

IN THE SUPREME COURT OF GIBRALTAR
CHANCERY JURISDICTION

Comp. No. 26 of 2012

IN THE MATTER of Hill Insurance Company Limited

-and-

IN THE MATTER of the Companies Act

Friday the 7th day of September 2012

Before the Honourable Mr Justice Dudley, Chief Justice

UPON APPLICATION BY Hill Insurance Company Limited

AND UPON HEARING Nigel Feetham of Counsel with Claire Pizzarello instructed by Hassans Solicitors for the Petitioner and Terence Rocca, Crown Counsel instructed by the Official Receiver and Peter Caruana QC for the FSC and Keith Azopardi QC for Mr Visone

AND UPON READING the Petition for Winding Up and the Affidavit of Alan Kentish dated the 28th August 2012

AND UPON THE COURT CONFIRMING that the appointment of the Provisional Liquidator constitutes the opening of winding-up proceedings for the purposes of Directive 2001/17/EC of the European Parliament and of the Council of the 19th March 2001 on the reorganisation and winding up of insurance undertakings (“the Reorganisation Directive”), implemented in Gibraltar by the Insurers (Reorganisation and Winding Up) Act 2004 (“the Reorganisation Act”)

AND UPON THE COURT FURTHER CONFIRMING that the notification to be sent by the Provisional Liquidator to an insurance creditor who is ordinarily resident in an EEA State pursuant to Section 6 of the Reorganisation Act, implementing articles 15 and 17 of the Reorganisation Directive, is to be translated and provided in the official language or one of the official languages of the EEA State in which the creditor has his normal place of residence or domicile

IT IS ORDERED THAT:

1. Mr Joseph Caruana of Deloitte, Merchant House, 22/24 John Mackintosh Square, Gibraltar be appointed as Provisional Liquidator of Hill Insurance Company Limited until the hearing of the Petition or further order;
2. The said Provisional Liquidator do forthwith give security to the satisfaction of the Registrar pursuant to section 231(4) and section 237(a) of the Companies Act.
3. The said Provisional Liquidator do have the powers and be authorised to undertake those acts and functions which are set out below:
 - (a) to locate, protect, secure, take possession of, collect and get in all the property or assets (of whatever nature) to which the Company is or appears to be entitled, such assets and property not to be distributed or parted with by the Provisional Liquidator until further order except pursuant to the functions and powers hereby contained;

- (b) to locate, protect, secure, take possession of, collect and get in the books papers and records of the Company including the accounting and statutory records;
- (c) to do all such things as may be necessary or expedient for the protection of the Company's property or assets;
- (d) to carry on the business of the Company to the extent necessary to process and settle claims against the Company and effect reinsurance recoveries (including but not limited to paying reinstatement premiums);
- (e) to enter into communications with any creditors or debtors of the Company;
- (f) to discuss the Company and its operations with the Gibraltar Financial Services Commission and seek any assistance as may be provided by the said Commission in dealing with the Company its assets and liabilities;
- (g) to consider, prepare and promote (including consultations with creditors) a scheme of arrangements pursuant to Sections 205 and 241(1)(e) of the Companies Act between the Company and its creditors or any class of them;
- (h) to nominate an informal creditor's committee from among members of the general body of creditors of

the Company such informal creditors' committee to be referred to as the Committee of Inspection to assist the Provisional Liquidator in the discharge of his duties and, in particular, in the formulation and regulation of a scheme of arrangement pursuant to (g) above;

- (i) to finalise the terms of a scheme of arrangement and explanatory statement to be issued to the Company's creditors, or any class of them, and on being reasonably satisfied that such scheme has a reasonable prospect of being approved by the requisite majority of creditors and either sanctioned by the Court and, subject to such approval and sanction, to implement such scheme;
- (j) to investigate the affairs of the Company and obtain such information as is necessary to locate, protect, secure, take possession of, collect and get in assets of the Company or to further a scheme of arrangement;
- (k) to pay any employees of the Company or of any other company or entity concerned with the business of the Company as he think's fit, and dismiss any such employees;
- (l) to continue to operate the existing bank accounts of the Company and to open and operate new bank accounts (whether within or outside the jurisdiction) as appropriate and to pay monies into such accounts and authorise payments from such accounts;

- (m) to discharge rent as agent of the Company and other current expenses of the Company as necessary to continue the Company's operations;
- (n) to incur and pay normal administrative expenses of the Company and to pay any other payments which are necessary or incidental to the performance of the Provisional Liquidator's duties and functions;
- (o) to enter into agreements with third parties for the provision of run-off and related services to the Company in relation to the Company's insurance and reinsurance business and, to this end, to subscribe for shares in a corporate vehicle established for this purpose to appoint or to procure the appointment of one or more directors to the board of directors of said corporate vehicle and to enter into agreements arrangements with the other shareholders of the said corporate vehicle with respect to the business and control of the said corporate vehicle;
- (p) to subscribe for shares in a new company as a wholly owned subsidiary of the Company for the purposes of employing within the said new company those persons whom the Provisional Liquidator identifies as being necessary for the purpose of running-off the Company's insurance and reinsurance business, as well as for such other ancillary or administrative purposes as the Provisional Liquidator may deem appropriate and, to this end, to appoint or alternatively procure the appointment of directors to the board of the said new company;

- (q) to employ (whether directly or through the agency of any other person firm or company) and reimburse a third party for the cost of the employment of staff or other personnel to process claims made against the Company and to supervise the current run off of the Company;
- (r) to grant or accept a surrender of a lease or tenancy or any of the property of the Company and to take a lease or tenancy of any property required or convenient to the business of the Company;
- (s) to terminate complete or perfect as advised any contracts or transactions relating to the business of the Company including without prejudice to the generality of this power, to cancel any policy or policies of insurance;
- (t) to effect any insurance in connection with the management and maintenance of the business, property and assets of the Company;
- (u) to bring defend or intervene in any action or other legal proceedings whether in his own name or in the name and on behalf of the Company including, for the avoidance of doubt, the giving of any indemnity or cross undertaking in damages as may be necessary or if required and including proceedings outside as well as within Gibraltar;
- (v) in the name of and on behalf of the Company to do

all acts and to execute all deeds receipts or other documents and for that purpose using when necessary the Company's seal;

- (w) to engage and retain and/or employ (whether within or outside Gibraltar) any surveyors, solicitors, Counsel, lawyers, accountants, investment advisors, actuaries, run-off and claims consultants, managers, loss adjusters and/or other qualified persons to assist them in the performance of his duties and functions and in particular to prepare such reports as the Provisional Liquidator may consider necessary in connection with the scheme of arrangement;
- (x) to rank and claim in the bankruptcy, liquidation or insolvency of any person (including but not limited to any body corporate) indebted to the Company and to receive dividends, and to accede to trust deeds for the creditors of any such person;
- (y) to change the situation of the Company's registered office;
- (z) to pay premiums due or to become due under contracts of reinsurance entered into by the Company and to enter into new and/or replacement contract of reinsurance for the protection of the Company in relation to liabilities of the Company under current policies of insurance or reinsurance issued by the Company;
- (aa) to sell or otherwise dispose of property of the

Company by public auction or private treaty;

(bb) to do all things incidental to the exercise of the foregoing provisions;

(cc) to apply to the Court for directions in relation to any matter arising in connection with the carrying out of his functions.

4. The Provisional Liquidator shall report to the Court by 4pm on the 22nd November 2012 as to :

(i) The assets and liabilities attributable to the Company's general insurance business;

(ii) Whether a winding up order should be made in respect of the Company;

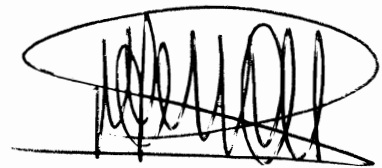
(iii) Any course of action the Provisional Liquidator would recommend to the Court such as, but not restricted to, the run-off of the Company's general insurance business.

The Provisional Liquidator shall provide a copy of the report to the Official Receiver, the FSC and such Directors of the Company as may request it.

5. The remuneration of the Provisional Liquidator shall be payable and drawn from the assets of the Company from time to time by reference to time spent by him and by employees of Deloitte Limited, Gibraltar, under his control on the basis of that firm's hourly rates for the type of work

involved, together with any expenses incurred in connection therewith;

6. The costs of this application and the costs of the Company in its petitioning to wind the Company up be paid as costs in the petition out of the assets of the Company.
7. The Provisional Liquidator be given liberty to apply to the Court for such further orders or directions as may be necessary or appropriate.

A handwritten signature in black ink, consisting of several vertical, wavy lines, enclosed within a large, hand-drawn oval.

REGISTRAR/