

Scheme Creditor Number: SOA

1 April 2016

Dear Scheme Creditor

**Levy Notice pursuant to the Scheme of Arrangement (the “Scheme”) between Municipal Mutual Insurance Limited (the “Company”) and its Scheme Creditors (the “Creditors”)**

Please find enclosed a notice setting out details of the imposition of an increased Levy (the “**Notice**”). The Notice is issued as of and with effect from 1 April 2016 (the “**Levy Notice Date**”). Terms defined in the Scheme have the same meaning in this letter unless otherwise defined.

A further review of the assets and liabilities has been undertaken in accordance with the requirements of the Scheme and I have concluded, based on that review, that the Levy should now be set at 25%. Taking into account the 15% Levy imposed pursuant to the Levy Notice issued on 1 January 2014 this has increased the aggregate Levy by 10% to 25%. The Levy shall not apply, however, to the first £50,000 of aggregate payments made to you or on your behalf by the Company or any such payment that has been agreed by the Financial Services Compensation Scheme as being a Protected Liability.

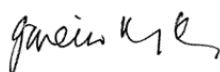
The Company is in the process of calculating the amount payable by you in respect of the increased Levy based on the financial information available as at 31 March 2016. A statement will be sent to you separately detailing the amounts that have been paid to you by the Company since the Record Date and the corresponding amount payable by you in respect of the increased Levy (the “**Statement**”). It is intended to send the Statement to you by no later than 14 April 2016.

The Notice and the Statement shall together constitute the Levy Notice for the purposes of the Scheme, and shall both be taken to be issued as of and with effect from the Levy Notice Date.

Payment of the increased Levy is required by no later than 12 May 2016. Please ensure that you quote your above Scheme Creditor number when making payment by either payment option.

If you have any questions regarding the arrangements detailed in this letter or the attached Notice, please do not hesitate to contact me at: [soa@mminsurance.co.uk](mailto:soa@mminsurance.co.uk).

Yours faithfully,



Gareth Hughes  
Scheme Administrator