

Stronghold Insurance Company Limited – in Administration (“the Company”)

Informal meeting of creditors
29 July 2019



Agenda

1. The circumstances leading to the appointment of Administrators.
2. The UK Administration process and the Company.
3. The Administrators' proposals for the Company.
4. Creditors' Committee.
5. AOB. Questions.

The circumstances leading to the appointment of Administrators

- A solvent Scheme of Arrangement was proposed but not approved.
- The Directors determined the Company was insolvent on a balance sheet basis. We have received a Statement of Affairs from the Directors showing a negative net assets position.
- Consideration was given to which insolvency procedure would be most appropriate. Administration was determined to be preferable to liquidation as it is more flexible.
- The Directors applied for the Company to be put into Administration and the Administrators were appointed on 27 June 2019.

The UK Administration process and the Company

- In line with the Insolvency Act 1986, the purpose of the Administration is to achieve a better result for the Company's creditors as a whole than would likely be achieved if the Company were wound up (without first being in Administration).
- Notice of the Administrators' appointment was circulated to all creditors by our 4 July letter which can be found on our website.
- Proof of debt form also available on website.
- Currently no bar date on proof of debt submissions.
- Creditors are encouraged to submit proof of debt forms as soon as reasonably practicable.
- Proposals for the Company are currently being developed.

The Administrators' proposals for the Company

- The Administrators' proposals are required to be issued within 8 weeks of appointment date.
- The proposals are required to be agreed by creditors within 10 weeks of appointment date.
- We are proposing a Scheme of Arrangement pursuant to Part 26 of the Companies Act 2006 be implemented. We currently believe the Scheme of Arrangement is:
 - The most cost effective way of agreeing creditors' claims and making payments to creditors.
 - The best way to avoid depleting available assets with Administration costs.

Creditors' Committee

- Role of members.
- Purpose of the Creditors' Committee:
 - Ongoing involvement with the development of the terms of any Scheme of Arrangement and provide input on matters such as the estimation of claims and preferred Claims Adjudicator.
 - Decide on matters such as the Administrators' fees.
- Formation of the Creditors' Committee:
 - Formal process. Notice of suggested members to be sent with our proposals and to be voted on by creditors.
 - Minimum 3 members, maximum 5 members.
 - Interest expressed so far from some creditors.

AOB

- Company staff
- Company property

Questions

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