

IN THE HIGH COURT OF JUSTICE

CHANCERY DIVISION

COMPANIES COURT

MR REGISTRAR JAQUES

Thursday 30 April 2009



IN THE MATTER OF HIGHLANDS INSURANCE COMPANY (U.K.) LIMITED (IN ADMINISTRATION)

AND IN THE MATTER OF THE COMPANIES ACT 2006

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**ORDER**

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UPON the application of the Claimant by Part 8 Claim Form dated 30 April 2009

AND UPON HEARING Counsel for the Claimant

AND UPON READING the evidence

**IT IS ORDERED** that

1. The Claimant do convene a meeting of Scheme Creditors (as defined in the proposed scheme of arrangement) to be held at 10.00 am on 18 June 2009 at PricewaterhouseCoopers LLP, One Embankment Place, London WC2N 6RH (hereinafter referred to as the "**Scheme Meeting**") for the purpose of considering, and, if thought fit, approving (with or without modification) a scheme of arrangement proposed to be made between the Claimant and the Scheme Creditors under Part 26 of the Companies Act 2006.
2. At least 40 days before the day appointed for the Scheme Meeting a notice convening the same (the "**Notice**") in substantially the form exhibited at pages 130 to 131 of DS1 to the First Witness Statement of Dan Schwarzmann herein (the "**First Witness Statement**") and enclosing:
  - (i) a covering letter in substantially the form exhibited at pages 82 to 83 of DS2 to the First Witness Statement (the "**Covering Letter**");
  - (ii) a letter to brokers in substantially the form exhibited at pages 1 to 2 of DS1 to the Second Witness Statement of Dan Schwarzmann herein (the "**Broker Letter**");



- (iii) a copy of the short form Explanatory Statement in substantially the form exhibited at pages 8 to 29 of DS1 to the First Witness Statement (the "**Short Form Explanatory Statement**");

a voting form for use at the Scheme Meeting, with guidance notes in respect thereof, in substantially the form exhibited at pages 132 to 140 of DS1 to the First Witness Statement (the "**Voting Form**"); and

a map showing directions to the venue at which the Scheme Meeting is to be held in substantially the form exhibited at page 84 of DS2 to the First Witness Statement.

be sent by prepaid first class letter post or airmail (as appropriate) to:

- (a) each Scheme Creditor of whose address the Company is aware; and
- (b) all brokers in the London market known or believed to have placed relevant Insurance Contracts with the Claimant on behalf of the Scheme Creditors.
3. At least 40 days before the day appointed for the Scheme Meeting, a notice notifying Scheme Creditors of the Scheme Meeting and of how they may obtain copies of the relevant Scheme related documents be inserted once each in Insurance Day, NRC Handelsblad, the Financial Times (International edition) and The Wall Street Journal (International edition), in substantially the form exhibited at pages 80 to 81 of DS2 to the First Witness Statement (the "**Advertisement**"). At least 35 days before the day appointed for the Scheme Meeting, the Advertisement also be inserted once in Business Insurance.
4. At least 40 days before the day appointed for the Scheme Meeting, the Scheme Document (including the Notice, Short Form Explanatory Statement and Voting Form), as well as the Covering Letter and the Broker Letter be available to Scheme Creditors on the Scheme website at [www.ukhighlands.co.uk](http://www.ukhighlands.co.uk).
5. Dan Schwarzmann or, failing him, Mark Batten, both partners of PricewaterhouseCoopers LLP of Plumtree Court, London EC4A 4HT, be appointed to act as Chairman of the Scheme Meeting and report the result of the Scheme Meeting to this Court.
6. The Chairman of the Scheme Meeting be responsible for determining the entitlement of and value for which any Scheme Creditor should be permitted to vote at the Scheme Meeting by reference to any information supplied by the relevant Scheme Creditor and any information (including any estimates and/or reserves provided in respect of any liability of the Claimant) contained in the books and records of the Claimant and, if necessary, any actuarial advice or opinion obtained for this purpose.
7. At the Scheme Meeting the Chairman of the Scheme Meeting be at liberty to:
- (i) accept the figure for which a Scheme Creditor seeks to vote, in whole or in part, notwithstanding a failure by such Scheme Creditor to comply with the formal

requirements for completion and submission of a Voting Form, provided that sufficient information is otherwise available;

- (ii) reject the figure for which a Scheme Creditor seeks to vote, in whole or in part, if, in his reasonable opinion, he considers the figure not to be a fair or reasonable assessment of the value of the Scheme Creditor's claim against the Claimant; and
  - (iii) accept otherwise incomplete or late Voting Forms at his discretion.
8. For voting purposes, the value of Scheme Liabilities will be converted, where necessary, to United States dollars at the mid-market rate of exchange as quoted for the relevant currency in the Financial Times on 1 November 2007, being the date on which the Administrators were appointed to the Claimant.
9. The Scheme Meeting be conducted in accordance with paragraphs 95 to 99 of the First Witness Statement.
10. There be liberty to apply for such further directions in this matter as may be necessary or appropriate.

Dated 30 April 2009



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

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**ORDER**

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