10. Motor insurance policies

39.2.11. Schemes (Local authority search insurance) policies

39.2.12. Solicitors’ PI policies

(together, the “FSCS Protected Policies”)

40. Who is considered eligible for FSCS protection?

40.1. You will only be considered an FSCS Protected Creditor in the Scheme if you are a direct insurance creditor who may have a claim against Elite that is eligible

¹ Please note that all other ATE policies were disclaimed with effect from (and including) 11 December 2020. If you held an ATE policy that was disclaimed, please refer to Appendix D, paragraph 6 for UK Other Insurance Creditors.

for FSCS protection. Whether a claim against Elite is protected by FSCS or not is determined by them and not decided by Elite or the Joint Administrators.

- 40.2. In summary, valid claims against Elite are likely to be eligible for FSCS protection if:
 - 40.2.1. you are an eligible claimant within the meaning of Rule 7 of the FSCS Rules (which can be found here: <https://www.prarulebook.co.uk/prarules/policyholder-protection>). Claimants who are individuals or small corporates are likely to be eligible for compensation. Generally, firms with turnover in excess of £1 million per annum are not eligible for FSCS compensation; and
 - 40.2.2. you have a protected claim under an insurance policy where Elite is the insurer within the meaning of Rule 9 of the FSCS Rules. Specifically, the claim arises from an Elite insurance policy that insures risks originating in the UK and was issued from Gibraltar or Elite's UK branch.
- 40.3. FSCS Protected Creditors would receive 90% or 100% of their agreed claim value depending upon the type of insurance policy it relates to.
- 40.4. Guidance on the FSCS Rules, including on whether claims are eligible for FSCS protection, is available on the FSCS website (<http://www.fscs.org.uk/making-a-claim/claims-process/eligibility-rules>). You should consider the information on the FSCS website carefully and decide whether you think you have a claim against Elite that is eligible for protection.

41. What is the effect of the Scheme on you if it is implemented?

- 41.1. If the requisite majority of Scheme Creditors vote in favour of the Scheme and the Court sanctions the Scheme, it will be implemented. In summary, if the Scheme is implemented:
 - 41.1.1. You will be bound by the Scheme even if you did not vote in favour of it. You cannot choose to opt out of the Scheme.

Before the Cut-Off Date

- 41.1.2. If the Scheme is implemented, you will continue to be entitled to make claims in relation to a FSCS Protected Policy, which will be paid by FSCS (subject to the FSCS Rules), until the Cut-Off Date – which is currently expected to be 31 December 2027 but may be moved later by the Scheme Managers and FSCS if one months' notice is given of such a change on the Website.
- 41.1.3. Such claims should continue to be submitted in the ordinary course of business. You are not entitled to receive any payment from the Scheme Fund in respect of your claim, as your claim will be compensated by FSCS.

After the Cut-Off Date

- 41.1.4. FSCS Protected Policies which have not expired by the Cut-Off Date will be treated as if they had been disclaimed on the Cut-Off Date. An effect of that will be that FSCS Protected Creditors will lose any entitlement to make further claims under their FSCS Protected Policies in the ordinary course.
- 41.1.5. After the Cut-Off Date, FSCS has confirmed it will pay, in accordance with the FSCS Rules, that part of the premium reflecting the time left on the policy. Under the Scheme, both before and after the Cut-Off Date, FSCS Protected Creditors will only be entitled to receive payments in respect of their claims from FSCS and will not be entitled to receive any distributions in respect of those claims from Elite.
- 41.1.6. Any Cut-Off Claim must be submitted to FSCS not later than six months after the Cut-Off Date.
- 41.1.7. You are not entitled to receive any payment from the Scheme Fund in respect of your Cut-Off Claim, as it will be compensated by FSCS.

Notice of Cut-Off Date

- 41.1.8. No later than one month before the Cut-Off Date, Elite shall give notice to FSCS Protected Creditors of the Cut-Off Date in the following ways:
 - 41.1.8.1. By email or Post (in the Joint Administrators' sole discretion) to each person who Elite believes may be an FSCS Protected Creditor;
 - 41.1.8.2. By email or Post (in the Joint Administrators' sole discretion) to each coverholder (or its successor) who Elite knows to have been responsible for placing insurance business which may give rise to a FSCS Protected Claim;
 - 41.1.8.3. By notice in the relevant Scheme Publications in the UK;
and
 - 41.1.8.4. By notice on the Website.

42. What if the Scheme is not implemented?

- 42.1. As is explained in paragraph 7.2 The Joint Administrators are of the opinion that if the Scheme does not go ahead Elite will be liquidated. In this event, it is likely that FSCS Protected Creditors would see their policies disclaimed as soon as possible, with the effect that FSCS would decline to provide continuing cover.
- 42.2. An effect of that will be that FSCS Protected Creditors will lose any entitlement to make further claims under their FSCS Protected Policies in the ordinary course. Instead, FSCS has confirmed it will pay, in accordance with the FSCS Rules, that part of the premium reflecting the time left on the policy. This would

likely result in a lower payment made to those policyholders who hold an FSCS Protected Policy than would be likely in the Scheme.

- 42.3. Please see Part 6, for further details on the most likely alternative to the Scheme and a comparison of the estimated outcomes for Scheme Creditors if the Scheme does not go ahead.

43. Recommendation

- 43.1. The Joint Administrators have explored in detail various potential options to resolve Elite's affairs and have carefully considered possible alternatives to the Scheme. The Joint Administrators have concluded that the Scheme is in the best interests of Scheme Creditors as a whole. This is because, if it is implemented, the Scheme would:

- 43.1.1. allow for an earlier distribution of money from Elite's estate than if the Scheme was not implemented as proposed;
- 43.1.2. provide for the assessment, valuation and payment of claims against Elite in a way that is fair as between the Scheme Creditors; and
- 43.1.3. enable FSCS Protected Creditors to retain access to compensation from FSCS if it becomes due under the policy until the Cut-Off Date without unfairly prejudicing Elite's Other Direct Insurance Creditors.

- 43.2. As outlined in Part 6, Elite is insolvent and the Joint Administrators do not consider that the alternative to the Scheme is likely to provide a better outcome for you than the Scheme. The Joint Administrators and the Creditors' Committee therefore believe that it is in Scheme Creditors' best interests to vote in favour of the Scheme and this is why we are proposing the Scheme

44. What do you need to do?

- 44.1. If you held one (or more) of Elite's FSCS Protected Policies listed above, you should:
- 44.1.1. understand what the Scheme is about and what it means for you by carefully reading this document;
 - 44.1.2. consider whether or not you are eligible for FSCS compensation in line with the FSCS Rules;
 - 44.1.3. vote on the Scheme (see Part 7);
 - 44.1.4. if the Scheme is implemented:
 - 44.1.4.1. before the Cut-Off Date, continue to submit any claim you may have in the ordinary course to the Scheme Managers; and
 - 44.1.4.2. after the Cut-Off Date, if your FSCS Protected Policy has not expired, you may submit a Cut-Off Claim to FSCS directly; and

- 44.1.5. consider what help and support is available to help you make a decision (see Part 12).

45. Further information and guidance

- 45.1. In the first instance please look at the Frequently Asked Questions (FAQs) that are available at <https://www.pwc.co.uk/elite-insurance>.
- 45.2. Otherwise, for more information you can contact us in the following ways:
 - 45.2.1. Email: elite-insurance.scheme@quest-group.co.uk
 - 45.2.2. From the UK (Freephone): 0800 327 7278
 - 45.2.3. Writing to us by letter:

Elite Insurance Company Limited (in Administration)
c/o Quest Consulting
52-54 Gracechurch St,
London,
EC3V 0EH
- 45.3. If you consider you need specialist advice, for example financial or legal advice, you should seek that independently and at your own cost.
- 45.4. If you want to object to the Scheme, you are entitled to do so, and you should read paragraphs 12.4 to 12.6 for information about how to do this.
- 45.5. You are entitled to attend the Second Court Hearing and can raise any point there you would like to. If you intend to do this, please read paragraph 12.6 to 12.7.

PART 11 - DIRECTORS' INTERESTS AND OTHER RELEVANT PERSONS

46. Directors' interests

- 46.1. Elite currently has the following directors:
- 46.1.1. Brad Scott Huntington; and
 - 46.1.2. John Caldicott Williams.
- 46.2. Under the Gibraltar Companies Act, Elite is required to include information here which states:
- 46.2.1. any material interests of the directors of Elite, whether as directors or as members or as creditors of Elite or otherwise, and
 - 46.2.2. the effect on those interests of the scheme of arrangement, in so far as it is different from the effect on the like interests of other persons.
- (Section 297(2)(b) of the Companies Act 2014.)
- 46.3. None of the directors of Elite has any material interest (whether as a director, member, creditor or otherwise) in Elite or in the Scheme.

47. The Joint Administrators

- 47.1. The Joint Administrators of Elite are Edgar Lavarello and Dan Yoram Schwarzmann.
- 47.2. Neither of the Joint Administrators, nor their firm, has any material interest in Elite or in the Scheme. The Joint Administrators have a purely professional interest, in the exercise of their duties in their capacity as Joint Administrators of Elite, to achieve the best result for the creditors of Elite as a whole.

PART 12 - FURTHER HELP AND CONTACT DETAILS

48. How do I get further information

In the first instance, please look at the Frequently Asked Questions (FAQs) on the Website.

Jurisdiction helplines and contact details

- 48.1. Alternatively, if you require further information that is not addressed in the FAQs section of the Website link for your jurisdiction, you can contact us by using the following jurisdiction specific contact details in the table below:

Jurisdiction	Helpline	Email and address details	Post
France	+33 805 98 54 71	elite-insurance.scheme@quest-group.co.uk	Elite Insurance Company Limited (in Administration) c/o Quest Consulting, 52-54 Gracechurch St, London, EC3V 0EH, United Kingdom
United Kingdom	0800 327 7278		
All other Countries	+33 805 98 54 71 (Standard call charges apply)		

49. Specialist advice

- 49.1. If you consider it appropriate to take specialist advice, for example financial or legal advice, you should seek that independently and at your own cost.

PART 13 – GLOSSARY

Administration	The administration Elite entered into pursuant to an order by the Court, with the Joint Administrators appointed to act as its administrators.
Ascertained Scheme Claim	A Scheme Claim that has been agreed or adjudicated in accordance with Part 3 of the Scheme, and after any Cross-claims have been set-off.
Business Day	Any day (other than a Saturday, Sunday or public holiday in Gibraltar) on which banks are open for business in Gibraltar and London.
CET	Central European Time.
CEST	Central European Summer Time.
Claim Form	The claim form in substantially the same form as the example in Appendix B, to be completed by Scheme Creditors (or their duly authorised agents) detailing their Scheme Liabilities against Elite.
Claims Handling Agents	Quest and any other entity appointed by the Joint Administrators from time to time to carry out claims handling functions on Elite’s behalf.
Claims Submission Deadline	The deadline for Other Direct Insurance Creditors to submit their Scheme Claims. This will be 5pm (CET) on the first Business Day falling 180 calendar days after (and not including) the Effective Date. The Claims Submission Deadline is currently expected to be in Q4 2026.
Convening Hearing	The Court hearing on 13 March 2026 where the Court ordered the two Scheme Meetings.
Creditors’ Committee	The committee of creditors established in April 2020 pursuant to Elite’s administration.
Court	The Supreme Court of Gibraltar.
Creditor Portal	The portal available via the Website for Scheme Creditors to use for voting and claims submission.
Cross-claim	Any balance due to Elite to be set-off against the Scheme Claim.
Cut-Off Claim	A claim submitted to FSCS by an FSCS Protected Creditor in respect of a Cut-Off Liability.

Cut-Off Date	Currently expected to be 5pm CET on 31 December 2027 or such later date as the Scheme Managers deem appropriate in conjunction with FSCS, provided that the Scheme Managers give Scheme Creditors at least one month's notice of such date by publishing a notice on the Website.
Cut-Off Liability	A Liability to an FSCS Protected Creditor that would have arisen had the Joint Administrators disclaimed the relevant FSCS Protected Policy on the Cut-Off Date.
Disclaimer Damages Claim	Any claim by an Other Direct Insurance Creditor against Elite in respect of disclaimer damages (arising under Section 212(2) of the Insolvency Act 2011 of Gibraltar).
Disputed Scheme Claim	Any Scheme Claim or Cross-claim referred to the Scheme Adjudicator.
Effective Date	The date on which the order of the Court sanctioning the Scheme is delivered to the Registrar of Companies in Gibraltar and the Scheme therefore becomes effective. This date is currently expected to be shortly after the Second Court Hearing.
Elective Defence Costs	In relation to the lawyer or adviser provided to the Scheme Creditor to defend a claim made against that Scheme Creditor, the reasonable professional costs incurred by the lawyer or other adviser in defending the claim which Elite has paid or which have been agreed to be paid by Elite (including any disbursements and goods and services tax) in either case after 11 December 2019.
Elite	Elite Insurance Company Limited (in administration) of 327 Main St, Gibraltar GX11 1AA, Gibraltar, a company registered in Gibraltar with company number 91111.
Estimation Guidelines	The proposed methodology for valuing Scheme Claims appended at Section 3 of the Scheme Document.
French Construction Disclaimer	The disclaimer of all French construction policies by the Joint Administrators in September 2020.
FGAO	The French <i>Fonds des Garantie des Assurances Obligatoires</i> .

French Policies	The disclaimed insurance policies further described in Paragraph 1 of Appendix D.
FSCS	The UK’s Financial Services Compensation Scheme.
FSCS Protected Claim	A claim submitted to Elite by an FSCS Protected Creditor in respect of an FSCS Protected Liability owed to that FSCS Protected Creditor.
FSCS Protected Creditor	A person who is an “eligible claimant” within the meaning of Rule 7 of the FSCS Rules and claims to be a creditor of the Company in respect of an FSCS Protected Liability.
FSCS Protected Creditors’ Meeting	A meeting of the FSCS Protected Creditors in respect of their claims against Elite.
FSCS Protected Liability	A Scheme Liability owed by Elite which is subject to FSCS protection in accordance with the FSCS Rules.
FSCS Protected Policy	An insurance policy under which Elite is the insurer, where the policyholder is subject to FSCS protection in accordance with the FSCS Rules.
FSCS Rules	The UK Prudential Regulation Authority’s Policyholder Protection Rules.
GFSC	The Gibraltar Financial Services Commission and its successors from time to time as regulator of general insurance business in Gibraltar.
GAF or Greek Auxiliary Fund	The Greek Επικουρικό Κεφάλαιο Ασφάλισης Ευθύνης από Ατυχήματα Αυτοκινήτων.
Greek Policies	The disclaimed insurance policies further described in Paragraph 2 of Appendix D.
IBNR	Incurred but not reported.
Independent Vote Assessor	Colin Czapiewski, the person appointed for the purposes of independently assessing the value of votes cast at the Scheme Meetings, if required.
Insurance Creditor	Any person who has a direct right of action against Elite which arises from an insurance contract pursuant to Regulation 243(1) of the Financial Services (Insurance Companies) Regulations 2020 (Gibraltar).

Irish Policies	The disclaimed insurance policies further described in Paragraph 3 of Appendix D.
Italian Policies	The disclaimed insurance policies further described in Paragraph 4 of Appendix D.
Joint Administrators	Edgar Lavarello of PricewaterhouseCoopers Limited, 327 Main Street, Gibraltar and Dan Yoram Schwarzmann of PricewaterhouseCoopers LLP, 1 Embankment Place, London WC2N 6RH (each in their respective capacities as joint administrators of Elite).
Liability	<p>Any liability of a person, whether it is present, future, prospective or contingent, whether its amount is fixed or undetermined, whether or not it involves the payment of money and whether it arises at common law, in equity or by statute, in Gibraltar or in any other jurisdiction, or in any other manner whatsoever, but excluding:</p> <p>(a) any liability which is barred by statute or is otherwise unenforceable; or</p> <p>(b) a liability under a contract or any contract or policy of direct insurance, of any kind, entered into by or on behalf of Elite or in relation to which Elite has a Scheme Liability, except any contract or policy related to any Liability of the Company in respect of a periodical payment order granted by the courts of England that is void.</p>
Net Ascertained Scheme Claim	Ascertained Scheme Claim following, where applicable, making deductions for amounts held in escrow or on trust by the Company for the Scheme Claimant.
Net Statement	A statement sent to a Scheme Creditor detailing their Net Ascertained Scheme Claim in accordance with Part 3 of the Scheme.
Offer Letter	A letter of acceptance, a quittance, email offer or any other offer document which has been received by a creditor from Elite or Claims Handling Agent.
Other Direct Insurance Creditor	A person, who is or claims to be a creditor of Elite, who is not subject to FSCS protection in accordance with the FSCS Rules.

Other Direct Insurance Creditors' Meeting	A meeting of the Other Direct Insurance Creditors in respect of their claims against Elite.
Other Policy	The disclaimed insurance policies further described in Paragraph 7 of Appendix D.
Other Direct Insurance Policy	An insurance policy under which Elite is the insurer that has been disclaimed by the Joint Administrators.
Other English Policies	The disclaimed insurance policies further described in Paragraph 6 of Appendix D.
Other Direct Disclaimed Policies	The disclaimed insurance policies further described in Appendix D.
Payable Scheme Claim	The amount payable to a Scheme Creditor in respect of their Scheme Claim.
Post	Means delivery by standard post or airmail.
Practice Statement Letter	This is a document that was provided to Scheme Creditors on 12 January 2026.
Pro Forma Claim Form	The Claim Form to submit Scheme Claims appended at Appendix B.
Quest	Quest Consulting (London) Limited.
Sanctions	Any economic or financial sanctions or trade embargoes affecting a person or activity administered or enforced by a Sanctions Authority from time to time.
Sanctions Authority	The Sanctions authority of any state: (i) in which a payment or action under the Scheme is to be performed; or (ii) in which Elite, the Joint Administrators, the Scheme Manager, the relevant Scheme Creditor, or any other person whose cooperation is required (in the opinion of the Joint Administrators or Elite) to effect the Scheme is organised or operating, (each such state being a “ Relevant State ”); or any other governmental body in the United Kingdom, European Union (including any member state of the European Union) or any other Relevant State or supra-national body with responsibility for

	implementing or administering economic sanctions or trade restrictions.
Scheme	The scheme of arrangement proposed by Elite pursuant to Part VIII of the Companies Act 2014 as set out in Appendix A.
Scheme Adjudicator	The person responsible for the adjudication and the final determination of any Disputed Scheme Claims.
Scheme Claim	The information submitted on a Claim Form by an Other Direct Insurance Creditor.
Scheme Claimant	A Scheme Creditor who has submitted a Scheme Claim.
Scheme Creditor	The Other Direct Insurance Creditors and the FSCS Protected Creditors or an Outstanding Scheme Claim, including any evidence submitted in support thereof.
Scheme Document	The Scheme appended to this Explanatory Statement in Appendix A.
Scheme Fund	The amount of cash held by Elite which, in Elite's reasonable opinion, is available for distribution at the relevant time for payment to Scheme Creditors in respect of their Scheme Claims.
Scheme Liability	<p>A Liability owed by the Company (before the application of any set-off, Cross-Claim, deduction, escrow, trust or security interest) that would constitute a "direct insurance claim" under and in accordance with Regulations 243(1) and 250 of the Financial Services (Insurance Companies) Regulations 2020 (Gibraltar), other than a Liability of the Company in respect of a periodical payment order granted by the courts of England, and either:</p> <ul style="list-style-type: none"> (a) has arisen as at the Effective Date; or (b) may arise after the Effective Date as a result of an obligation incurred before Effective Date.
Scheme Managers	Those who are responsible for and have the power to manage and conduct the affairs of Elite within the Scheme. The Scheme Managers shall initially be Edgar Lavarello of PricewaterhouseCoopers Limited, 327 Main St, Gibraltar GX11 1AA, Gibraltar, Dan Yoram Schwarzmam of PricewaterhouseCoopers LLP, 1 Embankment Place, London WC2N 6RH and

	James Cameron of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT.
Scheme Meetings	Collectively, the FSCS Protected Creditors' Meeting and the Other Direct Insurance Creditors' Meeting.
Scheme Payment	An amount payable to a Scheme Creditor in respect of their Scheme Claim.
Scheme Publications	Publications in the major underwriting territories, being: <ul style="list-style-type: none"> (i) in France: Le Monde and Le Figaro; (ii) in Greece: Kathimerini; (iii) in Gibraltar: the Gazette; (iv) in Ireland: Irish Independent. (v) in Italy: Il Sole 24 Ore and La Repubblica; (vi) in Spain: El Mundo and El País; and (vii) in the UK: The Sun, Insurance Day, the Gazette and The Times.
Second Court Hearing	The Court hearing to sanction the Scheme.
Spanish Policies	The disclaimed insurance policies further described in Paragraph 5 of Appendix D.
Supporting Information	All information and documentation required to be submitted with a Claim Form by a Scheme Creditor to the Scheme Managers in accordance with the guidance notes accompanying such Claim Form or Schedule 2 of the Scheme.
Top-Up Scheme Payment	An amount payable to a Scheme Creditor in respect of their Scheme Claim, calculated in accordance with paragraph 38.6.
User Guide	The user guide for the Creditor Portal. This can be found here: <i>[insert link]</i> .
Voting and Proxy Form	The form submitted by Scheme Creditors to Elite to indicate their vote in respect of the Scheme. Scheme Creditors may also indicate whether they wish to appoint a proxy (if applicable) using this form.
Website	https://www.pwc.co.uk/elite-insurance

Appendix C
Notice of the Scheme Meetings

IN THE SUPREME COURT OF GIBRALTAR

Case No: 2026/COMP/002

**IN THE MATTER OF ELITE INSURANCE COMPANY LIMITED (IN
ADMINISTRATION)**

-and-

IN THE MATTER OF THE COMPANIES ACT 2014

NOTICE

NOTICE IS HEREBY GIVEN that by an Order dated 13 March 2026 made in the above matter, the Supreme Court of Gibraltar (the “Court”) has directed that meetings of certain creditors of Elite Insurance Company Limited (in administration) (“the Company”) be convened (the “Creditor Meetings”) for the purposes of considering and, if thought fit, approving (with or without modification) a scheme of arrangement proposed to be made between the Company and its Scheme Creditors (the “Scheme of Arrangement”).

A capitalised term used in this notice and not otherwise defined herein shall have the meaning given to it in the document in which the terms of the Scheme of Arrangement are contained (the “Scheme Document”). Creditors subject to the Scheme, namely the Other Direct Insurance Creditors and the FSCS Protected Creditors, shall consider, and vote on, the Scheme of Arrangement separately at the following Creditor Meetings held by way of video conferencing and telephone on 7 May 2026:

- (a) The Creditor Meeting for the FSCS Protected Creditors shall commence at, or as soon as reasonably practicable after, 10am (CEST);
- (b) The Creditor Meeting for the Other Direct Insurance Creditors shall commence at, as soon as reasonably practicable after, 10:05am (CEST);
and

A copy of the Scheme Document and a copy of the statement required to be provided to creditors subject to the Scheme of Arrangement pursuant Section 297 of the Companies Act 2014 (the “**Explanatory Statement**”) are available to view and download at <https://www.pwc.co.uk/elite-insurance>. Scheme Creditors may attend (by way of video conferencing and telephone) the relevant Creditor Meeting to vote for or against the Scheme of Arrangement. Alternatively:

- (c) Other Direct Insurance Creditors may elect the Chair or any other person to be their proxy at the relevant Creditor Meeting, or at any adjournment or postponement therefore, by voting online before 5pm (CEST) on 6

May 2025 in accordance with the instructions communicated to them by the Company; and

- (d) FSCS Protected Creditors may elect the Chair or any other person to be their proxy at the relevant Creditor Meeting, or at any adjournment or postponement therefore, by voting online before 5pm (CEST) on 6 May 2025 in accordance with the instructions communicated to them by the Company.

If you think you are an Other Direct Insurance Creditor or a FSCS Protected Creditor and you have not received instructions on how to vote online or a Voting Form, please contact the Company by email (elite-insurance.scheme@quest-group.co.uk) or by telephone (0800 327 7278) by 5pm on 6 May 2026.

By the said Order, the Court has appointed Edgar Lavarello of PricewaterhouseCoopers Limited, 327 Main Street, Gibraltar or, if for any reason he is unable to act, such other person as the Joint Administrators select, to act as Chair of the Creditor Meetings and has directed the Chair to report the result of those meetings to the Court.

The Scheme of Arrangement will be subject to the subsequent approval of the Court.

Freshfields LLP

100 Bishopsgate, London, EC2P 2SR, United Kingdom

Ref: CXM

English Solicitors for the Joint Administrators of Elite Insurance Company Limited
(in administration)

Appendix D Other Direct Disclaimed Policies

If you held one of the following types of insurance policies with Elite, in any of the jurisdictions set out below, which has been disclaimed or you are a potential claimant under one of these policies, you are entitled to make a claim under the Scheme:

1. France

1.1 Construction policies

- (a) These policies typically covered construction defects in France, including the following types of policies:
 - (i) policies for homeowners for *Dommages-ouvrage* (DO) insurance;
 - (ii) policies for contractors for *Responsabilité Civile Décennale* (RCD) insurance;
 - (iii) *Responsabilité Civile Professionnelle* (RCP);
 - (iv) *Constructeur non réalisateur* (CNR), which is a type of RCD insurance;
 - (v) *Tout Risque Chantier* (TRC);
 - (vi) *Constructeur De Maison Individuelle* (CMI); and
 - (vii) *Garantie Financière d’Achèvement* (GFA).
- (b) You may have purchased these policies with Elite from third parties including Securities & Financial Solutions Europe S.A. (in liquidation) (SFS), and Proficia Solutions Limited (in administration) previously European Insurance Services Limited (EISL).
- (c) These policies were disclaimed with effect from 15 September 2020.

1.2 Rent Guarantee policies

- (a) These policies typically covered landlords in the event of a tenant failing to pay rent
- (b) You may have purchased these policies with Elite from third parties including *AEI*.

1.3 Property & Casualty policies

- (a) These policies typically covered property damage and body injuries.
- (b) You may have purchased these policies with Elite from third parties including *Acton*.

(together, the ***French Policies***)

2. Greece

2.1 Motor policies

- (a) These policies typically covered personal lines standard motor insurance in Greece.
- (b) You may have purchased these policies with Elite from third parties, including Aegean .

(the *Greek Policies*)

3. Ireland

3.1 Construction bonds policies

- (a) These policies typically covered failure of the contractor to complete the construction project, whether this is due to delay or insolvency.
- (b) You may have purchased these policies with Elite from third parties including Inspire and First Ireland.

3.2 Conveyancing policies

- (a) These policies typically covered buyers, lenders or owners against legal risks related to the property's title arranged at the point of sale.
- (b) You may have purchased these policies with Elite from third parties including DUAL.
- (c) These policies were disclaimed with effect from 6 January 2026.

3.3 Liability & Property policies

- (a) These policies typically covered liability such as employers' liability or public liability.
- (b) You may have purchased these policies with Elite from third parties including UK Combined Household & Commercial and Irish EL, Property and Sports.
- (c) These policies were disclaimed with effect from 6 January 2026.

3.4 Insurance Backed Guarantee policies

- (a) These policies typically covered defects in workmanship on home improvements covered under a guarantee issued by a contractor, who has since ceased trading.
- (b) You may have purchased these policies with Elite from third parties including IWA.
- (c) These policies were disclaimed with effect from 6 January 2026.

3.5 Latent Defects policies

- (a) These policies typically covered construction defects.

- (b) You may have purchased these policies with Elite from third parties including: CRL; BCR; Brents; Aedis; and ICW.
- (c) These policies were disclaimed with effect from 6 January 2026.

3.6 Solicitors' PI policies

- (a) These policies typically covered financial loss to a third party arising from alleged negligent advice or omissions by a solicitor.
- (b) You may have purchased these policies with Elite from third parties including: CaytonsRK Harrison; Primassure; and First Ireland.

(together, the *Irish Policies*)

4. Italy

4.1 Bonds policies

- (a) These policies typically covered performance bonds and some construction bonds.
- (b) You may have purchased these policies with Elite from third parties including Olimpia and Risk Analytics.
- (c) These policies were disclaimed with effect from 6 January 2026.

4.2 Donations policies

- (a) These policies were typically bought by the owner of a donated estate to protect themselves against an heir challenging the owner's rights to the property.
- (b) You may have purchased these policies with Elite from third parties including All Risks and DUAL.
- (c) These policies were disclaimed with effect from 6 January 2026.

(together, the *Italian Policies*)

5. Spain

5.1 Conveyancing policies

- (a) These policies typically covered buyers, lenders or owners against legal risks related to the property's title arranged at the point of sale.
- (b) You may have purchased these policies with Elite from third parties including DUAL.
- (c) These policies were disclaimed with effect from 6 January 2026.

5.2 Bonds policies

- (a) These policies typically covered a variety of bond types, including the following types of bonds:

- (i) deposit protection bonds;
 - (ii) structural defect bonds; and
 - (iii) surety bonds.
- (b) You may have purchased these policies with Elite from third parties including Futura, Iberbento Agencia de Suscripción, S.L (*Iberbento*), Alteux Underwriting, S.L., Servicios Profesionales de Suscripción de Riesgos Iberia, S.L (*SSR*) Iberia and EISL.
- (c) These policies were disclaimed with effect from 6 January 2026.
- (together, the *Spanish Policies*)

6. United Kingdom

6.1 After the Event (*ATE*) insurance policies

- (a) These policies include rate based after the event insurance policies.
- (b) You may have purchased these policies with Elite through a solicitors firm or a broker which arranged insurance for you as their client, under a delegated authority.
- (c) All active ATE insurance policies underwritten by Elite, with the exceptions of policy numbers 739278 and 757700, have been disclaimed. These policies were disclaimed with effect from (and including) 11 December 2020.

(together, the *Other English Policies*)

7. Other Countries

7.1 Builders Guarantee policies in Belgium

- (a) These policies were disclaimed with effect from 20 April 2022.

7.2 Building Guarantee policies in Jersey

- (a) You may have purchased these policies with Elite from third parties including CRL, BCR, Brents, Aedis and ICW.
- (b) These policies were disclaimed with effect from 6 January 2026.

7.3 Insurance Backed Guarantee policies in the Netherlands

- (a) You may have purchased these policies with Elite from third parties including SWIM.
- (b) These policies were disclaimed with effect from 6 January 2026.

7.4 Bonds policies in Romania

- (a) These policies typically covered surety bonds.

(b) You may have purchased these policies with Elite from third parties including Futura.

(together, the *Other Policies*)

Appendix E

Curriculum Vitae of the Independent Vote Assessor

CURRICULUM VITAE OF COLIN J W CZAPIEWSKI FIA MAAA FSAI

Email : colin@czapiewski.co.uk

Web : czapiewski.co.uk

Skype : CCzapiewski

Date of Birth : 16th May 1952

Place of Birth : Ashford, Kent

Current and recent work includes :

2005 to current: Part time independent consultant with a wide variety of roles and work.

Independent Scheme Adjudicator, Independent Vote Assessor or Chairman of Scheme Creditors Meetings for existing and for many prospective solvent and insolvent schemes of arrangement (mainly legacy business):

(Including responsibility for determining the quantum of votes as per the requirements and direction of the Courts.)

Specialist insurance run off projects, including Part VII transfers (mainly legacy business).

Expert Witness for insurance, and especially reinsurance, business.

Peer review work for other actuaries (mainly recent year business).

Past :

Commenced career at Prudential Assurance Company as actuarial trainee.

1985: appointed Actuary at Terra Nova Insurance Company.

1993 to 2005: Lane Clark & Peacock, consulting actuaries, as Partner and Head of Insurance and Risk Management, and built up the practice from scratch to become a significant player in the market. Several years on the remuneration committee of the LCP partnership.

2016 to 2018: Non Executive Director of RiverStone Insurance Limited (legacy insurer).

2010 to 2020: Non Executive Director of Beaufort Underwriting Agency Ltd / Cincinnati Global Underwriting Ltd at Lloyd's, including :

Member of the Board,

Chairman of the Audit Committee, Risk Committee and Investment Committee,
Senior Independent Director,

Independent annual review of the validation of the Beaufort Solvency II internal model,

Professional :

1984: Qualified as a Fellow of the Institute of Actuaries.

1990: Enrolled as a Member of the American Academy of Actuaries, now retired.

2001: Fellow of the Society of Actuaries in Ireland, now retired.

Past professional involvements include the following :

1995 to 2000: Elected by members of profession to the Council of the Institute of Actuaries.

Member of the actuarial Faculty and Institute Management Committee.

For many years, vice chairman and Institute representative of the General Insurance Board (which deals with non-life aspects of the UK actuarial profession), and was the member responsible for Lloyd's issues during the eventful inception and initial years of Equitas, and also the successful first introduction and implementation of Lloyd's actuarial opinions.

Chairman of Research Committee.

Vice chairman of the Social Policy Board.

Member of Wider Fields Board.

Member of General Insurance Research Organization (GIRO) committee.

Member of Working Party tasked with restructuring the UK actuarial profession.

Founder and initial chairman of profession's Resource and Environment Board (with a specific emphasis on climate change issues).

2009 to 2017: Elected by its members to the ASTIN Committee, the non life research arm of the International Actuarial Association.

Presentations and papers written :

Extensive actuarial experience in the specialised area of General Insurance and Risk Management, in respect of the theory as well as the practical aspects.

Written and presented a large number of papers around the world on a broad range of insurance-related actuarial topics, including pricing, reserving, actuarial reporting, climate change issues, marine insurance, motor insurance, aviation underwriting, assessment of reinsurance security, expenses, latent claims (asbestos and pollution), capital requirements, risk exposure, public and employers liability, financial condition reporting, reserving for the unknown, run off insurers, emerging liabilities, Solvency II, ORSA, the real Solvency II actuarial function, actuaries as NED's trilogy and many other topics.

Travelled extensively throughout Europe, the United States, Canada, Australia and South Africa both for discussions with cedants, insurers and reinsurers, and to address seminars and conferences of actuaries and others in the insurance world.

Other :

Works closely with other insurance professionals and practitioners including accountants, lawyers, run off managers, barristers, insurance consultants and other actuaries.

Peer reviews actuarial work in both UK and overseas jurisdictions.

Provides litigation support and adjudication, resolution and arbitration for many insurance (and especially reinsurance) disputes in actuarial, underwriting and claims areas, where he is seen as an expert in the market.

Regularly and actively sought as an experienced expert witness for non life insurance issues.

Performs a variety of independent roles in a large number of both solvent and insolvent schemes of arrangement.
Experienced in performing Part VII transfers and commutations.
Seen as an expert in Solvency II for non life insurance.
For several years, a director of a captive insurer in Guernsey until its successful conclusion.
Formerly, a director of Terra Nova Pension Trustees.
Treasurer of the Actuaries' Club
Liveryman of the Worshipful Company of Actuaries.