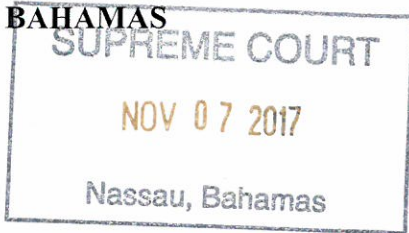


COMMONWEALTH OF THE BAHAMAS

IN THE SUPREME COURT

Commercial Division



**In the Matter of British-American Insurance Company Limited
And in the Matter of the Plan of Arrangement (British-American
Insurance Company Limited) Act 2017**

BETWEEN

JUAN M LOPEZ (IN HIS CAPACITY AS JUDICIAL MANAGER OF BRITISH-AMERICAN INSURANCE COMPANY LIMITED)

Petitioner

AND

BRITISH-AMERICAN INSURANCE COMPANY LIMITED

Respondent

*Rhonda Bain
7 November 2017*

ORDER

BEFORE Her Ladyship the Honourable Madam Justice Rhonda Bain, one of the Justices of the Supreme Court of The Commonwealth of The Bahamas.

UPON THE APPLICATION BY PETITION of British-American Insurance Company Limited, acting by its Judicial Manager (“the Company”);

AND UPON READING the Second Affidavit of Juan M Lopez sworn and filed on 6 November 2017 and the exhibits thereto including the Report of Sir Errol Allen, the Chairman of the Plan Meeting held on 30 October 2017;

AND UPON HEARING Christopher J. Jenkins and D'Andra Johnson of Counsel for the Company, and Lorna Longley-Rolle and Kean A. Smith of Counsel for the Insurance Commission of the Commonwealth of The Bahamas.

IT IS HEREBY ORDERED that:

1. the Plan of Arrangement (the "Plan") between the Company and its Plan Creditors (as that term is defined in the Plan), a copy of which Plan is attached to and forms part of this Order having been signed by this Court for identification purposes, is hereby sanctioned; and
2. there be liberty to apply with regard to the terms of this Order and with regard to the implementation of the Plan.

Dated this 7th day of November, 2017

Registrar

This Order was drawn by Lennox Paton of Building 3, Bayside Executive Park, West Bay St and Blake Road, Nassau, The Bahamas, Attorneys for the Petitioner.

COMMONWEALTH OF THE BAHAMAS

2017

IN THE SUPREME COURT

COM/com/61

Commercial Division

IN THE MATTER OF BRITISH-AMERICAN INSURANCE COMPANY LIMITED

AND IN THE MATTER OF THE PLAN OF ARRANGEMENT (BRITISH-AMERICAN INSURANCE COMPANY LIMITED) ACT, 2017

Rhonda P Banks

PLAN OF ARRANGEMENT

BETWEEN

BRITISH-AMERICAN INSURANCE COMPANY LIMITED

(Judicial Manager Appointed)

And its

PLAN CREDITORS

(as defined in the Plan of Arrangement)



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Part 1: Preliminary

1.1 Definitions

1.1.1 In the Plan, unless the context otherwise requires or otherwise expressly provides, the following expressions shall bear the meaning set opposite them:

“Act”	the Insurance Act 2005 of The Bahamas
“Annuity and Investment Contracts”	Insurance Contracts which are defined as annuities under section 2 of the Insurance Act, 2005 of The Bahamas, namely policies under which BAICO assumed the obligation to make, after the expiration of a certain period or during a specified period, a payment or a series of periodic payments to a particular person, in exchange for a premium or series of premiums paid to the insurer These include, but are not limited to, policies identified by the Company as Executive Flexible Premium Annuity Insurance Contracts (“EFPA”), Flexible Premium Annuity Insurance Contracts (“FPA”) and Flexible Premium Annuity II Insurance Contracts (“FPAII”)
“ARP”	the Annuity Relief Programme
“Appointment Order”	the Order made by the Court placing the Company into Judicial Management and appointing Juan (John) M. Lopez as Judicial Manager
“ARP Payments”	means any amount received by a Plan Creditor under the ARP. The terms under which the ARP Payments were made together with its funding and organisation were managed by the ECCU Governments and not the Judicial Manager or the EC Officeholders, whose role was limited to facilitating the distribution of the payments. Payments made under the ARP, in

accordance with the terms set out at the time payment was made, are to be treated as an advance Distribution from the Company.

“Ascertainment Date”

8 September 2009 being the date of the appointment of the Judicial Manager. This is the date at which all Plan Claims of the Company will be valued under the terms of the Plan.

“Available Assets”

the Property held by the Company, net of (i) assets to meet the Guyana Reserve amounting to EC\$350,000; (ii) assets of BAICO’s branch in Panama, including but not limited to any assets already distributed to creditors of the Panama branch; (iii) assets held in the St. Lucia Insurance Fund and (iv) any present, future and contingent obligations of the Company including future costs and expenses of the Company (other than the costs of the Plan Adjudicator) (or any subsequently appointed liquidator(s)) up to and including dissolution

“BAICO” or the “Company”

means British-American Insurance Company Limited, incorporated under the laws of The Bahamas with registration number 47 and acting by its Judicial Manager

“Chairman”

Sir Errol Allen being the person appointed by the Court to act as Chairman of the Meeting, or if he is not available, Juan (John) M. Lopez

“Court”

The Supreme Court of The Commonwealth of The Bahamas, Common Law and Equity Division

“Court Order”

the order of the Court sanctioning the Plan

“Directions Order”	the order of the Court giving directions to the Company on the convening of and conduct of the Meeting
“Disputed Plan Claim”	means a Plan Claim which has not been agreed by the Company and the Plan Creditor within 21 days from the Final Claims Submission Date (or such longer period as agreed) between the Company and the relevant Plan Creditor and referred to the Plan Adjudicator
“Disputed Plan Creditor”	means a Plan Creditor with a Disputed Plan Claim
“Distribution(s)”	the payment(s) to Plan Creditors of a percentage of the amount of their Established Plan Claims, such percentage to be determined on the basis of the amount of Available Assets divided by the total amount of Established Plan Claims. In the case of Plan Creditors who have received ARP payments or are eligible to receive payment from the St Lucia Insurance Fund, Distribution(s) will only become payable once the amount of the Distribution(s) exceeds the amount of the ARP Payment and/or payment from the St. Lucia Insurance Fund, as applicable.
“EC”	the Eastern Caribbean
“EC Acts”	the acts of the legislature in those EC Territories which have enacted legislation to provide for a Plan in that EC Territory, to effect a Plan for the Company or to grant recognition of a Plan for the Company sanctioned in The Bahamas.
“ECCB”	The Eastern Caribbean Central Bank

“ECCC” The Eastern Caribbean Currency Union’s Technical Core Committee on Insurance, formerly Chaired by Mr Timothy Antoine, and now Chaired by Mr Whitfield Harris Jr.

“EC Courts” the courts in the EC Territories

“ECCU” Eastern Caribbean Currency Union

“ECCU Government(s)” the Government or Governments of an EC Territory being part of the ECCU

“EC Health Fund” the health insurance support fund that was established to ensure that eligible EC resident policyholders had their agreed health-related claims paid in full. The EC Health Fund was launched on 18 May 2011 and is now closed to applications in accordance with its terms

“EC Officeholders” means those persons appointed as Judicial Managers, Administrators, Agents or otherwise over the Company in the EC Territories, namely

Anguilla

Claudel V. Romney

Antigua & Barbuda

Cleveland S. Seaforth

Dominica and St. Lucia

Frank V. Myers

Grenada

Reuben M. John

Montserrat and St. Vincent & the Grenadines

Brian A. Glasgow

St. Kitts & Nevis

Lisa A. Taylor

“EC Territories”	Anguilla, Antigua & Barbuda, Dominica, Grenada, Montserrat, St. Kitts & Nevis, St. Lucia and St. Vincent & the Grenadines
“EC\$”	Eastern Caribbean dollars, the legal currency for the EC Territories
“Eckler Actuarial Report”	the report prepared by Eckler Ltd. containing a valuation for lapsed policies as at 8 September 2009
“Effective Date”	the date upon which the Plan becomes effective and binding on all Plan Creditors under the provisions of the Plan Act
“EFPA”	an Executive Flexible Premium Annuity Insurance Contract
“Established Plan Claim”	a Plan Claim which has been agreed between the Company and the Plan Creditor, or adjudicated upon by the Plan Adjudicator and which represents the value upon which Distributions under the Plan will be made to Plan Creditors after all applicable set-off
“Exchange Rate”	means the rate of exchange to be used for converting EC\$ to US\$ namely, EC\$2.7 for each US\$, and vice versa
“Excluded Business”	business which has been transferred, sold or otherwise provided for by the Judicial Manager or for which other parties have assumed responsibility for claims, as set out below: <ul style="list-style-type: none"> • Annuity and Investment Contracts where the Principal Balance is EC\$30,000 or under and the Insurance Contract holder has received payment

of their Principal Balance and signed a release in accordance with the terms of the ARP;

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- All medical Insurance Contract holders who received and cashed a cheque from the EC Health Fund;
 - any traditional life Insurance Contracts which were part of the sale and transfer to Sagicor on 15 March 2013;
 - a Lapsed Insurance Contract, being an Insurance Contract which was subsequently reinstated with Sagicor;
 - property Insurance Contracts, all of which were cancelled as part of the sale of the Company's property business to Caribbean Alliance Insurance;
 - any Insurance Contracts issued by the Company's branches in the Netherlands Antilles (operating through Curaçao, Bonaire and St. Maarten), Cayman, and Turks and Caicos Islands which have been dealt with in the transfer or sale of those businesses;
 - any Insurance Contracts issued by the Company's branch in Panama
 - any Insurance Contracts issued by the Company's branch in Bermuda which have been determined and settled under a separate arrangement similar to a plan of arrangement which became effective on 27 May 2011;
 - any Insurance Contracts issued by the Company's branch in Guyana; and

- claims against the Company arising otherwise than in relation to Insurance Contracts

“Final Claim Form”	the form that will be provided to each Plan Creditor following the Effective Date and which will contain information on the value attributed to Plan Claims in accordance with the Company’s records, or as otherwise agreed between the Plan Creditor and the Company. In circumstances where the Plan Creditor has disputed the value attributed to its Plan Claim prior to the Effective Date, a blank Final Claim Form will be provided stating “claim disputed”. Blank Final Claim Forms will also be available on the Plan Website
“Final Claims Submission Date”	a date at least 28 days after the date on which the Final Claims Submission Date Notice is Posted, after which no further Final Claim Forms or amendments to Final Claim Forms will be accepted
“Final Claims Submission Date Notice”	the notice sent to each Plan Creditor detailing the date after which Final Claim Forms will no longer be accepted, or be capable of amendment
“FPA”	means a Flexible Premium Annuity Insurance Contract
“FPAII”	means a Flexible Premium Annuity II Insurance Contract
“Guyana Reserve”	the reserve which the Judicial Manager has set aside for payment of the Company’s liabilities in Guyana and all associated costs of running of the branch and closing it down

“Insurance Contracts”

means contracts which would be entitled to rank above unsecured creditors in the winding up of BAICO in The Bahamas under the provisions of Insurance Act, 2005 of The Bahamas, and related regulations, namely contracts of insurance, reinsurance and annuity contracts entered into by the Company. For the avoidance of doubt Insurance Contracts do not include reinsurance contracts purchased by the Company

“Insurance Fund”

the fund maintained in accordance with the regulatory requirements of St. Lucia and funded by assets pledged by the Company

“Judicial Manager”

means Juan (John) M. Lopez, appointed by the Court on 8 September 2009 under the Act

“Lapsed Insurance Contract”

means a traditional life Insurance Contract (other than an Excluded Business Insurance Contract) which lapsed between the date of the appointment of the Judicial Manager and the date of the transfer of the traditional life business to Sagicor (15 March 2013). Lapsed Insurance Contracts will be valued as at the Ascertainment Date in accordance with the Plan Value Basis after deduction of any policy loans or premium advance loans

“Meeting”

the meeting consisting of the Principal Meeting and Sub-Meeting(s) ordered to be convened by the Court and to be held on 21 September 2017 at 10.00 am (EST) in St. Kitts & Nevis and various other locations at which the Plan Creditors will be asked to vote on the Plan

“Meeting Representatives”	Individuals attending the Sub-Meetings as requested by the Judicial Manager or the Chairman to assist in the procedure and conduct of the Meeting
“Plan”	this Plan of Arrangement proposed between the Company and its Plan Creditors under the provisions of the Plan Act
“Plan Act”	the Plan of Arrangement (British-American Insurance Company) Act 2017 of The Bahamas
“Plan Adjudicator”	Mr Chester Hinkson or such other person as shall be appointed under the provisions of the Plan
“Plan Claim”	any claim against the Company arising out of an Insurance Contract issued by the Company, other than claims against the Company which arise out of Excluded Business
“Plan Creditors”	those persons who have Plan Claims
“Plan Claim Value”	the value attributed to a Plan Claim by the Company and appearing on the Voting and Claim Form and/or the Final Claim Form without taking into account set-off, other than set-off arising in the form of policy loans or premium advance loans
“Plan Value Basis”	means, (i) in the case of Lapsed Insurance Contracts, the values for each of those Insurance Contracts as stipulated in the Eckler Actuarial Report; (ii) in the case of Annuity and Investment Contracts, the Principal Balance calculation together with interest at the applicable Insurance Contract interest rate(s) accrued and unpaid to the Ascertainment Date; and (iii) in the case of any other Plan Claims, the paid up

	Insurance Contract amount or surrender value at the Ascertainment Date
“Plan Website”	www.kpmg.com/bs/baico
“Post” or “Posted”	means delivered by hand, prepaid first class post, airmail post, electronic mail or facsimile
“Principal Balance”	in relation to:- <ul style="list-style-type: none"> • an Annuity and Investment Contract other than an FPA, the total amount of contributions made to the Insurance Contract, less the amount of any partial withdrawals or partial payments • an FPA, the accumulated value being the amount calculated under the FPA Insurance Contract terms, which is generally the amount of contributions less any withdrawals and fees
“Principal Meeting”	the venue at which the Meeting will be held and at which the Chairman will attend for the purpose of conducting the Meeting and the Sub-Meetings. The Principal Meeting will be held at the ECCB Headquarters, Pond Road in St. Kitts & Nevis, namely ECCB Headquarters, Basseterre, St. Kitts & Nevis, West Indies
“Proceedings”	any action, step or other legal proceeding including, without limitation, any demand, arbitration, alternative dispute resolution procedure, judicial review, adjudication, execution, seizure, distrain, forfeiture, re-entry, lien, enforcement of judgment or enforcement of any security (including, without limitation, enforcement of any letters of credit)

“Property”	all forms of property and obligations, both present and future, (including money, goods, things in action, land and every description of property wherever situated) and every description of interest, whether present, future, vested or contingent or arising out of or incidental to, property
“Publications”	the journals, newspapers or other media outlets in which the Company notifies Plan Creditors of the Meeting and such other matters required by the Plan. A full list of the Publications is set out in Appendix 5.4 of the Explanatory Statement
“Registrar General’s Department”	the Registrar General’s Department of The Bahamas
“Sagicor”	Sagicor Life, Inc., a company incorporated in Barbados
“Sanction Order”	the Order of the Court sanctioning the Plan which is filed with the Registrar General’s Department at which time the Plan becomes effective
“Sub-Meeting(s)”	meetings which, together with the Principal Meeting form the Meeting to be held in one or all of Antigua & Barbuda, Grenada and St. Vincent & the Grenadines and which Sub-Meetings will be linked to the Principal Meeting by electronic means where available
“Trust Account”	means the account to be set up by the Judicial Manager at the ECCB or an ECCB supervised bank, for the purpose of receiving uncollected Distributions and cash representing final unrepresented Distribution cheques and retaining same for 2 years for the benefit of those Plan Creditors’ entitled to such Distributions

“The Bahamas”	the Commonwealth of The Bahamas
“USBC”	United States Bankruptcy Court
“US\$”	means the legal currency of the United States of America
“Voting and Claim Form”	means the form that was provided to all Plan Creditors known to the Company prior to the Meeting and which contained the value attributed to that Plan Creditor’s Plan Claim based on the information available to the Company. In the case of a Plan Creditor about whom the Company was not aware, that person or entity who requested a form directly from the Company or downloaded a form from the Plan Website

1.2 Interpretation

In the Plan, unless the context otherwise requires or the Plan expressly provides otherwise:

- (i) references to Parts, Clauses, Sub-Clauses and Appendices are references to the Parts, Clauses, Sub-Clauses and Appendices respectively of the Plan;
- (ii) references to a “person” include references to an individual, firm, partnership, company, corporation, unincorporated body of persons or any state or state agency;
- (iii) references to a statute or a statutory provision include the same as subsequently modified, amended or re-enacted from time to time;
- (iv) the singular includes the plural and vice versa and words importing on gender shall include all genders; and
- (v) headings to Parts, Clauses, Sub-Clauses and Appendices are for ease of reference only and shall not affect the interpretation of the Plan.

1.3 The Company

- 1.3.1 British-American Insurance Company Limited (the “Company”) was incorporated in the Commonwealth of The Bahamas in 1920 and has the registration number 47. The Company operated subsidiaries, affiliates and/or branches throughout the Caribbean region and Bermuda offering primarily long term insurance products, but also some general insurance cover to the local residents of those jurisdictions. It is believed that it was regulated locally in each of the jurisdictions in which it operated.

The Company is a majority owned subsidiary of CL Financial Ltd. (“CLF”), a conglomerate with a large financial services business incorporated in and administered in Trinidad and Tobago (“T&T”).

1.4 Parties other than the Company and the Plan Creditors

- 1.4.1 Mr. Juan (John) M Lopez of KPMG Restructuring Ltd. in The Bahamas was appointed as Judicial Manager of the Company by Order of this Court on 8 September 2009. The Judicial Manager will be responsible for the implementation of the Plan in accordance with its terms and in accordance with the provisions of the Plan Act.
- 1.4.2 Mr Chester Hinkson will act as the Plan Adjudicator for the purpose of determining Disputed Claims under the Plan.

1.4.3 The EC Officeholders (as defined herein)

1.5 Purpose of the Plan

The purpose of the Plan is to apply the Plan Value Basis to Plan Claims and to make a Distribution of the Available Assets based on an aggregate of those values to all Plan Creditors with Established Plan Claims which represent each Plan Creditor's pro rata entitlement to the Available Assets.

Part 2: The Plan

2.1 Application and operation of the Plan

On the Effective Date, the Plan shall apply to all Plan Creditors. The Plan will be administered by the Company acting by the Judicial Manager.

2.2 Proceedings

2.2.1 Without prejudice to Clause 2.2.3, save with the consent of the Company, no Plan Creditor shall be permitted to institute or continue any Proceeding or other judicial, quasi-judicial, administrative or regulatory process whatsoever against the Company in The Bahamas or elsewhere to establish the existence of a Plan Claim.

2.2.2 If and to the extent that a Plan Creditor obtains an order, judgment, decision or award of a court of tribunal against the Company in relation to a Plan Claim in contravention of Clause 2.2.1 such order, judgment, decision or award shall not give rise to an Established Plan Claim and shall be disregarded when determining the obligations of the Company under the Plan to that Plan Creditor.

2.2.3 Nothing in the Plan shall preclude the Company from commencing or continuing any Proceeding against a Plan Creditor provided that, without prejudice to the relevant Plan Creditor's rights of set-off and such Plan Creditor's right to argue that the relevant Proceeding has been commenced or is continuing in an inappropriate forum, nothing in the Plan shall preclude the relevant Plan Creditor from asserting and prosecuting a claim against the Company in the relevant Proceeding (whether by way of claim or counterclaim) so long as:

- (i) the relevant Plan Claim arises out of the same transaction or occurrence that is the subject matter of the Company's claim in the relevant Proceeding; and
- (ii) the relevant Plan Claim does not require the presence of third parties over whom the court or tribunal in question cannot acquire jurisdiction for its adjudication.

2.3 Enforcement of Plan Claims

Save to the extent that the Company has failed to perform any obligation to make a payment to a Plan Creditor under the provisions of the Plan, no Plan Creditor shall be entitled to take any Proceeding or step (whether by way of demand, legal proceedings, execution of judgment,

arbitration proceedings or otherwise) against the Company or its Property in any jurisdiction whatsoever to enforce payment in whole or in part of any Plan Claim.

2.4 Acts prohibited by Clauses 2.2 and 2.3

2.4.1 Without prejudice to Clauses 2.2 and 2.3, if any Plan Creditor takes any action after the Effective Date which is prohibited by the said Clauses 2.2 and 2.3 in any jurisdiction that may permit the taking of such action notwithstanding such prohibition and successfully obtains a judgment, ruling or order against the Company which the Company is required to pay, he shall be treated as having received an advance Distribution on account of his/her Plan Claim, to the extent that it becomes an Established Plan Claim, equal to the amount or gross value of any money, Property, benefit or advantage obtained by him/her at the expense of the Company as the result of such action and the extent to which he is entitled to participate in any distribution under the Plan shall be determined accordingly.

2.4.2 For the purpose of this Clause 2.4, the gross value of any money, property, benefit or advantage obtained by a Plan Creditor shall be conclusively determined by the Company and, without limitation, may include such amount as the Company may consider to be appropriate by way of interest, costs, charges or expenses incurred by the Company as a consequence of acting in a manner prohibited by this Clauses 2.2 and 2.3. If any advance distribution to a Plan Creditor, other than in respect of an ARP Payment, exceeds the amount of its Established Plan Claim, the balance shall be repayable by the Plan Creditor to the Company immediately and shall be deemed to be a debt which is immediately due and owing by the relevant Plan Creditor to the Company.

2.5 Interest

No interest will be paid on any Plan Claim, save that interest which accrued prior to the Ascertainment Date.

2.6 Set-off

Any liability of a Plan Creditor to the Company and any cross-claim the Company may have against a Plan Creditor may be set-off in determining the value of that Plan Creditor's Established Plan Claim.

2.7 Currency of Payment

Distributions under the Plan shall be paid in the currency of the relevant Insurance Contract giving rise to the Plan Claim. Where no currency is specified, payment shall be made in the

currency of the country in which the relevant Insurance Contract was issued. For the purpose of converting any funds from US\$ to EC\$, or vice versa, the Exchange Rate will be applied. If a Plan Creditor whose Plan Claim is to be paid in US\$ submits a request in writing to the Company that he wishes to receive his Distribution in EC\$, the Distribution will be made in EC\$ applying the Exchange Rate.

Part 3: Determination of Claims

3.1 Ascertainment Date

All Plan Claims shall be valued as at the Ascertainment Date which is 8 September 2009, being the date upon which the Judicial Manager was appointed by the Court.

3.2 Valuation of Claims

Plan Claims will be ascribed a value calculated by reference to the Plan Value Basis. With effect from the Effective Date, Plan Creditors will be prohibited from disputing the basis upon which their Plan Claim has been valued. Plan Creditors will only be able to challenge the factual basis upon which their Plan Claim has been valued or categorised in the Plan Value Basis.

3.3 Final Claim Form

- 3.3.1 Within seven (7) days of the Effective Date, Final Claim Forms will be sent by Post to every Plan Creditor in respect of whom the Company is aware and has contact details. Accompanying the Final Claim Form will be the Final Claim Submission Date Notice noting the Effective Date and setting out the date upon which Final Claim Forms must be returned to the Company. The Final Claims Submission Date will be not less than twenty eight (28) days after the Final Claims Submission Date Notice has been Posted. The Company will also advertise the Final Claims Submission Date Notice in a selection of Publications and upload it on to the Plan Website.
- 3.3.3 Final Claim Forms will contain the information relating to the Plan Creditor's Plan Claim according to the Plan Value Basis, or the amount agreed between the Company and the Plan Creditor in the event that the Plan Value on the Voting and Claim Form had been disputed.
- 3.3.4 Where a Plan Creditor disputed the value of the Plan Claim appearing on the Voting and Claim Form and such dispute has not been resolved, the Plan Creditor will receive a blank Final Claim Form.
- 3.3.5 Final Claim Forms must be completed, signed and returned to the Company at the address appearing on the form itself so as to be received by the Final Claims Submission Date. A Final Claim Form can be amended at any time prior to the Final Claims Submission Date but not thereafter.

3.3.6 If a Plan Creditor submits a Final Claim Form that sets out a value which differs from the amount appearing in the Final Claim Form provided to him, evidence in support of the amended value should be attached to the Final Claim Form. Details of what will be required are set out in the instructions accompanying the Final Claim Form.

3.3.7 After the Final Claims Submission Date no Plan Creditor shall have any right to make any additional claims or revise or provide further information in respect of a Plan Claim, except in response to a request for such further information by the Company or the Scheme Adjudicator.

Determination of Claims

3.4.1 Where a Plan Creditor has not returned a Final Claim Form by the Final Claims Submission Date, the amount appearing on the Final Claim Form prepared by the Company will be treated as that Plan Creditor's Established Plan Claim. This is with the exception of a Plan Creditor who has disputed their Plan Claim Value prior to the Final Claims Submission Date, in which case their Plan Claim will be subject to the dispute resolution process set out in Clause 3.5.

3.4.2 Where a Plan Creditor has disputed the value of their Plan Claim on their Voting and Claim Form and no agreement has been reached between the Company and the Plan Creditor prior to the issue of the Final Claims Submission Date Notice, that Plan Creditor will receive a blank Final Claim Form stating "claim disputed". If the Plan Creditor completes and returns the Final Claim Form, the provisions of Clause 3.4.3 shall apply. If he does not do so, the Voting and Claim Form which is being disputed will be treated as the Final Claim Form and the provisions of Clause 3.4.3 shall apply unless further amendments are notified by the Plan Creditor prior to the Final Claims Submission Date. If a dispute has been resolved prior to the Plan Creditor receiving their Final Claim Form, the Final Claim Form will include the revised Plan Claim Value.

3.4.3 Where a Plan Creditor disputes the Plan Value attributed to his Plan Claim as it appears in his Final Claim Form, the Company will endeavour to agree the amount of the Plan Claim with that Plan Creditor as soon as practicable after receipt of the Final Claim Form and in any event, as soon after the Final Claims Submission Date as practicable. This procedure will also apply to a disputed Voting and Claim Form.

3.4.4 The Company will be entitled, in a notice to the Plan Creditor concerned, to require the production of such further information or documentary evidence as it may reasonably require in order to assist the Company in agreeing or otherwise resolving the relevant Disputed Plan Claim.

3.4.5 If a Plan Claim is disputed as set out in this Clause 3.4 and is not agreed within twenty one (21) days of the Final Claims Submission Date (or such longer period as the Company and the relevant Plan Creditor agree), the Company shall without delay refer such Plan Claim to the Scheme Adjudicator for resolution in accordance with the provisions of Clause 3.5 for resolving Disputed Plan Claims. The Company shall send a notice by Post to the relevant Plan Creditor informing the Plan Creditor that his Plan Claim has become a Disputed Plan Claim and that the dispute regarding such Plan Claim will be determined by the Plan Adjudicator.

3.5 **Adjudication of Disputed Plan Claims**

3.5.1 When referring a Plan Claim which is disputed (a "Disputed Plan Claim") to the Plan Adjudicator in accordance with Clause 3.4.5, the Company shall provide the Plan Adjudicator and the relevant Plan Creditor with a copy of the Final Claim Form and its attached documentation relating to the Disputed Plan Claim together with a copy of any notice, statement or correspondence sent or received by the Company in connection with such Disputed Plan Claim. The Plan Adjudicator shall have access the Company's records and information to the extent that the Plan Adjudicator considers it necessary in order to resolve the relevant dispute.

3.5.2 The Plan Adjudicator shall consider the papers and documents before him in relation to any Disputed Plan Claim and shall, within fourteen (14) days following receipt of the records and information referred to in Clause 3.5.1 herein notify the Plan Creditor with a Disputed Plan Claim ("Disputed Plan Creditor") and the Company if he requires:

- (i) further documents, data or information from the relevant Disputed Plan Creditor or the Company in which case the relevant person or persons shall within seven (7) days after receipt of such notice, provide the Plan Adjudicator with the required documents, data or information; and/or
- (ii) the relevant Disputed Plan Creditor (or his duly authorised representative) and/or a representative of the Company, to attend a meeting or telephone conference with the Plan Adjudicator on any matters which he determines to be relevant and at such place, date or time as he shall stipulate. The Plan Adjudicator shall be entitled to prescribe and lay down such procedures or provisions or deadlines for such purposes as he, in his absolute discretion, deems appropriate and shall be entitled to call upon such evidence, documents, data and information as he may require to assist him in reaching his decision.

- 3.5.3 The Plan Adjudicator shall be entitled to consult with such advisors, including legal advisors, actuaries and /or experts as he may deem appropriate in the consideration of the Disputed Plan Claim.
-
- 3.5.4 If the relevant Disputed Plan Creditor or the Company fail to comply with the requests of the Plan Adjudicator to produce information or attend a meeting or telephone conference as set out in Clause 3.5.2 above, the Plan Adjudicator shall make such determination as he deems appropriate in relation to the relevant Disputed Plan Claim on the basis of the information that he has available to him.
- 3.5.5 The Plan Adjudicator is required to make a finding that the Disputed Plan Claim is valued in the amount set out in the Final Claim Form if the only dispute raised by the relevant Disputed Plan Creditor relates to a dispute as to the Plan Value Basis.
- 3.5.6 In adjudicating any Disputed Plan Claim, the Plan Adjudicator, to the extent permitted by law, shall act as an expert and not as an arbitrator.
- 3.5.7 The Plan Adjudicator shall notify the Company and the relevant Plan Creditor of his decision in writing, by Post, not more than twenty eight (28) days from the date on which the Disputed Plan Claim was referred to him. Any such determination shall be final and binding on the Company and the Disputed Plan Creditor and shall not be subject to any appeal or give rise to any claim against the Plan Adjudicator, save in respect of his wilful breach of duty or trust, fraud or dishonesty.
- 3.5.8 The costs, charges and expenses of the Plan Adjudicator, including the expenses of any advisors consulted by him in accordance with the provisions of Clause 5.2.2, shall be paid by the Company.

Part 4: Payments to Plan Creditors

4.1 Payment of Distributions

- 4.1.1 A first Distribution will be paid to all Plan Creditors with Established Plan Claims as soon as reasonably practicable following the date upon which all Plan Claims have been finally resolved by way of agreement or under the Plan Adjudication procedure.
- 4.1.2 Tendering by the Company of a Distribution to a Plan Creditor will be in full and final settlement of that Plan Creditor's pro rata entitlement to that Distribution. Where the Distribution is the final Distribution payable under the terms of the Plan, tendering by the Company of that Distribution will be in full and final settlement of any and all claims a Plan Creditor may have against the Company, save that such full and final settlement will not affect any Plan Creditor's right to receive ARP Payments should such payment be forthcoming after the final Distribution. Any ARP payments becoming due after the final Distribution under the Plan is paid, in whole or in part, may be payable to the Company.
- 4.1.3 In the event that there are a significant number of Disputed Plan Claims and the resolution of such Disputed Plan Claims will delay the Distribution by any period which the Judicial Manager deems to be unacceptable, the Company reserves the right to make the Distribution to those Plan Creditors with Established Plan Claims, the calculation of such Distribution having been determined by the Company after taking into account the likely aggregate value of the Disputed Plan Claims. Plan Creditors with Disputed Plan Claims will receive their pro rata share in the relevant Distribution at such time as their Disputed Plan Claims have become Established Plan Claims.
- 4.1.4 For the avoidance of doubt, upon the Effective Date, Plan Creditors are precluded from taking any action to make claims or take part in the liquidation or any other judicial or non-judicial proceeding relating to the Company in any jurisdiction. The Plan and the Distributions under the Plan represent the sole recourse any Plan Creditor has against the Company to obtain payment of their Plan Claims. Upon the making of the final Distribution each Plan Creditor is deemed to have provided the Company with a full and final release of any and all claims such Plan Creditor may have or have had against the Company.

4.2 Currency of Distribution

4.2.1 All Distributions shall be paid in the currency of the Insurance Contract giving rise to the Plan Claim. If no currency is specified in the contract, payment will be made in EC\$.

4.3 Method of Distribution

4.3.1 Distributions to Plan Creditors under the Plan shall be made as follows:

- (i) by cheque sent by Post, in respect of which payment will be deemed to have been made on the date such cheque is placed in the Post; or
- (ii) if requested to do so in writing by a Plan Creditor, by way of telegraphic transfer to the bank account specified by the Plan Creditor and at the Plan Creditor's expense, in respect of which payment will be deemed to have been made on the date of the telegraphic transfer; or
- (iii) where the amount of any Distribution is below EC\$20 (applying the relevant conversion rate) a Plan Creditor may request the Company to exchange the cheque for cash by contacting the Company branch which issued the cheque. Any Plan Creditor wishing to exchange their cheque for cash shall be required to provide the cheque and photographic identification and to sign a release form provided by the Company.

4.3.2 Payment to Plan Creditors under any one of the methods set out in Clause 4.3.1 (i)-(iii) will constitute a full discharge of the Company's obligation to Plan Creditors in respect of that Distribution. Notwithstanding the foregoing, if a Plan Creditor does not present his cheque for payment within six months from the date the cheque was despatched to him, including not exchanging it for cash, the funds represented by that cheque will be retained by the Company and added to the next Distribution for that Plan Creditor, and the uncashed cheque will be cancelled; or

4.3.3 In the case of the final Distribution, after the expiration of six (6) months from the final Distribution, any funds represented by an unrepresented cheque or uncollected cash payments, shall be transferred into a Trust Account. The Trust Account will remain open for two (2) years from the date of deposit of such funds for the benefit of those Plan Creditors whose uncollected Distribution(s) are paid into the Trust Account. Plan Creditors who have not presented their cheques for payment after the six (6) months should contact the Judicial Manager for information on how to obtain their Distribution(s) from the Trust Account.

4.3.4 At the end of 2 years, the funds remaining in the Trust Account shall be returned to the Company and shall be the property of the Company and no longer available to Plan Creditors.

Part 5: The Plan Adjudicator

5.1 Qualification, appointment, resignation and removal

5.1.1 There shall be one Plan Adjudicator who shall be an individual who is duly qualified in the reasonable opinion of the Company to discharge the function of the Plan Adjudicator under the Plan. The Plan Adjudicator shall be Mr Chester Hinkson. A copy of the curriculum vitae of Mr Hinkson is at Appendix 5.4 of the Explanatory Statement.

5.1.2 The office of the Plan Adjudicator shall be vacated if the appointee to that office shall:

- (i) die, become bankrupt or mentally disordered;
- (ii) be convicted of an indictable offence;
- (iii) resign his office by giving 30 days' notice in writing to the Company, or such shorter period of notice as may be agreed by the Company; or
- (iv) be removed for good cause by the Company.

In each case, the Company shall forthwith appoint a person who is qualified to act pursuant to Clause 5.1.1 and not disqualified to act pursuant to this Clause 5.1.2 as Plan Adjudicator. Notice of the appointment of a replacement Plan Adjudicator will be placed on the Plan Website.

5.2 Powers, rights duties and functions

5.2.1 The Plan Adjudicator shall be responsible for the adjudication and determination of Disputed Plan Claims and shall have the powers, rights, duties and functions conferred upon him by the Plan for such purposes.

5.2.2 The Company shall pay such remuneration to the Plan Adjudicator for the exercise and performance of his powers, right duties and functions under the Plan as may be agreed between the Plan Adjudicator and the Company, together with the costs and expenses of any professional advisors retained by the Plan Adjudicator to assist in his adjudication of any Disputed Plan Claim. The Company shall pay all such amounts in full out of the Available Assets of the Company.

5.3 Responsibility and indemnity

5.3.1 No Plan Creditor shall be entitled to challenge the validity of any act done or permitted to be done in good faith and with due care by the Plan Adjudicator pursuant to the provisions of the Plan or in the exercise or performance of any power, right, duty or function conferred upon him under the Plan and the Plan Adjudicator shall not be liable for any loss unless any such loss is attributable to his own negligence, wilful default, wilful breach of duty or trust, fraud or dishonesty.

5.3.2 Subject to the Plan Act, the Plan Adjudicator shall be entitled to an indemnity out of the Available Assets of the Company against:

- (i) all actions, claims, Proceedings and demands brought or made against him in respect of any act done or omitted to be done by him in his capacity as a Plan Adjudicator in good faith and without negligence, wilful default, wilful breach of duty or trust, fraud or dishonesty on his part in the course of exercising or performing his powers, rights, duties or functions under the Plan; and
- (ii) all costs, charges, expenses and liabilities properly incurred by him in the course of exercising or performing his powers, rights, duties or functions under the Plan.

5.3.3 Without prejudice to the generality of Clause 5.3.2, the Plan Adjudicator shall be entitled to an indemnity out of the Available Assets of the Company:

- (i) against any liability incurred by him in defending any Proceedings, whether civil or criminal, in respect of any negligence, wilful default, wilful breach of duty or trust, fraud or dishonesty on his part in relation to any act done or omitted to be done by him in his capacity as Plan Adjudicator in which judgment is given in his favour or in which he is acquitted; or
- (ii) in connection with any application in any such Proceedings in which relief is granted to him by a court from liability for negligence, wilful default, wilful breach of duty or trust, fraud or dishonesty on his part in relation to any act done or omitted to be done by him in his capacity as Plan Adjudicator

5.3.4 The Company may:

- (iii) (insofar as it is practicable) purchase and maintain for the Plan Adjudicator insurance against any liability in respect of which the Company would be obliged to indemnify him in accordance with this Clause 5; or
- (iv) pay costs and expenses incurred by the Plan Adjudicator in defending Proceedings of the nature described in Clause 5.3.3, provided that the Company obtains from the Plan Adjudicator an undertaking to reimburse the Company (with interest) for any amount which would not, in the event, have been payable by the Company under Clause 5.3.3.

Part 6: The Judicial Manager and EC Officeholders

No Plan Creditor shall be entitled to challenge the validity of any act done or omitted to be done in good faith with due care by the Judicial Manager, the EC Officeholders and their respective employees, agents and advisors in accordance with, and in the implementation of the provisions of the Plan, or in the performance or exercise of any power, right, duty or function conferred upon him or her under the Plan.

Part 7: Extension of Time Limits

The Judicial Manager may extend any time period referred to in the Plan other than the Final Claims Submission Date. Any such extension shall be notified to Plan Creditors by posting details of the extension on the Plan Website.

Part 8: Termination of the Plan

Not less than twenty-one (21) days after the transfer to the Trust Account of the remaining funds representing the uncashed cheques and uncollected cash payments, the Company shall place a notice on the Plan Website and in a selection of the Publications confirming that the Plan has been implemented in accordance with its terms and is therefore terminated. That notice shall provide information to Plan Creditors who have not presented their cheques on how they can obtain their Distribution(s)

Part 9: General Plan Provisions

9.1 Modifications to the Plan

The Company may, at any hearing by the Court to sanction the Plan, consent on behalf of Plan Creditors to any modification of, or addition to, the Plan of any terms or conditions which the Court may think fit to approve or impose and which would not directly or indirectly have a materially adverse effect on the interests of any Plan Creditor under the Plan.

9.2 Notices

9.2.1 Any notice or other written communication to be given under, or in relation to, the Plan shall be given in writing and shall be deemed to have been duly served if it is delivered by hand or sent by Post to:

- (i) in the case of the Company, to the Judicial Manager, or to any EC Officeholder in the EC Territory in which the Plan Creditor resides at one of the addresses appearing in Appendix 5.5 of the Explanatory Statement
- (ii) in the case of the Plan Adjudicator, to Chester Hinkson c/o the Judicial Manager at the address appearing in Appendix 5.5 of the Explanatory Statement or via email to baicomail@kpmg.com.bs; and
- (iii) in the case of a Plan Creditor, his last address known to the Company or the Judicial Manager and/or EC Officeholders.

9.2.2 Any notice or other written communication to be given under the Plan shall be deemed to have been served:

- (i) if delivered by hand or by email or by fax, on same day such delivery or transmission of the e-mail or fax was made; and
- (ii) if sent by Post, on the fourth (4th) day after posting if the postal address of the recipient is in the country of dispatch and otherwise on the seventh (7th) day after posting.

9.2.3 In proving service, it shall be sufficient proof in the case of a notice sent by:

- (i) Post: as set out above in 9.2.2;

(ii) fax: a confirmation generated by the transmitting fax machine that the fax has been successfully transmitted; and

~~(iii) e-mail: a confirmation in the sent box of the sender that the e-mail has been successfully sent.~~

9.2.4 For the purposes of this Part 9, the accidental omission to send any notice, written communication or other document in accordance with this Clause or the non-receipt of any such notice by a Plan Creditor shall not affect the provisions of this Part 9.

9.3 Governing law and jurisdiction

The Plan shall be governed by, and construed in accordance with, the laws of The Bahamas, and the Plan Creditors hereby agree that the Court shall be exclusive jurisdiction to hear and determine any suit, action or Proceeding and to settle any dispute which may arise out of the Explanatory Statement or any provision of this Plan, or out of any action taken or omitted to be taken under the Plan or in connection with the administration of the Plan, and for such purposes the Plan Creditors irrevocably submit to the jurisdiction of the Court. Provided, however, that nothing in this Clause 9.3 shall affect the validity of any other provision determining governing law and jurisdiction as between the Company and any of its Plan Creditors whether contained in any contract or otherwise.

COMMONWEALTH OF THE BAHAMAS

IN THE SUPREME COURT

Commercial Division

**IN THE MATTER OF BRITISH-AMERICAN
INSURANCE COMPANY LIMITED**

**AND IN THE MATTER OF THE PLAN OF
ARRANGEMENT (BRITISH-AMERICAN
INSURANCE COMPANY LIMITED) ACT 2017**

Between

**JUAN M. LOPEZ (IN HIS CAPACITY AS
JUDICIAL MANAGER OF BRITISH-AMERICAN
INSURANCE COMPANY LIMITED)**

Petitioner

And

**BRITISH-AMERICAN INSURANCE COMPANY
LIMITED**

Respondent

SANCTION ORDER

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2017

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