

PRO Insurance Solutions

WFUM POOLS SCHEME

PROTOCOL FOR VOTE ADJUDICATION PROCESS

If the Chairman of the Meetings (“the Chairman”), with the assistance of PRO Insurance Solutions Limited (“PRO”), is unable to agree the value of the Scheme Creditor’s vote with the Scheme Creditor it will be referred to the Vote Adjudicator (the proposed Scheme Actuary in respect of each of the relevant Scheme Companies) to provide an independent assessment of the vote value.

The Vote Adjudicator will not be advised by the Chairman as to whether the vote being assessed is for or against the Scheme. The process adopted by the Vote Adjudicator will therefore be independent of whether the Scheme Creditor has voted for or against the Scheme.

If a vote value is referred to the Vote Adjudicator, then all amounts relating to the relevant Scheme Creditor’s vote(s) (Additional Unpaid Claims and/or Outstanding Claims and/or IBNR Claims and/or set-off) will be reviewed by the Vote Adjudicator. In considering these amounts, the Vote Adjudicator will take into account the supporting information provided by the Scheme Creditor to support the vote value it has asserted and the views of PRO.

The Vote Adjudicator will either decide that the vote value asserted by the Scheme Creditor is reasonable or, if the Vote Adjudicator concludes that the vote value does not appear to be reasonable, assess the vote value (which may be zero) of the Scheme Creditor’s vote.

In order to do this, the Vote Adjudicator will refer to the records held by PRO and any supporting documentation provided by the Scheme Creditor to support the vote value asserted on the Voting Form. It is therefore important that the Scheme Creditor provides adequate supporting documentation to support the vote value asserted on the Voting Form. Guidance as to the type of information that might be suitable to support the vote value asserted on the Voting Form can be found in the Estimation Methodology document (which is at Appendix B to the Scheme). If the Scheme Creditor does not supply suitable evidence to support its vote value, then it may receive a different valuation of its vote than it asserted.

If the Vote Adjudicator believes that the evidence provided does not fully support the vote value asserted by the Scheme Creditor, or if no evidence is provided by the Scheme Creditor to support the vote value asserted, then the Vote Adjudicator will apply a simplified version of the Estimation Methodology to assess the valuation for the Scheme Creditor’s vote. This may involve the application of suitable benchmarks (IBNR-to-outstanding claims ratios, Ultimate to paid/incurred claims multiples, survival ratios, burn factors, etc.) to assess a value for the vote. If the vote value submitted by the Scheme Creditor is not broken down by claim type, such a benchmarking process may be considerably more approximate than would normally be the case.

In particular, if the Scheme Creditor's vote value is in respect of policies with claim types that have little or no claims history, then it will be very important for the Scheme Creditor to provide sufficient supporting evidence for its vote value, as a benchmarking approach may result in a different valuation being assessed for its vote.

The final alternative valuation of the vote assessed by the Vote Adjudicator may be based on a combination of the vote value asserted by the Scheme Creditor and any alternative valuations calculated by the Vote Adjudicator. The weighting applied to the Scheme Creditor's original vote value will depend on the extent to which the Vote Adjudicator believes that the Scheme Creditor has adequately supported that value.

The Vote Adjudicator will then advise the Chairman as to his view of the valuation to be assessed for the Scheme Creditor's vote.

The Chairman can accept or reject this assessed vote valuation, or assess a different vote value for the Scheme Creditor's vote.

Where a vote is rejected or valued at a different amount than originally asserted, the Scheme Creditor will be notified of this decision by the Chairman as soon as possible, and in any event prior to the Court hearing to sanction the Scheme. This rejection or revision of the Scheme Creditor's vote value will be reported to the Court at the sanction hearing and should the Scheme Creditor wish to object, then it may do so at that hearing or by writing to PRO in advance of the hearing.

The assessment of any vote valuation by the Vote Adjudicator and/or the Chairman will not determine the value of the Scheme Creditor's Scheme Claim under the Scheme in the event that the Scheme goes ahead. The actual value of the Scheme Creditor's Scheme Claim in the event that the Scheme proceeds may be higher or lower (in either case, possibly materially so) than the valuation assessed by the Vote Adjudicator and/or the Chairman. This is because there may be significantly more information available during the claims submission process under the Scheme, both from the relevant Scheme Creditor and also from other Scheme Creditors with similar claims.