

**INSTRUCTIONS TO INVESTORS IN THE
CATCO REINSURANCE OPPORTUNITIES FUND LTD.**

ENTERING INTO AN INVESTOR UNDERTAKING

27 September 2021

On September 27, 2021, Markel CATCo Investment Management Ltd. announced the terms of a transaction that provides for an early return of substantially all net asset value (NAV) to persons who are beneficially interested in the shares of CATCo Reinsurance Opportunities Fund Ltd. (the "**Public Fund**") and such persons, the "**Investors**") and also allows Investors to retain the right to receive any upside at the end of the current run-off period if currently held reserves are more than sufficient to pay claims (the "**Buy-Out Transaction**").

The announcement and additional information regarding the Buy-Out Transaction is available on the following website <https://catcobuyout.alixpartners.com>.

As part of the implementation of the Buy-Out Transaction, the Public Fund intends to propose a scheme of arrangement pursuant to Section 99 of the Companies Act (the "**Scheme**").

As described in the announcement, Investors in the Ordinary shares and C shares of the Public Fund are being offered the opportunity to accept the terms of an investor undertaking ("**Investor Undertaking**") pursuant to which they will commit to vote to approve the Scheme. Investors will become eligible to receive at completion of the Buy-Out Transaction an early consent fee equal to one per cent (1%) of the Investor's current NAV entitlement (the "**Early Consent Fee**") by accepting the terms of the Investor Undertaking in accordance with the below instructions on or before 11:59 p.m. (Bermuda time) on October 22, 2021 or such later date as specified by the Public Fund (the "**Early Consent Deadline**") and complying with the terms of the Investor Undertaking, including timely voting in favour of the Scheme.

These instructions set out how Investors can confirm their acceptance of the Investor Undertaking.

You are being sent these instructions as the Public Fund believes that you are or may be an Investor entitled to vote on the Scheme, and/or are a nominee or custodian for an Investor or hold an interest in shares of the Public Fund on behalf of Investors. If you are holding interests in the Public Fund on behalf of one or more Investors, you should promptly forward a copy of these materials to all persons on whose behalf you hold an interest, so they may instruct you to enter into the Investor Undertaking on their behalf. If you have assigned, sold, or otherwise transferred, or assign, sell or otherwise transfer, your interests as an Investor before the Early Consent Deadline, you must forward these materials at once to the person or persons to whom you have assigned, sold or otherwise transferred, or assign, sell or otherwise transfer, your interests as an Investor.

Please note that although these instructions contain brief descriptions of some of the terms of the Investor Undertaking, Investors should not rely on these descriptions alone and should instead review the Investor Undertaking that is attached to these instructions. If there are any discrepancies between these instructions and the Investor Undertaking, the Investor Undertaking shall govern.

Investors who have accepted the terms of an Investor Undertaking on or before the Early Consent Deadline in the manner set out herein will be eligible to receive an Early Consent Fee.

Investors who accept the terms of an Investor Undertaking by submitting or instructing their custodian or nominee to submit a TTE Instruction (defined below) will be unable to trade their Ordinary shares or C shares, or related depository interests, until such shares are released from escrow at completion of the Buy-Out Transaction.

Instructions for Investors that hold Depository Interests representing Public Fund Ordinary shares or C shares through an account bank or nominee

1. Investors whose interest in Public Fund Ordinary shares or C shares is comprised of an interest in depository interests held through an account bank or nominee that is a CREST participant can accept the terms of an Investor Undertaking by:
 - a) authorising their custodian or nominee to bind them to the Investor Undertaking; and
 - b) instructing their custodian or nominee to bind them to the Investor Undertaking by submitting a transfer to escrow instruction (“**TTE Instruction**”) (in the manner described below) on their behalf.
2. By submitting a TTE Instruction on behalf of an underlying Investor, a custodian or nominee is:
 - a) confirming that they are authorised to enter into the Investor Undertaking on behalf of the underlying Investor;
 - b) confirming the underlying Investors' intention and agreement to be bound by the terms of the Investor Undertaking.
3. Investors should seek guidance from their custodian or nominee regarding how to provide the authorisation and instruction to such custodian or nominee set out above.

Instructions for Investors that hold Depository Interests representing Public Fund Ordinary shares or C shares directly in CREST

4. Investors who are direct CREST participants holding interests in depository interests on their own account can enter into an Investor Undertaking by sending a TTE Instruction (in the manner described below). Submission of a TTE Instruction is a binding indication of such investors' intention and agreement to be bound by the Investor Undertaking.

Sending the TTE Instruction:

5. CREST participants may send a TTE Instruction on their own behalf or on behalf of their underlying Investors, as described above.
6. The TTE Instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for a TTE Instruction to settle in CREST, the following details:
 - the number of Depository Interests to be transferred to an escrow balance;
 - your member account ID;
 - your participant ID;
 - the member account ID of the Escrow Agent, which is 21468CAT;
 - the participant ID of the Escrow Agent, which is RA10;
 - your existing corporate action ISIN number for your C shares or Ordinary shares (which can be found by viewing the relevant corporate action details on screen in CREST);
 - the intended settlement date (which should be as soon as possible and in any event by not later than the Early Election Deadline);
 - CREST standard delivery instructions priority 80; and
 - a contact name and telephone number (in the shared note field of the TTE Instruction).
7. Shares and/or depository interests that are transferred to escrow will be unable to trade until released. Investors that are bound by the terms of an Investor Undertaking by submitting or instructing their account bank or nominee to submit a TTE Instruction will be unable to trade their Ordinary shares or C shares until such shares are released from escrow at the completion of the Buy-Out Transaction.

Help

You can find more information at <https://catcobuyout.alixpartners.com>. Any questions should be directed to Link Group at the email address operationalsupportteam@linkgroup.co.uk or telephone number +44371 664 0321.

INVESTOR DEED OF UNDERTAKING

Acceptance, and undertaking in support, of the Buy-Out Transaction and Restructuring Proceedings

1. We are the beneficial and/or registered holders of Ordinary shares and/or C shares, or the depository interests related to such shares, (collectively, the "**Shares**") issued by CATCo Reinsurance Opportunities Fund Ltd. (the "**Public Fund**") with full power and authority to enter into this Undertaking and vote the Shares, interests or claims related to the Public Fund on behalf of ourselves or a beneficial holder, or direct or take direction with respect to the voting of such Shares, interests or claims.

2. We understand that:

- (a) an affiliate of Markel Corporation (the "**Purchaser**") proposes to use the Buy-Out Amount (as defined in the Term Sheet) to purchase shares from Markel CATCo Reinsurance Fund Ltd. (the "**Private Fund**", and together with the Public Fund, the "**Scheme Companies**") to facilitate the funding of the Accelerated Distribution Amount (as defined in the Term Sheet) which will be paid to investors in the Retro Funds (as defined in the Term Sheet); and
 - (b) a wholly-owned designee of Markel Corporation proposes to enter into an agreement to provide adverse development cover to a fronting reinsurer in respect of the assets of the Aquilo Fund (a segregated account of the Private Fund, the "**Aquilo Fund**") to allow for the release of the Aquilo Accelerated Distribution Amount (as defined in the Term Sheet) to investors in the Aquilo Fund,
- in each case in connection with the Buy-Out Transaction (the "**Buy-Out Transaction**") substantially as described in the term sheet in Annex I (the "**Term Sheet**").

3. The Buy-Out Transaction will be implemented by way of, and is conditional upon, approval of schemes of arrangement (the "**Schemes**") under the Bermuda Companies Act 1981 (the "**Act**") to be proposed by each of the Private Fund and the Public Fund. The Schemes will be supported by petitions for the appointment of provisional liquidators in Bermuda to the Scheme Companies, Markel CATCo Investment Management Ltd. (the "**Manager**") and Markel CATCo Re Ltd. (the "**Reinsurer**") and petitions for recognition of the provisional liquidation proceedings and Schemes under chapter 15 of the United States Bankruptcy Code (collectively with the Schemes, the "**Restructuring Proceedings**").

4. We are direct or indirect investors in the Shares of the Public Fund and are:

- (a) a beneficial holder supportive of the Buy-Out Transaction and Restructuring Proceedings; or
- (b) a registered holder or nominee acting on the instruction of a beneficial holder to indicate that such beneficial holder is supportive of the Buy-Out Transaction and Restructuring Proceedings.

5. We submit a Transfer to Escrow Instruction ("**TTE Instruction**") with respect to all of our Shares (such Shares, the "**Escrow Shares**") to show our intent and agreement (or the intent and agreement of a beneficial holder) to be bound this Undertaking and to confirm that we and/or such beneficial holder will take all actions necessary to assist in the implementation of the Buy-Out Transaction and Restructuring Proceedings.

Undertakings

6. By submitting a TTE Instruction with respect to our Shares, we evidence our support of the Buy-Out Transaction and Restructuring Proceedings and agree:

(a) to cooperate in good faith with the Scheme Companies and the Purchaser, including complying with any reasonable request for information, and use commercially reasonable endeavours to successfully implement the Buy-Out Transaction and Restructuring Proceedings in accordance with this Undertaking and the Term Sheet;

(b) to take all steps required to maintain the Shares held in escrow by the registrar of the Public Fund after the submission of the TTE Instruction;

(c) to attend (either in person or by proxy or otherwise) any meeting of the relevant Scheme Company in which we hold Shares, convened by court order to consider and approve the relevant Scheme (the “**Scheme Meeting**”);

(d) to vote (or vote as directed by a beneficial holder) all of the claims or interests related to the Escrow Shares in favour of any Scheme, whether (without limitation) in connection with the Escrow Shares or as or for a beneficial holder in its capacity as a potential creditor of any Scheme Company, including in any relevant class in any Scheme, any resolution or other matter requiring our approval to implement the Buy-Out Transaction, and execute and timely deliver any proxy document, form of direction, form of instruction, account holder letter or any other form for voting purposes, or any notice, in order to implement the Buy-Out Transaction and any Restructuring Proceeding, including any forms of proxy, forms of direction, forms of instruction or account holder letter (or similar) accompanying the explanatory statement to be issued by the relevant Scheme Company with respect to any Scheme (the “**Scheme Document**”) within ten days after the publication of the Scheme Document;

(e) not to take, assist, support or encourage any Person to take, any action reasonably likely to delay, impede, frustrate or prevent the implementation and consummation of the Buy-Out Transaction or any Restructuring Proceeding, including:

(i) any challenge or objection to the Buy-Out Transaction, any Scheme or any other Restructuring Proceeding or any other process which is proposed in connection with implementation of the Buy-Out Transaction or a Restructuring Proceeding, or

(ii) the commencing or threatening of any claim or litigation in any jurisdiction against the Purchaser, the Scheme Companies, the Manager, the Reinsurer or any of their affiliates or their respective current or former employees, officers, directors or agents.

7. By agreeing to be bound by the terms of this Undertaking through the TTE Instruction and by way of security for our obligations hereunder, we irrevocably appoint any director or provisional liquidator of the Scheme Companies severally as our attorney for the purposes of executing a form of proxy and doing all such other acts and things as may be lawful and necessary to ensure compliance with this Undertaking, provided that such appointment shall not take effect until the tenth day after the publication of the Scheme Document and only then if we have failed to comply with our obligations in paragraph 5(d) above. We undertake to ratify and confirm whatsoever our attorney shall lawfully do or cause to be done by virtue of this power of attorney. The granting of this power of attorney is without prejudice to our right to attend and vote in person at any Scheme Meeting, and any proxy form executed pursuant to this paragraph 6 or paragraph 5(d) above shall be disregarded if we actually attend and vote in person at any Scheme Meeting, however, a vote against any Scheme will be a breach of this Undertaking.

8. Notwithstanding paragraphs 6 to 7 above, we shall not be required (a) to take any action, or procure that any action which is prohibited or otherwise restricted by applicable law, regulatory requirement or by any order or direction of any court or governmental or regulatory body or (b) to incur any out-of-pocket expenses or other financial obligations that are not otherwise addressed in the Term Sheet.

Miscellaneous

9. We hereby acknowledge that this Undertaking and our rights and obligations under it shall be subject to the standard terms set out in Annex II. Each of our obligations under this Undertaking shall continue to apply notwithstanding the invalidity of any provision of the standard terms.

10. We agree that damages may not be an adequate remedy for breach of this Undertaking and accordingly each of the Scheme Companies, the Purchaser, the Manager and the Reinsurer shall be entitled to seek the remedies of specific performance or injunctive relief in respect of any such breach.

11. We agree that any delay by a Scheme Company in exercising, or failing to exercise, any right or remedy under this Undertaking shall not constitute a waiver of such right or remedy. We agree that a Scheme Company's rights and remedies under this Undertaking are cumulative and not exclusive of any rights or remedies provided by law.

Execution and Acceptance

12. This Undertaking is deemed to be entered into and an investor is deemed to be bound by the terms of this Undertaking on the date such investor submits, directly or via their custodian or nominee, a TTE Instruction in respect of its Shares in accordance with the instructions to investors accompanying this Undertaking and dated 27 September 2021.

13. If an investor agrees to be bound by this Undertaking by submitting, directly or via their custodian or nominee, a TTE Instruction with respect to their Shares, such TTE Instruction shall be construed as "executing" or "signing" this Undertaking.

14. By submitting a TTE Instruction on behalf of a beneficial holder, a custodian or nominee is:

- a) confirming that they are authorised to enter into this Undertaking on behalf of the beneficial holder; and
- b) confirming the beneficial holder's intention and agreement to be bound by the terms of this Undertaking.

ANNEX I

Term Sheet

SUBJECT TO CONTRACT

INVESTOR BUY-OUT TERM SHEET

This Term Sheet sets out the proposed terms for the early return of Net Asset Value (“NAV”) in the side pocket investments (the “**Side Pockets**”) held at Markel CATCo Re Ltd. (the “**Reinsurer**”) for the benefit of investors (the “**Investors**”) who hold shares in:

- a) funds of Markel CATCo Reinsurance Fund Ltd. (the “**Private Fund**”), which include direct investments made in each segregated account of the Private Fund other than the Aquilo Fund, including the Markel CATCo Diversified Fund (the “**Master Fund**”), Diversified Fund II, Limited Diversified Arbitrage Fund, Diversified Arbitrage Fund, GTL Diversified Fund, Markel Diversified Fund and QIC Diversified Fund (collectively, the “**Retro Funds**”, and such investors in the Retro Funds, the “**Retro Fund Investors**”),
- b) CATCo Reinsurance Opportunities Fund Ltd. (the “**Public Fund**,” and such investors, the “**Public Fund Investors**”), which invests directly in the Master Fund, and
- c) the Aquilo Fund, a segregated account of the Private Fund (such investors in the Aquilo Fund, the “**Aquilo Investors**”).

As set out in detail below, the early return of NAV to the Private Fund Investors and Public Fund Investors on the Closing Date (as defined below) will be funded by (i) the Available Distribution Amount (as defined below), (ii) the Retro Fund Cash (as defined below) and (iii) the Buy-Out Amount (as defined below) provided by an affiliate of Markel Corporation (the “**Purchaser**”, and the Markel affiliates funding the Purchaser, the “**FundingCos**”). The early return of NAV to the Aquilo Investors will be funded through the release of contractually trapped cash currently held by a fronting reinsurer of the Aquilo Fund, which shall be made possible by Markel Corporation, through a wholly-owned designee, providing adverse development cover to the fronting reinsurer.

Buy-Out of Retro Fund Investors	<p>The Investors in the Retro Funds will be entitled to a total return of 101% of Closing NAV (defined below) plus any Upside.</p> <p>At the date of completion (the “Closing Date”), Retro Fund Investors (including the Public Fund) will receive an aggregate accelerated return of the following proportion of Closing NAV for each Side Pocket:</p> <ul style="list-style-type: none">• 100% for 2016 Side Pocket,• 100% for 2017 Side Pocket,• 90% for 2018 Side Pocket, and• 80% for 2019 Side Pocket, <p>(the “Accelerated Distribution Amount”), plus their proportionate amount of the Early Consent Fee, if applicable.</p> <p>As a result of the payment of the Accelerated Distribution Amount, on the Closing Date:</p> <ul style="list-style-type: none">• Public Fund Investors holding Ordinary Shares will receive an accelerated return of \$0.29 per Ordinary Share (totaling approximately \$43.4 million out of \$44.1 million Closing NAV (as of 31 August 2021)).• Public Fund Investors holding C Shares will receive an accelerated return of \$0.40 per C Share (totaling approximately \$33.5 million out of \$38.4
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	<p>million Closing NAV (as of 31 August 2021)).</p> <p>After the Closing Date, if held reserves are sufficient, Investors in 2018 Side Pocket and 2019 Side Pocket will receive an additional return of 10% and 20% of Closing NAV, respectively, when such amounts are released and approved for distribution by the Bermuda Monetary Authority (if required).</p>
<p>Closing NAV</p>	<p>Closing NAV will be current NAV as at the most recent month end prior to the Closing Date,</p> <p><u>plus</u> \$15 million released from a current contingent reserve held by the Private Fund, which will be primarily applied to fund the payment of Transaction Costs (as defined below),</p> <p><u>less</u> the remaining Administrative Expenses (as defined below), which will be reserved on the Closing Date.</p> <p>Additionally, for the Closing NAV with respect to the Public Fund, cash on hand will also be deducted.</p>
<p>Buy-Out Amount of Retro Fund Investors</p>	<p>In order to fund the buy-out of Retro Fund Investors, the Purchaser will purchase shares in the Reinsurer from the Private Fund for a cash purchase price (the “Buy-Out Amount”) equal to the Accelerated Distribution Amount:</p> <ul style="list-style-type: none"> • less the amount of funds, if any, that are available for distribution to Retro Fund Investors that have been released from each Side Pocket of the Reinsurer and approved for distribution by the Bermuda Monetary Authority but not yet returned to the Retro Fund Investors in that Side Pocket, as at the last day of the month prior to the Closing Date (the total of all such amounts across all Side Pockets of the Reinsurer in the aggregate, the “Available Distribution Amount”), • less the aggregate amount of cash, if any, that is held at each Retro Fund (other than the Administrative Expenses) to cover operating and other costs of that Retro Fund (the total of amount of consolidated cash at the Retro Funds being the “Retro Fund Cash”).
<p>Return to Aquilo Investors</p>	<p>Aquilo Investors will be entitled to a total return of 101% of Closing NAV plus any Upside.</p> <p>On the Closing Date, Aquilo Investors will receive a distribution in cash equal to their proportional entitlement to \$100 million (the “Aquilo Accelerated Distribution Amount”) plus their proportionate amount of the Early Consent Fee, if applicable.</p> <p>After the Closing Date, if held reserves are sufficient, Aquilo Investors will receive an additional return of 48% of Closing NAV when such amounts are released and approved for distribution by the Bermuda Monetary Authority.</p>
<p>Adverse Development Cover</p>	<p>To facilitate the release of the Aquilo Accelerated Distribution Amount, Markel Corporation, through a wholly-owned designee, will enter into an agreement, on or prior to the Closing Date, to provide adverse development cover to a fronting reinsurer in respect of the assets of the Aquilo Fund.</p>
<p>Administrative Expenses</p>	<p>Administrative Expenses will be funded from cash reserves deducted from current NAV on or before the Closing Date and allocated as set out below, including:</p>

1. Transaction Costs: costs for implementation of the deal, which are currently estimated to be approximately \$15 million. 10% of these costs will be allocated pro rata to the Aquilo Fund with the remaining Transaction Costs allocated pro rata to each Side Pocket. Transaction Costs are estimates only and the actual amount of fees incurred will be paid.
2. Ordinary Course Fees: estimated operating and other fees for the remaining run-off of the Markel CATCo business, which are currently estimated to be approximately \$14 million. These costs will be allocated among the Aquilo Fund and each Side Pocket based on a weighted pro rata distribution determined by “time to run-off.”
 - For example, Side Pocket 2019 is estimated to have the most time for final run-off, so will have a larger proportion of fees allocated to it.
 - Ordinary Course Fees related to the operation of the Public Fund are allocated among the Public Fund Investors only.
3. Reserve: an additional reserve of approximately \$5.8 million, which will be an amount equal to 20% of the total Transaction Costs and Ordinary Course Fees allocated to the Aquilo Fund and each Side Pocket.

After closing, no additional fees or expenses will be deducted from distributions of Closing NAV and there will be no continuing management fees charged by the Manager (any such fees will have been accelerated and included in the Ordinary Course Fees for the run-off of the Funds).

After closing, additional fees or expenses arising in respect of the Aquilo Fund that are not covered by the reserve will be deducted from distributions to Aquilo Fund Investors.

Any amounts reserved for Administrative Expenses remaining after wind down of the Public Fund, the Private Fund, the Manager and the Reinsurer will be returned to relevant Investors.

Upside Distributions

After the Closing Date, if and when any capital is released in excess of the Buy-Out Amount allocable to a particular Side Pocket of the Reinsurer, or any capital is released in respect of the Aquilo Fund, and in each case approved for distribution by the Bermuda Monetary Authority, each relevant Public Fund and Private Fund Investor shall be entitled to receive the amounts distributed. Distributions, if any, will occur one time per annum or more at the discretion of the Manager.

Upon receiving a return from the Private Fund as contemplated in this provision, the Public Fund will distribute the proceeds to the Public Fund Investors in accordance with its ordinary practices.

Information Rights

Investors will receive monthly Manager’s Reports setting out remaining NAV for each Side Pocket at the relevant month end and the amount of capital released, including the amount that will be used to repay the Buy-Out Amount and the amount that will be returned to Investors.

Early Consent Fee

Investors that support the proposal set out in this Term Sheet by agreeing to the terms of the Investor Deed of Undertaking, in accordance with the instructions

accompanying the Undertaking, shall receive on the Closing Date a cash fee in an amount equal to 1% of their proportional amount of current NAV at the Closing Date (provided that they comply with the terms of their undertaking) (the “**Early Consent Fee**”).

Release

To enable the early return of NAV to the Investors, and as a condition to and in consideration of the foregoing, each Investor, the Purchaser, the FundingCos, Markel Corporation, the Manager, the Private Fund (in respect of itself and all of its segregated accounts), the Public Fund and the Reinsurer (in respect of itself and all of its segregated accounts) shall provide an irrevocable and unconditional mutual release of each and every claim of any nature it may have against each of the Released Parties related to the business of the Reinsurer, the Private Fund, the Public Fund and the Manager and the Investors’ shares.

“**Released Parties**” means each Investor, the Purchaser, the FundingCos, Markel Corporation, the Private Fund (in respect of itself and all of its segregated accounts), the Public Fund, the Reinsurer (in respect of itself and all of its segregated accounts), the Manager and each of their former and existing affiliates, directors, managers, shareholders, officers, controlling persons, beneficial owners or interest holders, advisory board members, employees, consultants, agents, subsidiaries, members, managers, predecessors and successors in interest, heirs, executors and assignors or assignees, nominees, participants, partners, limited partners, general partners, principals, fund advisors, attorneys, financial advisors, investment bankers, accountants, other professionals or representatives, sub-advisors (and their respective affiliates directors, managers, shareholders, partners, principals, members, officers, controlling persons, employees and agents), and agents (including any individual who serves at the Manager’s request as a director, officer, partner, trustee, or the like of another entity) and/or the legal representatives and controlling person of any of them.

ANNEX II

Standard Terms

These Standard Terms will apply to the Undertaking and each other undertaking in support of the Buy-Out Transaction and Restructuring Proceedings in substantially similar form to the Undertaking executed by a beneficial holder, registered holder, nominee or depository interest holder in of either of the Scheme Companies (each such holder, a “**Consenting Investor**” and collectively the Undertaking and each other undertaking, the “**Investor Undertakings**”).

Definitions

“**Act**” has the meaning given to it in the Investor Undertakings.

“**Buy-Out Transaction**” has the meaning given to it in the Investor Undertakings.

“**Consenting Investor**” means beneficial holder, registered holder, nominee or depository interest holder of either of the Scheme Companies who has executed an Investor Undertaking or accepted the terms of the Investor Undertaking by an escrow election through CREST and each other undertaking executed or accepted through CREST in support of the Buy-Out Transaction in a substantially similar form to the Undertaking.

“**Consenting Shares**” means the aggregate of (i) the various classes and sub-series of side pocket shares issued in the capital of each fund of the Private Fund set out in Schedule 1 under the heading “Ending Shares” of each Investor Undertaking and (ii) the various classes of shares issued (and depository interests in respect of those shares) in the capital of the Public Fund that are subject to the terms of an Investor Undertaking, either pursuant to an executed Investor Undertaking or held in escrow by the Registrar as elected through CREST.

“**Early Consent Fee**” has the meaning given to it in the Term Sheet.

“**Explanatory Statement**” means the explanatory statement(s) filed by the Scheme Companies in connection with the Schemes.

“**Majority Consenting Investors**” means Consenting Investors whose Consenting Shares aggregate at the relevant time more than fifty percent (50%) of the Consenting Shares.

“**Manager**” has the meaning given to it in the Investor Undertakings.

“**Material Adverse Event**” means an event or circumstance which materially effects the value of the Investors’ interests as a whole in the Private Fund and the Public Fund other than any event or circumstance arising out of or in connection with any claim filed by an investor against the Private Fund, the Public Fund, the Manager or any other Released Party (as defined in the Term Sheet) that will be released pursuant to the Schemes.

“**Private Fund**” means Markel CATCo Reinsurance Fund Ltd., a mutual fund company of unlimited duration with limited liability incorporated in Bermuda under the Companies Act 1981 of Bermuda (as amended) with registered number 50599 and registered office at Crawford House, 50 Cedar Avenue, Hamilton HM 11 Bermuda.

“**Public Fund**” means CATCo Reinsurance Opportunities Fund Ltd., an exempted mutual fund company incorporated in Bermuda under the Companies Act 1981 of Bermuda (as amended) with registered number 44855 and registered office at Crawford House, 50 Cedar Avenue, Hamilton HM 11 Bermuda.

“**Purchaser**” has the meaning given to it in the Investor Undertakings.

“**Registrars**” means the Link Group, as the registrar for the Public Fund, and Centaur Fund Services (Bermuda) Limited, as the registrar for the Private Fund.

“**Reinsurer**” has the meaning given to it in the Investor Undertakings.

“**Restructuring Documents**” means all documents, instructions, notices, agreements and instruments required to implement the Buy-Out Transaction and Restructuring Proceedings.

“**Restructuring Effective Date**” means the first date on which all Restructuring Documents have become effective in accordance with their terms.

“**Restructuring Proceedings**” has the meaning given to it in the Investor Undertaking.

“**Scheme Companies**” means the Private Fund and the Public Fund.

“**Scheme Document**” has the meaning given to it in the Investor Undertakings.

“**Scheme Meeting**” has the meaning given to it in the Investor Undertakings.

“**Schemes**” has the meaning given to it in the Investor Undertakings.

“**Term Sheet**” has the meaning given to it in the Investor Undertakings.

Dealings with Consenting Shares

1. Each Consenting Investor undertakes to the Scheme Companies that before the Schemes become effective it shall not itself or permit any registered holder (if different) to:
 - a. sell, transfer, charge, encumber, grant any option over or otherwise dispose of (“**Transfer**”) its Consenting Shares or any interest of any sort in, or with respect to, its Consenting Shares other than pursuant to the Scheme;
 - b. accept any other offer (however implemented) in respect of the Consenting Shares; or
 - c. enter into or solicit any person to enter into any agreement or arrangement (other than the Scheme) or incur any obligation to Transfer the Consenting Shares or that may restrict or impede it complying with the terms of the Investor Undertaking.

Documentation

2. Each Consenting Investor consents to the Scheme Companies, the Manager and the Purchaser referring to the aggregate amount of Consenting Shares subject to Investor Undertakings, as a percentage of the total shares issued by the Scheme Companies, from time to time in (a) any announcement relating to the Buy-Out Transaction and (b) any Restructuring Document.
3. Neither the Scheme Companies, the Manager nor the Purchaser shall disclose the identity of any Consenting Investor or any individual legal and beneficial holdings of a Consenting Investor unless such disclosure is

required to be made by court order or to a regulatory authority, including the Bermuda Monetary Authority, the Bermuda Stock Exchange or the London Stock Exchange.

4. Each Consenting Investor shall promptly give the Scheme Companies or the Purchaser all information and any assistance as may reasonably be required for the preparation of any announcement or document in order to comply with the requirements of any court, the Bermuda Monetary Authority, the Bermuda Stock Exchange, the London Stock Exchange and any other legal or regulatory requirement or body. Each Consenting Investor shall immediately notify the Scheme Companies in writing of any material change in the accuracy or impact of any information previously provided to them by the Consenting Investor.

Termination

5. Each of the Investor Undertakings shall terminate automatically on the earlier of:
 - a. 11:59 p.m. (Bermuda time) on December 31, 2021 (or such later date as may be agreed pursuant to paragraph 8 of these Standard Terms); or
 - b. the Restructuring Effective Date.
6. The Investor Undertakings also may be terminated by Majority Consenting Investors giving written notice to the Private Fund if any of the following events occur:
 - a. the Majority Consenting Investors (acting in good faith) determine that a Material Adverse Event has occurred; and
 - b. the Majority Consenting Investors (acting in good faith) determine that the terms set out in the Explanatory Statement and any supplemental offering memorandum attached thereto are materially worse or prejudicial to their rights as compared to the terms set out in the Term Sheet.
7. The Investor Undertakings may also be terminated by mutual written consent between the Private Fund, the Purchaser and the Majority Consenting Investors.

Amendments

8. Any time, date or period mentioned in these Standard Terms may be extended by written agreement (including by email confirmation) between the Private Fund, the Purchaser and the Majority Consenting Investors.
9. No other amendment or variation will be made to these Standard Terms or the Investor Undertaking unless agreed by the Private Fund, the Purchaser and the Majority Consenting Investors.
10. At any time an amendment or variation is sought pursuant to paragraph 8 or 9, the Manager shall notify the Consenting Investors of the amount of Consenting Shares subject to Investor Undertakings at such time, as a percentage of the total shares issued by the Scheme Companies.

Role of the Registrars

11. The Registrars shall be responsible for, among other things, the receipt and processing of the Investor Undertakings and any other calculations, notifications, processing of documents or receiving and disseminating information as required from time to time in order to facilitate the implementation of the Buy-Out Transaction, and the decision of the Registrars in relation to any such reconciliations and calculations (as applicable) which may be required shall be final (in the absence of manifest error) and may not be disputed by any Consenting Investor.

12. In undertaking such reconciliation and calculation, either of the Registrars may request, and the relevant Consenting Investor shall promptly deliver, any such other evidence as may reasonably be required by that Registrar proving to the reasonable satisfaction of that Registrar:
- a. that it is legally entitled and able to control the exercise and the casting of votes, instructions and consents in relation to its Consenting Shares; and
 - b. with respect to a Consenting Investor, its entitlement to receive the Early Consent Fee in respect of any Consenting Shares of which it is the holder of record and in respect of which it claims such entitlement.

Partial Invalidity

13. If any provision of these Standard Terms is held to be invalid or unenforceable, then such provision shall (so far as it is invalid or unenforceable) be given no effect and shall be deemed not to be included in these standard terms, but without invalidating any of the remaining provisions. To the extent any provision of these Standard Terms is judicially determined to be unenforceable, a court of competent jurisdiction may reform any such provision to make it enforceable.

Governing Law

14. These Standard Terms and the Investor Undertaking and any dispute or claim (including non-contractual disputes or claims) arising out of, or in connection thereto, or their subject matter shall be governed by and construed in accordance with Bermuda law and the Consenting Investors irrevocably submit to the exclusive jurisdiction of the courts of Bermuda in relation to any matter arising therefrom.

