

**THE HIGH COURT**

2011 Record No. 426 COS

**IN THE MATTER OF ACE BERMUDA INTERNATIONAL REINSURANCE  
(IRELAND) LIMITED**

**AND**

**SECTIONS 201 AND 203 OF THE COMPANIES ACT 1963**

**AND**

**THE COMPANIES ACTS 1963 TO 2009**

**SCHEME OF ARRANGEMENT**

**Definitions**

A. In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:

<b>the Act</b>	the Companies Act 1963 (as amended);
<b>the Company</b>	ACE Bermuda International Reinsurance (Ireland) Limited;
<b>Companies Registration Office</b>	the authority responsible for the registration of companies in Ireland and the registration of business names in Ireland;
<b>Court Order</b>	the order or orders of the High Court sanctioning the Scheme under Sections 201 and 203 of the Act and confirming any contemporaneous Reduction of Capital of the Company under Sections 72 to 75 of the Act (inclusive);
<b>Shareholder</b>	ACE Bermuda Insurance Ltd., which is the holder of the Shares and of the shares in ACE Bermuda International Insurance (Ireland) Limited (ABII) in issue at the date of this document;
<b>Shares</b>	the shares in the Company in issue at the date of this document;
<b>High Court or Court</b>	the High Court of Ireland;
<b>Reduction of</b>	any contemporaneous reduction of the share capital of the Company

<b>Capital</b>	consequent upon the Scheme;
<b>Registrar of Companies</b>	the Registrar of Companies in Ireland; and
<b>Scheme</b>	the proposed scheme of arrangement under Sections 201 and 203 of the Act, with or subject to any modifications, additions or conditions approved or imposed by the High Court and agreed by the Company and the Shareholder.

#### **Recitals**

- A. The boards of directors of each of the Company and of ABII (the **Boards**) have approved a proposal whereunder the operations of the Company and ABII are to be amalgamated (the **Amalgamation**), so as to create a well capitalised and capital efficient platform and to avoid the present duplications in the operation of both the Company and ABII. The Boards are satisfied that the proposed amalgamation, to be effected by the Scheme, will not prejudice the interests of any policyholder or creditor of the Company or of ABII, in any materially adverse fashion.
- B. The authorised share capital of the Company at the date of this Scheme is US\$10,000,000 divided into 10,000,000 ordinary shares of US\$1.00 each of which, as at the date hereof, 961,528 ordinary shares of US\$1.00 each, have been issued and are credited as fully paid and the remainder are unissued.
- C. The authorised share capital of ABII at the date of this Scheme is US\$100,000,000 divided into 100,000,000 ordinary shares of US\$1.00 each of which, as at the date hereof, 1,000,000 ordinary shares have been issued and are credited as fully paid and the remainder are unissued.
- D. The Shareholder is the sole shareholder of both the Company and ABII. ABII has agreed to appear by Counsel on the hearing of the petition to sanction this Scheme and to undertake to the Court to be bound thereby and to execute or do, or procure to be executed or done, all such documents, acts or things as may be necessary or desirable to be executed or done by ABII or on its behalf for the purpose of giving effect to this Scheme.

#### **1. AMALGAMATION OF THE COMPANY WITH ABII**

- 1.1. Forthwith upon this Scheme taking effect, ABII shall, pursuant to section 203 of the Act, acquire and amalgamate with its own undertaking, the undertaking, all the property, assets and rights, real and personal, liabilities and obligations of every description of the Company, and by virtue of this Scheme, the undertaking, all the property, assets and rights of the Company as aforesaid shall be transferred to and vest in ABII and all the liabilities and obligations of the Company as aforesaid shall be transferred to and become

liabilities and obligations of ABII.

1.2. Following the implementation of the Scheme, the Company shall be dissolved without winding up upon such date as the Court may by Order prescribe

1.3. The Shareholder approves of the Scheme and consents to the Amalgamation notwithstanding the diminution in the value of its shareholding in the Company and it waives any rights it may otherwise have as against the Company in connection with the Scheme and/or Amalgamation.

**2. EFFECT OF THE SCHEME ON THE ISSUED SHARE CAPITAL OF THE COMPANY**

To the extent that the Scheme constitutes a reduction of capital within the meaning of Section 72(1) of the Act, the Shareholder shall, by special resolution, approve the Reduction of Capital, subject to the confirmation of the Court, and the Company will petition the Court for such confirmation.

**3. EFFECTIVE DATE**

3.1. The Scheme shall become effective as soon as an office copy of the Court Order and a copy of the minute required by Section 75 of the Act shall have been duly delivered by the Company to the Companies Registration Office for registration and shall have been duly registered by the Registrar of Companies.

3.2. If the Scheme has not become effective by 31 December 2012 (or such later date as the Company and the Shareholder may agree and the Court may allow) it will lapse.

**4. MODIFICATION**

The Company and the Shareholder may jointly consent on behalf of all persons concerned to any modification, addition or condition to this Scheme which the Court may think fit to approve or impose.

**5. COSTS**

The Company is authorised and permitted to pay all the costs and expenses incurred by it relating to the negotiation, preparation, approval and implementation of this Scheme.

**6. GOVERNING LAW**

The Scheme shall be governed by and construed in accordance with the laws of Ireland. The Company and the Shareholder hereby agree that the Irish Courts shall have exclusive jurisdiction to hear and determine any suit, action or proceeding or to

settle any dispute which may arise in relation thereto.

Chairman:  ANUP SETH

Dated: 08/08/2011