

12 January 2026

To: Direct Insurance Creditors

PROPOSED SCHEME OF ARRANGEMENT (“SCHEME”) PURSUANT TO PART VIII OF THE GIBRALTAR COMPANIES ACT 2014 BETWEEN ELITE INSURANCE COMPANY LIMITED (IN ADMINISTRATION) (“ELITE”) AND ITS DIRECT INSURANCE CREDITORS.

THIS LETTER IS IMPORTANT

PLEASE READ IT CAREFULLY

This letter relates to matters which affect your legal rights in respect of policies issued by Elite or which Elite is otherwise responsible for.

We ask that you read this letter carefully, consider its contents and take legal advice if you consider it appropriate to do so.

1. What is this document?

1.1. Elite is proposing to enter into a legal process called a scheme of arrangement pursuant to 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 the cover provided by Elite to a direct insurance policyholder, as opposed to reinsurance cover provided by Elite to another insurer. A summary of the terms of the proposal can be found at paragraphs 7.9 to 7.24 below.

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.

Elite is required by law to give you certain information about the Scheme.

1.3. Further documents will be provided to you if the Supreme Court of Gibraltar (the “**Court**”) gives Elite permission to convene the meetings of the relevant creditors to vote on the Scheme (the “**Scheme Meetings**”). These are the Scheme document (the “**Scheme Document**”) and the explanatory statement in respect of the Scheme Document (the “**Explanatory Statement**”) which will include details on how to value and submit your claims as well as vote on the Scheme.

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PricewaterhouseCoopers Limited is registered in Gibraltar with registration number 94799 and principal place of business at the above address. PwC refers to the Gibraltar member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details

2. Why am I receiving this?

- 2.1. You are receiving this letter 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 www.pwc.co.uk/elite-insurance (the "**Website**"); or
 - 2.1.4. you are a coverholder that underwrote policies on Elite's behalf. You are requested to forward a copy of this letter to 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 forward a copy of this letter to any of your clients who may be affected by the Scheme; or
 - 2.1.6. you are a 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***.

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 the 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 Joint Administrators propose that there are two classes of Scheme Creditors, and 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 paragraphs 7.9 to 7.24.

- 3.4. A scheme of arrangement becomes effective on the date on which the last of the steps outlined in 3.2 occurs. This is referred to as the “***Effective Date***”. When the scheme of arrangement is effective, the company and its relevant creditors are bound by it.

4. IMPORTANT NOTE

- 4.1. **All Scheme Creditors are entitled to vote on the Scheme. If the Scheme becomes effective it is binding on all Scheme Creditors including those who vote against the Scheme and those who do not vote.**
- 4.2. **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 claims is agreed or not.**
- 4.3. **The deadline is 5pm (Central European Summer Time) on the first working day falling 180 calendar days after (and not including) the date on which the Scheme becomes effective (the “*Claims Submission Deadline*”) which is expected to be in Q4 2026.**
- 4.4. **The Claims Submission Deadline will be notified on the Website to Other Direct Insurance Creditors if the Scheme becomes effective.**
- 4.5. **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.**

4.6. **Please note that any Other Direct Insurance Creditors will be deemed to have submitted a claim form if they vote on the Scheme.**

4.7. **FSCS Protected Creditors are not required to submit a claim into the Scheme and should continue to submit claims in the ordinary course. They are, however, required to vote on the Scheme.**

5. Background

5.1. Elite was incorporated in Gibraltar on 19 April 2004. Elite wrote different types of insurance business in several countries across Europe, including via coverholders who wrote insurance policies on Elite's behalf.

5.2. Elite ceased issuing new insurance policies and entered solvent run-off around July 2017.

5.3. In January 2018, Elite was acquired by Gunnary Limited as part of an investor group led by Armour Group Limited.

5.4. Shortly after Gunnary Limited's acquisition, CBL, Elite's major reinsurer, entered provisional liquidation which contributed to Elite being in breach of its minimum capital requirements.

5.5. 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.

5.6. 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.

5.7. 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).

5.8. Since their appointment, the Joint Administrators' work has included:

5.8.1. assessing Elite's exposures as a result of the business written;

5.8.2. ensuring claims are agreed efficiently and at an appropriate value and, where available, presented for payment to the relevant compensation authority;

5.8.3. 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;

5.8.4. considering the possible options for efficiently distributing Elite's assets to its creditors;

5.8.5. designing and preparing the Scheme;

5.8.6. engaging with the creditors' committee; and

- 5.8.7. engaging with Elite’s regulators.
- 5.9. Details on the progress of the administration have been sent to creditors and are available on the Website.
- 6. Why is Elite proposing the Scheme?**
- 6.1. The Joint Administrators have explored in detail various potential options to resolve Elite’s affairs, and have carefully considered possible alternatives to the Scheme. If the Scheme is implemented it will:
- 6.1.1. allow for an earlier distribution of money from Elite;
 - 6.1.2. 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
 - 6.1.3. avoid additional costs involved in keeping Elite’s insolvency process open.
- 6.2. The Joint Administrators have discussed the Scheme proposals with the creditors’ committee established in April 2020 pursuant to Elite’s Administration (the “**Committee**”) and have taken on board the Committee’s views.
- Further details of the benefits of the Scheme and the likely alternative if the Scheme is not implemented are provided in section 12.
- 6.3. The Committee comprises three creditors across both groups of Scheme Creditors who meet with the Joint Administrators on a periodic basis to discuss ongoing matters.
- 6.4. **The Joint Administrators and the 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.**
- 7. Who is, and how will I be, affected by the Scheme?**
- 7.1. 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 if it is implemented. The Scheme does not affect the legal rights of Elite’s creditors who are not Scheme Creditors, for example, trade creditors.
- 7.2. If the Scheme is implemented, it will affect the legal rights of the two groups of Scheme Creditors differently, these two groups being the FSCS Protected Creditors and the Other Direct Insurance Creditors.
- 7.3. 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 is in Appendix 2.
- 7.4. If the Scheme Meetings are convened by the Court, you should ensure that you read the Scheme Document and the Explanatory Statement carefully.

- 7.5. Elite is confident that the Scheme will have substantial effect in relevant jurisdictions.
- 7.6. The Scheme will establish the “**Claims Submission Deadline**” for Other Direct Insurance Creditors to submit their claims against Elite, whether these are claims that have actually arisen or are an estimate of future claims.
- 7.7. 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 7.16 to 7.24 and some of their potential claims are shown in Appendix 1.
- 7.8. 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**”, which is currently expected to be 31 December 2027. 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.
- 7.9. 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.
- 7.9.1. France – All French construction policies were disclaimed by the Joint Administrators in September 2020 (the “**French Construction Disclaimer**”). This means the policies have been terminated.
- 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. 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. 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;

- 7.9.2. Greece – 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; and
- 7.9.3. Ireland – 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.

FSCS Protected Creditors

- 7.10. FSCS Protected Creditors are those direct insurance creditors who may have a claim against Elite that is eligible for protection by FSCS.
- 7.11. Elite is seeking the Court’s permission to ask FSCS Protected Creditors to consider and vote on the Scheme in a single voting class at the proposed “***FSCS Protected Creditors’ Meeting***”.
- 7.12. 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 contained in the UK’s Prudential Regulation Authority’s Rulebook (the “***FSCS Rules***”), until the Cut-Off Date. Such claims should continue to be submitted to Elite in the ordinary course of business.
- 7.13. 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. 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.
- 7.14. 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 FSCS and not by Elite. Quest will handle claims on behalf of Elite, but where there is any doubts as to the eligibility of a creditor for FSCS protection this will be referred to FSCS.
- 7.15. In summary, valid claims against Elite are likely to be eligible for FSCS protection if:

- 7.15.1. 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 £1m per annum are not eligible for FSCS compensation.; and
- 7.15.2. 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.
- 7.16. FSCS Protected Creditors would receive 90% or 100% of their agreed claim value depending upon the type of insurance policy it relates to. Guidance on the FSCS Rules, including on whether claims are eligible for FSCS protection, is available on the FSCS website at 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.

Other Direct Insurance Creditors

- 7.17. The Other Direct Insurance Creditors' class includes all direct insurance creditors other than FSCS Protected Creditors who may have a claim against Elite.
- 7.18. Elite is seeking 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***.

Disclaimer

- 7.19. The Joint Administrators have disclaimed all of Elite's insurance policies held by Other Direct Insurance Creditors (the "***Other Direct Insurance Policies***"). 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. A disclaimer and the reasons for it are explained in more detail in Appendix 1.
- 7.20. 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). 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.
- 7.21. Under the Scheme, 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. If an Other Direct Insurance Creditor fails to submit a claim by the Claims Submission Deadline they will not be entitled to receive distributions under the Scheme. The claims determination process is outlined at 7.22 below.

7.22. For the reasons outlined in section 12, the Joint Administrators believe the Scheme provides an efficient process for Other Direct Insurance Creditors' claims to be submitted, valued and paid by Elite. The high-level timeline for this process is:

7.22.1. all Other Direct Insurance Creditors will need to submit claims to Elite by the Claims Submission Deadline. If Other Direct Insurance Creditors do not submit claims before the Claims Submission Deadline they will not receive any payment under the Scheme in respect of such claims. Any claim submitted as part of the Scheme voting process will be deemed to have been submitted by the Claims Submission Deadline.;

7.22.2. under the Scheme, all Scheme Claims will be valued as at the Scheme Effective Date. 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. Other Direct Insurance Creditors will be entitled to dispute the Scheme Managers' rejection or valuation of a claim, through an adjudication process conducted by an independent adjudicator;

7.22.3. Other Direct Insurance Creditors whose Scheme Claims have been admitted will be entitled to receive a distribution under the Scheme. All Other Direct Insurance Creditors will 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;

7.22.4. 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; and

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

7.23. Further guidance on how to value a Scheme Claim will be provided in the 'Estimation Guidelines' set out in the Scheme and Explanatory Statement.

7.24. 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.

8. Fairness of the Scheme

8.1. The Joint Administrators consider that the Scheme treats all Scheme Creditors fairly. This is because:

- 8.1.1. Other Direct Insurance Creditors will be paid an equal percentage of the total amount that Elite owes them; and
- 8.1.2. 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 Creditors will be borne by FSCS.

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

- 9.1. 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. The Joint Administrators also continue to keep Elite’s other regulators updated on progress and key developments relevant to the administration and their jurisdictions.

10. Who is not affected by the Scheme?

- 10.1. 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 will be paid in full.

11. What is the voting process?

- 11.1. Elite considers that Scheme Creditors should consider and vote on the Scheme in two separate meetings because the Scheme will vary the legal rights that FSCS Protected Creditors and Other Direct Insurance Creditors have against Elite in different ways, meaning that they cannot consider and vote on the Scheme together. Each voting class, by a majority in number and representing at least 75% in value of claims, will have to vote in favour of the Scheme at the relevant Scheme Meeting in order for the Scheme to go ahead.
- 11.2. Elite has considered various matters that could give rise to further voting classes, for example, the terms or types of the underlying insurance policies or the country where the Scheme Creditor purchased their policy. Elite does not consider that these matters, or any other matters, require additional separate voting classes.
- 11.3. There is more information in Appendix 2 that explains why Elite has decided that its Scheme Creditors form two classes to consider, and vote on, the Scheme.

- 11.4. If any Scheme Creditor has comments or concerns about Elite's proposal for FSCS Protected Creditors and Other Direct Insurance Creditors to consider and vote on the Scheme in two meetings, or any other legal issues which they consider should be raised with the Court, they are asked to raise these concerns with Elite using the details given in section 14 as soon as possible and ideally at least seven days prior to the date of the Court hearings. 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 these.

12. What if the Scheme is not implemented?

- 12.1. 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. The position for 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. In particular, this is because:

Efficient claims agreement process

- 12.1.1. 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 take a longer time than the claims agreement process provided for by the Scheme.
- 12.1.2. The Scheme will involve an efficient and effective process for assessing and adjudicating Other Direct Insurance Creditors' Scheme Claims, including where there is a valuation dispute between the Other Direct Insurance Creditor and Elite. This will ensure Other Direct Insurance Creditors are paid in as timely a manner as possible.

Earlier distribution

- 12.1.3. 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.
- 12.1.4. Under the Scheme, Other Direct Insurance Creditors will be paid a percentage of their accepted claims much sooner.

Currency conversion

- 12.1.5. 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 currency mismatch between their claims and any dividends paid.

- 12.1.6. Under the Scheme, Other Direct Insurance Creditors will be able to submit their claims in Euros or Pounds Sterling and will receive payment in Euros or Pounds Sterling respectively.

Cost effective

- 12.1.7. Material savings in future legal fees are likely to be achieved as a result of the method proposed in the Scheme for resolving disputed claims, which would not be available in a liquidation without a scheme of arrangement or particular directions from the Court.

- 12.2. The Joint Administrators and the 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.

13. How would the Scheme be approved?

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

February 2026	Convening Hearing	<p>Elite will ask the Court at the Convening Hearing to convene the two Scheme Meetings to consider, and vote on, the Scheme.</p> <p>The Convening Hearing is expected to be held in Gibraltar in February 2026. The date of this hearing will be notified to Scheme Creditors on the Website.</p>
Q1 2025	Scheme Document and the Explanatory Statement	<p>If the Court gives Elite permission at the Convening Hearing to call the Scheme Meetings, Elite will send more detailed information about what it proposes under the Scheme. This information will be contained in the Scheme Document and Explanatory Statement.</p>
Q2 2026	Scheme Meetings	<p>Elite will provide further details, including about how to vote, in the Explanatory Statement. The Scheme Meetings are expected to be held in Q2 2026. The date and time of the Scheme Meetings will be notified to Scheme Creditors on the Website.</p>

Q2 2026	Second Court Hearing	If the required majorities of Scheme Creditors vote in favour of the Scheme at the Scheme Meetings, Elite will ask the Court to sanction (or approve) the Scheme. In deciding whether to approve the Scheme, the Court will consider whether it is fair to Elite's Scheme Creditors. The Sanction Hearing will also be held in Gibraltar and is expected to be in Q2 2026. The date of this hearing will be notified to Scheme Creditors on the Website.
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14. Next steps

- 14.1. If you have a legal objection to the Scheme or you do not agree that Scheme Creditors should consider, and vote on, the Scheme in the two classes described above, please send details of your objection to:

Elite Insurance Company Limited (in Administration)
c/o PricewaterhouseCoopers LLP, FAO Louis Isaacson
7 More London Riverside,
London, SE1 2RT, England

Email: uk_elite2@pwc.com and Elite will bring your objection to the Court's attention at the Convening Hearing.

- 14.2. You may also attend the Convening Hearing and present any objection to the Court in person. If you intend to do this, please contact us using the above details. While you will still be able to object to the Scheme at the Sanction Hearing, the Court will expect you to show good reason why you did not do so before or at the Convening Hearing.

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

15.1. In the first instance, please look at the Frequently Asked Questions (FAQs) on the Website: pwc.co.uk/elite-insurance.

15.2. 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)

Yours faithfully

Two handwritten signatures are shown side-by-side. The signature on the left is a stylized, cursive 'E' followed by a large loop. The signature on the right is a more fluid, cursive signature that appears to start with 'D'.

Edgar Lavarello and Dan Schwarzmann

**Joint Administrators of Elite Insurance Company Limited (in Administration)
(acting as agent and without personal liability)**

Edgar Lavarello and Dan Schwarzmann have been appointed as Joint Administrators of Elite Insurance Company Limited (in Administration) to manage its affairs, business and property as agents and act without personal liability. Edgar Lavarello is authorised to act as an insolvency practitioner by the GFSC in Gibraltar (IP Licence Number FSC0892FSA) Dan Schwarzmann is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales in England (IP Licence number 8912). The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

Elite is authorised and regulated by the GFSC. Registered office: c/o PricewaterhouseCoopers Limited, 327 Main Street, GX11 1AA, Gibraltar. The Joint Administrators may act as Data Controllers of personal data as defined by the General Data Protection Regulation 2016/679 and any applicable English and Gibraltar data protection laws (as applicable), depending upon the specific processing activities undertaken. PwC may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. Further details are available in the privacy statement on the www.pwc.co.uk website or by contacting the Joint Administrators.

Appendix 1

What is a disclaimer and why have insurance policies been disclaimed?

1. Under Section 209(2) of the Gibraltar Insolvency Act 2011 administrators are able to disclaim onerous property of the company.
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.
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.
4. 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.

Appendix 2

Class analysis

1. This appendix sets out more information about why the Joint Administrators consider that Scheme Creditors should consider, and vote on the Scheme in two separate voting classes at the FSCS Protected Creditors' Meeting and the Other Direct Insurance Creditors' Meeting.
2. It is the Joint Administrators responsibility to decide the classes of creditors for the purposes of convening meetings to consider, and if thought fit, approve the proposed Scheme. The Joint Administrators have considered:
 - (a) the rights that each Scheme Creditor has against Elite; and
 - (b) the way in which those rights would be affected under the Scheme.
3. The legal test in determining voting classes is that a class must be "*confined to those persons whose rights are not so dissimilar as to make it impossible for them to consult together with a view to their common interest*". This test is capable of being described in different ways. These include that, objectively:
 - (a) there must be more that unites than divides the creditors in the proposed class; and
 - (b) the class should consist of those persons whose rights against the company proposing the scheme are sufficiently similar to enable them properly to consult and identify their true interests together.
4. 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:
 - a. 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.
 - b. 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.
5. Elite has considered whether more than two classes of Scheme Creditors is 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.

6. Elite does not consider that any of the following matters require any additional separate voting class for the Scheme:

(a) ***Terms of the underlying insurance policy*** – Given the diverse nature of the business Elite wrote whilst it was operating, Elite considered the differences between the:

- (i) type of risk insured;
- (ii) value of the risk insured;
- (iii) amount of premium paid for policy;
- (iv) recoverable amount;
- (v) the period of the policy;
- (vi) country in which the policy was written;
- (vii) governing law of the policy; and
- (viii) currency of the policy.

Elite does not consider that any of the above differences in the terms of Elite's insurance policies factors fractures either of the proposed classes. This is because these differences relate to the characteristics of the relevant underlying insurance policy, rather than the nature of the legal rights that the relevant Scheme Creditor has against Elite. All Other Direct Insurance Creditors will have the same legal right against Elite which is being compromised under the Scheme. That is, a claim for losses arising under a valid policy and/or damages for any loss or damages sustained as a result of the disclaimer of the Other Direct Insurance Policy. A damages claim arises under Gibraltar statute and is governed by Gibraltar law. The specific unexpired underlying rights and obligations under the Other Direct Insurance Policies will not be affected by the Scheme, which will only vary Other Direct Insurance Creditors' disclaimer damages claims against Elite.

(b) ***Characteristics of individual Scheme Creditors*** – Different Scheme Creditors may have different characteristics individual to them, for example, whether they are a company or individual, but these matters are unrelated to the legal rights that each Scheme Creditor has against Elite.

(c) ***The existence of the state compensation scheme*** – The Scheme compromises the rights of Scheme Creditors against Elite, rather than against any other party, and Elite is not aware that the Scheme would affect the ability of Scheme Creditors to seek compensation from the FGAO, Greek Auxiliary Fund or Irish State Claims Agency (as applicable). Similarly, any subrogation claims of the compensation schemes against Elite are being treated in the same way as the policyholder would be treated, and so no distinction arises meaning that they cannot vote in the same class as Other Direct Insurance Creditors.

- (d) ***Methodology for valuing claims*** – The Scheme Claims of Other Direct Insurance Creditors will all be valued as at the date of sanction of the Scheme in accordance with the terms of the Scheme and according to the valuation guidelines. The Joint Administrators consider that the methodology for valuing Scheme Claims treats all Other Direct Insurance Creditors fairly and consistently. In particular:
- (i) ***Interest*** - Claims which bear interest will be valued based on the interest that had accrued up until the Administration began. This is the same approach as required in a liquidation and ensures that those Scheme Creditors with interest bearing claims do not benefit more under the Scheme than in a liquidation.
 - (ii) ***Contingent claims*** - Claims which were contingent at the date of the Administration will be valued based on how that contingency has developed since the date of the Administration. This is the same approach as required in a liquidation and ensures that those Scheme Creditors who have contingent claims do not benefit more under the Scheme than in a liquidation.
 - (iii) ***Currency conversion*** - Claims in currencies other than Pounds Sterling will not be converted to Pounds Sterling as at the date of the Administration for the purposes of valuing the claims. This is not the same approach as required in a liquidation. However, the Joint Administrators consider that deviating from the approach in a liquidation does not require creditors with claims in different currencies to be placed in different classes. This is because the extent to which (if at all) payment in the currency of a creditors' claim: (a) departs from the position in a liquidation or (b) favours one creditor relative to another as compared to a liquidation depends on the relevant exchange rates at a future date, namely the date payments are received pursuant to the Scheme.
- (e) ***Whether the policy was purchased directly from Elite or via a coverholder / intermediary*** – Policies purchased via an agent of Elite give rise to direct legal rights between the policyholder and Elite. There is therefore no difference in the legal rights of these different categories of Scheme Creditors.
- (f) ***Policies which have a particularly 'long tail' term and policies which have a short time left to run or which have expired*** – All Other Direct Insurance Creditors' policies have been disclaimed. Their policies no longer exist and there is therefore no distinction between those Other Direct Insurance Creditors in terms of the duration of their policies, or between expired versus unexpired policies (although the term of the disclaimed policy may affect the value of the relevant Scheme Claim).
- (g) ***Scheme Creditors who have paid their premiums in full and Scheme Creditors who have amounts outstanding or due in the future*** – All Other Direct Insurance Policies have been disclaimed and all Other

Direct Insurance Creditors have the same legal rights against Elite, regardless of whether some of all of the premium under their Other Direct Insurance Policy had been paid at the date of the disclaimer.

- (h) ***Whether a claim has already been notified to, or agreed by, Elite*** – All Other Direct Insurance Creditors will need to submit a Scheme Claim in order to receive payment under the Scheme. Whether an Other Direct Insurance Creditor has already notified or agreed a claim with Elite goes to differences in an Other Direct Insurance Creditor's circumstances rather than any difference in legal rights against Elite, and Elite therefore does not consider that these differences give rise to a class issue.
- (i) ***Whether an Other Direct Insurance Creditor has been directly notified of the disclaimer or not*** – Elite made all reasonable efforts to notify all relevant Other Direct Insurance Creditors about the disclaimer and did so in accordance with the directions of the Court. While certain Other Direct Insurance Creditors will not have been directly notified of the disclaimer of their Other Direct Insurance Policy by email or post, all Other Direct Insurance Creditors have the same legal rights against Elite, regardless of whether they have been directly notified of the disclaimer or not.
- (j) ***Scheme Creditors in different jurisdictions and policies governed by different laws*** – These matters do not affect the legal rights against Elite that would be compromised by the Scheme. Elite is confident that the Scheme will be recognised and effective in the UK and all EU jurisdictions on the basis of EU Directive 2009/138/EC (the Solvency II Directive).
- (k) ***Availability of replacement cover*** – The availability (or lack of availability) of replacement cover for an insurance policy written by Elite goes to differences in circumstances rather than a difference in legal rights against Elite.