

25 August 2020

Dear Sir

PROPOSED TRANSFER OF PART OF THE UK GENERAL INSURANCE AND REINSURANCE BUSINESS OF BASLER VERSICHERUNG AG TO BOTHNIA INTERNATIONAL INSURANCE COMPANY LIMITED

We are writing to you, on behalf of ourself, Basler Versicherung AG, also known as Baloise Insurance Limited (together with our UK branch, referred to in this letter as **us** or **Baloise**), and Bothnia International Insurance Company Limited (**Bothnia**) (a wholly owned subsidiary of Compre Holdings Limited (**Compre**)), in connection with a proposed transfer of insurance business under which Baloise is proposing to transfer part of its UK general insurance and reinsurance business to Bothnia (the **Proposed Transfer**). The Proposed Transfer is subject to UK court approval, as explained further below.

This letter is being sent to you because our records show that you are a reinsurer of Baloise pursuant to one or more reinsurance agreements (together, as the case may be, the **Reinsurance Agreements**). Such Reinsurance Agreements will be transferred to Bothnia as part of the Proposed Transfer. After the Proposed Transfer, Bothnia will become the cedant under the Reinsurance Agreements.

What is happening?

The Proposed Transfer must be approved by the High Court of Justice of England and Wales before it can proceed. The Proposed Transfer will be implemented through an insurance business transfer under Part VII of the Financial Services and Markets Act 2000, which will be submitted for approval to the High Court. The court hearing to consider and, if thought fit, approve the Proposed Transfer, is currently scheduled for 14 December 2020. If the Proposed Transfer is approved by the High Court, it will take place on 18 December 2020 and the part of the UK general insurance and reinsurance business of Baloise that is the object of the Proposed Transfer will transfer to Bothnia on 18 December 2020.

Effect of the Proposed Transfer

If the Proposed Transfer is approved, Baloise's rights and obligations under the policies comprising part of its UK general insurance and reinsurance business will be transferred to Bothnia without alteration. Any rights and obligations Baloise policyholders may have under such policies will remain unchanged but will, following the Proposed Transfer, be exercisable against or owed to Bothnia. The Proposed Transfer will not result in any changes to policy terms, rights and obligations or the way the policy is administered.

Under the terms of an ancillary order of the High Court to implement the Proposed Transfer (if approved), all rights, benefits and powers conferred on or vested in Baloise under the Reinsurance Agreements, as well as obligations imposed on Baloise will, without further action, be transferred to Bothnia subject to the terms of the Proposed Transfer, as if Bothnia had been party to the relevant Reinsurance Agreements from inception. The terms of the Proposed Transfer mean that you will not be prejudiced by the Proposed Transfer as you will have no greater or lesser liability to Bothnia under the Reinsurance Agreements than you would have had to Baloise under the Reinsurance Agreements in the absence of the Proposed Transfer.

Enclosed documents

Please find enclosed a booklet containing further information about the Proposed Transfer and a set of frequently asked Questions and Answers, which we encourage you to read carefully. The booklet contains:

- a summary of the Proposed Transfer;
- a summary of the Independent Expert's report; and
- notice of the Proposed Transfer and further information on the court hearing.

What happens from here?

If you are concerned that the Proposed Transfer could adversely affect you, you have the right to make written representations and/or to appear at the court hearing or to instruct a legal representative to appear at the hearing and make representations on your behalf. We have explained the process for raising concerns at Question 9 of the Questions and Answers document.

In light of the current government guidelines regarding Covid-19, please note that it is possible that the hearing may take place remotely via Skype or another teleconferencing service. It is requested that if you intend to attend the hearing (whether in person or via a representative), you inform Baloise and Bothnia in writing via the contact details provided on the dedicated website for the Proposed Transfer (further details are set out below) as soon as possible and preferably before 1 December 2020 and set out the nature of any objection you may have. This will enable us to provide notification of any changes to the hearing (including any details that are necessary to attend the hearing remotely) and, where possible, to address any concerns raised in advance of the hearing.

Further information

If you have any questions or concerns about the Proposed Transfer, you can find more information, including the full Independent Expert's report, on the dedicated website for the Proposed Transfer at <https://Compre-Group.com/notices/Basler-Versicherung-AG> (**Website**).

You can request free copies of any of the documents or ask any further questions you may have by calling us on 0203 551 6524 within the UK or on +44 (0)203 551 6524 outside the UK. Phone lines are open from 9:00 to 17:30 (UK time) on Monday to Friday. Alternatively, you can write to Compre at 5th Floor, 2 Seething Lane, London, EC3N 4AT or by email at caroline.hobbs@compre-group.com.

If the Proposed Transfer is approved by the High Court, it will take place on 18 December 2020, and we will update the Website to confirm this. If the court hearing date changes we will update the Website to confirm this, so you may wish to check for updates from time to time.


If you would like this information in large print, in Braille or on a CD please call us on +44 (0)203 551 6524.

Yours faithfully,

Basler Versicherung AG

On behalf of itself and Bothnia International Insurance Company Limited



Dr. Carsten Stolz
CFO Baloise Group

Bruno Rappo
Member of Senior Management