

DRAFT

DATED [●] 2022

Relationship and Economic Rights Agreement

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THIS AGREEMENT is made on [•] 2022

BY AND AMONG:

- (A) **MARKEL CATCO REINSURANCE FUND LTD.** (provisional liquidators appointed for restructuring purposes), an exempted company incorporated and existing under the laws of Bermuda with the registration number 50599 and whose registered office is at Crawford House, 50 Cedar Avenue, Hamilton HM 11, Bermuda (the “**Private Fund**”), acting in respect of its segregated account Markel CATCo Diversified Fund (the “**Master Fund**”);
- (B) **MARKEL CATCO REINSURANCE FUND LTD.** (provisional liquidators appointed for restructuring purposes), an exempted company incorporated and existing under the laws of Bermuda with the registration number 50599 and whose registered office is at Crawford House, 50 Cedar Avenue, Hamilton HM 11, Bermuda, acting in respect of its segregated account the Aquilo Fund (the “**Aquilo Fund**”);
- (C) **MARKEL CATCO RE LTD.** (provisional liquidators appointed for restructuring purposes), an exempted company incorporated and existing under the laws of Bermuda with the registration number 50602 and whose registered office is at Crawford House, 50 Cedar Avenue, Hamilton HM 11, Bermuda (the “**Reinsurer**”), acting in respect of its general account and its Segregated Accounts;
- (D) **MARKEL CATCO INVESTMENT MANAGEMENT LTD.** (provisional liquidators appointed for restructuring purposes), an exempted company incorporated and existing under the laws of Bermuda with the registration number 50576 and whose registered office is at Crawford House, 50 Cedar Avenue, Hamilton HM 11, Bermuda (the “**Manager**”); and
- (E) **SPC, LTD.** a company incorporated in Bermuda with registered number 202100103 and whose registered office is at Crawford House, 50 Cedar Avenue, Hamilton HM 11, Bermuda (the “**Purchaser**”).

WHEREAS:

- (A) The Master Fund is a segregated account of the Private Fund established to provide shareholders with the opportunity to participate in the investment returns of various fully-collateralised retro reinsurance-based instruments, securities (such as notes, swaps and other derivatives), and other financial instruments.
- (B) The Master Fund’s investments currently consist of the SPI 2016 Investments, SPI 2017 Investments, SPI 2018 Investments and SPI 2019 Investments as described in Schedule 1.
- (C) The Aquilo Fund is a segregated account of the Private Fund established to provide shareholders with the opportunity to participate in the investment returns of traditional (non-retro) reinsurance products issued by the Reinsurer. The Aquilo Fund investments consist of the Aquilo Investments as described in Schedule 1.

- (D) The Purchaser has been established to acquire the Sale Investments (defined below) from the Private Fund, on the terms and subject to the conditions of this Agreement. In order to fund this acquisition, the Purchaser has entered into the Facility Agreement with the FundingCos (defined below) for loans totalling the Purchase Price (defined below) and with the Reinsurer as a co-borrower and pledgor in respect of such loans.
- (E) The Parties wish to enter into this Agreement to regulate the terms and conditions on which (x) the Purchaser shall acquire the Sale Investments; (y) the Private Fund, the Manager and the Reinsurer shall operate on an ongoing basis; and (z) the economic rights of the Purchaser and the Private Fund are determined with respect to their respective Reinsurer Shares following Completion.

IT IS AGREED:

1. INTERPRETATION

1.1 In this Agreement:

“**2016 Loans**” has the meaning set out in the Facility Agreement;

“**2017 Loans**” has the meaning set out in the Facility Agreement;

“**2018 Loans**” has the meaning set out in the Facility Agreement;

“**2019 Loans**” has the meaning set out in the Facility Agreement;

“**Aquilo Cash**” means the aggregate cash held in the Trust Accounts (Aquilo) of the Reinsurer (on behalf of the relevant Segregated Accounts) set out under the heading ‘*Trust Accounts (Aquilo)*’ in the Segregated Account Schedule;

“**Aquilo Fund**” has the meaning given to it in the Preamble;

“**Aquilo Fund Shares**” that class of non-voting redeemable participating shares of par value of USD0.0001 each in the capital of the Private Fund established in respect of the Aquilo Fund;

“**Aquilo Fund’s Nominated Account**” means the deposit account for payment of the Aquilo Sale Investments Purchase Price, namely: [●];

“**Aquilo Investments**” means the Reinsurer Shares held by the Private Fund as at the date of this Agreement and attributable to the Aquilo Fund Shares as set out in Schedule 1.

“**Aquilo Loans**” has the meaning set out in the Facility Agreement;

“**Aquilo Sale Investments**” means the Aquilo Investments identified in Schedule 2 that represent the Aquilo Investments less one Reinsurer Share per class of Reinsurer Share attributable to Aquilo Fund Shares;

“**Aquilo Sale Investments Purchase Price**” has the meaning given to it in Clause 5(e);

“Business Day” means a day (other than a Saturday or Sunday or a public holiday) when commercial banks are open for ordinary banking business in Bermuda and London;

“Closing Date” means the date defined as the Closing Date within the Schemes of Arrangement;

“Code” means the United States Internal Revenue Code of 1986, as amended;

“Completion” means the completion of the sale and purchase of the Sale Investments under this Agreement on the Effective Date;

“Effective Date” has the meaning given to it in Clause 3.1;

“Encumbrance” means any pledge, charge, lien, mortgage, debenture, hypothecation, security interest, pre-emption right, option, claim, equitable right, power of sale, pledge, retention of title, right of first refusal or other third-party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing;

“Facility Agreement” means the facility agreement by and among the Purchaser, as borrower, the Reinsurer, as co-borrower and the FundingCos, as lenders, entered into on [●], which provides for loans to fund the Purchase Price for the purchase of the Sale Investments;

“FundingCos” means SOAFC I, Inc., SOAFC II, Inc. and SOAFC III, Ltd.;

“JPL Appointment Order” means the order dated 1 October 2021 issued by the Supreme Court of Bermuda evidencing the appointment of the JPLs.

“JPLs” means Simon Appell of AlixPartners LLP and John McKenna of Finance & Risk Services Ltd. acting as joint provisional liquidators, with limited powers for restructuring purposes, of the Private Fund, the Manager and the Reinsurer, appointed pursuant to the JPL Appointment Order.

“Loans” means the 2016 Loans, the 2017 Loans, the 2018 Loans and the 2019 Loans;

“Manager” has the meaning given to it in the Preamble;

“Master Fund” has the meaning given to it in the Preamble;

“Master Fund’s Nominated Account” means the deposit account for payment of the Purchase Price, namely: [●];

“Master Fund Shares” that class of non-voting redeemable participating shares of par value of USD0.0001 each in the capital of the Private Fund established in respect of the Master Fund;

“Notice” has the meaning given to it in Clause 17.1;

“Party” means a party to this Agreement and **“Parties”** shall mean the parties to this Agreement;

“Private Fund” has the meaning given to it in the Preamble;

“Private Fund Board” means the board of directors of the Private Fund;

“Private Fund’s Constitution” means the bye-laws of the Private Fund dated and effective on 16 September 2015 and amended on 9 June 2016, as amended from time to time; the memorandum of association of the Private Fund, dated 11 September 2015; and the offering memorandum of the Private Fund dated June 2018;

“Public Fund” means CATCo Reinsurance Opportunities Fund Ltd;

“Purchase Price” has the meaning given to it in Clause 5;

“Purchaser” has the meaning given to it in the Preamble;

“Recapitalized Shares” has the meaning given to it in Clause 12.1;

“Reinsurer” has the meaning given to it in the Preamble;

“Reinsurer Shareholders” means the holders, from time to time, of the Reinsurer Shares;

“Reinsurer Shares” means the preference shares of USD0.001 par value each in the capital of the Reinsurer;

“Sale Investment Shareholders” means the holders, from time to time, of the Sale Investments;

“Sale Investments” means the SPI 2016 Sale Investments, SPI 2017 Sale Investments, SPI 2018 Sale Investments, SPI 2019 Sale Investments, and the Aquilo Sale Investments;

“Schemes of Arrangement” means the schemes of arrangement between the Private Fund and the creditors of the Private Fund, and between the Public Fund and the creditors of the Public Fund sanctioned by the Supreme Court of Bermuda on [●] pursuant to section 99 of the Companies Act 1981 of Bermuda, as amended;

“Segregated Account” means each segregated account of the Reinsurer set out in the Segregated Account Schedule;

“Segregated Account Schedule” means, collectively, Schedule 2 (*Segregated Accounts and Trust Agreements (Co-Borrower)*) of the Facility Agreement and Schedule 3 (*Segregated Accounts and Trust Agreements (Aquilo)*) of the Facility Agreement;

“Side-Pocket Investment” means an investment made by the Private Fund which has been identified as a side-pocket investment by the Private Fund Board in accordance with the Private Fund’s Constitution;

“SPI 2016 Cash” means the aggregate cash held in the Trust Accounts of the Reinsurer (on behalf of the relevant Segregated Accounts) set out under the heading ‘*SPI 2016 Trust Accounts*’ in the Segregated Account Schedule;

“SPI 2016 Investments” means the Reinsurer Shares held by the Private Fund as at the date of this Agreement and attributable to the SPI 2016 Shares as set out in Schedule 1;

“SPI 2016 Sale Investments” means the SPI 2016 Investments identified in Schedule 2 that represent the SPI 2016 Investments less one Reinsurer Share per class of Reinsurer Share attributable to SPI 2016 Shares;

“SPI 2016 Shares” means the Master Fund Shares issued in respect of certain investments designated by the Private Fund Board as side pocket investments in relation to events occurring in 2016;

“SPI 2017 Cash” means the aggregate cash held in the Trust Accounts of the Reinsurer (on behalf of the relevant Segregated Accounts) set out under the heading ‘*SPI 2017 Trust Accounts*’ in the Segregated Account Schedule;

“SPI 2017 Investments” means the Reinsurer Shares held by the Private Fund as at the date of this Agreement and attributable to the SPI 2017 Shares as set out in Schedule 1;

“SPI 2017 Sale Investments” means the SPI 2017 Investments identified in Schedule 2 that represent the SPI 2017 Investments less one Reinsurer Share per class of Reinsurer Share attributable to SPI 2017 Shares;

“SPI 2017 Shares” means the Master Fund Shares issued in respect of certain investments designated by the Private Fund Board as side pocket investments in relation to events occurring in 2017;

“SPI 2018 Cash” means the aggregate cash held in the Trust Accounts of the Reinsurer (on behalf of the relevant Segregated Accounts) set out under the heading ‘*SPI 2018 Trust Accounts*’ in the Segregated Account Schedule;

“SPI 2018 Investments” means the Reinsurer Shares held by the Private Fund as at the date of this Agreement and attributable to the SPI 2018 Shares as set out in Schedule 1;

“SPI 2018 Sale Investments” means the SPI 2018 Investments identified in Schedule 2 that represent the SPI 2018 Investments less one Reinsurer Share per class of Reinsurer Share attributable to SPI 2018 Shares;

“SPI 2018 Shares” means the Master Fund Shares issued in respect of certain investments designated by the Private Fund Board as side pocket investments in relation to events occurring in 2018;

“SPI 2019 Cash” means the aggregate cash held in the Trust Accounts of the Reinsurer (on behalf of the relevant Segregated Accounts) set out under the heading ‘*SPI 2019 Trust Accounts*’ in the Segregated Account Schedule;

“SPI 2019 Investments” means the Reinsurer Shares held by the Private Fund as at the date of this Agreement and attributable to the SPI 2019 Shares as set out in Schedule 1;

“SPI 2019 Sale Investments” means the SPI 2019 Investments identified in Schedule 2 that represent the SPI 2019 Investments less one Reinsurer Share per class of Reinsurer Share attributable to SPI 2019 Shares;

“SPI 2019 Shares” means the Master Fund Shares issued in respect of certain investments designated by the Private Fund Board as side pocket investments in relation to events occurring in 2019;

“SPI Sale Investments Purchase Price” has the meaning given to it in Clause 5(d);

“Tax” or **“Taxation”** means and includes all forms of taxation (other than deferred tax) and statutory and governmental, state, provincial, local governmental or municipal charges, duties, contributions and levies (including, for the avoidance of doubt, any apprenticeship levy or employer national insurance contributions), withholdings and deductions, in each case whether of Bermuda or elsewhere and whether levied by reference to income, profits, gains, net wealth, asset values, turnover, added value or otherwise and all penalties, charges, costs and interest relating thereto;

“Taxation Authority” means any governmental or other authority competent to impose Taxation whether in Bermuda or elsewhere or responsible for the administration and/or collection of Tax or enforcement of any law in relation to Tax;

“Transaction” means the agreement to sell and purchase the Sale Investments pursuant to this Agreement;

“Transaction Documents” means this Agreement and any other document entered into or to be entered into pursuant to this Agreement;

“Trust Accounts” means each trust account established pursuant to a Trust Agreement and set out in Schedule 2 (*Segregated Accounts and Trust Agreements (Co-Borrower)*) of the Facility Agreement and Schedule 3 (*Segregated Accounts and Trust Agreements (Aquila)*) of the Facility Agreement;

“Trust Agreements” means each reinsurance trust agreement Schedule 2 (*Segregated Accounts and Trust Agreements (Co-Borrower)*) of the Facility Agreement and Schedule 3 (*Segregated Accounts and Trust Agreements (Aquila)*) of the Facility Agreement entered into by the Reinsurer on behalf of the relevant Segregated Account, as guarantor, the relevant cedant, as beneficiary, and The Bank of New York Mellon, as trustee;

“USD” means the U.S. Dollar, the official currency of the United States of America; and

1.2 In this Agreement, unless the context otherwise requires:

1.2.1 Any reference to **“writing”** or **“written”** means any method of reproducing words in a legible and non-transitory form (including email unless expressly excluded).

- 1.3 References to:
- 1.3.1 “**include**” or “**including**” are to be construed without limitation;
- 1.3.2 a “**person**” include any individual, company, partnership, joint venture, firm, association, trust, governmental or regulatory authority or other body or entity (whether or not having separate legal personality);
- 1.3.3 recitals, Clauses, paragraphs and Schedules are (unless the context otherwise requires) to recitals, clauses and paragraphs of and schedules to, this Agreement. The Schedules form part of this Agreement;
- 1.3.4 any document are to it, as amended or restated, from time to time;
- 1.3.5 any statute or statutory provision include a reference to that statute or statutory provision as amended, consolidated or replaced from time to time (whether before or after the date of this Agreement) and include any subordinate legislation made under the relevant statute or statutory provision, except to the extent that any amendment, consolidation or replacement would increase or extend the liability of the Private Fund under this Agreement;
- 1.3.6 any legal term for any action, remedy, method of financial proceedings, legal document, legal status, court, official or any legal concept or thing shall, in respect of any jurisdiction other than Bermuda, be deemed to include what most nearly approximates in that jurisdiction to the legal term’s meaning under Bermuda law; and
- 1.3.7 to times of day are to Bermuda time unless otherwise stated.
- 1.4 Unless the context otherwise requires, words in the singular include the plural and vice versa and a reference to any gender includes all other genders.
- 1.5 The table of contents and headings are inserted for convenience only and do not affect the construction of this Agreement.

2. INTERPRETATION

- 2.1 The Parties acknowledge and agree that:
- 2.1.1 the obligations of the Private Fund under this Agreement are obligations of the Private Fund acting in respect of the Master Fund or the Aquilo Fund, as applicable, and accordingly, except where the context expressly requires otherwise, references in this Agreement to the “Private Fund” are to the Private Fund acting in respect of the Master Fund or the Aquilo Fund, as applicable; and
- 2.1.2 the obligations of the Reinsurer under this Agreement are obligations of the Reinsurer acting in respect of its general account and each of its Segregated Accounts and accordingly, except where the context expressly requires otherwise, references in this

Agreement to the “Reinsurer” include the Reinsurer acting in respect of its general account and each of its Segregated Accounts.

3. TERM

- 3.1 This Agreement shall take effect upon the Closing Date pursuant to the Schemes of Arrangement (the “**Effective Date**”).
- 3.2 This Agreement will continue from the Effective Date and shall only terminate following the final distribution of assets by the Private Fund.

4. SALE AND PURCHASE

Upon the terms and subject to the conditions of this Agreement, on the Effective Date the Private Fund agrees to sell and the Purchaser agrees to purchase all of the Sale Investments with all rights which are at the Effective Date attached to them (including, without limitation, the right to receive all dividends (including where declared and, on Completion, unpaid), distributions and interest declared, made, accrued or paid on or at any time after Completion) and the Sale Investments shall be sold by the Private Fund free from all Encumbrances, on the terms of this Agreement and the Purchaser hereby agrees to purchase such Sale Investments on and subject to the terms of this Agreement.

5. PURCHASE PRICE

The aggregate consideration for the sale and purchase of the Sale Investments shall be the payment by the Purchaser to the Private Fund of amounts equal to:

- (a) USD[●] for the SPI 2016 Sale Investments;
- (b) USD[●] for the SPI 2017 Sale Investments;
- (c) USD[●] for the SPI 2018 Sale Investments;
- (d) USD[●] for the SPI 2019 Sale Investments (together with the foregoing amounts, the “**SPI Sale Investments Purchase Price**”); and
- (e) USD[●] for the Aquilo Sale Investments (the “**Aquilo Sale Investments Purchase Price**”),

the sum total being the “**Purchase Price**”.

6. COMPLETION

- 6.1 On or before the Effective Date, the Private Fund shall:
 - (a) deliver or make available to the Purchaser duly executed share transfer forms in respect of the Sale Investments in favour of the Purchaser together with the share certificates to the extent issued by the Reinsurer (or an indemnity in respect of any lost or unavailable share certificates) relating to the Sale Investments; and

- (b) hold a board meeting of the Private Fund Board prior to Completion at which the transfers of the Sale Investments pursuant to this Agreement shall be approved for registration.
- 6.2 On the Effective Date, the Purchaser shall pay the SPI Sale Investments Purchase Price by wire transfer of immediately available funds to the Master Fund's Nominated Account (this obligation to be deemed satisfied only upon receipt of the funds in the Master Fund's Nominated Account) and the Aquilo Sale Investments Purchase Price by wire transfer of immediately available funds to the Aquilo Fund's Nominated Account (this obligation to be deemed satisfied only upon receipt of the funds in the Aquilo Fund's Nominated Account).
- 6.3 On the Effective Date, the Reinsurer shall update and deliver the members' register of the Reinsurer to evidence the transfers of the Sale Investments to the Purchaser.
- 6.4 Immediately after the Effective Date, the Reinsurer shall attend to any notifications required to be made to the Bermuda Monetary Authority in connection with the transfers of the Sale Investments, in the time frame required for such notifications (if any).

7. PRIVATE FUND'S WARRANTIES

The Private Fund warrants to the Purchaser that the statements set out below are true and accurate as at the date of this Agreement and undertakes that they will be true and accurate at Completion as if they had been repeated at Completion:

- (a) it is the sole legal and beneficial owner of, and has the right to exercise all voting and other rights over, and is entitled to sell and transfer the full legal and beneficial ownership of the Sale Investments;
- (b) save in respect of any Encumbrances which are to be discharged on Completion, there is no Encumbrance on any of the Sale Investments;
- (c) it has the necessary legal right, power and authority to enter into, deliver and perform the Agreement;
- (d) the Agreement will, when executed by it, constitute legal, valid and binding obligations of it in accordance with the terms; and
- (e) the execution, delivery and performance of its obligations under, the Agreement will not:
 - (i) result in a breach of, or constitute a default under, any agreement or instrument to which it is a party or by which it is respectively bound;
 - (ii) result in a breach of any order, judgment or decree of any court or governmental agency to which it is a party or by which it is bound; or

- (iii) require it to obtain any consent or approval of, or give any notice to or make any registration with, any governmental or regulatory authority which has not been obtained or made at the date of this Agreement on a basis which is both unconditional and which cannot be revoked.

8. POST-COMPLETION UNDERTAKINGS

8.1 Following Completion, except for repayment of the Loans under the Facility Agreement, the Reinsurer will make no distributions of assets or funds comprising:

- (a) SPI 2016 Cash unless and until the 2016 Loans are fully repaid;
- (b) SPI 2017 Cash unless and until the 2017 Loans are fully repaid;
- (c) SPI 2018 Cash unless and until the 2018 Loans are fully repaid;
- (d) SPI 2019 Cash unless and until the 2019 Loans are fully repaid; or
- (e) Aquilo Cash unless and until the Aquilo Loans are fully repaid.

8.2 Concurrent with any repayment of any portion of any Loan under the Facility Agreement or, notwithstanding Clause 8.1, any distributions paid to the Sale Investment Shareholders, the Reinsurer and Purchaser agree to cancel an equal proportion of the:

- (a) SPI 2016 Sale Investments in the event of a repayment of the 2016 Loans or the distribution of assets or funds comprising SPI 2016 Cash to the Purchaser;
- (b) SPI 2017 Sale Investments in the event of a repayment of the 2017 Loans or the distribution of assets or funds comprising SPI 2017 Cash to the Purchaser;
- (c) SPI 2018 Sale Investments in the event of a repayment of the 2018 Loans or the distribution of assets or funds comprising SPI 2018 Cash to the Purchaser;
- (d) SPI 2019 Sale Investments in the event of a repayment of the 2019 Loans or the distribution of assets or funds comprising SPI 2019 Cash to the Purchaser; or
- (e) Aquilo Sale Investments in the event of a repayment of the Aquilo Loans or distribution of assets or funds comprising Aquilo Cash to the Purchaser,

such that all SPI 2016 Sale Investments, SPI 2017 Sale Investments, SPI 2018 Sale Investments, SPI 2019 Sale Investments or Aquilo Sale Investments will have been cancelled once the applicable Loan has been fully repaid.

8.3 Following Completion, the Reinsurer will make no distributions of assets or funds to any Reinsurer Shareholder if such distribution would result in the Sale Investment Shareholders and the FundingCos together receiving an aggregate amount of distributions and repayments of any Loan under the Facility Agreement in excess of the Purchase Price. Should a distribution of assets or funds occur contrary to the foregoing, such distribution

will be returned immediately and to the extent of such excess by the relevant Sale Investment Shareholder or FundingCo to the Reinsurer.

- 8.4 If there are further amounts available for distribution by the Reinsurer from the SPI 2016 Cash, SPI 2017 Cash, SPI 2018 Cash, SPI 2019 Cash or Aquilo Cash once the Reinsurer has repaid any relevant Loan in full, and cancelled all Sale Investments to which such Loan relates, such funds may be distributed to the Reinsurer Shareholders, less any transaction costs or ordinary course expenses in excess of the reserve described in Clause 11 below, through redemption of or distribution to Reinsurer Shareholders' shares, provided they are at such time held solely by the Private Fund, in accordance with the following:

- (a) with respect to SPI 2016 Cash, through a redemption of, or distribution to, SPI 2016 Investments;
- (b) with respect to SPI 2017 Cash, through a redemption of, or distribution to, SPI 2017 Investments;
- (c) with respect to SPI 2018 Cash, through a redemption of, or distribution to, SPI 2018 Investments;
- (d) with respect to SPI 2019 Cash, through a redemption of, or distribution to, SPI 2019 Investments; and
- (e) with respect to Aquilo Cash, through a redemption of or distribution to Aquilo Investments,

and in each case, such redemptions or distributions shall be made at least once per annum with any further redemptions or distributions being made by the Reinsurer at such times and in such amounts as may be determined by the Manager, in its sole discretion.

- 8.5 Following Completion, the Manager agrees to operate the Private Fund and the Reinsurer in a manner consistent with the terms of this Agreement.

9. TRANSFER OF SALE INVESTMENTS AND ASSIGNMENT

- 9.1 The Purchaser agrees that in the event that it transfers any or all of the Sale Investments, it will ensure that the recipient of such Sale Investments will acquire the rights and obligations that attach to the Purchaser with regard to the Sale Investments under this Agreement, including the obligation under this Clause 9.1.
- 9.2 Except as otherwise expressly provided for in this Agreement no Party may assign, transfer, create an Encumbrance, declare a trust of or otherwise dispose of all or any part of its rights, benefits or obligations under this Agreement, save that the Purchaser may charge and/or assign the benefit of this Agreement to any bank or financial institution or other person by way of security for the purposes of or in connection with the financing or refinancing (whether in whole or in part) by the Purchaser of the acquisition of the Sale Investments, provided that, any such assignee shall not be entitled to receive under this Agreement any greater amount than that to which the assignor would have been entitled and neither the

Purchaser nor the Private Fund, as applicable, shall be under any greater obligation or liability than if such assignment had never occurred.

10. CONFIDENTIALITY

10.1 Confidentiality

- (a) Subject to Clause 10.1(b), from the date of this Agreement to the date falling two (2) years following the date hereof: each of the Parties shall treat as strictly confidential and not disclose or use any information received or obtained as a result of entering into this Agreement which relates to the existence or the provisions of this Agreement.
- (b) Clause 10.1(a) shall not prohibit disclosure or use of any information if and to the extent:
 - (i) the disclosure or use is required to vest the full benefit of this Agreement in a Party;
 - (ii) the information is or becomes publicly available other than by breach of this Agreement;
 - (iii) the Purchaser has given prior written approval to the disclosure or use;
 - (iv) the information is independently developed after Completion;
 - (v) the disclosure or use is required by law, any governmental or regulatory body;
 - (vi) the disclosure or use is required for the purpose of any judicial or arbitral proceedings arising out of the Transaction;
 - (vii) the disclosure is made to a Taxation Authority in connection with the Tax affairs of the disclosing Party;
 - (viii) the disclosure is made by the Purchaser to any bank or financial institution in connection with the financing by the Purchaser of the acquisition of the Sale Investments, provided such person undertakes to comply with the provisions of this Clause 10.1 in respect of such information as if it were a Party; or
 - (ix) the disclosure is made to professional advisers or actual or potential debt or equity financiers of any Party on a need to know basis provided that such person undertakes to comply with the provisions of this Clause 10.1 in respect of such information as if it were a Party;

provided that prior to disclosure or use of any information pursuant to Clause 10.1(b)(i), (iv) and (v), (except in the case of disclosure to a Taxation Authority) the Party concerned

shall promptly notify (to the extent permitted by any applicable law or regulation) the other Party of such requirement with a view to providing (if reasonably practicable to do so) the other Party with the opportunity to contest such disclosure or use or otherwise to agree to the timing and content of such disclosure or use.

11. COSTS AND EXPENSES

The Reinsurer will reserve an amount in respect of each Side-Pocket Investment to meet any post-Completion costs associated with the Transaction. The Reinsurer shall also reserve an amount which it estimates will be required to cover the ongoing costs of operating the Side-Pocket Investment until such Side-Pocket Investment is brought to an end, and if any amount remains unused at this time, such amount will be returned to the Private Fund for distribution to the Sale Investment Shareholders.

12. TAX

- 12.1 The Parties acknowledge and agree that, solely for U.S. federal income Tax purposes (and applicable U.S. state and local income Tax purposes), (a) the Loans shall be treated as equity interests of the Purchaser that are held by the FundingCos in proportion to the aggregate principal amount of the Loans advanced by each FundingCo to the Purchaser pursuant to the Facility Agreement; (b) the sale and purchase of the Sale Investments pursuant to this Agreement shall be treated as a taxable purchase of the Sale Investments by the Purchaser from the Private Fund, followed by a recapitalization (within the meaning of Section 368(a)(1)(E) of the Code) of the Sale Investments into a separate class of preference shares of the Reinsurer (the “**Recapitalized Shares**”); and (c) any repayment or prepayment of a Loan by the Reinsurer to the FundingCos, and any distribution from the Reinsurer to the Purchaser, shall be treated as a redemption of the Recapitalized Shares held or deemed to be held by the Purchaser, followed by a proportionate redemption of the equity interests of the Purchaser deemed to be held by the FundingCos pursuant to clause (a) of this Clause 12.1.
- 12.2 The Parties shall prepare and timely file, and cause their affiliates to prepare and timely file, all relevant tax returns on a basis consistent with Clause 12.1 and take no inconsistent position, and cause their respective affiliates to not take any inconsistent position, on any tax return, in any audit, examination or similar proceeding relating to Taxes before any Taxation Authority, or otherwise, except to the extent otherwise required pursuant to a “determination” within the meaning of Section 1313(a) of the Code (or any analogous provision of United States state or local law).

13. JOINT PROVISIONAL LIQUIDATORS’ LIABILITY

- 13.1 Each of the Parties acknowledges that the JPLs act as agents of the Private Fund, the Manager or the Reinsurer and each of the Parties agrees that neither the JPLs nor their related parties shall incur any personal liability in any circumstances whatsoever, including, without limitation:

- (a) under, or by virtue of, any document (including this Agreement);

- (b) in relation to any related matter or claim howsoever, whenever, and wherever arising, and whether such claim be formulated in contract, restitution, tort or by reference to any other remedy or right, and in whatever jurisdiction or forum;
 - (c) by reason of their acting in their capacity as agents of the Private Fund, the Manager or the Reinsurer;
 - (d) whether or not acting as agents of the Private Fund, the Manager or the Reinsurer, by reason of their acting in the name of and on behalf of the Private Fund, the Manager or the Reinsurer; or
 - (e) in respect of any transfer, assignment or other documents made or entered into and delivered pursuant to this Agreement.
- 13.2 Neither the JPLs nor their related parties shall be liable on or under any deed or document executed with a view to, or for the purpose of, putting any document (including this Agreement) into effect, whether or not such deed or document so provides in its terms and the JPLs shall be entitled at any time to have any such deeds or documents amended at any time to include an exclusion of personal liability on the terms as set out in paragraph 13.1(a) above.

14. FURTHER ASSURANCE

- 14.1 The Private Fund and the Reinsurer undertake to execute and deliver (at its own cost) all such instruments and other documents and take all such actions as the Purchaser may from time to time reasonably require in order to effect the transfer of the Sale Investments to the Purchaser and otherwise to secure to the Purchaser the full benefit of this Agreement.
- 14.2 Each of the Parties severally undertakes to take all reasonable steps within their powers as any other Party may from time to time reasonably require in order to secure to the other Parties the full benefit of this Agreement.

15. EFFECT OF COMPLETION

The provisions of this Agreement and any other Transaction Documents which remain to be performed following Completion shall continue in full force and effect notwithstanding Completion taking place.

16. PAYMENT

- 16.1 Any payments pursuant to this Agreement shall be made in full, without any set off, counterclaim and without any deduction or withholding (save as may be permitted by required by law, or as otherwise agreed).
- 16.2 Any payments pursuant to this Agreement shall be effected by crediting for same day value the account specified by the Purchaser (reasonably in advance and in sufficient details to enable payment by telegraphic or other electronic means to be effected) on or before the due date for payment.

- 16.3 Payment of a sum in accordance with this Clause 16 shall constitute a payment in full of the sum payable and shall be a good discharge to the payer (and those on whose behalf such payment is made) of the payer's obligation to make such payment and the payer (and those on whose behalf such payment is made) shall not be obliged to see to the application of the payment as between those on whose behalf the payment is received.

17. NOTICES

- 17.1 Any notice or other communication to be given under or in connection with this Agreement ("Notice") shall be in the English language in writing and signed by or on behalf of the Party giving it. A Notice may be delivered personally or sent by email, pre-paid recorded delivery or international courier to the address or fax number provided in Clause 17.3, and marked for the attention of the person specified in that Clause.

- 17.2 A Notice shall be deemed to have been received:

- (a) at the time of delivery if delivered personally or courier;
- (b) at the time of sending if sent by email; provided that receipt shall not occur if the sender receives an automated message indicating that the message has not been delivered to the recipients;
- (c) 9.00 am two (2) Business Days after the time and date of posting if sent by pre-paid recorded delivery; or
- (d) 9.00 am three (3) Business Days after the time and date of posting if sent by international courier,

provided that if deemed receipt of any Notice occurs after 16.00 pm or is not on a Business Day, deemed receipt of the Notice shall be 9.00 am on the next Business Day. References to time in this Clause 17.2 are to local time in the country of the addressee.

- 17.3 The addresses and emails for service of Notice are:

PRIVATE FUND:

Name:	Markel CATCo Reinsurance Fund
Address:	Markel House 2 Front Street Hamilton HM11, Bermuda
For the attention of	Federico Candiolo; Michael Toyer
Email:	Federico.Candiolo@markelcatco.com Michael.Toyer@markelcatco.com

PURCHASER:

Name:	SPC, Ltd.
Address:	c/o Markel Corporation

4521 Highwood Parkway
Glen Allen, VA 23060 USA

For the attention of Richard Grinnan and Justin Broussard
Email: Richard.grinnan@markel.com; justin.broussard@markel.com

REINSURER

Name: Markel CATCo Re
Address: Markel House
2 Front Street
Hamilton HM11, Bermuda
For the attention of Federico Candiolo; Michael Toyer
Email: Federico.Candiolo@markelcatco.com
Michael.Toyer@markelcatco.com

MANAGER:

Name: Markel CATCo Investment Management
Address: Markel House
2 Front Street
Hamilton HM11, Bermuda
For the attention of Federico Candiolo; Michael Toyer
Email: Federico.Candiolo@markelcatco.com
Michael.Toyer@markelcatco.com

17.4 A Party shall notify the other Parties of any change to its details in Clause 17.3 in accordance with the provisions of this Clause 17.4 provided that such notification shall only be effective on the later of the date specified in the notification and five (5) Business Days after deemed receipt.

18. INVALIDITY

18.1 If any provision in this Agreement is held to or becomes illegal, invalid or unenforceable, in whole or in part, under the law of any jurisdiction the provision shall apply with whatever deletion or modification is necessary so that the provision is legal, valid and enforceable and gives effect to the commercial intention of the Parties.

18.2 To the extent it is not possible to delete or modify the provision, in whole or in part, under Clause 18.1 then such provision or part of it shall, to the extent that it is illegal, invalid or unenforceable, be deemed severed from this Agreement. The remaining provisions will, subject to any deletion or modification made under Clause 18.1, not be affected, remain in full force in that jurisdiction and all provisions shall continue in full force in any other jurisdiction.

19. ENTIRE AGREEMENT

- 19.1 This Agreement constitutes the whole agreement between the Parties relating to the subject matter of this Agreement and the Transaction Documents at the date of this Agreement to the exclusion of any terms implied by law which may be excluded by contract and supersedes any previous written or oral agreement between the Parties in relation to the matters dealt with in this Agreement.
- 19.2 Each Party acknowledges that, in entering into this Agreement, it is not relying on any representation, warranty or undertaking not expressly incorporated into it.
- 19.3 A Party's only right or remedy in relation to any provision of this Agreement or any other Transaction Document shall be for breach of this Agreement or that Transaction Document and no Party shall have any right or remedy in respect of misrepresentation (whether negligent or innocent and whether made prior to and/or in this Agreement).
- 19.4 Nothing in this Clause 19 limits or excludes any liability for fraud.

20. VARIATION

No variation of this Agreement shall be effective unless in writing and signed by or on behalf of the each of the Parties.

21. NO WAIVER

- 21.1 No waiver of any right under this Agreement or any other Transaction Document shall be effective unless in writing. Unless expressly stated otherwise, a waiver shall be effective only in the circumstances for which it is given.
- 21.2 No delay or omission by any Party in exercising any right or remedy provided by law or under this Agreement shall constitute a waiver of such right or remedy.
- 21.3 The single or partial exercise of a right or remedy under this Agreement shall not preclude any other nor restrict any further exercise of any such right or remedy.

22. THIRD-PARTY RIGHTS

- 22.1 This Agreement is made for the benefit of the Parties and their successors and is not intended to benefit any other person, and no other person shall have any right to enforce any of its terms whether under the Contracts (Rights of Third Parties) Act 2016 of Bermuda or any other such legislation.
- 22.2 The Parties may amend or vary this Agreement in accordance with its terms without the consent of any other person.

23. COUNTERPARTS

This Agreement may be and shall be effective when each Party has executed a counterpart. Each counterpart shall constitute an original of this Agreement, but all the counterparts shall together constitute one and the same instrument. For the avoidance of doubt, a Party's execution and delivery of this Agreement by electronic signature and electronic transmission, including via docusign or other similar method shall constitute the execution and delivery of this Agreement by or on behalf of such Party and shall bind such Party to the terms of this Agreement.

24. GOVERNING LAW AND SUBMISSION TO JURISDICTION

- 24.1 This Agreement (and the other Transaction Documents which are not expressed to be governed by another law) and any non-contractual obligations arising out of or in connection with it is governed by and shall be construed in accordance with the laws of Bermuda.
- 24.2 Each of the Parties irrevocably agrees that the courts of Bermuda shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Agreement and the other Transaction Documents and that accordingly any proceedings arising out of or in connection with this Agreement and the other Transaction Documents shall be brought in such courts.
- 24.3 Each of the Parties agrees that in the event of any action between any of the Parties being commenced in respect of this Agreement or any matters arising under it, the process by which it is commenced (where consistent with the applicable court rules) may be served on them in accordance with Clause 17.

Executed by **MARKEL CATCO**
REINSURANCE FUND LTD. (provisional Director
liquidators appointed for restructuring
purposes), acting in respect of the Master
Fund, acting by _____, a director
and, _____, a director. Director

Executed by **MARKEL CATCO**
REINSURANCE FUND LTD. (provisional Director
liquidators appointed for restructuring
purposes), acting in respect of the Aquilo
Fund, acting by _____, a director
and, _____, a director. Director

Executed by **MARKEL CATCO RE LTD.**
(provisional liquidators appointed for Director
restructuring purposes), acting in respect of its
general account and acting in respect of the
Segregated Accounts, acting by
_____, a director and, Director
_____, a director.

Executed by **MARKEL CATCO**
INVESTMENT MANAGEMENT LTD. Director
(provisional liquidators appointed for
restructuring purposes), acting by
_____, a director and,
_____, a director. Director

Executed by **SPC, LTD.** acting by
_____, a director and, Director
_____, a director.
.....
Director

SCHEDULE 1

SPI INVESTMENTS AND AQUILO INVESTMENTS

NOTE: TO BE REMOVED FOR FILING

SPI 2016 INVESTMENTS						
Class of Shares	Contract Name	Date of Issue	Reference Number	Trust Account	Amounts ¹	Shares
Class D	Ariel Jan 16	1/1/2016	MCT-0001-AR16	8475838400	-	-
Class V	Apollo Syndicate Jan 16	1/1/2016	MCT-0001-AO16	8462388400	-	-
Class BB	WRB Group Jan 16	3/1/2016	MCT-0002-WR16	8466868400	-	-
Class BR	Odyssey Apr 16 (Aquila Re Novation)	4/1/2016	MCT-0001-OR16	8468938400	-	-
Class BQ	Beazley Apr 16	4/1/2016	MCT-0002-BZ16	8478408400	-	-
Class BQ	Beazley Apr 16	4/1/2016	MCT-0002-BZ16	8478408400	-	-

SPI 2017 INVESTMENTS						
Class of Shares	Contract Name	Date of Issue	Reference Number	Trust Account	Amounts	Shares
Class P	Amlin Syndicate 2001 Jan 17	1/1/2017	MCT-0001-AM17	8466898400	18,535.35	300,599,363.89
Class S	Fidelis Insurance Bermuda Jan 17	1/1/2017	MCT-0001-FI17	8462398400	-	-
Class U	WRB Syndicate Jan 17	1/1/2017	MCT-0001-WR17	8466888400	-	-
Class Z	QIC-Lancashire Jan 17	1/1/2017	MCT-0001-LA17	8475708400	250,001.29	455,519.16
Class BX	Blenheim Jan 17	1/1/2017	MCT-0001-BL17	8475718400	539,094.18	2,794,905.05
Class BY	Ariel Jan 17	1/1/2017	MCT-0001-AR17	8466838400	1,083,873.88	11,840,793.33
Class BZ	Aspen Jan 17	1/1/2017	MCT-0001-AP17	8468858400	31.39	907.98
Class CA	Arch Reinsurance Ltd (Bermuda) Jan 17	1/1/2017	MCT-0001-AC17	8468868400	-	-
Class CB	Faraday Jan 17	1/1/2017	MCT-0001-FR17	8466858400	48,225,636.83	49,777,489.93
Class CC	SCOR P&C Jan 17	1/1/2017	MCT-0001-SC17	8466818400	-	-

¹ **Note to draft:** Centaurfs to confirm if this is USD.

Class CD	Talbot Jan 17	1/1/2017	MCT-0001-TB17	8468928400	5,610,959.10	13,497,792.23
Class CE	Hiscox Jan 17	1/1/2017	MCT-0001-HI17	8462758400	11,627,339.36	34,476,116.31
Class CF	Munich Re Jan 17	1/1/2017	MCT-0001-MU17	Rated Paper	-	-
Class CI	Cathedral Syndicate 2010 Jan 17	1/1/2017	MCT-0001-CA17	8466828400	179.86	386.31
Class CJ	QBE SYND 566 Jan 17	1/1/2017	MCT-0001-QB17	8466878400	-	-
Class CL	Humboldt Re Jan 17	1/1/2017	MCT-0001-HU17	8475728400	14,290,665.51	21,779,524.55
Class CM	Kelvin Re Jan 17	1/1/2017	MCT-0001-KE17	8475738400	8,011,981.55	13,154,072.30
Class CQ	WRB Group Jan 17	1/1/2017	MCT-0002-WR17	8466868400	15,039,265.19	28,019,883.00
Class CS	Beazley Apr 17	4/1/2017	MCT-0001-BZ17	8462348400	-	-
Class CT	AWAC May 17	5/1/2017	MCT-0001-AW17	9643438400	4,742,973.05	26,122.70
Class CW	AmTrust July 17	7/1/2017	MCT-0001-AT17	8475748400	5,000,000.00	2,962,342.59
Class CX	Odyssey July 17	7/1/2017	MCT-0001-OR17	8468938400	-	-
Class BQ	Beazley Apr 16	4/1/2016	MCT-0002-BZ16	8478408400	-	-

SPI 2018 INVESTMENTS						
Class of Shares	Contract Name	Date of Issue	Reference Number	Trust Account	Amounts	Shares
Class DB	Sompo Jan 2018	1/1/2018	MCT-0001-SO18	8489458400	-	-
Class DC	Arch USA Jan 2018	1/1/2018	MCT-0002-AC18	8473948400	80,987.32	12,603,429.32
Class DE	Amlin Jan 2018	1/1/2018	MCT-0001-AM18	8473498400	55,490.07	74,841.66
Class DF	Lancashire Jan 2018	1/1/2018	MCT-0001-LA18	8487258400	(4,067,300.00)	(67,331,242.76)
Class DG	Fidelis Jan 2018	1/1/2018	MCT-0001-FI18	8474408400	38,787.97	722,799.15
Class DH	Ren Re Jan 2018	1/1/2018	MCT-0001-RE18	8476008400	176.31	3,487.93
Class DI	Da Vinci Jan 2018	1/1/2018	MCT-0001-DA18	8475988400	117.50	2,357.43
Class DK	Cathedral Jan 2018	1/1/2018	MCT-0001-CA18	8475828400	83.78	95.66
Class DL	Arch Bermuda Jan 2018	1/1/2018	MCT-0001-AC18	8473908400	4,163.17	267,919.71
Class DM	Pillar (JC Re) Jan 2018	1/1/2018	MCT-0001-JC18	8475938400	-	-
Class DN	Talbot Jan 2018	1/1/2018	MCT-0001-TB18	8472808400	342,795.93	150.13
Class DO	SCOR Jan 2018	1/1/2018	MCT-0001-SC18	8475968400	70,416.99	398,384.12
Class DP	Pillar (Hannover) Jan 2018	1/1/2018	MCT-0002-JC18	8476018400	-	-

Class DQ	Blenheim Jan 2018	1/1/2018	MCT-0001-BL18	8487248400	904.95	6.16
Class DR	Faraday Jan 2018	1/1/2018	MCT-0001-FR18	8475918400	24,333.45	794.21
Class DS	IAG Jan 2018	1/1/2018	MCT-0001-IG18	8887560360	203,585.87	12,735,638.00
Class DY	Aquilo (Hannover) Jan 2018	1/1/2018	MCT-0001-AQ18	8483208400	-	-
Class DZ	Ariel Jan 2018	1/1/2018	MCT-0001-AR18	8475878400	6,343,549.44	78,583,585.36
Class EA	Aspen Jan 2018	1/1/2018	MCT-0001-API18	8475928400	-	-
Class EB	Hiscox Jan 2018	1/1/2018	MCT-0001-HI18	8476868400	201,208.49	3,781,033.53
Class ED	Validus Agg Jan 2018	1/1/2018	MCT-0001-VA18	8478438400	28,064.67	256,337.38
Class EG	WRB Syndicate Jan 2018	1/1/2018	MCT-0001-WR18	8475028400	1,190.83	1,293.24
Class EH	QBE Feb 2018	2/1/2018	MCT-0001-QB18	8474508400	-	-
Class EI	Hannover - China Re Feb 2018	2/1/2018	MCT-0001-CN18	8475908400	181,049.65	1,871,580.01
Class EK	AlphaCat ACA Apr 2018	4/1/2018	MCT-0001-AF18	8468888400	15,002,700.52	0.00
Class EL	AlphaCat ACO Apr 2018	4/1/2018	MCT-0002-AF18	8468898400	6,733.32	0.00
Class EM	Beazley Apr 2018	4/1/2018	MCT-0001-BZ18	8478418400	28,695.73	439,395.37
Class ER	Kelvin Jun 2018	6/1/2018	MCT-0001-KE18	8487288400	5,672.57	12,646.62
Class ET	Pillar (Hannover) July 2018	7/1/2018	MCT-0003-JC18	8476018400	-	-
Class EU	Odyssey July 2018	7/1/2018	MCT-0001-OR18	8468938400	-	-
Class EX	AmTrust July 2018	7/1/2018	MCT-0001-AT18	8487388400	950.97	413.88
Class EY	Cincinnati July 2018	7/1/2018	MCT-0001-CI18	8498618400	2,912,301.70	1,323,187.13
Class EQ	Humboldt Jun 2018	6/1/2018	MCT-0001-HU18	8487268400	2,403,671.25	69,566.48

SPI 2019 INVESTMENTS						
Class of Shares	Contract Name	Date of Issue	Reference Number	Trust Account	Amounts	Shares
Class FA	Ren Re Jan 2019	1/1/2019	MCT-0001-RE19	8498918400	8,139,476.67	8,649,619.15
Class FB	Da Vinci Jan 2019	1/1/2019	MCT-0001-DA19	8498928400	5,426,316.58	5,766,412.20
Class FC	Fidelis Jan 2019	1/1/2019	MCT-0001-FI19	5422448400	423,948.33	433,486,696.86
Class FD	Arch BDA Jan 2019	1/1/2019	MCT-0001-AC19	5422438400	774,136.95	64,218.15
Class FE	Ariel Jan 2019	1/1/2019	MCT-0001-AR19	5422608400	13,737,467.64	24,922,784.24

Class FG	Aspen Jan 2019	1/1/2019	MCT-0001-AP19	5422538400	6,216.40	2,163.96
Class FH	Munich Re Agg Layer 1 Jan 2019	1/1/2019	MCT-0001-MU19	8496608400	-	-
Class FI	Munich Re Agg Layer 2 Jan 2019	1/1/2019	MCT-0002-MU19	8496608400	-	-
Class FJ	Munich Re Occ Layer 1 Jan 2019	1/1/2019	MCT-0003-MU19	8496608400	-	-
Class FK	Munich Re Occ Layer 2 Jan 2019	1/1/2019	MCT-0004-MU19	8496608400	-	-
Class FL	SCOR Jan 2019	1/1/2019	MCT-0001-SC19	5422528400	-	-
Class FM	AWAC Jan 2019	1/1/2019	MCT-0001-AW19	5422698400	-	-
Class FN		1/1/2019	MCT-0001-TB19	5169768400	3,265,788.77	1,419,882.52
Class FO	Hiscox Jan 2019	1/1/2019	MCT-0001-HI19	5422668400	3,392,737.90	24,188,378.84
Class FQ	China Re Feb 2019	2/1/2019	MCT-0001-CN19	5169778400	5,221,854.46	7,048,101.98

AQUILO INVESTMENTS [Rose to provide]						
Class of Shares	Contract Name	Date of Issue	Reference Number	Trust Account	Amounts	Shares

SCHEDULE 2
SPI SALE INVESTMENTS AND AQUILO SALE INVESTMENTS

[●]