

SYNCORA HOLDINGS LTD.  
Victoria Place, 5<sup>th</sup> Floor  
31 Victoria Street  
Hamilton, HM 10, Bermuda

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
OF SYNCORA HOLDINGS LTD.

Hamilton, Bermuda

February 28, 2020

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

Notice is hereby given that the 2019 annual general meeting (the “Annual 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 March 26, 2020 at 1:00 p.m. New York City time, for the following purposes:

1. To adopt a proposed amendment to Bye-Law 8 of the Company’s amended and restated bye-laws (the “Bye-Laws”) to declassify the Board effective upon final adjournment of the Annual General Meeting;
2. To elect Alan J. Carr and Frank C. Puleo as directors to hold office (a) until the 2020 annual general meeting, in the event that Proposal 1 passes, or (b) until the 2022 annual general meeting, in the event that Proposal 1 fails to pass;
3. To appoint PricewaterhouseCoopers LLP, New York, an independent registered public accounting firm, as the Company’s independent auditor for the year 2019;
4. To refer the determination of the remuneration of PricewaterhouseCoopers LLP, New York to the Audit Committee of the Board of Directors; and
5. To transact such other business as may properly come before the meeting or any adjournments thereof.

The Board of Directors of the Company recommends a vote FOR each of Items 1 through 4. The Company will also present the Company’s audited consolidated GAAP financial statements for the year ended December 31, 2018 at the Annual General Meeting pursuant to the Bermuda Companies Act 1981, as amended, and the Bye-Laws.

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 February 20, 2020, the record date for the Annual General Meeting, are entitled to receive notice of and to vote at the Annual General Meeting. The proxy statement and accompanying materials are first being mailed to Shareholders on February 28, 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 THROUGH 4 IN THE PROXY.**

**Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be Held on March 26, 2020:**

- Along with the attached Proxy Statement for the Annual General Meeting of Shareholders, we are enclosing our audited consolidated GAAP financial statements for the year ended December 31, 2018.
- The proxy statement for Shareholders is also available by clicking the “Proxies” tab under the “Investor Relations” tab at the following link: [shlholdings.com](http://shlholdings.com).

By Order of The Board of Directors,

/s/ Scott L. Beinhacker  
Scott L. Beinhacker  
*Secretary*

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**SYNCORA HOLDINGS LTD.**

**PROXY STATEMENT  
(THE "PROXY STATEMENT")  
FOR THE ANNUAL GENERAL MEETING OF HOLDERS OF COMMON SHARES  
TO BE HELD ON MARCH 26, 2020**

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**IMPORTANT INFORMATION ABOUT THE ANNUAL GENERAL MEETING  
AND PROXY PROCEDURES**

The accompanying proxy is solicited by the Board of Directors (the "Board") of Syncora Holdings Ltd. (the "Company") to be voted at the 2019 annual general meeting ("Annual General Meeting") of holders (the "Shareholders") of the Company's common shares (the "Shares") to be held on March 26, 2020 beginning at 1:00 p.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 and the accompanying materials are first being mailed to Shareholders on February 28, 2020.

**The Purpose of the Annual General Meeting**

At the Annual 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 proposed amendment to Bye-Law 8 of the Company's amended and restated bye-laws (the "Bye-Laws") to declassify the Board effective upon final adjournment of the Annual General Meeting; (2) to elect Alan J. Carr and Frank C. Puleo as directors to hold office (a) until the 2020 annual general meeting, in the event that Proposal 1 passes, or (b) until the 2022 annual general meeting, in the event that Proposal 1 fails to pass; (3) to appoint PricewaterhouseCoopers LLP, New York, as the Company's independent auditor for the year 2019 (the "Independent Auditor"); (4) to refer the determination of the remuneration of the Independent Auditor to the Audit Committee of the Board; and (5) to transact such other business as may properly come before the meeting or any adjournments thereof.

**Presentation of Financial Statements**

In accordance with the Bermuda Companies Act 1981, as amended (the "Bermuda Companies Act"), and Bye-Law 71, the Company's audited consolidated GAAP financial statements for the year ended December 31, 2018 will be laid before the Shareholders at the Annual General Meeting and are being mailed simultaneously herewith. The Board has approved these financial statements. There is no requirement under Bermuda law that these audited financial statements be approved by Shareholders, and no such approval will be sought at the Annual General Meeting.

**Shareholders Entitled to Vote at the Annual General Meeting**

Shareholders of record as of the close of business on February 20, 2020, the record date for the Annual General Meeting, will be entitled to vote at the Annual General Meeting. As of February 20, 2020, there were 87,057,571 issued and outstanding Shares entitled to vote at the Annual General Meeting, with each Share entitling the holder of record thereof to one vote at the Annual 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 Annual 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.

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The adoption of a proposed amendment to Bye-Law 8 to declassify the Board effective upon final adjournment of the Annual General Meeting referred to in Item 1 above requires the affirmative vote of 66<sup>2</sup>/<sub>3</sub>% of the votes cast on such proposal at the Annual General Meeting, the election of each nominee for director referred to in Item 2 above requires a plurality of the votes cast, the appointment of the Independent Auditor referred to in Item 3 above and the referral of the remuneration of the Independent Auditor referred to in Item 4 above each require the affirmative vote of a majority of the votes cast on such proposal at the Annual 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 Annual 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 election of nominees for director and the other matters to be voted upon at the Annual General Meeting. Therefore, abstentions and “broker non-votes” will have no effect on the outcome of the matters to be voted upon at the Annual 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, 5<sup>th</sup> Floor; 31 Victoria Street, Hamilton, HM 10, Bermuda; (2) by attending and voting in person at the Annual 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 Annual 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 Annual 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.

#### **Shareholder Proposals for the 2020 Annual General Meeting**

Shareholder proposals intended for inclusion in the proxy statement for the 2020 annual general meeting should be submitted in accordance with the procedures prescribed by the Bye-Laws and sent to the Company’s Secretary at Syncora Holdings Ltd., Victoria Place, 5<sup>th</sup> Floor; 31 Victoria Street, Hamilton, HM 10, Bermuda. Such proposals must be received by October 31, 2020.

Pursuant to the Bye-Laws, any Shareholder entitled to attend and vote at any annual general meeting may nominate persons for election as directors if written notice of such Shareholder’s intent to nominate such persons is received by the Company’s Secretary at Syncora Holdings Ltd., Victoria Place, 5<sup>th</sup> Floor; 31 Victoria Street, Hamilton, HM 10, Bermuda, Bermuda not later than 120 days prior to the anniversary date of the immediately preceding annual general meeting. Such notice must include the following information about the proposed nominee: (a) name and address of such person to be nominated; (b) a description of all arrangements or understandings between the Shareholder and each nominee and any

person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by such Shareholder; (c) such other information regarding such nominee proposed by such Shareholder as would be required to be included in a proxy statement filed pursuant to Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended (whether or not the Company is then subject to such Regulation); and (d) the consent of each nominee to serve as a director of the Company, if elected. Such notice must also include information on the Shareholder making the nomination, including such Shareholder’s name and address as it appears on the Company’s books, a representation that such Shareholder is a holder of record of Shares of the Company entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to present such nomination and the class and number of Shares of the Company beneficially owned by such Shareholder. The nomination of any person not made in compliance with the foregoing procedures shall be disregarded by the chairperson.

#### **Director Compensation**

For 2020, each non-management director will be paid \$97,000 in cash as an annual retainer, half of which was paid in January for services rendered or to be rendered in the first two quarters of 2020. In Q1 of 2020 Chairperson fees were paid in the following amounts to the following individuals: Dr. Gibbons (\$25,000 in cash); Mr. Esposito (\$30,000 in cash); and Mr. Ross (\$7,500 in cash). There are no other meeting- or committee-related fees. Directors are entitled to reimbursement of their expenses incurred in connection with travel to and attendance at meetings.

**MATTERS SCHEDULED TO BE VOTED ON AT THE  
ANNUAL GENERAL MEETING TO BE HELD ON MARCH 26, 2020**

**I. DECLASSIFICATION OF THE BOARD**

The Board has adopted resolutions proposing to amend Bye-Law 8 to declassify the Board effective upon final adjournment of the Annual General Meeting and is recommending such amendment to the Shareholders.

*General Information on the Proposed Amendment*

Pursuant to Bye-Law 8, the Board is currently divided into three classes, designated “Class I,” “Class II” and “Class III.” Each class consists, as nearly as may be possible, of one-third of the total number of directors constituting the entire Board, with each class of directors elected to serve three-year staggered terms of office. If the proposed amendment is adopted at the Annual General Meeting, the classified board structure would be eliminated, and the annual election of the entire Board for a one-year term would commence at the 2020 annual general meeting. If the proposed amendment is adopted, from and after the Annual General Meeting each member of the Board’s term would expire at the 2020 annual general meeting and each director would be elected to serve a one-year term at future annual general meetings.

*Considerations and Reasons for the Proposed Amendment*

In developing the proposed amendment, the Board considered the growing sentiment among its Shareholders favoring the annual election of directors. An increasing number of companies provide for the annual election of directors, and many shareholders perceive that annual elections improve director accountability. The Board concluded that it can continue to effectively oversee the management and protect the best interests of the Company and the Shareholders under an annual-term election system.

Accordingly, the Board has carefully considered the relative benefits and detriments of declassifying the Board and, for the reasons described above, the Board: has determined it is in the best interests of the Shareholders to declassify the Board; has approved resolutions setting forth the proposed amendment to Bye-Law 8; has resolved to submit the proposed amendment to Shareholders for their consideration and adoption at this meeting; and has recommended that Shareholders vote to adopt the proposed amendment.

*Text of the Proposed Amendment to the Bye-Laws*

The general description of the proposed amendment to the Bye-Laws set forth above is qualified in its entirety by reference to the complete text of the amendment, which is attached as Annex A to this proxy statement.

***The Board of Directors recommends that Shareholders vote  
FOR the adoption of the proposed amendment  
to Bye-Law 8 to declassify the Board.***

**II. ELECTION OF DIRECTORS**

At the Annual General Meeting, two directors are to be elected to hold office (a) until the 2020 annual general meeting, in the event that Proposal I passes, or (b) until the 2022 annual general meeting, in the event that Proposal I fails to pass. The two nominees are currently serving as directors and were appointed or elected in accordance with the Bye-Laws. Unless authority is withheld by the Shareholders, it is the intention of the persons named in the enclosed proxy to vote for the nominees listed below. All of the nominees have consented to serve if elected, but if any becomes unavailable to serve, the persons named as proxies may exercise their discretion to vote for a substitute nominee. The name, age, Board committee, principal occupation and other information concerning each director are set forth below.

**Nominees**

*Nominees for the Class I Directors for terms to expire (a) in 2020, in the event that Proposal I passes, or (b) in 2022, in the event that Proposal I fails to pass:*



**Director**  
**Age:** 50  
**Director Since:** 2015  
**Board Committees:** Audit

**Alan J. Carr**

Alan Carr has served as a director since 2015.

Mr. Carr is an investment professional with 20 years of experience working from the principal and advisor side on complex, process-intensive financial situations. He is a founder of Drivetrain Advisors, a fiduciary services firm that supports the investment community in legally- and process-intensive investments as a representative, director, or trustee. He brings a global business perspective to the Board from his work leading financial restructurings for companies in the U.S. and Europe as managing director at Strategic Value Partners, LLC (“SVP”) from 2003 to 2013. Prior to joining SVP, Mr. Carr was a corporate attorney at Skadden, Arps, Slate, Meagher & Flom. He holds a B.S. from Brandeis University and a J.D., cum laude, from Tulane Law School.



**Director**  
**Age:** 74  
**Director Since:** 2019  
**Board Committees:** Audit

**Frank C. Puleo**

Frank Puleo has been a director since December 2019. Currently, Mr. Puleo serves on the board of directors of South Street Securities, SLM Corp. and Apollo Investment Corporation. Previously, Mr. Puleo served on the board of directors of Syncora Guarantee Inc. from 2010 to 2019, and was a partner at Milbank, Tweed, Hadley & McCloy LLP where he focused on advising banking clients on bank regulatory issues, securitization and debt restructurings. Mr. Puleo became a partner of Milbank in 1978 and Co-Chair of the firm’s Global Finance group in 1995 until retiring at the end of 2006.

Mr. Puleo served as a lecturer at Columbia University School of Law from 1997 to 2001. He graduated from Princeton with a BSE in 1967 and from New York University School of Law with a JD in 1970.

***The Board of Directors recommends that Shareholders  
vote FOR both of the nominees.***

## Continuing Directors

*Class III Directors whose terms expire in 2021 (or upon adoption of Proposal I, 2020):*



**Director**  
**Age:** 67  
**Director Since:** 2006  
**Director Class:** III  
**Board Committees:** Audit

### **Dr. E. Grant Gibbons**

E. Grant Gibbons, Ph.D., has been a director since August 2006. Dr. Gibbons served as a member of the Bermuda parliament from 1994 until April 2018. His most recent role was Minister for Economic Development in the Bermuda Government. He served as the Bermuda opposition shadow Minister of Finance from 1999 to 2006, and the Bermuda Minister of Finance from 1995 to 1998, where he had responsibility for fiscal policy, annual budgets and the regulation of financial services and insurance sectors. He was the Parliamentary Leader of the opposition United Bermuda Party from 2001 to 2006. He is Chairman of Edmund Gibbons Limited, Chairman of Colonial Group International, Ltd., a privately-held insurance company, and serves as a director of several other private companies. Dr. Gibbons holds a B.S. from Brown University and a Ph.D. from Harvard University. He attended Oxford University as a Rhodes Scholar.

### **Robert J. White**

Robert J. White has been a director since November 2008. Mr. White was a founder of the Reorganization and Restructuring practice at O'Melveny & Meyers LLP, where he was a leading attorney for 35 years. He previously served as Executive Vice President of Maguire Properties (later MPG Office Trust), a publicly held commercial property REIT. He completed his appointment as Receiver of the Cosmopolitan Resort and Casino in Las Vegas in September 2008. Mr. White has been involved with numerous out-of-court restructurings and bankruptcies, representing debtors, creditors, equity holders and purchasers of assets. Currently, he serves on the board of directors of SMA, Inc. Previously he served on a number of other Boards. He holds a B.S. from the University of Illinois Business School and a J.D., summa cum laude, from Michigan Law School. He is a Fellow of the American College of Bankruptcy and a Conferee of the National Bankruptcy Conference, which, among other things, advises members of Congress on potential legislation that would impact the operation of the bankruptcy process.



**Director**  
**Age:** 73  
**Director Since:** 2008  
**Director Class:** III  
**Board Committees:** Audit

*Class II Directors whose terms expire in 2020:*



**Director**  
**Age:** 57  
**Director Since:** 2017  
**Director Class:** II  
**Board Committees:** None

### **Frederick B. Hnat**

Mr. Hnat became Chief Executive Officer and President of the Company after being promoted from the position of Chief Operating Officer on June 1, 2017. Mr. Hnat has held a series of leadership positions at the Company and its subsidiaries. He served as General Counsel and Secretary of Syncora Guarantee Inc. ("SGI") from 2000 until July 2004 with responsibility for interaction with all regulatory institutions and for legal counsel and guidance for all key business initiatives. After serving as General Counsel for SGI, Mr. Hnat served as Chief Operating Officer of Syncora Guarantee (UK) Limited, where he was also a director. Mr. Hnat is also a member of the board of directors of Swap Financial Group LLC. Mr. Hnat has had primary operational responsibility for the Company with oversight of surveillance and remediation activities.

Prior to joining SGI, Mr. Hnat served for six years as Assistant General Counsel at MBIA Insurance Corporation. Previously, he practiced law with the firms Rogers & Wells (now Clifford Chance) and Mudge Rose Guthrie Alexander & Ferdon.

Mr. Hnat received an AB from Princeton University and a JD from Boston University.

### **Coleman D. Ross**

Coleman D. Ross has been a director since August 2006. Mr. Ross serves as an independent director of Pan-American Life Mutual Holding Company and its principal subsidiaries (life and health insurance) and previously served as an independent director of NCCI Holdings, Inc. (workers compensation insurance data services) and Omega Insurance Holding Limited (property-casualty insurance and reinsurance). He practiced public accounting for 34 years with PricewaterhouseCoopers LLP, until his retirement in 1999, where he served as an audit partner for major insurance, banking, and other financial services clients and as Chairman and Managing Partner of the Price Waterhouse US insurance practice. He then served as Executive Vice President and Chief Financial Officer of two publicly-traded insurers: Trenwick Group Limited (property-casualty insurance and reinsurance) from 2000 to 2002 and The Phoenix Companies, Inc. (life insurance and asset management) from 2002 to 2003. Mr. Ross earned a degree in business administration from The University of North Carolina at Chapel Hill and masters degrees in economics from Trinity College and financial services from The American College. He is licensed as a Certified Public Accountant in New York and North Carolina and holds the National Association of Corporate Directors designations of Governance Fellow and Board Leadership Fellow.



**Director**  
**Age:** 77  
**Director Since:** 2006  
**Director Class:** II  
**Board Committees:** Audit (Chair)

### III. APPOINTMENT OF INDEPENDENT AUDITOR

The Audit Committee has appointed, subject to Shareholder approval, PricewaterhouseCoopers LLP as the Company's independent auditor for the year ending December 31, 2019. In accordance with the Bermuda Companies Act, the Board is submitting the appointment of PricewaterhouseCoopers LLP to the Shareholders for approval.

The Board recommends a vote FOR the proposal to appoint PricewaterhouseCoopers LLP as the Company's independent auditor to audit the Company's consolidated financial statements for the year ending December 31, 2019. The persons designated as proxies will vote FOR the appointment of PricewaterhouseCoopers LLP as the Company's independent auditor, unless otherwise directed. A representative of PricewaterhouseCoopers LLP is expected to be present at the Annual General Meeting, with the opportunity to make a statement should he or she choose or be required to do so and is expected to be available to respond to questions, as appropriate.

*The Board of Directors recommends that Shareholders vote FOR the proposal to appoint PricewaterhouseCoopers LLP, New York as the Company's independent auditor.*

### IV. REMUNERATION OF INDEPENDENT AUDITOR

The Audit Committee will determine, subject to Shareholder approval, the remuneration of PricewaterhouseCoopers LLP as the Company's independent auditor for the year ending December 31, 2019. In accordance with the Bermuda Companies Act, the Board is submitting its referral to the Audit Committee of the determination of the remuneration of the independent auditor to the Shareholders for approval.

The Board recommends a vote FOR the proposal to refer to the Audit Committee the determination of the remuneration of PricewaterhouseCoopers LLP as the Company's independent auditor for the year ending December 31, 2019. The persons designated as proxies will vote FOR the referral to the Audit Committee of the determination of the remuneration of PricewaterhouseCoopers LLP as the Company's independent auditor, unless otherwise directed.

*The Board of Directors recommends that Shareholders vote FOR the proposal to refer the remuneration of PricewaterhouseCoopers LLP, New York to the Audit Committee of the Board of Directors.*

#### INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FEES

The Company's fees for services performed by PricewaterhouseCoopers LLP the Company's independent registered public accounting firm during the years ended December 31, 2017 and 2018 were as follows:

	2018	2017
	(dollars in thousands)	
Audit fees <sup>(1)</sup> .....	\$1,453	\$2,134
Audit-related fees <sup>(2)</sup> .....	40	35
Tax fees <sup>(3)</sup> .....	515	267
All other fees <sup>(4)</sup> .....	118	361
Total .....	<u>\$2,126</u>	<u>\$2,797</u>

(1) Audit fees were for professional services rendered primarily in connection with the audit of the consolidated financial statements, quarterly reviews and other attestation services that comprised the audits for insurance statutory and regulatory purposes.

(2) Audit-related fees were primarily in connection with the Company's restructuring and other transactions.

(3) Tax fees were for professional services rendered for tax compliance and tax assistance in connection with the sale of Syncora Guarantee Inc. and the Company's restructuring and remediation activities.

(4) All other fees related to products and services primarily related to access to on-line accounting and research resources and statutory loss reserve certifications.

The Audit Committee has adopted procedures for pre-approving all audit and permissible non-audit services provided by the independent auditor. The Audit Committee will annually review and pre-approve the audit, review, attestation and permitted non-audit services to be provided during the next audit cycle by the independent auditor. To the extent practicable, the Audit Committee or the Chairman of the Audit Committee will also review and approve a budget for such services. Services proposed to be provided by the independent auditor that have not been pre-approved during the annual review and the fees for such proposed services must be pre-approved by the Audit Committee or the Chairman of the Audit Committee. All requests or applications for the independent auditor to provide services to the Company shall be submitted to the Audit Committee or the Chairman of the Audit Committee.

The Audit Committee considered whether the provision of non-audit services performed by the independent auditor is compatible with maintaining the independent auditor's independence during 2017 and 2018. The Audit Committee concluded in 2017 and 2018 that the provision of these services was compatible with the maintenance of independent auditor's independence in the performance of its auditing functions during 2017 and 2018.

#### OTHER MATTERS

While management knows of no other matters to be brought before the Annual 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

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Frederick B. Hnat  
President and Chief Executive Officer

## ANNEX A

### 8. Board Size; Classes of Directors

(1) The Board shall consist of not less than 5 and not more than 15 Directors (as determined by resolution of the Board), with the number of Directors to be determined from time to time by resolution adopted by the affirmative vote of at least a two-thirds majority of the Board then in office; provided, however, that, if no such resolution shall be in effect, the Board shall consist of 9 Directors. Any increase in the size of the Board pursuant to this Bye-law 8 shall be deemed to be a vacancy and may be filled in accordance with Bye-law 12 hereof.

(2) Directors shall be elected, except in the case of a vacancy (as provided for in Bye-law 11 or 12, as the case may be), by the Shareholders in the manner set forth in paragraph (3) of this Bye-law 8 at an annual general meeting of Shareholders or any special general meeting called for the purpose and who shall hold office for the term set forth in paragraph (3) of this Bye-law 8.

(3) Class I, Class II and Class III shall cease to exist on the date of the 2019 annual general meeting of Shareholders. From and after the election of Directors at the 2019 annual general meeting of Shareholders, the Board shall cease to be classified, and the Directors elected at the 2020 annual general meeting of Shareholders (and each annual general meeting of Shareholders thereafter) shall be elected or reappointed, as applicable, to hold office for a one-year term or such other term as may be determined by resolution of the shareholders. Notwithstanding the foregoing, each Director shall hold office until such Director's successor shall have been duly elected or until such Director is removed from office pursuant to Bye-law 11 or such Director's office is otherwise vacated.



