SYNCORA HOLDINGS LTD.
Victoria Place, 5th Floor
31 Victoria Street
Hamilton, HM 12, Bermuda

NOTICE OF SPECIAL GENERAL MEETING OF SHAREHOLDERS OF SYNCORA HOLDINGS LTD.

Hamilton, Bermuda

January 14, 2020

TO THE HOLDERS OF COMMON SHARES OF SYNCORA HOLDINGS LTD.:

Notice is hereby given that a special general meeting (the "Special General Meeting") of the holders (the "Shareholders") of common shares (the "Shares") of Syncora Holdings Ltd. (the "Company") will be held at the offices of Debevoise & Plimpton LLP, 919 Third Avenue, New York, New York 10022, on January 28, 2020 at 9:00 a.m. New York City time, for the following purposes:

1. To adopt a plan of liquidation of the Company, including for U.S. federal income tax purposes (the "Plan of Liquidation"); and

2. To approve the merger of the Company's wholly-owned subsidiary, Syncora Holdings US Inc., a Delaware corporation ("SHI"), with and into the Company in accordance with the Plan of Liquidation.

The Board of Directors of the Company recommends a vote FOR each of Items 1 and 2.

Only Shareholders of record, as shown by the Register of Shareholders and the records of The Depository Trust & Clearing Corporation at the close of business on January 16, 2020, the record date for the Special General Meeting, are entitled to receive notice of and to vote at the Special General Meeting. The proxy statement and accompanying materials are first being mailed to Shareholders on January 14, 2020.

YOU MAY VOTE YOUR PROXY BY TELEPHONE, INTERNET OR MAIL AS DIRECTED ON THE ENCLOSED PROXY CARD AS PROMPTLY AS POSSIBLE, WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING. YOU MAY ALSO ATTEND THE MEETING AND VOTE IN PERSON. IF YOU LATER DESIRE TO REVOKE YOUR PROXY FOR ANY REASON, YOU MAY DO SO IN THE MANNER DESCRIBED IN THE ATTACHED PROXY STATEMENT. YOUR SHARES WILL BE VOTED PURSUANT TO THE INSTRUCTIONS CONTAINED IN THE PROXY STATEMENT. IF NO INSTRUCTION IS GIVEN, YOUR SHARES WILL BE VOTED "FOR" ITEMS 1 AND 2 IN THE PROXY.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be Held on January 28, 2020:

- **The proxy statement for Shareholders is also available by clicking the "Proxies" tab under the "Investor Relations" tab at the following link: shlholdings.com.**

By Order of the Board of Directors,

/s/ James W. Lundy, Jr.
James W. Lundy, Jr.
Secretary

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PROXY STATEMENT
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IMPORTANT INFORMATION ABOUT THE SPECIAL GENERAL MEETING AND PROXY PROCEDURES

The accompanying proxy is solicited by the Board of Directors of Syncora Holdings Ltd. (the "Company") to be voted at the special general meeting ("Special General Meeting") of holders (the "Shareholders") of the Company's common shares (the "Shares") to be held on January 28, 2020 beginning at 9:00 a.m. New York City time, at the offices of Debevoise & Plimpton LLP, 919 Third Avenue, New York, New York 10022, and any adjournments thereof. This proxy statement (the "Proxy Statement") and the accompanying materials are first being mailed to Shareholders on January 14, 2020.

The Purpose of the Special General Meeting

At the Special General Meeting, the Shareholders will vote in person or by proxy on the following matters as set forth in the notice of the meeting: (1) to adopt a plan of liquidation of the Company, including for U.S. federal income tax purposes (the "Plan of Liquidation") and (2) to approve the merger of the Company's wholly-owned subsidiary, Syncora Holdings US Inc. ("SHI"), with and into the Company in accordance with the Plan of Liquidation.

Shareholders Entitled to Vote at the Special General Meeting

Shareholders of record as of the close of business on January 16, 2020, the record date for the Special General Meeting, will be entitled to vote at the Special General Meeting. As of January 16, 2020, there were 90,102,159 issued and outstanding Shares entitled to vote at the Special General Meeting, with each Share entitling the holder of record thereof to one vote at the Special General Meeting (subject to certain limitations and voting cut-backs set forth in the Bye-Laws).

Voting Procedures; Quorum

A Shareholder of record can vote their Shares at the Special General Meeting by attending the meeting and completing a ballot or by proxy in one of three ways: (1) by dating, signing and completing the proxy card and returning it without delay in the enclosed envelope, which requires no postage stamp if mailed in the United States; (2) over the telephone by calling the toll-free number provided on the enclosed proxy card; or (3) electronically via the internet as described in the enclosed proxy card.

The adoption of the Plan of Liquidation referred to in Item 1 above and the merger of SHI with and into the Company referred to in Item 2 above each require the affirmative vote of a majority of the votes cast on such proposal at the Special General Meeting, in each case provided there is a quorum (consisting of two or more Shareholders present in person or by proxy representing more than 50% of the issued and outstanding Shares entitled to vote at the Special General Meeting). Shares owned by Shareholders electing to abstain from voting with respect to any proposal and "broker non-votes" will be counted towards the presence of a quorum but will not be considered votes cast with respect to the adoption of the Plan of Liquidation and the other matters to be voted upon at the Special General Meeting. Therefore, abstentions and "broker non-votes" will have no effect on the outcome of the matters to be voted upon at the Special General Meeting. A "broker non-vote" occurs when a nominee, such as a broker, holding Shares in "street name" for a beneficial owner, does not vote on a particular proposal because that nominee does not have discretionary voting power with respect to a proposal and has not received instructions from the beneficial owner. A Shareholder of Shares held in "street name" that would like to instruct their broker how to vote their Shares should follow the directions provided by their broker.

Revocation of Proxies

Any Shareholder giving a proxy has the power to revoke it prior to its exercise by: (1) giving notice of such revocation in writing to the Secretary of the Company at Syncora Holdings Ltd., Victoria Place, 5th Floor, 31 Victoria Street, Hamilton, HM 12, Bermuda; (2) by attending and voting in person at the Special General Meeting; or (3) by executing a subsequent proxy, provided that any such action is taken in sufficient time to permit the necessary examination and tabulation of the subsequent proxy or revocation before the votes are taken. Attendance at the Special General Meeting by a Shareholder who has executed and delivered a proxy to the Company shall not in and of itself constitute a revocation of such proxy.

For Shares held in "street name" by a broker, if the Shareholder wishes to change their vote from what they have previously directed their broker to vote, such Shareholder should instruct their broker to change the Shareholder's vote. Alternatively, if a Shareholder has directed their broker to vote on behalf of the Shareholder but such Shareholder wishes to attend the Special General Meeting in person, then such Shareholder should obtain a proxy from their broker to attend in person.

Proxy Solicitation

The Company will bear the cost of the solicitation of proxies. Proxies may be solicited by directors, officers and employees of the Company and its subsidiaries, who will not receive additional compensation for such services. In addition, the Company has retained Georgeson & Company Inc. to assist in the solicitation of proxies for a fee of approximately $15,000 plus certain other reasonable out-of-pocket expenses and administrative fees. Upon request, the Company will also reimburse brokers and others holding Shares in their names, or in the names of nominees, for forwarding proxy materials to their customers.

MATTERS SCHEDULED TO BE VOTED ON AT THE SPECIAL GENERAL MEETING TO BE HELD ON JANUARY 28, 2020

I. ADOPTION OF THE PLAN OF LIQUIDATION

Background and Rationale

On March 4, 2019, the Company announced that its board of directors (the "Board") had commenced a formal review process to explore and evaluate strategic alternatives for the Company focused on optimizing shareholder value and returning capital to the Shareholders. These alternatives included, among other things, a sale of part or all of the Company or the Company's indirect, wholly-owned subsidiary, Syncora Guarantee Inc. ("Syncora Guarantee"). On August 15, 2019, the Company and the Company's direct, wholly-owned subsidiary Syncora Holdings US Inc. ("SHI") entered into an agreement to sell Syncora Guarantee to Star Insurance Holdings LLC ("Star Insurance"), an entity organized by GoldenTree Asset Management LP ("GoldenTree") on behalf of GoldenTree's managed funds and accounts, for $392.5 million in cash. On September 5, 2019, the Company and SHI entered into an amended agreement with Star Insurance pursuant to which the purchase price for the sale of Syncora Guarantee was increased by $36.5 million to $429 million in cash. The sale of Syncora Guarantee was completed on December 30, 2019.

Following the completion of the sale of Syncora Guarantee, the Company's remaining assets consist of cash and other liquid assets as well asits interest in Swap Financial Group, LLC, its interest in Crown Global Insurance Group, LLC, real property and an option on real property in Detroit, Michigan, and a certificate that can be presented to the City of Detroit for value when purchasing certain city-owned property in Detroit, Michigan (collectively, the "Retained Assets"). The Retained Assets, other than cash, are held indirectly through SHI and other subsidiaries of the Company. As part of the Plan of Liquidation and prior to any liquidating distribution, SHL will cancel or cause to be cancelled 3,044,588 Shares held by SHI. The Company, as sole shareholder of SHI, intends to approve a plan of liquidation of SHI, intended to constitute a plan of complete liquidation within the meaning of section 332 of the Internal Revenue Code of 1986, as amended (the "Code" and such plan, the "SHI Plan"). Following adoption of the SHI Plan, SHI anticipates distributing the net cash proceeds from the sale of Syncora Guarantee and other available cash to the Company for further distribution to the Shareholders as described below. In addition, SHI may make subsequent liquidating distributions to the Company in the future, including upon disposition of one or more of the Retained Assets.

Upon adoption of the SHI Plan, SHI will cease to be a going concern, will not engage in any new business activities and will otherwise limit its activities to prosecuting and defending civil, criminal or administrative suits by or against SHI and its subsidiaries, and such other activities as will enable SHI to gradually settle and close its business, to dispose of and convey its property, to discharge its liabilities, to distribute to its shareholder any remaining assets and to wind up its affairs.

Following the completion of the formal review process to explore and evaluate strategic alternatives and the sale of Syncora Guarantee, the Company's management and the Board have determined that it is in the best interest of the Shareholders to return capital to the Shareholders and liquidate the Company. As such, the Company seeks Shareholder approval for the adoption of the Plan of Liquidation, attached hereto as Appendix A. The Plan of Liquidation is intended to constitute a plan of complete liquidation of the Company within the meaning of Sections 331 and 346 of the Code.

Under the Plan of Liquidation, the Company will cease to be a going concern, will not engage in any new business activities and will otherwise limit its activities to prosecuting and defending civil, criminal or administrative suits by or against the Company, and such other activities as will enable the Company to gradually settle and close its business, to dispose of and convey its property, to discharge its liabilities, to distribute to its Shareholders any remaining assets and to wind up its affairs. The Plan of Liquidation will provide for an initial distribution of $415 million (or approximately $4.767 per share), comprising the net cash proceeds from the sale of Syncora Guarantee and other available cash (the "Distribution"). The per share amount is subject to rounding and other policies and procedures of The Depository Trust Company and the relevant broker holding the shares. Management of the Company will work to dispose of the Retained Assets as promptly as possible following the Special General Meeting. The Company expects to

retain approximately $32 million of cash for purposes of maintaining the Company while disposing of the Retained Assets, disposing of the Retained Assets and satisfying any outstanding and contingent liabilities, including ongoing litigation, that may arise during the liquidation process. While the Company expects that the retained cash will exceed the amount required to satisfy the Company's expenses and liabilities, there can be no assurance that it will be sufficient. After satisfaction of its liabilities, the remainder of the $32 million in cash will be distributed to Shareholders.

Following the sale of Syncora Guarantee, the Company has taken, and continues to take, cost reduction actions, including reducing staff from 14 people to 2 people by the end of March, reducing the size of the board from 11 directors to 6 directors by the end of March, and terminating or not renewing IT and other service contracts. If these cost reduction actions are successful and if liabilities satisfied during liquidation are minimal, the Company anticipates ultimately distributing a significant portion of the retained cash.

Following the disposition of the Retained Assets and the distribution of the proceeds to the Shareholders (the "Subsequent Distributions"), the Company anticipates merging SHI with and into the Company, as described in Item 2 below. Following the Subsequent Distributions, the Company will begin a liquidation process or proceeding under the Bermuda Companies Act 1981 ("Bermuda Law") by either convening the special general meeting for the Shareholders to approve placing the Company into a member's voluntary liquidation or petitioning the Supreme Court of Bermuda for a compulsory liquidation. Once all liabilities have been satisfied and all remaining assets have been distributed to the Shareholders, the Company will be dissolved. Management and the Board currently believe that the liquidation process can be completed by the end of 2020 or early 2021, and will be completed no later than the third anniversary of the adoption of the Plan of Liquidation.

Certain Considerations

If the liquidation process takes longer than three years, there may be adverse U.S. federal income tax consequences.

The Company intends to treat any distributions made by the Company to the Shareholders in accordance with the Plan of Liquidation as distributions in complete liquidation of the Company for U.S. federal income tax purposes. Accordingly, any amounts received by a U.S. Holder (as defined under "Certain Tax Considerations — Certain United States Federal Income Tax Considerations" below) in complete liquidation of the Company and pursuant to the Plan of Liquidation generally will be treated as a payment in exchange for such U.S. Holder's Shares, with any gain or loss so recognized generally treated as capital gain or loss to such Shareholder. There can be no assurance, however, that the Internal Revenue Service ("IRS") will not take a contrary position. In addition, there can be no assurance that the Company will be able to complete the liquidation and dissolution of the Company in the manner and within the timeframe required by the IRS. The IRS has indicated that it will not issue a ruling or determination letter on the tax impact of a corporate liquidation under section 331 of the Code accomplished through a series of distributions made over a period in excess of three years from adoption of the plan of liquidation. Given the nature of the Remaining Assets and certain ongoing litigation relating thereto, the Company may not be able to monetize the Retained Assets and complete the liquidation under Bermuda Law within three years from the adoption of the Plan of Liquidation. In addition, if the Company pursues a compulsory liquidation under Bermuda law, the liquidator may not complete the liquidation within three years from the adoption of the Plan of Liquidation. If the liquidation of the Company is not completed within the three-year period, a U.S. Holder may be required to include the amount of any such distribution in gross income as a dividend (without reduction for any non-U.S. tax withheld from such distribution) to the extent of the Company's current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). For a general summary of certain material U.S. federal income tax consequences of the Plan of Liquidation, see "Certain Tax Considerations — Certain United States Federal Income Tax Considerations" below.

The Company may not be able to monetize its remaining assets at fair market value or for any value at all.

The Retained Assets include the Company's interest in Swap Financial Group, LLC, its interest in Crown Global Insurance Group, LLC, real property and an option on real property in Detroit, Michigan,

and a certificate that can be presented to the City of Detroit for value when purchasing certain city-owned property in Detroit, Michigan. The Retained Assets may not have a readily ascertainable value, and the Company may not be able to monetize these assets for what it believes to be the fair market value. The Company may not be able to find a buyer for any of these Retained Assets. In addition, the Company is currently involved in disputes related to certain of these assets, which may not be resolved favorably or at all, and which may have a negative impact on the value of these assets. The real property option includes certain requirements; including that the real property option be exercised before December 10, 2021 and that construction begin on such property within 15 months of exercising the option. In addition, the real property interest owned by the Company requires that construction begin on such property within 15 months of December 10, 2019, the date when the Company took ownership. This condition may make this real property option and this real property less marketable and less valuable, and subjects them to the risk of repossession by the City of Detroit. As a result, the Company may not realize fair market value, or any value, on some or any of these Retained Assets, which could result in a limited or no Subsequent Distribution.

The Company will retain cash to pay its ongoing operating expenses during the liquidation process, and to satisfy any actual and contingent liabilities, including ongoing litigation, which cash may not ever be available to the Shareholders.

The Company intends to retain approximately $32 million in cash to pay ongoing operating expenses, including management salaries, director fees, liquidator fees, legal fees, and other overhead expenses, fees and expenses related to monetizing the Retained Assets, and to satisfy any outstanding and contingent liabilities, including ongoing litigation. As a result, this cash will not be available to be paid to the Shareholders in a Subsequent Distribution, except to the extent such cash is not ultimately spent as described above. Any such expenditure may reduce the amount of any Subsequent Distribution, or prevent any Subsequent Distribution from being paid.

The Company may have unknown liabilities that are presented while it is in liquidation, which may require it to satisfy those liabilities with cash on hand or cash generated from the sale of its Retained Assets. As a result, the amount of any Subsequent Distribution may be reduced or non-existent.

The Company's Shares will continue to trade on the OTC Markets Pink market following the adoption of the Plan of Liquidation and the Distribution, but may be volatile, experience substantial declines in price and have limited trading volume and any investment in the Company's Shares is speculative.

The Company expects that its Shares will continue to trade for some period of time following the Distribution on the OTC Markets Pink market. Future trading prices of the Company's Shares will depend on many factors, including, among other things, the perceived value of the remainder of the Company's assets, how quickly the Company is able to monetize its Retained Assets, the amount of Subsequent Distributions and the market for similar securities. The market for the Company's Shares is illiquid with minimal trading volume and may become more illiquid with less or no trading volume. The market for the Company's Shares may be subject to disruptions that may cause substantial volatility in the prices of the Company's Shares. The price of the Company's Shares may decrease substantially, including to zero, following the Distribution and may not reflect the intrinsic value of the Retained Assets and cash. Investors should not attribute any value to the Company's Shares following the Distribution, and any investment in the Company's Shares is speculative.

Transfer restrictions under the Bye-laws may reduce liquidity of trading in the Company's shares.

Section 382 of the Code limits the ability of a corporation that experiences an "ownership change" to utilize its net operating losses for U.S. federal income tax purposes ("NOLs") and certain built-in losses after the ownership change. An ownership change is generally a change in ownership of more than 50 percentage points of a corporation's stock over a rolling 3-year period. These rules generally operate by focusing on ownership changes among shareholders owning directly or indirectly 5% or more of the stock of a corporation (including for this purpose certain groups of shareholders each of whom owns less than the 5% threshold) or certain changes in ownership arising from a new issuance or a redemption of stock by the corporation. Generally, under section 382 of the Code, in the event of an ownership change, the amount of taxable income that a corporation can offset with its "pre-change losses" (which includes its NOLs

generated before the ownership change) is restricted to an annual amount equal to the equity value of the corporation immediately prior to the ownership change multiplied by the long-term tax-exempt rate.

SHI expects to retain a material amount of NOLs following the sale of SGI. If the Company undergoes an ownership change for purposes of section 382 of the Code as a result of future transactions involving the Company's common shares, including purchases or sales of shares by 5% shareholders, the ability of SHI to utilize its NOLs and recognize certain built-in losses would be subject to limitation under section 382 of the Code. To protect against an unanticipated ownership change, the Company's Bye-laws generally prohibit transactions that result in the creation of a new "Five Percent Shareholder" or increases in the ownership interest of an existing Five Percent Shareholder. A "Five Percent Shareholder" for this purpose is defined in the Bye-laws by reference to section 382 of the Code, and includes "public groups". A prohibited transaction under the Bye-laws is void at inception in the absence of Board approval, provided that this will not preclude the settlement of any transaction in the Company's securities entered into through the facilities of any applicable stock exchange on which its securities may be listed (if any) or any applicable OTC (as such term is defined in the Bye-laws) on which its securities may be listed.

The Board may decline to approve or register any transfer, purchase or sale of shares if it appears to the Board, after taking into account, among other things, any reduction in voting power required pursuant to the Bye-laws, that any non-de minimis adverse tax, regulatory or legal consequences to the Company or any of its subsidiaries, or any other direct or indirect holder of the Company's shares or its affiliates would result from such transfer owning "Controlled Shares" (including if such consequence arises as a result of any person owning "Controlled Shares" of more than 9.5% of the value of the Company or its voting shares).

These limitations may reduce liquidity of trading in the Company's Shares. There can be no assurance that the Board will waive the Five Percent Shareholder limitation in the near term or at all.

The tax treatment of any liquidating distributions may vary from shareholder to shareholder, and the Shareholders should consult their own tax advisors.

The Company has not requested a ruling from the IRS with respect to the anticipated U.S. federal income tax consequences of the Plan of Liquidation. The Company intends to accomplish the liquidation and dissolution of the Company in a manner that will qualify as a "complete liquidation" of the Company within the meaning of sections 331 and 346(a) of the Code, but there can be no assurance that the Company's efforts to do so will be successful. If any of the anticipated tax consequences of the Plan of Liquidation described in this Proxy Statement prove to be incorrect, the result could be increased taxation at the corporate and/or shareholder level, thus reducing the benefit to the Shareholders and the Company from the liquidation and dissolution. Tax considerations applicable to the Shareholders may vary with and be contingent upon the particular circumstances of each Shareholder. Shareholders are urged to consult their own tax advisors as to the specific tax consequences to them of the Plan of Liquidation in light of each Shareholder's particular circumstances.

Shareholders generally will not be able to recognize a loss for U.S. federal income tax purposes until they receive a final distribution from the Company.

As a result of the Company's liquidation and dissolution, for U.S. federal income tax purposes, the Shareholders who are U.S. Holders (as defined under "Certain Tax Considerations — Certain United States Federal Income Tax Considerations" below) generally will recognize gain or loss equal to the difference between (i) the amount of cash and the fair market value (at the time of the distribution) of any other property distributed, less any known liabilities assumed by the Shareholders or to which the distributed property is subject, and (ii) such Shareholder's tax basis in the Shares. Liquidating distributions pursuant to the Plan of Liquidation may occur at various times and in more than one tax year. Any loss generally will be recognized only when a Shareholder receives the final distribution from the Company and then only if the aggregate value of all liquidating distributions with respect to a Share is less than the Shareholder's tax basis in the Share. For a general summary of certain material U.S. federal income tax consequences of the Plan of Liquidation, see "Certain Tax Considerations — Certain United States Federal Income Tax Considerations" below.

The Company may become a PFIC, which could result in adverse U.S. federal income tax consequences for Shareholders.

If the Company is a "passive foreign investment company" ("PFIC") for any taxable year (or portion thereof) that is included in the holding period of a U.S. person treated as a "U.S. Shareholder" of its shares, such U.S. person may be subject to adverse U.S. federal income tax consequences and may be subject to additional reporting requirements.

A foreign corporation will be classified as a PFIC in any taxable year for U.S. federal income tax purposes if (i) at least 75% of its gross income is "passive income" or (ii) on average at least 50% of the value of its assets is attributable to assets that produce passive income or are held for the production of passive income. Passive income generally includes dividends, interest, rents and royalties and gains from the disposition of passive assets. In determining whether a non-U.S. corporation is a PFIC, a proportionate share of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25% interest (by value) generally is treated as income or assets, as applicable, of such non-U.S. corporation. While not free from doubt, the Company believes that, as of the date hereof, it is not a PFIC. The Company's actual PFIC status for the current taxable year or any subsequent taxable year, however, will not be determinable until after the end of such taxable year.

The determination as to whether the Company is a PFIC for any taxable year is based on the application of complex U.S. federal income tax rules. There is considerable uncertainty regarding how certain aspects of these rules are interpreted and while proposed Treasury regulations have been promulgated under the Code regarding these rules, such Treasury regulations have not been formally adopted and are subject to change. As a result of these uncertainties in the application of the PFIC rules to the Company, there can be no assurance with respect to the Company's status as a PFIC for the taxable year ending December 31, 2020 or any future taxable year. If the Company determines that it is a PFIC for any taxable year, the Company intends to notify the Shareholders of such determination and, in such circumstance, the Company intends to provide to a U.S. Holder who makes a qualifying electing fund election (as discussed in "Certain Tax Considerations — Certain United States Federal Income Tax Considerations", below), upon written request of such U.S. Holder, the annual information statement required under the U.S. Treasury regulations, in order to enable the U.S. Holder to make and maintain such an election. There can be no assurances, however, that the Company will be able to provide (or timely provide) such information or that the IRS will not take a contrary position with respect to the Company's determination as to its PFIC status for any taxable year. In addition, if a liquidator is appointed, there can be no assurance that the liquidator will continue to cause the Company to provide (or timely provide) such information. U.S. investors are urged to consult their own tax advisors regarding the possible application of the PFIC rules.

The Board of Directors recommends that Shareholders vote FOR the proposal to adopt the Plan of Liquidation.

II. MERGER OF SHI WITH AND INTO THE COMPANY

SHI Information

SHI is a wholly-owned subsidiary of the Company and a Delaware corporation. It is an intermediate holding company with no operations whose assets consist of holding the equity interests of its subsidiaries and cash on hand. Following the sale of Syncora Guarantee, it also holds the net cash proceeds of such sale, an interest in Swap Financial Group, LLC, an interest in Crown Global Insurance Group, LLC, real property and an option on real property in Detroit, Michigan, and a certificate that can be presented to the City of Detroit for value when purchasing certain city-owned property in Detroit, Michigan.

Rationale

Pursuant to the Plan of Liquidation, following the sale or other disposition of all of its assets (other than cash), SHI will merge with and into the Company, pursuant to Section 253 of the Delaware General Corporation Law (the "DGCL"), prior to liquidating the Company under Bermuda Law. Following the Distribution and the Subsequent Distributions, SHI will have *de minimis* assets consisting only of equity

interests in subsidiaries, which subsidiaries will have no assets. It is expected that all subsidiaries of SHI, to the extent not otherwise disposed of, will be merged with and into SHI prior to the merger of SHI with and into the Company. Accordingly, it is in the best interests of the Company and the Shareholders to merge SHI with and into the Company. In addition, it is more cost-efficient and less time consuming to merge SHI with and into the Company, than to liquidate SHI under the DGCL. The Board and the board of directors of SHI have both approved the merger and recommended to their respective shareholders that the shareholders approve the merger. The Company and SHI believe that the merger is substantively and procedurally fair to the Shareholders because the Company will continue to hold the assets of SHI directly following the merger. If approved by the Company's Shareholders, the Company and SHI will enter into a merger agreement, file a certificate of merger with the Secretary of State of Delaware and apply to the Bermuda Registrar of Companies for a Certificate of Merger. The merger agreement will be conditioned on the disposition of the Retained Assets and will provide that, at the closing of the merger, SHI will be merged with and into the Company, the separate corporate existence of SHI will cease and the Company will continue its corporate existence under Bermuda Law as the surviving corporation in the merger.

The Board of Directors recommends that Shareholders vote FOR the proposal to merge Syncora Holdings US Inc. with and into the Company.

CERTAIN TAX CONSIDERATIONS

I. CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS FOR U.S. HOLDERS

The following is a discussion of certain U.S. federal income tax considerations relating to the Plan of Liquidation for U.S. Holders (as defined below). This summary is included for general information purposes only and is not tax advice to any U.S. Holder. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), U.S. Treasury regulations promulgated or proposed thereunder and administrative and judicial interpretations thereof, all as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect, or to different interpretation. This discussion does not address all of the U.S. federal income tax considerations that may be relevant to specific U.S. Holders in light of their particular circumstances or to U.S. Holders subject to special treatment under U.S. federal income tax law (such as banks, insurance companies, dealers in securities or other U.S. Holders that generally mark their securities to market for U.S. federal income tax purposes, tax-exempt entities, retirement plans, regulated investment companies, real estate investment trusts, certain former citizens or residents of the United States, U.S. Holders that hold Shares as part of a straddle, hedge, conversion or other integrated transaction, U.S. Holders that have a "functional currency" other than the U.S. dollar, U.S. Holders of Shares that own (or are deemed to own), or have previously owned (or been deemed to own) at any time, 10% or more (by vote or value) of the stock of the Company or any of its subsidiaries) or U.S. Holders that received the Shares as compensation (or pursuant to the conversion or exchange of another instrument). This discussion does not address any U.S. state or local considerations or any U.S. federal estate, gift or alternative minimum tax considerations.

As used in this discussion, the term "U.S. Holder" means a beneficial owner of a Share, as the context requires, that, for U.S. federal income tax purposes, is (i) an individual who is a citizen or resident of the United States, (ii) a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax regardless of its source or (iv) a trust (x) with respect to which a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of its substantial decisions or (y) that has in effect a valid election under applicable U.S. Treasury regulations to be treated as a U.S. person.

If an entity treated as a partnership for U.S. federal income tax purposes holds a Share, the U.S. federal income tax considerations relating to the Plan of Liquidation will depend in part upon the status and activities of such entity and the particular partner. Any such entity should consult its own tax advisor regarding the U.S. federal income tax considerations applicable to it and its partners relating to the Plan of Liquidation.

No ruling has been or will be sought from the U.S. Internal Revenue Service (the "IRS") with respect to any of the U.S. federal income tax considerations discussed below, and no assurance can be given that the IRS will not take a position contrary to the discussion below.

THE TAX CONSIDERATIONS RELATING TO THE PLAN OF LIQUIDATION ARE COMPLEX AND SUBJECT TO UNCERTAINTY. EACH U.S. HOLDER SHOULD CONSULT ITS OWN TAX ADVISOR REGARDING THE U.S. FEDERAL, STATE AND LOCAL AND NON-U.S. INCOME, ESTATE AND OTHER TAX CONSIDERATIONS RELATING TO THE PLAN OF LIQUIDATION IN LIGHT OF ITS PARTICULAR CIRCUMSTANCES.

Tax Considerations Applicable to U.S. Holders relating to the Merger of SHI with and into the Company

The merger of SHI with and into the Company in accordance with the Plan of Liquidation is intended to be treated as a distribution of all of the property of SHI to the Company in complete liquidation of SHI in a transaction governed under section 332 of the Code for U.S. federal income tax purposes. Subject to the discussion below under "PFIC," a U.S. Holder will not recognize any gain or loss as a result of the merger of SHI with and into the Company.

Treatment of the Plan of Liquidation

The Company intends to accomplish the liquidation and dissolution of the Company in accordance with the Plan of Liquidation in a manner that will qualify as a "complete liquidation" of the Company within the meaning of sections 331 and 346(a) of the Code. Accordingly, following the approval by the Shareholders of the Plan of Liquidation, the Company intends to treat for U.S. federal income tax purposes any distributions made by the Company to the Shareholders in accordance with the Plan of Liquidation as distributions in complete liquidation of the Company. The discussion below assumes that such treatment will apply. There can be no assurance, however, that the IRS will not take a contrary position. In addition, there can be no assurance that the Company will be able to complete the liquidation and dissolution of the Company in the manner and within the time period required by the IRS. As discussed further below, if the Company is unable to complete the liquidation and dissolution of the Company in the manner and within the time period required by the IRS, or if the IRS does not treat a distribution made pursuant to the Plan of Liquidation as a liquidating distribution for U.S. federal income tax purposes, then any such distribution generally would be treated as a dividend to the Shareholders to the extent of the Company's current or accumulated earnings and profits (as determined for U.S. federal income tax purposes), and the U.S. federal income tax consequences of the Plan of Liquidation would differ materially from the consequences described below. Each U.S. Holder should consult its own tax advisor regarding the applicable considerations to such U.S. Holder of the Plan of Liquidation in light of such U.S. Holder's particular circumstances.

Any amounts received by a U.S. Holder in complete liquidation of the Company and pursuant to the Plan of Liquidation generally will be treated as a payment in exchange for such U.S. Holder's Shares. In general, a U.S. Holder will recognize gain or loss for U.S. federal income tax purposes in such exchange in an amount equal to the difference, if any, between (i) the amount of cash and the fair market value (at the time of the distribution) of other property, if any, distributed to such U.S. Holder by the Company (reduced by any liabilities assumed by such U.S. Holder or to which such property is subject) and (ii) such U.S. Holder's adjusted tax basis in its Shares. A U.S. Holder's adjusted tax basis in its Shares generally will equal the U.S. Holder's acquisition cost for such Shares. Amounts received by a U.S. Holder in complete liquidation of the Company and pursuant to the Plan of Liquidation will first be applied against and reduce such U.S. Holder's tax basis in its Shares. Gain or loss is calculated separately with respect to each Share (or, if U.S. Holder holds blocks of Shares as a result of having acquired a number of Shares at the same time and for the same price, with respect to each block of Shares). In general, a U.S. Holder is required to allocate a liquidating distribution proportionately to each Share held by such U.S. Holder and compare the allocated portion of the liquidating distribution with such U.S. Holder's tax basis in such Share. Gain will be recognized as a result of a liquidating distribution to the extent that the aggregate value of such liquidating distribution and any prior liquidating distributions received by a U.S. Holder with respect to a Share exceeds such U.S. Holder's tax basis in such Share. Any loss generally will be recognized only when a U.S. Holder receives the final liquidating distribution from the Company and then only if the aggregate value of all liquidating distributions with respect to a Share is less than such U.S. Holder's tax basis in such Shares.

Subject to the discussion below under "PFIC," any gain or loss so recognized by a U.S. Holder in respect of a Share generally will be capital gain or loss and will be long-term capital gain or loss if such U.S. Holder has held such Share for more than one year. Net long-term capital gain of certain non-corporate U.S. Holders generally is subject to preferential rates of tax. The deductibility of capital losses is subject to limitations. Any such gain or loss generally will be from sources within the United States.

If any distribution in respect of a Share received by a U.S. Holder pursuant to the Plan of Liquidation does not qualify as a distribution in complete liquidation of the Company for U.S. federal income tax purposes, then such U.S. Holder generally would be required to include the amount of such distribution in gross income as a dividend (without reduction for any non-U.S. tax withheld from such distribution) to the extent of the Company's current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). To the extent the amount of any such distribution exceeds the Company's current and accumulated earnings and profits, it generally would be treated first as a non-taxable return of capital to the extent of such U.S. Holder's adjusted tax basis in such Share and then as gain (which generally would be capital gain and would be long-term capital gain if such U.S. Holder has held such Share for more than

one year, as described in the paragraph immediately above). A distribution on a Share that is treated as a dividend generally will constitute income from sources outside the United States and generally will be categorized for U.S. foreign tax credit purposes as "passive category income" or, in the case of some U.S. Holders, as "general category income." If, however, 50% or more (by vote or value) of the Company's stock is treated as owned by U.S. persons, the amount of any such dividends constituting income from sources outside the United States may be limited to the amount attributable to the Company's income from sources outside the United States. Any distribution on a Share that is treated as a dividend generally would not be eligible for the "dividends received" deduction generally allowed to corporate shareholders with respect to dividends received from U.S. corporations and would not be eligible for the preferential rates of tax applicable to certain dividends received by certain non-corporate U.S. Holders from certain qualified foreign corporations. In addition, a portion of any such dividends may constitute income from sources within the United States to the extent paid out of any earnings and profits to which the Company succeeds as a result of the merger of SHI with and into the Company.

Passive Foreign Investment Company Considerations

While not free from doubt, the Company, which is a Bermuda corporation, believes that, as of the date hereof, it is not a passive foreign investment company ("PFIC") for U.S. federal income tax purposes. The determination as to whether the Company is a PFIC for any taxable year is based on the application of complex U.S. federal income tax rules. There is considerable uncertainty regarding how certain aspects of these rules are interpreted and while proposed Treasury regulations have been promulgated under the Code regarding these rules, such Treasury regulations have not been formally adopted and are subject to change. The determination as to whether the Company is a PFIC is made annually at the end of each taxable year and is dependent upon a number of factors, some of which are beyond the Company's control, such as the value of its assets (including goodwill) and the amount and type of its income. Given the foregoing, there can be no assurance that the Company will not be a PFIC in any taxable year (including the year of any distribution pursuant to the Plan of Liquidation) or that the IRS will agree with the Company's conclusion regarding its PFIC status in any taxable year. If the Company is a PFIC in any taxable year, U.S. Holders could suffer adverse consequences as discussed below.

In general, a corporation organized outside the United States will be treated as a PFIC in any taxable year in which either (i) at least 75% of its gross income is "passive income" or (ii) on average at least 50% of the value of its assets is attributable to assets that produce passive income or are held for the production of passive income. Passive income for this purpose generally includes, among other things, dividends, interest, royalties, rents, and gains from commodities transactions and from the sale or exchange of property that gives rise to passive income. In determining whether a non-U.S. corporation is a PFIC, a proportionate share of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25% interest (by value) generally is treated as income or assets, as applicable, of such non-U.S. corporation.

If the Company is a PFIC in any taxable year during which a U.S. Holder owns a Share, such U.S. Holder could be liable for additional taxes and interest charges upon distributions by the Company pursuant to the Plan of Liquidation, whether or not the Company continues to be a PFIC. The tax would be determined by allocating such distributions ratably to each day of such U.S. Holder's holding period. The amount allocated to the current taxable year and any holding period of such U.S. Holder prior to the first taxable year in which the Company is a PFIC would be taxed as ordinary income (rather than capital gain) earned in the current taxable year. The amount allocated to other taxable years would be taxed at the highest marginal rates applicable to ordinary income for each such taxable year, and an interest charge would also be imposed on the amount of taxes so derived for each such taxable year. In addition, a person who acquires a Share from a deceased U.S. Holder who held such Share in a taxable year in which the Company was a PFIC generally would be denied the step-up of the tax basis in such Share for U.S. federal income tax purposes to the fair market value of such Share at the date of such deceased U.S. Holder's death. Instead, such person would have a tax basis in such Share equal to the lower of such fair market value or such deceased U.S. Holder's tax basis in such Share.

The tax consequences that would apply if the Company were a PFIC would be different from those described above if a U.S. Holder were eligible for and timely made a valid "qualified electing fund" ("QEF") election for the taxable year that is the first year of such U.S. Holder's holding period of Shares during which the Company is a PFIC. In order for a U.S. Holder to be able to make a QEF election, the Company would be required to provide such U.S. Holder with certain information.

A QEF election is made on a shareholder-by-shareholder basis and, once made, can be revoked only with the consent of the IRS. A U.S. Holder generally makes a QEF election by attaching a completed IRS Form 8621 (Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund), to a timely filed United States federal income tax return for the tax year to which the election relates. Retroactive QEF elections generally may be made only by filing a protective statement with the relevant return and if certain other conditions are met or with the consent of the IRS. U.S. Holders should consult their tax advisors regarding the availability and tax consequences of a retroactive QEF election under their particular circumstances.

If the Company is treated as a PFIC and a valid and timely QEF election is made with respect to the Company by a U.S. Holder, such U.S. Holder generally will be required to include currently in gross income its *pro rata* share of the Company's ordinary earnings and net capital gains, if any, for each taxable year in which the Company is a PFIC, whether or not distributed for such year. Such income inclusion generally will be required whether or not such U.S. Holder owns a Share for an entire taxable year or at the end of the Company's taxable year. The amount so included in income generally will be treated as ordinary income to the extent of such U.S. Holder's allocable share of the Company's ordinary earnings and as long-term capital gain to the extent of such U.S. Holder's allocable share of the Company's net capital gains. An amount previously included in income by such U.S. Holder under the QEF rules generally will not be subject to tax when it is distributed to such U.S. Holder. The U.S. Holder's tax basis in a Share generally will be increased by any amounts included in income under the QEF rules and be decreased by any amounts not included in income when distributed. So long as a QEF election is in effect with respect to a U.S. Holder's entire holding period for a Share, distributions with respect to a Share will be treated described above under "Treatment of the Plan of Liquidation."

If the Company determines that it is a PFIC in any taxable year during any period in which the Plan of Liquidation is in effect, the Company intends to notify Shareholders of such determination and, in such circumstance, the Company intends to provide to a U.S. Holder who makes a QEF election, upon written request of such U.S. Holder, the annual information statement required under the U.S. Treasury regulations, in order to enable the U.S. Holder to make and maintain a QEF election. There can be no assurances, however, that the Company will be able to provide (or timely provide) such information or that the IRS will not a take a contrary position with respect to the Company's determination as to its PFIC status for any taxable year.

In addition to the considerations described above, if the Company is a PFIC in any taxable year during which a U.S. Holder owns a Share, such U.S. Holder (i) may also suffer adverse tax consequences under the PFIC rules described above with respect to any other PFIC in which the Company has a direct or indirect equity interest (if any) and (ii) generally will be required to file an annual IRS Form 8621 (Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund) setting forth certain information with its U.S. federal income tax returns.

U.S. Holders should consult their own tax advisors regarding the U.S. federal income tax consequences to such U.S. Holder if the Company is treated as a PFIC, including the potential extension of the period of limitations on assessment and collection of U.S. federal income taxes arising from a failure to file the statement described in the preceding paragraph.

Disclosure Requirements for Specified Foreign Financial Assets

Individual U.S. Holders (and certain U.S. entities specified in U.S. Treasury guidance) who, during any taxable year, hold any interest in any "specified foreign financial asset" generally are required to file with their U.S. federal incometax returns certain information on IRS Form 8938 if the aggregate value of all such assets exceeds certain specified amounts. "Specified foreign financial asset" generally includes any financial account maintained with a non-U.S. financial institution and may also include a Shareif it is not

held in an account maintained with a financial institution. Substantial penalties may be imposed, and the period of limitations on assessment and collection of U.S. federal income taxes may be extended, in the event of a failure to comply. U.S. Holders should consult their own tax advisors as to the possible application to them of this filing requirement.

Medicare Tax

In addition to regular U.S. federal income tax, certain U.S. Holders that are individuals, estates or trusts are subject to a 3.8% tax on all or a portion of their "net investment income," which may include all or a portion of their income arising from a distribution pursuant to the Plan of Liquidation.

Information Reporting and Backup Withholding

Under certain circumstances, information reporting or backup withholding may apply to U.S. Holders with respect to distributions made pursuant to the Plan of Liquidation unless an applicable exemption is satisfied, or, in the case of backup withholding, such U.S. Holder provides the appropriate documentation (generally, IRS Form W-9 or successor form) to the applicable withholding agent certifying that, among other things, its taxpayer identification number is correct. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules generally will be allowed as a refund or a credit against a U.S. Holder's U.S. federal income tax liability if the required information is furnished by such U.S. Holder on a timely basis to the IRS.

II. CERTAIN BERMUDA TAX CONSIDERATIONS

Under current Bermuda law, there is no income, corporate or profits tax or withholding tax, capital gains tax or capital transfer tax, estate or inheritance tax payable by the Company or its shareholders, other than shareholders ordinarily resident in Bermuda, if any. The Company has obtained from the Bermuda Minister under The Exempted Undertaking Tax Protection Act 1966, as amended, of Bermuda an assurance that, in the event that Bermuda enacts legislation imposing tax computed on profits, income, any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance, then the imposition of any such tax shall not be applicable to the Company or to any of its operations or its shares, debentures or other obligations, until March 31, 2035. The Company could be subject to taxes in Bermuda after that date. This assurance is subject to the proviso that it is not to be construed so as to prevent the application of any tax or duty to such persons as are ordinarily resident in Bermuda or to prevent the application of any tax payable in accordance with the provisions of the Land Tax Act 1967, as amended, of Bermuda or otherwise payable in relation to any property leased to the Company. The Company pays annual Bermuda government fees. In addition, all entities employing individuals in Bermuda are required to pay a payroll tax and there are other sundry taxes payable, directly or indirectly, to the Bermuda government.

OTHER MATTERS

While management knows of no other matters to be brought before the Special General Meeting, if any other matters properly come before the meeting, it is the intention of the persons named in the accompanying proxy form to vote the proxy in accordance with their judgment on such matters. If any matter not proper for action at the meeting should be presented, the persons named in the proxy card will vote against consideration of the matter or the proposed action.

As ordered,

/s/ Frederick B. Hnat

Frederick B. Hnat
President and Chief Executive Officer

PLAN OF LIQUIDATION AND DISSOLUTION OF SYNCORA HOLDINGS LTD.

Upon approval of this Plan of Liquidation and Dissolution (this "Plan"), Syncora Holdings Ltd., a Bermuda exempted company (the "Company"), shall undertake a process of complete liquidation and dissolution in preparation for a members' voluntary liquidation of the Company (the "Members' Voluntary Liquidation") under the provisions of the Bermuda Companies Act 1981 (such Act, "Bermuda Law"). This Plan is intended to constitute a plan of liquidation of the Company for U.S. federal income tax purposes.

1. Approval of this Plan. The Board of Directors of the Company (the "Board") has determined in its reasonable business judgment that it is advisable and in the best interests of the Company and its shareholders that the Company commence an orderly liquidation and/or wind up in accordance with the applicable provisions of Bermuda Law and the Internal Revenue Code of 1986, as amended (the "Code"), and approved this Plan as of January 13, 2020. This Plan shall be submitted to the shareholders of the Company at a special general meeting of the shareholders for approval or disapproval by them in accordance with Bermuda Law and shall become effective (the "Effective Date") as of the date that this Plan is approved by a vote of a majority of the votes cast by the shareholders of the Company's common shares at such special general meeting.

2. Cessation of Business Activities. From and after the Effective Date, the Company shall cease to be a going concern, shall not engage in any new business activities and shall otherwise limit its activities to prosecuting and defending suits, whether civil, criminal or administrative, by or against the Company, and such other activities as will enable the Company to settle and close its business, to dispose of and convey its property, to discharge its liabilities, to distribute to its shareholders any remaining assets and to wind up its affairs. From and after the Effective Date, the Company shall have the authority to take any such actions, and to cause its subsidiaries to take any such actions, as may be appropriate to its liquidation and dissolution, including, without limitation, to sell, exchange or otherwise dispose of all or any part of its or its subsidiaries' assets (including any assets received in exchange for its present assets) for cash to such person and upon such terms and conditions as the Board shall determine.

3. Contingency Reserve. If and to the extent deemed necessary, appropriate or desirable by the Board, in its sole and absolute discretion, the Company may establish and set aside a reasonable amount of cash and/or property to satisfy claims against unmatured or contingent liabilities and obligations of the Company, including tax obligations, and all expenses of the sale of the Company's property and assets, of the collection and defense of the Company's property and assets, and the liquidation and dissolution contemplated by this Plan.

4. Collection and Conversion of Assets and Payment of Liabilities and Obligations. From and after the Effective Date, the Company shall:

    a. Pay or make reasonable provision to pay all claims and obligations, including all contingent, conditional or unmatured contractual claims known to the Company, including costs associated with the Members' Voluntary Liquidation, including the costs of any liquidator appointed by the shareholders as described in Section 5(e) below;

    b. Collect or make provision for the collection of any accounts receivable, debts and claims owing to it; and

    c. As promptly as feasible, sell or otherwise dispose of and convert into cash any and all assets of the Company and distribute to the shareholders of the Company the net proceeds from such sales or other dispositions, together with any and all cash amounts currently held by the Company, at such times as the Board may approve and direct on behalf of the shareholders, such that, at the conclusion of the liquidation of the Company, the Company shall have distributed all of its assets (including proceeds of sales) to the shareholders of the Company, other than such amounts as the Board, or the liquidator, as applicable, may determine to reserve in order to pay the debts and expenses of the Company in accordance with Section 3 of this Plan.

Distributions made pursuant to this Plan shall be treated as made in complete liquidation of the Company within the meaning of the Code and the Treasury Regulations promulgated thereunder.

5. Liquidation. Pursuant to this Plan:

   a. The Company shall cause Syncora Holdings US Inc., a Delaware corporation and the Company's direct, wholly-owned subsidiary ("SHI") to adopt a plan of liquidation intended to constitute a plan liquidation of SHI for U.S. federal income tax purposes;

   b. Following the adoption by SHI of a plan of liquidation, the Company shall (i) cause SHI to make a liquidating distribution to the Company of $415 million, comprising the net cash proceeds received by SHI relating to the sale of SHI's wholly-owned subsidiary, Syncora Guarantee Inc. and certain other available cash and the Company shall immediately distribute such proceeds to the shareholders of the Company in a liquidating distribution and (ii) the Company shall cancel or cause to be cancelled the 3,044,588 common shares held by SHI;

   c. The Company shall cause each of its subsidiaries, including SHI, to sell or otherwise dispose of and convert into cash any and all of its assets and wind up its respective affairs, following the disposition of which, the Company may make one or more additional liquidating distributions consisting of any such cash proceeds distributed to the Company;

   d. Following the sale or other disposition of all of the assets (other than cash) of SHI, SHI will merge with and into the Company, with the Company surviving, in a complete liquidation described in section 332 of the Code and the Treasury Regulations promulgated under;

   e. Following the merger of SHI with and into the Company, the Board shall convene a special general meeting of the shareholders of the Company to (i) authorize resolutions of the Company providing that the Company is to be wound up voluntarily and (ii) appoint a liquidator to commence the Members' Voluntary Liquidation in accordance with Bermuda Law; and

   f. The liquidation and dissolution of the Company is intended to be completed within three (3) years of the adoption of this Plan of Liquidation.

6. Shareholder Consent to Sale of Assets and Merger. Approval of this Plan by the shareholders of the Company shall constitute the approval of the shareholders of (a) the sale, exchange or other disposition of any and all of the property and assets of the Company or any of its subsidiaries, whether such sale, exchange or other disposition occurs in one transaction or a series of transactions, and shall constitute approval, adoption and ratification of any contracts for sale, exchange or other disposition entered into in contemplation of approval of this Plan, (b) the merger of SHI with and into the Company as described in Section 5(d) and (c) the actions described in Section 8. The Company shall not be required to obtain appraisals, fairness opinions or other third-party opinions as to the value of its properties and assets in connection with the implementation of this Plan.

7. Expenses of Dissolution. The Board and officers of the Company shall take all action required to be taken by the Company, including, without limitation, authorizing and directing the payment of or making provision for the payment of all expenses, liabilities and obligations of the Company incurred in connection with the dissolution, liquidation and winding up of the Company as provided for herein. Without limiting the foregoing, in connection with and for the purposes of implementing and assuring completion of this Plan, the Company may, in the sole and absolute discretion of the Board, retain brokers, lawyers, accountants and other advisors and pay any investment advisory, brokerage, agency, professional and other fees and expenses of persons rendering services to the Company in connection with the collection, management, sale, exchange or other disposition of the Company's property and assets and the implementation of this Plan.

8. Authority of Officers and Directors.

   a. After the Effective Date, the Board and the officers of the Company shall continue in their respective positions for the purpose of winding up the affairs of the Company and shall cease to be members of the Board and/or officers of the Company upon the earlier of the completion of these activities, the date of their respective resignations or the date of their discharge following the appointment of a liquidator pursuant to the Members' Voluntary Liquidation. The Board may appoint officers, hire employees and retain independent contractors as it deems necessary or desirable to supervise or facilitate the implementation of this Plan, and is authorized to pay to the Company's officers, directors, employees and independent contractors, or any of them, compensation for their services, and may provide for indemnification (including advancement of expenses) to such persons. To the fullest extent permitted by law, adoption of this Plan by the shareholders of the Company shall constitute approval of the payment of any such compensation.

   b. The adoption of this Plan by the shareholders of the Company shall constitute full and complete authority for the Board and the officers of the Company, without further shareholder action, to do and perform any and all acts and to make, execute and deliver any and all agreements, conveyances, assignments, transfers, certificates and other documents of any kind and character that the Board or such officers deem necessary, appropriate or advisable: (i) to liquidate and dissolve the Company in accordance with Bermuda Law and cause its withdrawal from all jurisdictions in which it is authorized to do business; (ii) to sell, dispose, convey, transfer and deliver the assets of the Company; (iii) to dispute, defend, adjudicate or settle claims and to resolve and clarify liabilities with respect to such claims; and (iv) to distribute all of the remaining funds of the Company to the shareholders of the Company, in each case, to the fullest extent permitted by law.

9. Indemnification. The Company shall continue to indemnify its officers, directors, employees and agents in accordance with its Bye-Laws and any relevant contractual arrangements for actions taken in connection with this Plan and the winding up of the affairs of the Company. The Board, in its sole and absolute discretion, is authorized to obtain and maintain insurance as may be necessary, appropriate or advisable to cover the Company's obligations hereunder, including directors' and officers' liability coverage.

10. Modification or Abandonment of this Plan. If, for any reason, the Board determines that such action would be in the best interests of the Company, it may amend or modify this Plan and all actions contemplated hereunder, notwithstanding shareholder approval of this Plan, to the extent permitted by Bermuda Law, including by petitioning the Supreme Court of Bermuda for a compulsory liquidation in the event the Board determines that undergoing a compulsory liquidation is more appropriate under the circumstances.

11. Tax Matters. This Plan is intended to constitute a plan of complete liquidation of the Company within the meaning of sections 331 and 346(a) of the Code. The Board and officers of the Company and, following the commencement of the Members' Voluntary Liquidation, the liquidator, are hereby authorized and directed to execute and file any forms and reports with the Internal Revenue Service or other tax authority as may be necessary or appropriate in connection with this Plan and the carrying out thereof. During the period of liquidation, the Board and the officers of the Company and, following the commencement of the Members' Voluntary Liquidation, the liquidator, are hereby authorized to engage external tax advisors as they deem necessary or appropriate to assist the Company or any subsidiary of the Company with the filing of tax returns or any other tax-related filings or to otherwise advise the Company or any such subsidiary on U.S. federal or other tax matters, including, in the event that the Company, in consultation with such external advisors, determines it will or may be treated as a "passive foreign investment company" within the meaning of section 1297(a) of the Code for any taxable year during such liquidation period, with respect to the preparation of annual information statements. The Board and the officers of the Company and, following the commencement of the Members' Voluntary Liquidation, the liquidator, are further authorized to make or cause to be made any

election (including, following the disposition of all of the assets of SHI and the merger of SHI into the Company, any U.S. entity classification election) that the Company and/or the liquidator determines, in consultation with the Company's external tax advisors, to be appropriate under the circumstances. If a compulsory liquidation is undertaken in lieu of a Members' Voluntary Liquidation, any liquidator appointed in such liquidation shall be authorized to take the actions described above.

12. Further Actions. Each officer of the Company is hereby authorized, without further action by the Board or the shareholders of the Company, to do and perform, any and all acts, and to make, execute, deliver or adopt any and all agreements, resolutions, assignments, certificates and other documents of every kind which are deemed necessary, appropriate or desirable, in the absolute discretion of such officer, to implement this Plan and the transactions contemplated hereby, including all filings or acts required by any state or federal law or regulation to wind up the affairs of the Company.

EVERY VOTE IS IMPORTANT

EASY VOTING OPTIONS:

VOTE ON THE INTERNET
Log on to:
www.proxy-direct.com
or scan the QR code
Follow the on-screen instructions
available 24 hours

VOTE BY PHONE
Call 1-800-337-3503
Follow the recorded instructions
available 24 hours

VOTE BY MAIL
Vote, sign and date this Proxy Card and return in the postage-paid envelope

Please detach at perforation before mailing.

PROXY CARD

SYNCORA HOLDINGS LTD.
SPECIAL GENERAL MEETING OF HOLDERS OF COMMON SHARES
TO BE HELD ON JANUARY 28, 2020

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS. The undersigned holder of Common Shares of Syncora Holdings Ltd. hereby appoints Frederick B. Hnat, James W. Lundy, Jr. and Scott L. Beinhacker, or any of them, to be its proxy and to vote for the undersigned on all matters arising at the Special General Meeting of holders of Common Shares of Syncora Holdings Ltd. or any adjournment thereof, and to represent the undersigned at such meeting or any adjournment thereof to be held on January 28, 2020 in New York.

The Common Shares represented hereby will be voted with the instructions contained herein. If no instruction is given, the Common Shares will be voted FOR Proposals 1 and 2 on the reverse hereof, all said items being fully described in the notice of such meeting, dated as of January 14, 2020, and the accompanying proxy statement, receipt of which are hereby acknowledged. The undersigned ratifies and confirms all that said proxies or their substitutes may lawfully do by virtue hereof.

VOTE VIA THE INTERNET: www.proxy-direct.com
VOTE VIA THE TELEPHONE: 1-800-337-3503

PLEASE MARK, SIGN, DATE ON THE REVERSE SIDE AND RETURN THE PROXY CARD USING THE ENCLOSED ENVELOPE.

EVERY VOTE IS IMPORTANT

Important Notice Regarding the Availability of Proxy Materials for the Special General Meeting of holders of Common Shares to Be Held on January 28, 2020.
The Notice and Proxy Statement for this meeting are available at:
https://www.proxy-direct.com/syc-31121

If you have any questions, please call Georgeson, the Company's proxy solicitor, toll free at **1-866-216-0459.**

IF YOU VOTE BY TELEPHONE OR INTERNET, PLEASE DO NOT MAIL YOUR CARD

Please detach at perforation before mailing.

THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED IN THE MANNER DIRECTED HEREIN. IF NO DIRECTION IS MADE, THE PROXY WILL BE VOTED FOR PROPOSALS 1 AND 2.

TO VOTE MARK BLOCKS BELOW IN BLUE OR BLACK INK AS SHOWN IN THIS EXAMPLE: ☒

A Proposals **The Board of Directors recommends you vote "FOR" the proposals.**

		FOR	AGAINST	ABSTAIN
1.	To adopt a plan of liquidation of the Company, including for U.S. federal income tax purposes.	☐	☐	☐
2.	To approve the merger of the Company's wholly-owned subsidiary, Syncora Holdings US Inc., a Delaware corporation, with and into the Company in accordance with the plan of Liquidation.	☐	☐	☐

To transact such other business as may properly come before the meeting or any adjournments thereof.

B Authorized Signatures — This section must be completed for your vote to be counted. — Sign and Date Below

Note: Please sign exactly as your name(s) appear(s) on this Proxy Card, and date it. When shares are held jointly, each holder should sign. When signing as attorney, executor, guardian, administrator, trustee, officer of corporation or other entity or in another representative capacity, please give the full title under the signature.

Date (mm/dd/yyyy) — Please print date below	Signature 1 — Please keep signature within the box	Signature 2 — Please keep signature within the box
/ /		

Scanner bar code

■ xxxxxxxxxxxxxx GSC 31121 M xxxxxxxx +