



MR JUSTICE MEADE
25 SEPTEMBER 2020

CR-2019-004112

IN THE MATTER OF
ASSURED GUARANTY (EUROPE) PLC

- and -

IN THE MATTER OF
ASSURED GUARANTY (EUROPE) SA

- and -

IN THE MATTER OF
PART VII OF THE FINANCIAL SERVICES AND MARKETS ACT 2000

ORDER

UPON THE APPLICATION by Assured Guaranty (Europe) plc ("**AGE plc**"), whose registered office is at 11th Floor, 6 Bevis Marks, London, EC3A 7BA, by the Claim Form presented to this Court on 27 September 2019;

AND UPON HEARING Martin Moore QC appearing as Counsel for AGE plc and Assured Guaranty (Europe) SA ("**AGE SA**"), whose registered office is at 71 Rue du Faubourg Saint-Honoré 75008 Paris, France;

AND UPON READING the Claim Form and the evidence;

AND UPON READING the reports of the Prudential Regulation Authority and the Financial Conduct Authority;

AND UPON IT APPEARING that a copy of the application, the report and the statement referred to in regulation 3(4) of the Financial Services and Markets Act 2000 (Control of Business Transfers) (Requirements on Applicants) Regulations 2001 (SI 2001/3625) as amended (the "**Regulations**") has been given free of charge to the Prudential Regulation Authority and the Financial Conduct Authority in accordance with regulation 3(5) of the Regulations and that a period of more than 21 days has elapsed since the Prudential Regulation Authority and the Financial Conduct Authority were given those documents;

AND UPON AGE SA by Counsel for AGE plc (being AGE SA's Counsel for the purposes herein), undertaking to be bound by the Scheme and to do all such acts and things as may be necessary or expedient to be done or executed by AGE SA for the purposes of giving effect thereto;

AND UPON the Court being satisfied that the appropriate certificates have been obtained as referred to in section 111 of the Financial Services and Markets Act 2000 (the "**Act**");

AND UPON the Court approving the attachment of the Summary of the Scheme set out in Schedule 1 hereto, such Summary providing a synopsis of the main features of the Scheme, which is not to be relied upon in place of the Scheme itself;

AND UPON the Court considering that, in all the circumstances, it is appropriate to sanction the Scheme;

THIS COURT HEREBY sanctions pursuant to section 111(1) of the Act the Scheme set out in Schedule 2 hereto;

AND IT IS ORDERED THAT all the terms of the Scheme shall as and from the dates and times therein provided take effect under section 112 of the Act without further act or instrument as if each were separately set out in this Order. Without prejudice to the generality of the foregoing (and using the definitions as set out in the Scheme, save where the context otherwise provides):

1. the transfer of the Transferred Business (including, for the avoidance of doubt, the Transferred Assets and Transferred Liabilities) provided for by paragraphs 1 to 3.1 of the Scheme and the transfer of property and liabilities (as defined by sections 112(12) and (13) of the Act respectively) provided for thereby shall take effect pursuant to section 112(1)(a) of the Act and vest or transfer as provided for by section 112(3) of the Act as a result of this Order notwithstanding any provision to the contrary in any agreement or arrangement with any person and whether or not AGE plc would apart from the terms of this Order have capacity to effect the same;
2. the remaining provisions in paragraph 3 of the Scheme relating to the continuity of proceedings shall take effect pursuant to section 112(1)(c) of the Act; and
3. the provisions of all other paragraphs of the Scheme not referred to in 1 and 2 above shall take effect pursuant to section 112(1)(d) of the Act;

AND IT IS FURTHER ORDERED THAT

4. in accordance with section 114(2) of the Act:
 - (a) notice of the making of this Order shall be published in each of the EEA States listed in Schedule 3 hereto by the insertion of a notice in such publication as is advised to AGE SA by either the Prudential Regulation Authority or any other relevant regulatory authority or failing any such advice in any official gazette or national newspaper in the relevant state or in an edition of the Financial Times newspaper circulating in the relevant state; and

- (b) such notice shall specify that the period during which the holder of any policy included within the transfer for which the Scheme provides, which evidences a contract of insurance as regards which the relevant EEA State is the EEA State in which the risk is situated, may exercise the right (if any) under the law of the relevant EEA State to cancel the policy shall be the period of 21 days starting from the date of such publication or such other period (if any) as the relevant EEA State shall determine; and
5. there shall be liberty for AGE SA and AGE plc to apply:
- (a) for such Orders as may be expedient or necessary for the purposes set out in section 112(1) of the Act;
 - (b) pursuant to paragraph 8 of the Scheme; and
 - (c) generally.

Dated this 25th day of September 2020.

Service of the order

The court has provided a sealed copy of this order to the serving party:

Hogan Lovells International LLP
Atlantic House
Holborn Viaduct
London EC1A 2FG

Ref: C4/WH/TJG

SCHEDULE 1

SUMMARY OF THE SCHEME

INTRODUCTION

This summary outlines the key elements of the transfer of certain insurance business of Assured Guaranty (Europe) plc ("**AGE plc**") (the "**Transferred Business**") to Assured Guaranty (Europe) SA ("**AGE SA**") (the "**Transfer**"). The full legal terms of the Transfer are set out in the insurance business transfer scheme ("**Scheme**") which is scheduled to this Order at Schedule 2.

On 25 September 2020 the High Court granted an order pursuant to Part VII of the Financial Services and Markets Act 2000, which gives effect to the Transfer (the "**Final Order**").

Unless otherwise defined, capitalised terms used in this summary shall have the meanings given to them in the Scheme. For ease of reference, a glossary of some of the key defined terms used herein is provided at the end of this summary.

This summary should not be regarded as comprehensive as should not be treated as a substitute for reading the Scheme.

KEY TERMS OF THE SCHEME

1. TRANSFER OF THE TRANSFERRED BUSINESS

The effect of the Final Order is to transfer the Transferred Business (including, for the avoidance of doubt, the Transferred Assets and Transferred Liabilities) with effect from 00.01 am on 1 October 2020, or such other date as the Court may allow upon the application of AGE plc and AGE SA.

2. EFFECT OF THE TRANSFER

With effect from the Effective Date:

- (a) the Transferred Business shall by the Final Order and without any further act or instrument be transferred to and vest in AGE SA in accordance with the Scheme;
- (b) every holder of a Transferred Policy shall become entitled, in substitution for any rights available to him under that policy against AGE plc, to the same rights against AGE SA and the obligations of every such holder under a Transferred Policy shall become enforceable (so far as still subsisting) by AGE SA; and
- (c) all references to AGE plc in contracts or other documents (whether or not AGE plc is a party to such contracts or other documents) shall to the extent that they relate to the Transferred Business be read and construed as if the same were references to AGE SA.

3. CONTINUITY OF PROCEEDINGS

Any judicial, quasi-judicial or arbitration proceedings or any complaint or claim to any ombudsman or other proceedings for the resolution of a dispute or claim (whether current or future) by or against AGE plc shall from the Effective Date to the extent that they are in connection with the Transferred Business be continued by or against AGE SA and AGE SA shall be entitled to all defences, claims, counterclaims and rights of set-off that would have been available to AGE plc in relation to such proceedings.

SCHEDULE 2

THE SCHEME

IN THE MATTER OF ASSURED GUARANTY (EUROPE) PLC

- and -

IN THE MATTER OF ASSURED GUARANTY (EUROPE) SA

- and -

IN THE MATTER OF PART VII OF THE FINANCIAL SERVICES AND MARKETS ACT 2000

SCHEME



Matter ref: 155952.000003
C4/TJG/6563716

Hogan Lovells International LLP
Atlantic House, 50 Holborn Viaduct, London, EC1A 2FG

SCHEME

INDEX

CLAUSE	PAGE
2. EFFECT OF THE TRANSFER	4
3. CONTINUITY OF PROCEEDINGS	4
INTERPRETATION	3
PRELIMINARY	6
OPERATIVE PROVISIONS	6
1. TRANSFER OF ASSETS	6
2. TRANSFER OF LIABILITIES	6
3. CONTINUITY OF PROCEEDINGS	6
4. PREMIUMS AND MANDATES	8
5. EXCLUDED POLICIES	9
6. EFFECTIVE DATE	9
7. COSTS AND EXPENSES	9
8. MODIFICATIONS OR ADDITIONS	10
9. EVIDENCE OF TRANSFER	10

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMPANIES COURT (CHD)

No: CR-2019-004112

IN THE MATTER OF ASSURED GUARANTY (EUROPE) PLC

- and -

IN THE MATTER OF ASSURED GUARANTY (EUROPE) SA

- and -

IN THE MATTER OF PART VII OF THE FINANCIAL SERVICES AND MARKETS ACT 2000

SCHEME

Pursuant to Part VII of the Financial Services and Markets Act 2000 for the transfer to Assured Guaranty (Europe) SA of certain insurance business of Assured Guaranty (Europe) plc.

INTERPRETATION

1. In this Scheme:

The following expressions bear the meanings specified opposite them:

- | | |
|-----------------------------|--|
| "Act" | the Financial Services and Markets Act 2000; |
| "Agreed Policy List" | the list of policies dated 18 September 2019 and signed on behalf of the Transferor and the Transferee entitled "2019 Part VII Transfer Agreed Policy List", as amended by the written agreement of the Transferor and the Transferee from time to time prior to the Court making the Order; |
| "Court" | the High Court of Justice of England and Wales; |
| "Effective Date" | the time and date on which this Scheme shall become effective in accordance with paragraph 6 of this Scheme; |
| "Excluded Policies" | policies under which any liability (whether current or future, actual or contingent) remains unsatisfied or outstanding at the Effective Date and:

(a) in the case of a direct insurance policy, in respect of which:

(i) for the purpose of Schedule 12 to the Act, an |

EEA State other than the United Kingdom is the State in which the contract was concluded; and

(ii) the Insurance Regulator has not prior to the issue of the Order provided the certificate referred to in Schedule 12 to the Act with respect to the relevant EEA State which is the State in which the contract was concluded; or

(b) which the Court for any reason determines shall not be transferred by virtue of the Scheme or the Order; or

(c) which prior to the Court making the Order the Transferor and the Transferee agree should be excluded from the Scheme;

"Excluded Policies Reinsurance Agreement"	the reinsurance agreement dated 18 February 2020 between the Transferor and the Transferee in respect of the Excluded Policies;
"Independent Expert"	the person nominated or approved under section 109(2)(b) of the Act in connection with this Scheme;
"Insurance Regulator"	as the context requires the Prudential Regulation Authority and/or the Financial Conduct Authority and/or any relevant successor regulator of UK insurance companies;
"Order"	the Order of the Court sanctioning this Scheme in accordance with section 111(1) of the Act;
"Outwards Reinsurance Contracts"	all reinsurance contracts in respect of which the Transferor is the reinsured which are subsisting on the Effective Date, to the extent that such contracts relate to the Transferred Policies;
"Relevant Policy"	a policy under which the Transferor is the insurer and which is included in the Agreed Policy List;
"Scheme"	this Scheme in its original form or with or subject to any modification, addition or condition that may be approved or imposed by the Court;

"Transferee"	Assured Guaranty (Europe) SA, a company incorporated in France with company number 852597384 RCS Paris and whose registered office is at 71 Rue du Faubourg Saint-Honoré 75008 Paris, France;
"Transferor"	Assured Guaranty (Europe) plc, a company incorporated in England and Wales with company number 02510099 and whose registered office is at 11th Floor, 6 Bevis Marks, London, EC3A 7BA;
"Transferred Ancillary Contract"	a contract entered into in connection with a Transferred Policy, whether or not the Transferor is party to such a contract;
"Transferred Assets"	all rights and powers of the Transferor as at the Effective Date under or by virtue of the Transferred Policies, the Outwards Reinsurance Contracts and the Transferred Ancillary Contracts;
"Transferred Business"	the Transferred Assets and the Transferred Liabilities;
"Transferred Liabilities"	all liabilities whatsoever (whether current or future, certain or contingent) of the Transferor as at the Effective Date under the Transferred Policies, the Outwards Reinsurance Contracts and the Transferred Ancillary Contracts;
"Transferred Policies"	all Relevant Policies written by the Transferor, except the Excluded Policies, under which any liability or contingent liability remains unsatisfied or outstanding on the Effective Date; and
"UK"	the United Kingdom of Great Britain and Northern Ireland.

2. "Property" includes property, assets, rights and any interest therein and powers of every description; "liabilities" includes duties and obligations; "transfer" includes (as the context may require) assign or assignment, dispose or disposal, convey or conveyance; and "policy" includes a policy of reinsurance as well as a policy of direct insurance.
3. Any reference to an enactment or a statutory provision, or to rules or guidance of the Insurance Regulator, includes that enactment or statutory provision, or such rules and guidance, as amended, varied or re-enacted from time to time.

4. Words denoting the singular include the plural and vice versa; words denoting one gender include the other genders; and words denoting persons include corporations and vice versa.

PRELIMINARY

- (A) The Transferor is an insurance company authorised under Part 4A of the Act to effect and carry out contracts of non-life insurance in the classes of credit, suretyship and miscellaneous financial loss in the UK.
- (B) The Transferee is an insurance company authorised by the *Autorité de Contrôle Prudentiel et de Résolution* ("**ACPR**") under the provisions of Article L. 321-1 *et seq.* of the French Insurance Code to effect and carry out contracts of non-life insurance in the classes of credit, suretyship and miscellaneous financial loss in France.
- (C) It is proposed to transfer the Transferred Business to the Transferee in accordance with this Scheme, subject to, and in accordance with, Part VII of the Act.
- (D) Each of the Transferor and the Transferee has agreed to appear by Counsel on the hearing of the application made by the Claim Form seeking an Order to sanction this Scheme and to undertake to be bound thereby and to do all such acts and things as may be necessary or expedient to be executed or done by it for the purposes of giving effect to this Scheme.

OPERATIVE PROVISIONS

1. TRANSFER OF ASSETS

- 1.1 On the Effective Date the Transferred Assets shall be transferred to the Transferee.
- 1.2 The Transferee shall accept without investigation or requisition such title as the Transferor shall have to the Transferred Assets.

2. TRANSFER OF LIABILITIES

On the Effective Date the Transferred Liabilities shall be transferred to, and shall become liabilities of, the Transferee and shall cease to be liabilities of the Transferor.

3. CONTINUITY OF PROCEEDINGS

- 3.1 Subject to paragraphs 1 and 2 of this Scheme the Transferred Business shall by Order of the Court and without any further act or instrument be transferred to and vest in the Transferee in accordance with this Scheme for all the estate and interest therein of the Transferor but subject to all mortgages, charges and encumbrances (if any) then affecting any asset comprised therein.

- 3.2 On the Effective Date every holder of a Transferred Policy shall become entitled, in substitution for any rights available to him under that policy against the Transferor, to the same rights against the Transferee and the obligations of every such holder under a Transferred Policy shall become enforceable (so far as still subsisting) by the Transferee. The Transferee shall be entitled to any and all defences, claims, counterclaims and rights of set-off under or in relation to the Transferred Policies that would have been available to the Transferor.
- 3.3 On and with effect from the Effective Date all references to the Transferor in contracts or other documents (whether or not the Transferor is a party to such contracts or other documents) shall to the extent that they relate to the Transferred Business be read and construed as if the same were references to the Transferee, and without prejudice to the generality of the foregoing, in any document evidencing or constituting a Transferred Policy, an Outwards Reinsurance Contract or a Transferred Ancillary Contract, references to the Transferor (or any short form or abbreviation thereof) and/or to rights, powers, duties and/or obligations imposed upon the Transferor, its board of directors or other officers, employees or agents, shall, to the extent necessary to give full effect to this Scheme, be read, construed and treated as references to the Transferee and/or to rights, powers, duties and/or obligations imposed upon the Transferee, its board of directors or other officers, employees or agents.
- 3.4 Neither the transfer of the Transferred Business, the Transferred Assets, the Transferred Liabilities, nor any other matter provided for by the Order or this Scheme shall:
- (a) invalidate or discharge any agreement or other thing;
 - (b) constitute a breach of, or default under, or require any obligation to be performed sooner or later than would have otherwise been the case under, any agreement or instrument to which the Transferor or the Transferee is a party or is bound, or under any other agreement or instrument;
 - (c) allow any party to any agreement, document, instrument or other thing to terminate that agreement, document, instrument or other thing when he would not otherwise have been able to do so;
 - (d) entitle any party to any agreement, document, instrument or other thing to which the Transferor or the Transferee is a party or is bound, or any other agreement, document, instrument or other thing to vary the terms of that agreement document, instrument or other thing when he would not otherwise have been able to do so; or
 - (e) cause the imposition of any greater or lesser obligation on any party to any such agreement, document, instrument or other thing when that greater or lesser

obligation would not otherwise have been imposed including the release of any obligation or liability of any party which would not have otherwise been released or release such liability or obligation sooner than would have otherwise been the case,

provided that neither this Scheme nor the Order shall prevent the entry into effect of provisions of agreements between companies which are subsidiaries of a holding company of the Transferor or the Transferee which are expressed as taking effect on the Effective Date.

- 3.5 On and with effect from the Effective Date any judicial, quasi-judicial or arbitration proceedings or any complaint or claim to any ombudsman or other proceedings for the resolution of a dispute or claim (whether current or future) by or against the Transferor shall from the Effective Date to the extent that they are in connection with the Transferred Business (including the Transferred Policies, the Transferred Assets and the Transferred Liabilities) be continued by or against the Transferee and the Transferee shall be entitled to all defences, claims, counterclaims and rights of set-off that would have been available to the Transferor in relation to such proceedings and the Transferor shall have no liability under those proceedings and, for the avoidance of doubt, the Transferee, in its absolute discretion, may determine to discontinue after the Effective Date any such proceedings brought by the Transferor.
- 3.6 On and with effect from the Effective Date, any judicial, quasi-judicial, or arbitration proceedings or any complaint or claim to any ombudsman or other proceedings for the resolution of a dispute or claim (whether current or future) in relation to the Transferor shall to the extent that they are concerning the Transferred Business (including the Transferred Policies, the Transferred Assets and the Transferred Liabilities) be commenced against the Transferee. Any such proceedings after the Effective Date commenced in error against the Transferor shall be deemed to have been commenced and shall be continued against the Transferee without the need for any further order, whether for substitution of parties or otherwise. In any event, the Transferee shall be entitled to all defences, claims, counterclaims and rights of set off that would have been available to the Transferor in relation to such proceedings.

4. **PREMIUMS AND MANDATES**

- 4.1 All premiums attributable or referable to the Transferred Policies shall on and after the Effective Date be payable to the Transferee.
- 4.2 Any direct debit mandate, standing order or other instruction in force on the Effective Date and providing for the payment by a bank or other intermediary of premiums payable under any Transferred Policy shall thereafter take effect as if it had provided for and authorised such payment to the Transferee.

4.3 Any mandate or other instruction in force on the Effective Date as to the manner of payment by the Transferor of any sum payable under any Transferred Policy shall continue in force as an effective authority to the Transferee.

5. EXCLUDED POLICIES

5.1 Subject to paragraph 5.4, the Excluded Policies shall not be transferred to the Transferee by this Scheme and the liabilities under the Excluded Policies shall remain liabilities of the Transferor but shall at all times after the Effective Date be reinsured in their entirety into the Transferee pursuant to the Excluded Policies Reinsurance Agreement.

5.2 If any person exercises any right or option granted under the terms of an Excluded Policy which provides for a new, additional or replacement policy to be issued, such person shall be entitled to require that the obligation thereby arising shall be satisfied by the issue by the Transferor of a policy which complies with the terms of such right or option. Any new policy issued by the Transferor pursuant to this paragraph 5.2 shall be treated as an Excluded Policy and shall be reinsured on the basis set out in this paragraph 5.

5.3 Without prejudice to the right of a person set out in paragraph 5.2 to have a right or option satisfied by the issue of a policy by the Transferor, the Transferor shall be entitled to procure that the Transferee shall offer to such person a policy which complies with the terms of such right or option.

5.4 If the novation of any Excluded Policy to the Transferee is procured, the rights and liabilities relating to such policy shall, to the extent not previously transferred, be transferred to the Transferee and such policy shall thereafter be dealt with by the Transferee under the provisions of this Scheme in all respects as if such Excluded Policy were a Transferred Policy.

6. EFFECTIVE DATE

6.1 This Scheme shall become operative at 00.01am UK time on 1 October 2020 or such other date as the Court may allow upon the application of the Transferor and the Transferee.

6.2 Unless this Scheme becomes operative on or before 30 June 2021, or such later date as the Court may allow on the application of the Transferor and the Transferee, it shall lapse.

7. COSTS AND EXPENSES

The costs and expenses of and incidental to the preparation and carrying into effect of this Scheme arising prior to the Effective Date, insofar as not previously paid by any of the parties, shall be met by the Transferee.

8. MODIFICATIONS OR ADDITIONS

8.1 Subject to paragraphs 8.2 and 8.3, the Transferee may:

- (a) with the consent of the Transferor agree for and on behalf of themselves and all other persons concerned other than the Insurance Regulator to any modification or addition to this Scheme or to any further condition or provision affecting the same that the Court may approve or impose before the Effective Date; and
- (b) agree for and on behalf of itself and all other persons concerned other than the Insurance Regulator to any modification or addition to this Scheme or to any further condition or provision affecting the same that the Court may approve or impose after the Effective Date.

8.2 The Insurance Regulator shall be notified, and shall be entitled to be heard, at any hearing of an application made under paragraph 8.1. The Insurance Regulator shall be entitled to require an Independent Expert or another appropriately qualified person to produce a certificate in respect of this Scheme as so modified or affected.

8.3 The Transferor and the Transferee may not agree to any modification or addition to this Scheme or to any further condition or provision affecting the same unless the Insurance Regulator has either consented to it, or, in the case of minor technical changes only, has been given sufficient notice of it and a period of two months has passed without the Insurance Regulator objecting to it in writing.

9. EVIDENCE OF TRANSFER

The production of a copy of the Order and a copy of a certificate by a director of the Transferor or the Transferee that this Scheme has taken effect shall, for all purposes, be evidence of the transfer to, and vesting in the Transferee of the Transferred Business, the Transferred Assets and the Transferred Liabilities in accordance with the Order and this Scheme.

Dated this 25th day of September 2020

SCHEDULE 3

LIST OF EEA STATES

Austria
Belgium
Bulgaria
Croatia
Cyprus
Czech Republic
Denmark
Estonia
Finland
France
Germany
Gibraltar
Greece
Hungary
Iceland
Ireland
Italy
Latvia
Liechtenstein
Lithuania
Luxembourg
Malta
Netherlands
Norway
Poland
Portugal
Romania
Slovakia
Slovenia
Spain
Sweden