

Appendix 4

1.1.1 Letters of Representation Appendix 4.1



Mr Carmine Papa
Independent Expert
PKF Littlejohn LLP
15 Westferry Circus
London
E14 4HD

1 May 2020

Your reference

Our reference

This letter relates to the proposed transfer of general insurance business as described in the Scheme involving certain of the Members at Lloyd's, represented by the Society of Lloyd's, and Lloyd's Insurance Company S.A. (the "Company") under Part VII of the UK Financial Services and Markets Act 2000 (the "Transfer").

We have been authorised by the Board and Council of the Society to give representations set out in this letter. In this capacity we have reviewed the final copy of the report produced by the Independent Expert (the "Report") in connection with and for the purposes of the proposed Transfer.

In respect of the Transfer, we can confirm that:

1. Lloyd's has disclosed all the information that in our opinion is relevant to the Independent Expert when forming a view as to whether policyholders are adversely affected by the proposed Transfer.
2. the Report accurately and fairly reflects our understanding of the details of the proposed Transfer and the facts relied upon in the Report are true and accurate to the best of our knowledge and belief.
3. we will keep the Independent Expert apprised of all matters and issues, up to the date of the Court hearings which, in our opinion may be relevant to the Independent Expert in opining on the proposed Transfer.
4. in particular, the facts stated below are true and accurate to the best of our knowledge and belief:
 - a. the data used in the actuarial valuation of the transferring liabilities is complete and accurate subject to the reliances and limitations stated in the Lloyd's Chief Actuary Report that has been provided.
 - b. the Transfer is generally not expected to impact Members' profits / losses for UK (corporate) income tax purposes and no significant VAT liabilities are expected to arise as a result of the Transfer.

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- c. the financial projections provided to you by Lloyd's (specifically relating to the actuarial valuations of the Transferring Liabilities, look-back calculations and solvency calculations for Lloyd's) have been prepared in good faith by persons with appropriate knowledge and experience and based on reasonable assumptions and are subject to the uncertainties and limitations as stated in the Lloyd's Chief Actuary Report that has been provided.
- d. The management and administration of the business affected by the Transfer will become the responsibility of the Company following the implementation of the Transfer. However, in the context of the operating model which is being implemented for this Transfer, which includes reinsurance and outsourcing agreements between the Company and managing agents, transferring policyholders should not see a material change in the way in which their policies will be handled by the Company.
- e. The Society of Lloyd's will provide sufficient tier one capital to the Company for that company to meet its solvency capital requirements after the implementation of the Transfer.

Yours sincerely



Peter Spires

**General Counsel and
Secretary to the Board and Council**



Burkhard Keese

Chief Financial Officer

LLOYD'S

Mr Carmine Papa
Independent Expert
PKF Littlejohn LLP
15 Westferry Circus
London
E14 4HD
United Kingdom

1 May 2020

Dear Mr Papa

I, David Cobley, am the Chief Financial Officer of Lloyd's Insurance Company S.A (the "Company"). This letter relates to the proposed transfer of general insurance business as described in the Scheme involving certain of the members at Lloyd's, represented by the Society of Lloyd's, and Lloyd's Insurance Company S.A. under Part VII of the UK Financial Services and Markets Act 2000 (the "Transfer"). I have been authorised by the board of directors of Lloyd's Insurance Company S.A. to give the representations set out in this letter. In this capacity I have reviewed the final copy of the report produced by the Independent Expert (the "Report") in connection with and for the purposes of the proposed Transfer.

In respect of the Transfer, I can confirm that:

1. I have disclosed all the information that in my opinion is relevant to the Independent Expert when forming a view as to whether policyholders are adversely affected by the proposed Transfer.
2. I can confirm that the Report accurately and fairly reflects my understanding of the details of the proposed Transfer and the facts relied upon in the Report are true and accurate to the best of my knowledge and belief.
3. I will keep the Independent Expert apprised of all matters and issues, up to the date of the Court hearings which, in my opinion may be relevant to the Independent Expert in opining on the proposed Transfer.
4. In particular, the facts stated below are true and accurate to the best of my knowledge and belief:
 - a. the financial projections relating to the solvency calculations for the Company which we have provided to you have been prepared in good faith by persons with appropriate knowledge and experience and based

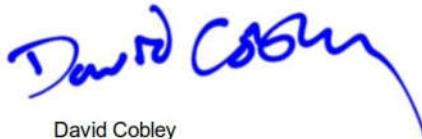
Lloyd's Insurance Company S.A., insurance company regulated by the NBB and the FSMA under n°3094, Registered Office: Bastion Tower (14th floor), Marsveldplein/Place du Champ de Mars 5, 1050 Brussels, Brussels Register of Companies VAT BE0682.594.839, tel: +32.(0)2.227.39.39, email: lloydsbrussels@lloyds.com, IBAN: BE46 5701 3522 5536, BIC: CITIBEBX

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on reasonable assumptions and are subject to the uncertainties and limitations as stated in their delivery

- b. the management and administration of the business affected by the Transfer will become the responsibility of the Company following the implementation of the Transfer. However, in the context of the operating model which is being implemented by Lloyd's Brussels for this Transfer, which includes reinsurance and outsourcing agreements between the Company and managing agents, Transferring policyholders should not see a material change in the way in which their policies will be handled by Lloyd's Brussels.

Yours sincerely



David Cobley
Chief Financial Officer
For and on behalf of Lloyd's Insurance Company S.A.