

MUNICIPAL MUTUAL INSURANCE LIMITED
(the "Company")

LEVY NOTICE
PURSUANT TO THE SCHEME OF ARRANGEMENT
between
THE COMPANY
and
ITS SCHEME CREDITORS
(the "Scheme")

*This notice (the "**Notice**"), together with the Statement (as defined below), constitutes a Levy Notice for the purposes of Section 5.5 of the Scheme. Capitalised terms used in this Notice shall have the same meanings as in the Scheme.*

*This Notice is issued as of and with effect from 1 April 2016 (hereafter the "**Levy Notice Date**").*

WHEREAS

- (1) Section 5.4 of the Scheme provides that the Scheme Administrator has the ability to impose a Levy on all Scheme Creditors, who, at the Levy Notice Date, have been paid (or have been treated as having been paid) since the Record Date an amount or amounts in respect of Established Scheme Liabilities which, together with the amount of Elective Defence Costs, if any, paid by the Company on its behalf since the Record Date, exceed £50,000 in aggregate.
- (2) The Scheme Administrator has determined that a Levy of 25% shall be imposed on Scheme Creditors as described in (1) above which, taking into account the existing Levy of 15% imposed pursuant to the Levy Notice issued on 1 January 2014 shall mean a total increase in the Levy of 10% to 25% and shall be imposed on Scheme Creditors as set out in this Notice.

THE SCHEME ADMINSTRATOR HEREBY NOTIFIES YOU THAT

- (1) A Levy of 25% is imposed on you as of and with effect from the Levy Notice Date.
- (2) A statement shall be sent to you separately detailing the Established Scheme Liabilities and the Elective Defence Costs paid on your behalf since the Record Date, and the amount payable by you in respect of the Levy (the "**Statement**"). It is intended that the Statement will be sent to you by no later than 14 April 2016.
- (3) Payment by you of the Levy shall be made in accordance with the payment provisions set out below.
- (4) In accordance with Section 5.2 of the Scheme, any payment made by the Company to you on or after the Levy Notice Date referred to in this Notice in respect of an Established Scheme Liability shall, to the extent that such payment, when aggregated

with other such payments since the Record Date, exceeds £50,000, be made subject to the application of the Payment Percentage. The Payment Percentage shall be 75%.

THE LEVY SHALL BE PAID IN ACCORDANCE WITH THE FOLLOWING:

1. Payment of the Levy shall be made within 42 days of the Levy Notice Date (hereafter the "**Payment Date**"). Accordingly the payment of the Levy is required by no later than 12 May 2016.
2. Payment of the Levy shall be made:
 - a) by cheque in favour of the Company and sent through the post at the risk of the Scheme Creditor making payment to the address of the registered office of the Company; or
 - b) at the expense of the Scheme Creditor making payment, by telegraphic transfer to the following bank account of the Company:

Account name: *Municipal Mutual Insurance Limited*

Bank: *The Royal Bank of Scotland
62-63 Threadneedle Street, London, EC2R 8LA*

Account number: *11221915*

Sort code: *15-20-25*

Reference: *please include your Scheme Creditor number as the reference for the telegraphic transfer.*

3. If you fail to pay, by the Payment Date, any amount of any Levy imposed by this Notice, then in accordance with Section 5.8 of the Scheme:
 - a) interest shall accrue on the amount of such Levy remaining outstanding after the Payment Date at the rate of 4 per cent. above the base lending rate from time to time of National Westminster Bank Plc, such interest to accrue on a daily basis; and
 - b) until such Levy has been paid in full, you shall not under the Scheme be entitled to receive from the Company any payment in respect of any Scheme Liability.

Signed:



Gareth Hughes
Scheme Administrator
1 April 2016