

**HIGHLANDS INSURANCE COMPANY (U.K.) LIMITED (IN ADMINISTRATION)**

**FORM OF PROXY FOR VOTING PURPOSES**

To be used at the meeting of Scheme Creditors (as defined in the Scheme hereinafter mentioned) ("**Scheme Meeting**") of Highlands Insurance Company (U.K.) Limited (in Administration) (the "**Company**") to be held at PricewaterhouseCoopers LLP, One Embankment Place, London on 18 June 2009 at 10.00 as notified in the notice summoning the Scheme Meeting (the "**Notice**"), a copy of which is set out at Section III of the Scheme Document (as defined in the Scheme) on pages 131 to 132.

I/We<sup>(1)</sup> .....

(Enter the name of the Scheme Creditor including all former names)

of<sup>(1)</sup> .....

(Enter the address of the Scheme Creditor)

being a Scheme Creditor of the Company in the sum of<sup>(2)</sup>      Currency: .....      Sum: .....

(a)      <sup>(3)</sup>  will attend and vote in person at the Scheme Meeting; **OR**

(b)      hereby appoint:

(i)  the chairman of the Scheme Meeting; **OR**

(ii)  .....

as my/our proxy to act for me/us at the Scheme Meeting for the purpose of considering and, if thought fit, approving (with or without modification) the scheme of arrangement referred to in the Notice (the "**Scheme**"), and at such Scheme Meeting, or any adjournment thereof, to vote for me/us and in my/our name for the Scheme or against the Scheme (either with or without modification as my/our proxy may approve) as hereinafter indicated.

If you wish your proxy to vote for the Scheme, sign in the box marked "FOR". If you wish your proxy to vote against the Scheme, sign in the box marked "AGAINST". If you wish your proxy to have discretion to vote for or against the Scheme, sign in the box marked "AT DISCRETION". You may not sign in the "AT DISCRETION" box if the chairman is your appointed proxy.

FOR the Scheme  .....  Signature	AGAINST the Scheme  .....  Signature	AT DISCRETION <sup>(4)</sup>  .....  Signature
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<b>Person to contact in the event of a query in respect of this form of proxy:</b>
Name: <sup>(5)</sup> .....
Position/Capacity:.....
Telephone Number: .....
Email: .....

For completion by Highlands Insurance Company (U.K.) Limited (in Administration): Admitted to vote for US dollars
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NUMBERING ABOVE RELATES TO THE INSTRUCTIONS FOR COMPLETION OF THE FORM OF PROXY OVERLEAF

**RETURNING THE FORM OF PROXY**

**Please return the original form of proxy, together with the claims table and supporting schedules, to the address below. Original forms of proxy and claims tables must be received by the Company by 5.00 p.m. (London time) on 16 June 2009 or otherwise handed in at the registration desk at the Scheme Meeting prior to its commencement. Forms of proxy and claims tables may be initially returned by email or fax, provided that the original must also be received by the Company by the date indicated above.**

Highlands Insurance Company (U.K.) Limited (in Administration)  
c/o PRO Insurance Solutions Limited,  
Bruton Court,  
Bruton Way,  
Gloucester, GL1 1DA,  
United Kingdom

Attention: Áine Davies/Ian Leighton

By email: pro\_hicukhelpline@pro-ltd.co.uk  
By fax: +44 (0) 1452 782 582

**INSTRUCTIONS FOR THE COMPLETION  
OF THE FORM OF PROXY**

1. Enter the name and address of the Scheme Creditor in block capitals. If you are the duly authorised agent and/or attorney of a number of Scheme Creditors, complete a separate form of proxy in respect of each Scheme Creditor (photocopying the form as many times as necessary) and provide evidence (which must be satisfactory to the chairman of the Scheme Meeting) of your authority to execute the form of proxy on their behalf. Please note that where there are a number of companies within a group who are each Scheme Creditors, each company must complete a separate form of proxy, as a group submission is not permissible.
2. Enter the estimated amount of your claim against the Company for voting purposes after carefully reading these instructions and the "*Instructions for the completion of the claims table*" in Section IV of the Scheme Document.
3. Tick one box as appropriate. Tick box (a) if you will be attending, and voting at, the Scheme Meeting in person. Tick box (b)(i) if you will not be attending the Scheme Meeting in person and wish to appoint the chairman of the Scheme Meeting as your proxy. Tick box (b)(ii) if you will not be attending the Scheme Meeting in person and wish to appoint a person other than the chairman (whose name you should insert in the space provided) as your proxy. If you have appointed a person other than the chairman as your proxy, in order to represent you, that person must attend in person at the Scheme Meeting. That person need not be a Scheme Creditor.
4. If you have appointed the chairman of the Scheme Meeting as your proxy, you must sign either the box marked "FOR" or the box marked "AGAINST". If you sign in the box marked "AT DISCRETION", the chairman will abstain from voting on your behalf. If you do not sign in any of the boxes, this form of proxy will not operate as a valid appointment of your proxy and consequently no vote will be cast on your behalf.
5. If you are the duly authorised representative of a corporation or a partnership or other unincorporated body or person, or the duly authorised agent and/or attorney of a number of Scheme Creditors, enter your name, the capacity in which you have signed the form of proxy (for example, director, partner, agent and/or attorney) and contact details. Please note that, if you are the duly authorised representative of a number of companies, a separate form of proxy (photocopying the form as many times as necessary) should be completed in respect of each company. As mentioned in point 1 above, you must also provide evidence (which must be satisfactory to the chairman of the Scheme Meeting) of your authority to execute the form of proxy on behalf of the Scheme Creditor.

**GENERAL NOTES**

- (A) Any alteration to the form of proxy must be initialled by the person who signs it.
- (B) If you are a Scheme Creditor and wish to vote or wish to instruct your proxy to vote in respect of the Scheme, you should complete a claims table and return it with the form of proxy. If you are a duly authorised agent and/or attorney of a number of Scheme Creditors and wish to vote or wish to instruct a proxy to vote in respect of the Scheme, you should complete a claims table for each Scheme Creditor. The instructions for completion of the claims table accompany that form.
- (C) It is important to note that if you have an Agreed Claim, which has not yet been paid by the Company, or has only been partially paid, the value of the claim to be entered in the claims table should be the amount of your claim against the Company, which has not been paid.

**The value to be attributed to each Scheme Creditor's claim for voting purposes will be determined by the chairman of the Scheme Meeting on the basis of the information provided by the Scheme Creditor on the voting form and the information available from the Company's existing records. The chairman shall convert any claim submitted to him in a currency other than US dollars into US dollars, converted at the mid-market rate of exchange for that particular currency quoted in the Financial Times on the 1 November 2007. Account will be taken of any known set-off or security. The chairman of the Scheme Meeting may, for voting purposes only, reject a claim in whole or in part, if he considers that it does not constitute a fair and reasonable assessment of the sums owed to the Scheme Creditor by the Company. It is therefore important that Scheme Creditors complete and return a voting form and provide supporting information for their valuation of their claim to which the chairman of the Scheme Meeting may refer in assessing its reasonableness.**

**The chairman's decision as to the value for which a claim is to be admitted for voting purposes is final and binding. Where a claim is rejected in whole or in part, he will advise the Scheme Creditor of his decision, prior to the Scheme Meeting where possible or, in any event, afterwards.**

**The admission of a claim for voting purposes does not constitute an admission of the existence or amount of any liability of the Company and will not bind the Scheme Administrators, the Company or Scheme Creditors. Estimates of claims, whether by Scheme Creditors or by the chairman of the Scheme Meeting, will not be taken into account in calculating payments under the Scheme, but will be used for voting purposes only.**