

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take you are recommended to seek your own financial advice immediately from an independent financial adviser who specialises in advising on shares or other securities and who is authorised under the Financial Services and Markets Act 2000.

This document constitutes a prospectus (the "**Prospectus**") for the purposes of Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**") relating to Conduit Holdings Limited (the "**Company**" or "**Conduit**") prepared in accordance with the prospectus regulation rules (the "**Prospectus Regulation Rules**") of the Financial Conduct Authority (the "**FCA**") made under section 73A of the Financial Services and Markets Act 2000, as amended (the "**FSMA**"). A copy of this Prospectus has been filed with, and approved by, the FCA, as competent authority under the Prospectus Regulation and has been made available to the public in accordance with the Prospectus Regulation Rules.

The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Company that is, or the quality of the securities that are, the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

Application has been made to the FCA for all of the common shares of the Company (the "**Shares**"), issued and to be issued in connection with the Offer to be admitted to the standard listing segment ("**Standard Listing**") of the Official List of the FCA (the "**Official List**" and "**Admission to Listing**", respectively), and to London Stock Exchange plc (the "**London Stock Exchange**") for all of the Shares to be admitted to trading on the London Stock Exchange's main market for listed securities (the "**Main Market**") ("**Admission to Trading**", and together with Admission to Listing, "**Admission**"). Conditional dealings in the Shares are expected to commence on the London Stock Exchange at 8.00 a.m. (London time) on 2 December 2020. It is expected that Admission will become effective, and that unconditional dealings in the Shares will commence on the London Stock Exchange at 8.00 a.m. on 7 December 2020. **All dealings in the Shares before the commencement of unconditional dealings will be of no effect if Admission does not take place and such dealings will be at the sole risk of the parties concerned. No application is currently intended to be made for the Shares to be admitted to listing or dealt with on any other exchange.**

The Company and each of the directors of the Company (the "**Directors**"), whose names appear in the section of this Prospectus headed Part V - "Directors, Secretary, Registered and Head Office and Advisers", accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and the Directors, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect the import of such information.

Prospective investors should read the entirety of this Prospectus and, in particular, the section entitled "Risk Factors" for a discussion of certain risks and other factors that should be considered in connection with any investment in the Shares. Prospective investors should be aware that an investment in the Shares involves a degree of risk and that, if some or all of the risks described in the "Risk Factors" occur, investors may find their investment materially adversely affected. Accordingly, an investment in the Shares is only suitable for investors who are particularly knowledgeable in investment matters and who are able to bear the loss of the whole or part of their investment.

Conduit Holdings Limited

(Incorporated and registered in Bermuda under the Companies Act 1981 (Bermuda) with registration number 55936)

Offer of Shares of \$0.01 each at an Offer Price of 500 pence per Share

Admission of the Shares to the standard segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities

Joint Global Coordinators, Joint Brokers and Joint Bookrunners

Jefferies International Limited

Panmure Gordon (UK) Limited

Financial Adviser

Kinmont Limited

SHARE CAPITAL IMMEDIATELY FOLLOWING ADMISSION

Issued and fully paid

Nominal Value	Number
\$1,652,399.97	165,239,997

The Company is offering 164,129,996 new Shares ("**New Shares**") to certain institutional and other investors described in Part X of this Prospectus – "The Offer" (the "**Offer**"). The New Shares will represent 99.3 per cent. of the issued share capital of the Company immediately following the Offer. The Offer is conditional, inter alia, on Admission taking place on or before 8.00 a.m. on 7 December 2020 (or such later time and/or date, not being later than 31 December 2020, as the Company and the Banks (as defined below) may agree).

Jefferies International Limited ("**Jefferies**"), Panmure Gordon (UK) Limited ("**Panmure**", together with Jefferies, the "**Banks**") and Kinmont Limited ("**Kinmont**"), each of which are authorised and regulated in the United Kingdom by the FCA, are acting exclusively for the Company and no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this Prospectus) as a client in relation to the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the Offer or any transaction or arrangement referred to in this Prospectus. The Banks and their affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services to, the Company for which they would have received customary fees. Apart from the responsibilities and liabilities, if any, that may be imposed on the Banks by FSMA or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable,

the Banks accept no responsibility whatsoever for, and make no representation or warranty, express or implied, as to the contents of, this Prospectus or for any other statement made or purported to be made by them, or on their behalf, in connection with the Company, the Shares or the Offer and nothing in this Prospectus will be relied upon as a promise or representation in this respect, whether or not to the past or future. The Banks accordingly disclaim all and any liability whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise have in respect of this Prospectus or any such statement. Each Bank has given and not withdrawn its consent to the issue of this Prospectus with the inclusion of the references to its name in the form and context to which they are included.

Consent under the Exchange Control Act 1972 (and its related regulations) has been obtained from the Bermuda Monetary Authority for the issue and transfer of the Shares to and between non-residents of Bermuda for exchange control purposes provided the Shares remain listed on the London Stock Exchange. In granting such consent the Bermuda Monetary Authority accepts no responsibility for the Company's financial soundness or the correctness of any of the statements made or opinions expressed in this Prospectus.

Application has been made for the Shares to be admitted to a Standard Listing. A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in companies with premium listings on the Official List, which are subject to additional obligations under the Listing Rules.

NOTICE TO OVERSEAS INVESTORS

The Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or with any securities authority of any state or other jurisdiction of the United States, and may not be offered, sold, resold, pledged, delivered, distributed or transferred, directly or indirectly, in the United States, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and in accordance with applicable securities laws of any state or other jurisdiction of the United States.

Accordingly, the New Shares are only being offered (i) in the United States, only to persons reasonably believed to be qualified institutional buyers ("QIBs") as defined in Rule 144A under the U.S. Securities Act ("Rule 144A") pursuant to an exemption from, or in transactions not subject to, the registration requirements under the U.S. Securities Act; and (ii) outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("Regulation S"), including to qualified investors within the meaning of article 2(e) of the Prospectus Regulation ("qualified investors") who, if resident in the United Kingdom, must be an investment professional falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2015, as amended (the "Order") or a person falling within article 49(2)(a)-(d) of the Order.

This Prospectus is being furnished by the Company in connection with an offering exempt from the registration requirements of the U.S. Securities Act, solely for the purpose of enabling an investor to consider the subscription for, or acquisition of, the New Shares described herein. The information contained in this Prospectus has been provided by the Company and other sources identified herein.

THE SHARES HAVE NOT BEEN RECOMMENDED BY ANY U.S. FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY, INCLUDING THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC"). FURTHERMORE, SUCH AUTHORITIES, INCLUDING THE SEC, HAVE NOT PASSED UPON OR ENDORSED THE MERITS OF THE OFFER OF THE SHARES AND HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

No actions have been taken to allow a public offering of the Shares under the applicable securities laws of any jurisdiction, including Australia, Canada or Japan. The Shares have not been and will not be registered under the applicable securities laws of Australia, Canada or Japan or any other jurisdictions. Subject to certain exceptions, the Shares may not be offered or sold in any jurisdiction, or to or for the account or benefit of any national, resident or citizen of any jurisdiction, including Australia, Canada or Japan. This Prospectus does not constitute an offer of, or the solicitation of an offer to subscribe for or purchase, any Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

The distribution of this Prospectus and the offer and sale of the Shares in certain jurisdictions may be restricted by law. No action has been or will be taken by the Company, the Banks and/or Kilmont to permit a public offering of the Shares under the applicable securities laws of any jurisdiction. Other than in the United Kingdom, no action has been taken to permit possession or distribution of this Prospectus (or any other offering or publicity materials relating to the Shares) in any jurisdiction where action for that purpose may be required or doing so is restricted by applicable laws. Accordingly, neither this Prospectus, nor any advertisement, nor any other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes are required by the Company to inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In the United States, persons may not distribute this Prospectus or make copies of it without the Company's prior written consent other than to people who have been retained to advise prospective investors in connection with this Prospectus. For a description of these and certain further restrictions on offers, sales and transfers of the Shares and the distribution of this Prospectus, see Section 10 of Part X – "The Offer".

Notice in connection with the United Kingdom and member states of the European Economic Area ("Relevant States")

This Prospectus has been prepared on the basis that all offers of Shares will be made pursuant to an exemption under the Prospectus Regulation from the requirement to produce a prospectus for offers to the public of transferable securities. Accordingly, any person making or intending to make any offer within a Relevant State of Shares should only do so in circumstances in which no obligation arises for the Company or any of the Banks to produce a prospectus for such offer. Neither the Company nor the Banks nor any of them have authorised, nor do they authorise, the making of any offer of Shares through any financial intermediary, other than offers made by the Banks which constitute the final placement of New Shares contemplated in this Prospectus.

NOTICE TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been

subject to a product approval process, which has determined that the Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, "distributors" (for the purposes of the MiFID II Product Governance Requirements) should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Banks will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Shares and determining appropriate distribution channels.

This Prospectus is dated 2 December 2020.

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PART I - SUMMARY

Section A – Introduction and warnings

A.1 - Introduction

The name of the Company is Conduit Holdings Limited (the "**Company**" or "**Conduit**" and, together with its subsidiaries and subsidiary undertakings, the "**Group**") and the International Securities Identification Number ("**ISIN**") of the Shares is BMG243851091.

The Company's contact details are 3rd Floor Power House, 7 Par-La-Ville Road, Hamilton, Bermuda (tel: +1 441 276 1000).

The Company's Legal Entity Identifier ("**LEI**") is 21380085AE62D1BXSF19. The Financial Conduct Authority of 12 Endeavour Square, London E20 1JN approved this Prospectus on 2 December 2020.

A.2 - Warnings

This summary should be read as an introduction to this Prospectus. Any decision to invest in the New Shares should be based on consideration of this Prospectus as a whole by the investor.

The price of the Shares may fluctuate in response to a number of factors, many of which may be out of the Company's control, and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the New Shares is suitable for them in the light of the information in this Prospectus and their personal circumstances.

Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating this Prospectus before the legal proceedings are initiated.

Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

Section B – Key information on the issuer

Section B(1) – Who is the issuer of the securities?

B.1.1 - Legal and commercial name

Conduit Holdings Limited.

B.1.2 - LEI

The Company's LEI is 21380085AE62D1BXSF19.

B.1.3 - Domicile, legal form, legislation and country of incorporation

The Company is an exempted company limited by shares incorporated in Bermuda under the Companies Act 1981 (Bermuda) (the "**Bermuda Companies Act**") on 6 October 2020 with registration number 55936. The principal legislation under which the Company operates is the Bermuda Companies Act. The liability of the Company's shareholders (the "**Shareholders**") is limited.

B.1.4 - Principal activities

The Group has been newly established to take advantage of what the Directors believe to be favourable underwriting conditions in certain classes of reinsurance business. The Group intends to participate in the global market for reinsurance and its principal objective is to build a modern world-class reinsurance business with best-in-class technology, pricing and risk management capabilities to deliver returns across the underwriting cycle. The Group intends to write reinsurance out of Bermuda and to build a small highly experienced underwriting team which will work together as a single unit to deliver its target portfolio.

The Group intends to write reinsurance across six "classes" of reinsurance, comprising Property Excess of Loss, Short Tail Specialty Excess of Loss, Long Tail Specialty Excess of Loss, Short Tail Quota Share, Casualty Excess of Loss and Casualty Quota Share. The Directors expect that the Group will commence underwriting ahead of 1 January 2021, which will relate to risks incepting from 1 January 2021.

B.1.5 - Major shareholders

As of the date of this Prospectus, the major Shareholders are set out below:

<i>Name of Shareholder</i>	<i>Percentage of Shares pre-Admission</i>	<i>Percentage of Shares post-Admission</i>
Neil Eckert	100%	0.35%

B.1.6 - Key managing Directors

The Company's board of Directors (the "**Board**") is composed of five independent non-Executive Directors and three Executive Directors.

B.1.7 - Statutory auditors

The Company's auditors are KPMG Audit Limited, whose registered address is Crown House, 4 Par-la-Ville Road, Hamilton, Bermuda.

Section B(2) – What is the key financial information regarding the issuer?

B.2.1 - Selected historical key financial information

Statement of financial position

As at 6 October 2020

	U.S. dollars
ASSETS	
Total assets	-
EQUITY AND LIABILITIES	
Equity	
Called up share capital	-
Total equity and liabilities	-

No statement of comprehensive income, statement of cash flows or statement of changes in equity is presented as the Company did not enter into any transactions on the date of its incorporation.

Section B(3) – What are the key risks that are specific to the issuer?

B.3.1 - Key risks

- The Group is a start-up operation with no history of operations and there can be no guarantee that the Group will be successful in accomplishing the tasks necessary to build and sustain a business of writing reinsurance.
- The Group's assessment of underwriting losses may be materially inaccurate.
- Conduit Reinsurance may not obtain or maintain its financial strength rating from A.M. Best.
- The cancellation of the Group's Bermuda Class 4 insurance licence would have a material adverse effect on the Group's business.
- The Group's business, financial condition, results of operations and prospects may vary, potentially substantially, from illustrative key performance indicators and premium targets.
- Competition with established and/or new reinsurance businesses with greater resources, lower target returns, different approaches to risk management or pricing, or with alternative insurance products, may make it difficult to market the Group's products effectively or offer the Group's products at a profit.

- The COVID-19 pandemic, including the related disruptions and the COVID-19-related governmental actions, could materially and adversely affect the Group's business, financial condition and results of operations.
- The Group expects to depend on third-party brokers to distribute its reinsurance products, and the failure to obtain business from, or loss of business provided by, third-party brokers could adversely affect it.
- Failure to retain key personnel in critical areas of the business such as risk analysis and underwriting, including the senior management team, or attract new employees could have a negative impact on the Group's ability to conduct its business and implement its strategy.
- The occurrence of a single or series of unexpected events, such as hurricanes, earthquakes, floods, sea surges, fire and severe weather patterns, human instigated catastrophic events of terrorism, war or nuclear related events, could result in substantial losses from operations and investment losses for the Group.
- The Group's results may be affected by cyclical trends which may, for instance, lead to a significant reduction in premium rates, less favourable policy terms or less premium volume
- The Group may be subject to legal and arbitral proceedings, including coverage disputes.

Section C – Key information on the securities

Section C(1) – What are the main features of the securities?

C.1.1 - Description of type and class of securities being offered

The securities being admitted to trading are Shares of the Company of \$0.01 par value each, whose ISIN is BMG243851091, and whose SEDOL is BN133N2.

C.1.2 - Currency of securities

The Shares are denominated in U.S. dollars with a par value per share of \$0.01 and will be priced and traded in sterling.

C.1.3 - Number of Shares issued and par value

The Company has 1 fully paid Share of \$0.01 par value in issue. The Company has no partly paid Shares in issue.

C.1.4 - Rights attaching to the Shares

All Shares will rank *pari passu* in all respects, there being no conversion or exchange rights attaching thereto, and all Shares will have equal rights to participate in capital, dividend and profit distributions by the Company.

C.1.5 - Seniority of securities

Not applicable. There is no difference in seniority between Shares.

C.1.6 - Restrictions on free transferability of the Shares

Not applicable. The Shares are freely transferable and there are no restrictions on transfer, subject to compliance with applicable securities laws.

C.1.7 - Dividend policy

The Company may pay dividends on the Shares at such times (if any) and in such amounts (if any) as the Board determines appropriate and subject to the Board being satisfied that to do so will not prejudice Conduit Reinsurance's ability to maintain at least an A.M. Best "A-" (Excellent) financial strength rating and subject to applicable law.

The Company expects to generate significant returns for its Shareholders and to provide an ongoing and progressive dividend. The Company is targeting a dividend as early as during the 2021 financial year of approximately 5 to 6 per cent. of equity capital, allocated between an interim and final distribution.

Depending on the Group's results and general market conditions, the Group may also from time to

time consider the payment of special dividends and returns of capital to Shareholders by way of share buybacks. Special dividends (if any) are likely to vary significantly in amount and timing.

All dividends and returns of capital will be subject to the future financial performance of the Group including results of operations and cash flows, the Group's financial position and capital requirements, rating agency considerations, general business conditions, legal, tax, regulatory and any contractual restrictions on the payment of dividends and any other factors the Directors deem relevant in their discretion, which will be taken into account at the time.

Section C(2) – Where will the securities be traded?

C.2.1 - Admission

Application has been made to the FCA and the London Stock Exchange for all of the share capital of the Company, issued and to be issued pursuant to the Offer, to be admitted to the standard segment of the Official List and to trading on the London Stock Exchange's market for listed securities respectively.

Section C(3) – What are the key risks that are specific to the securities?

C.3.1 - Key risks

- The Share voting limitation contained in the Bye-laws may result in a Shareholder having fewer, or more, voting rights than such holder would otherwise have been entitled to based upon its economic interest in the Company.
- The Company is a holding company with no business operations of its own and depends on its subsidiaries for cash, including in order to pay dividends and the payment of dividends by its subsidiaries may be restricted by reinsurance related regulation.
- The Takeover Code will not apply to the Company and therefore Shareholders will not benefit from the protections provided by the Takeover Code.

Section D – Key information on the Offer and Admission

Section D(1) – Under which conditions and timetable can I invest in this security?

D.1.1 - Terms and conditions of the Offer

A total of 164,129,996 new Shares ("**New Shares**") have been allocated to investors pursuant to the Offer at the Offer Price of 500 pence per New Share. The gross amount of the Offer is £820.6 million million ("**Gross Proceeds**"). The Offer is conditional only on the Placing Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms prior to Admission and Admission occurring on or before 8.00 a.m. on 7 December 2020 (or such later date, not being later than 31 December 2020, as may be agreed by the Company and the Banks). If Admission does not occur by such date, the Offer will not proceed, and all monies paid will be refunded to the applicants without interest. Completion of the Offer will be announced via a regulatory news service on Admission, which is expected to take place at 8.00 a.m. on 7 December 2020.

Investors have undertaken to pay the Offer Price for the New Shares issued to such investors in such manner as shall be directed by the Banks.

Investors participating in the Offer who wish to receive New Shares in uncertificated form will receive those New Shares in the form of depositary interests (the "**Depositary Interests**"). Definitive certificates in respect of the New Shares to be held in certificated form are expected to be dispatched by post to the relevant investors no later than 21 December 2020.

The Offer is being made by way of an institutional offer (i) outside the United States in reliance on Regulation S and (ii) in the United States to persons believed to be QIBs as defined in Rule 144(A).

No stabilisation will be carried out and no over-allotment option will be granted in connection with the Offer.

D.1.2 - Expected timetable

Each of the following times and dates noted below is indicative only and subject to change without further notice. All references to times in this Prospectus are to London times unless otherwise stated.

Publication of Prospectus	2 December 2020
Conditional dealings in the Shares commence ¹	8.00 a.m. on 2 December 2020
Admission and dealings in the Shares commence	8.00 a.m. on 7 December 2020
CREST accounts credited with Depositary Interests	7 December 2020
Despatch of definitive share certificates (where applicable)	21 December 2020

D.1.3 - Admission

Application has been made to the FCA and the London Stock Exchange for all of the Shares of the Company, issued and to be issued pursuant to the Offer, to be admitted to the standard segment of the Official List and to trading on the London Stock Exchange's market for listed securities respectively (together "**Admission**").

It is expected that Admission will become effective and that unconditional dealings will commence at 8.00 a.m. on 7 December 2020.

D.1.4 - Dilution

Pursuant to the Offer the Company expects to issue 164,129,996 New Shares. In addition to, but separate from the Offer, the Company will issue: (i) an aggregate of 600,000 new Shares (the "**Pre-Funding Shares**") to the Founders and other members of the Company's management pursuant to the Pre-Funding Agreement at a price of 125 pence per new Share and (ii) an aggregate of 510,000 new Shares (the "**Management Subscription Shares**") to certain of the Directors and members of the Group's management at the Offer Price (the "**Management Subscription**"). Assuming such number of New Shares, the Pre-Funding Shares and the Management Subscription Shares are issued, the existing Shareholder (taking into account the Pre-Funding Shares and the Management Subscription Shares he is issued) will suffer an immediate dilution of 164,659,996 Shares for the one Share he currently owns, which is equivalent to a dilution of 100 per cent.

D.1.5 - Net proceeds and expenses

A total of 164,129,996 New Shares have been allocated to investors pursuant to the Offer at the Offer Price of 500 pence per New Share, raising total Gross Proceeds of £820.6 million, which is subject to commissions and other estimated fees and expenses of approximately £38.3 million, resulting in total net proceeds from the Offer of £782.4 million ("**Net Proceeds**").

Section D(2) – Why is this prospectus being produced?

D.2.1 - Reasons for the Offer

The issue of New Shares under the Offer will result in Net Proceeds of £782.4 million being raised. This number is reached after deducting commissions and other estimated fees and expenses incurred in connection with the Offer of £38.3 million from the Gross Proceeds of £820.6 million.

The principal use of the Net Proceeds of the Offer received by the Company will be to write reinsurance in line with the Company's business plans. To support this, the net proceeds of the Offer received by the Company will be used to capitalise Conduit Reinsurance to a level such that its capitalisation meets the levels required for the purposes of the targeted formal release of an A.M. Best rating of "A-" (Excellent). As announced on 18 November 2020, Conduit Reinsurance has received a Preliminary Credit Assessment ("**PCA**") from A.M. Best with a Financial Strength Assessment of "A- pca" (Excellent). It is anticipated that upon receipt of the Net Proceeds, and following exchange into U.S. dollars, a U.S. dollar equivalent of approximately £40 million will initially be retained as cash to assist with the working capital of the Group's business with the balance of the Net Proceeds invested into the Group's target investment portfolio (which will include cash and other liquid assets).

D.2.2 - Underwriting

Jefferies International Limited ("**Jefferies**") and Panmure Gordon (UK) Limited ("**Panmure**", together with Jefferies, the "**Banks**") have agreed, subject to certain conditions, to use reasonable endeavours to procure subscribers for the New Shares forming part of the Offer at the Offer Price failing which the Banks

¹ It should be noted that if Admission does not occur all conditional dealings will be of no effect and any share dealings will be at the sole risk of the parties concerned.

shall subscribe for such New Shares themselves.

D.2.3 - Conflicts of interest

Not applicable; there are no interests that are material to the Offer.

PART II - RISK FACTORS

An investment in the Shares involves risk. Prior to investing in the Shares, you should carefully consider the factors and risks associated with any investment in the Shares, the Group's business and the industry in which it operates, together with all other information contained in this Prospectus including, in particular, the risk factors described below and consult with your professional advisers.

The risk factors set out below do not purport to be a complete list or explanation of all the risks involved in investing in the Shares or that may adversely affect the Group's business. Other risks and uncertainties relating to an investment in the Shares and to the Group's business that are not currently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on its results of operations, financial condition and business prospects. If any such risks occur, the price of the Shares may decline and you could lose all or part of your investment. You should consider carefully whether an investment in the Shares is suitable for you in light of the information in this Prospectus and your personal circumstances. This Prospectus contains "forward-looking" statements that involve risks and uncertainties. The actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include those discussed below and elsewhere in this Prospectus.

Prospective investors should note that the risks relating to the Group, its industry and the Shares summarised in the section of this Prospectus entitled "Summary" are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Shares. However, as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this Prospectus headed "Summary" but also, among other things, the additional risks and uncertainties described below.

Statements in this Prospectus concerning the taxation of the Group or of investors in the Shares are based on current Bermudian, UK and U.S. tax law and practice, which is subject to change. Any shareholder who is in doubt as to its tax position should consult an appropriate adviser.

RISKS RELATING TO THE GROUP

A. RISKS RELATING TO THE GROUP'S BUSINESS ACTIVITIES AND INDUSTRY

- 1 ***The Group is a start-up operation with no history of operations and the delay or the failure to build or sustain a business of writing reinsurance from that starting position will have a material adverse effect on the Group's business, financial condition, results of operations and prospects.***

As at the date of this Prospectus, the Group is composed of newly incorporated commercial entities which have not yet commenced business and have no history of operations or financial history, which presents substantial business and financial risks that may result in the Group failing to implement its business plan or suffering significant losses. The Group's ability to enter the reinsurance market and to implement and sustain its business plan depends on, among other things, its ability to do the following in a timely manner:

- attract cedant insurers and develop distribution channels;
- attract and retain personnel with management, regulatory, underwriting, investment, financial, actuarial and credit analysis expertise;
- evaluate effectively the risks that the Group intends to assume under the reinsurance contracts that it plans to write;
- obtain and maintain relevant licences and ratings, including the targeted A.M Best financial strength rating of "A-" (Excellent) (see Risk Factor A.4 of this Part II for more information (*Conduit Reinsurance may not obtain or maintain its desired financial strength rating from A.M. Best.*)) and the relevant insurance licences; and
- enter into operational arrangements with third parties required in order for the Group to operate the business in the United Kingdom and elsewhere.

It is possible that the Group may not be successful in implementing its business plan or in completing the development of the infrastructure necessary to run its business for any reason, including those set out above, which will result in a material adverse effect on its business, financial condition, results of operations and prospects.

2 ***The Group's assessment of potential underwriting losses may be materially inaccurate.***

The Group's operating results and financial condition will depend upon its ability to assess accurately the potential underwriting losses associated with the risks that it reinsures.

The inherent uncertainties of estimating underwriting loss reserves are often greater for reinsurance companies as compared to primary insurers, due to, among other reasons:

- the significant lapse of time from the occurrence of the event giving rise to a claim, to the reporting and inception and ultimate resolution or settlement of the claim;
- the potential divergence of the actual outcomes from the expected outcomes; and
- the necessary reliance on the ceding insurer for information regarding claims.

Any of those factors could be further exacerbated by the impact of the COVID-19 pandemic (see Risk Factor A.15 (*The COVID-19 pandemic, including the related disruptions and the COVID-19-related governmental actions, could materially and adversely affect the Group's business, financial condition, results of operations and prospects.*)). Furthermore, the Group's estimations and allocations of underwriting loss reserves, as a new business, may be inherently less reliable than the underwriting loss reserve estimations of a business with operating history, a stable volume of accounts and an established loss history. Actual underwriting losses and underwriting loss adjustment expenses paid may substantially deviate from the illustrative loss reserves contained in the Group's business plan and, in the future, estimated underwriting loss reserves contained in its financial statements. If the Group's underwriting loss reserves are subsequently determined to be inadequate, the Group will be required to increase its claim reserves with a corresponding reduction in net income in the period in which the Group identifies the deficiency. In addition, losses on underwriting could exceed the Group's available capital, underwriting loss reserves and underwriting loss expense reserves. If the Group's underwriting losses were to exceed its underwriting loss reserves, this would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

3 ***The Group may not be able to implement its strategy in a timely manner or at all.***

There can be no guarantee that the Group will be successful in accomplishing the tasks necessary to implement its proposed strategy, or that it will be able to implement the strategy within the timeframe or in the manner outlined in this Prospectus. If the Group is unable to implement its strategy, the Group's financial results may vary substantially from the illustrative KPIs and premium targets presented in this Prospectus. See Risk Factor C.2 (*The Group's actual results of operations and financial results may vary, potentially substantially, from the illustrative key performance indicators ("KPIs") and premium targets.*) below for more information. Any failure to implement the Group's strategy or any delay in its implementation could result in material adverse effects on its business, financial condition, results of operations and prospects.

Further, there may not be sufficient demand for the reinsurance products the Group plans to write to support the Group's planned level of operations. If there is insufficient demand for the reinsurance products that it intends to write, the Group may decide to amend its business strategy to focus on other types of reinsurance products, for which it may need to obtain licences or regulatory approvals. The costs of obtaining such licences or the changes to the Group's business model may have a material adverse effect on the Group's business performance, financial condition, results of operations and prospects.

4 ***Conduit Reinsurance may not obtain or maintain its financial strength rating from A.M. Best.***

Third-party rating agencies assess and rate the claims-paying ability of reinsurers based upon criteria established by the rating agencies. These ratings are often a key factor in the decision by an insured or a broker/intermediary whether to place business with a particular insurance or reinsurance provider. The Group considers A.M. Best to be the key rating agency for the insurance and reinsurance industries. An "A-" (Excellent) financial strength rating from A.M. Best is the minimum rating normally required for access to key parts of the Group's target market.

As announced on 18 November 2020, Conduit Reinsurance has received a Preliminary Credit Assessment ("PCA") from A.M. Best with a Financial Strength Assessment of "A- pca" (Excellent). The final rating will not be confirmed by A.M. Best prior to Admission and remains conditional on the Company's receipt of the Net Proceeds and its capitalisation of Conduit Reinsurance. If A.M. Best were unable, for any reason, to confirm a rating of "A-" (Excellent) following Admission and receipt of the Net Proceeds the Group

would be unable to execute its business plan until such rating was confirmed, which could have a material adverse effect on its business, financial condition, results of operations and prospects. If A.M. Best were unable to confirm the rating by 31 January 2021, the Board would seek to return the Net Proceeds to investors through the mechanism that the Board considers the most appropriate at the time (subject to any Shareholder approval required) and would consider a winding up of the Group. Please note that any such Net Proceeds would also be net of any costs paid post Admission or amounts paid to creditors of the Company or costs incurred by any liquidator in such return process. In the event of such return, holders of the Shares would be treated equally.

A.M. Best will also review Conduit Reinsurance's financial strength rating and may revise it downwards or revoke it at A.M. Best's sole discretion, based primarily on its analysis of the Group's balance sheet strength, operating performance and business profile. Factors that may affect such an analysis include:

- if Conduit Reinsurance changes its business practice from its business plan in a manner that no longer supports its A.M. Best rating;
- if unfavourable financial or market trends adversely affect Conduit Reinsurance;
- if Conduit Reinsurance's actual losses significantly exceed its loss reserves;
- if the Group is unable to obtain and retain key personnel;
- if the Group's investments incur significant losses; and
- if A.M. Best alters its capital adequacy assessment methodology in a manner that would adversely affect Conduit Reinsurance's rating.

A downgrade or revocation of Conduit Reinsurance's future financial strength rating could provide certain customers with a right to terminate their reinsurance contracts with Conduit Reinsurance, discourage new customers engaging with Conduit Reinsurance and could also adversely affect the volume and quality of business presented to Conduit Reinsurance. Consequently, a downgrade of Conduit Reinsurance's future financial strength rating would have a material adverse effect on the Group's business, financial condition, results of operations and prospects and would have a material adverse effect on the market price of the Shares.

5 *The Group expects to compete with established and/or new reinsurance businesses with greater resources, lower target returns, different approaches to risk management or pricing, and with alternative insurance products, which may make it difficult or impossible to market the Group's products effectively or offer the Group's products at prices that allow the Group to generate a profit.*

The Group expects to compete with major and established reinsurance businesses; many of which will have substantially greater financial, marketing and human resources than the Group. The Group may also face competition from new entrants to the reinsurance market.

If competitive pressures from larger, better funded or more aggressive competitors were to make it difficult or impossible to market the Group's products effectively, or forced the Group to reduce its prices, the Group would expect to write fewer policies, which would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group also expects to compete with capital market participants that create alternative products, such as catastrophe bonds, that are intended to compete with traditional reinsurance products. The availability of these non-traditional products could reduce the demand for both traditional insurance and reinsurance products and could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

6 *The Group may not be able to obtain sufficient reinsurance business.*

There can be no assurance that reinsurance business will be available to the Group on terms, at the volumes or at a pricing that it considers to be attractive, nor can there be any assurance that if such terms and pricing exist initially, they will continue. Factors which may inhibit or preclude the Group from obtaining reinsurance business at the desired rates include:

- an unexpected softening of conditions in the insurance and reinsurance markets targeted by the Group which would depress premium rates and would force the Group either to underwrite at rates that adversely affect its profits or forego underwriting at all;

- insurance and reinsurance prices not responding favourably to a significant loss event;
- continued willingness by other market participants to write insurance and reinsurance business at rates which are at best marginally profitable;
- difficulty penetrating existing program structures due to established relationships between such cedants (or their intermediaries) and reinsurers, or clients and their insurers previously on the programs;
- intermediaries entering into bilateral arrangements with single carriers or markets, where previously the business was more widely available; and
- possible unwillingness of prospective cedants (or their intermediaries) or clients and their insurers to accept the Group's participations based on competitors' ratings being higher than the expected ratings of the Group, the Group's lack of experience and performance history or concerns about the Group's investment strategy.

Any failure to obtain reinsurance business at the desired rates, including due to the above factors, would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

7 *The Group expects to depend on third-party brokers to distribute its reinsurance products, and the failure to obtain business from, or loss of business provided by, such third-party brokers could adversely affect it.*

The Group expects to be dependent upon third-party brokers to distribute its reinsurance products. Brokers are independent and, therefore, no broker is committed to recommend or sell the Group's reinsurance products. Accordingly, the Group's relationships with brokers distributing its reinsurance products are expected to be important, and any failure, inability or unwillingness of brokers to distribute the Group's products could have a material adverse effect on the Group. Furthermore, although the Group's founders, Neil Eckert and Trevor Carvey (the "**Founders**"), have long running relationships with key brokers who have a global presence covering the key jurisdictions for the Group, there is no guarantee that all of these third-party brokers will establish or maintain a long-term relationship with the Group or that the Group will be able to write sufficient volume of reinsurance through such brokers to support its business. Additionally, the past performance of such brokers is not indicative of their future performance or impact on the business of the Group. A failure to obtain or loss of business received from third-party brokers may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

8 *The past performance of the Founders and the companies which they have been involved in does not indicate future results.*

This Prospectus contains details of the Founders' previous experience and underwriting track record. It is likely that market conditions prevailing now, and in the future, will differ from those prevailing in the past and the business written by the Group may not correspond to the previous businesses that the Founders were involved in. Information on such previous performance is not intended as, and under no circumstances should be construed as, a prediction of the Group's performance. There can be no assurance that the Founders will be able to deliver the same level of performance in the future and any failure to do so could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

9 *Failure to retain key personnel, including the senior management team, or attract new employees could have a negative impact on the Group's ability to conduct its business and implement its strategy.*

The Group's future success depends to a significant extent on the efforts of its senior management, in particular the Founders and other key personnel and underwriters. There can be no assurance that these key personnel will remain with the Group and the loss of such key personnel is a material risk. Further, there are only a limited number of available and qualified executives with substantial experience in the insurance and reinsurance industry. Accordingly, the loss of the services of one or more of the members of the senior management team, in particular the Founders, or other key personnel could delay or prevent the Group from fully implementing its business strategy and, consequently, have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Most of the Group's key personnel will be based in Bermuda, including the Group's CEO, Deputy CEO, CFO and General Counsel. Under Bermuda law, persons who are not Bermudian or a spouse of a Bermudian usually may not engage in any gainful occupation in Bermuda without a valid governmental

work permit. A work permit is issued with an expiry date, and no assurances can be given that any work permit will be issued or, if issued, renewed upon the expiration of the relevant term. If work permits are not obtained, or are not renewed, for the relevant members of the Group's key personnel based in Bermuda, the Group would lose their services, which could delay or impair its ability to fully implement its business plan and could have a material effect on its business, financial condition, results of operations and prospects.

10 ***If the Group incorrectly structures its underwriting operations and investments in relation to each other, the Group's ability to conduct its business could be significantly and negatively affected.***

The Group will seek to maintain an investment portfolio with a high credit profile in order to protect its solvency capital base to focus purely on underwriting activities. The Group's ability to forecast and manage the respective risks in its underwriting operations and its investments will be crucial to its success. In particular, the Group's ability to forecast and maintain adequate reserves to meet anticipated liabilities under its policies in light of its investments has not been tested. If the Group's expectations with respect to its underwriting or investments are incorrect, or if it is unable to adjust its exposure to the risks associated with either, the Group could be forced to attempt to liquidate some of its investments at a significant loss, or to forego certain investments or certain opportunities to effect changes to its overall strategy in its underwriting operations that it otherwise may have been able to pursue. In addition, the Group will incur transaction costs as it re-shapes its exposures between underwriting and investment risk from time to time. Any such change to the Group's strategy or inability to match its risks and its investments could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

11 ***The Group's operational structure is currently being developed and certain of the Group's functions will initially be outsourced.***

The Group is in the process of developing and implementing its operational structure and enterprise risk management framework, including exposure management and information technology, with which it will conduct its business activities. Although the Group will at the point of Admission have in place all operational and risk management controls and structures required to comply with its regulatory and legal obligations under applicable laws, there still remains a material risk that the Group's controls and framework may not be adequate to identify or to eliminate all of the potential exposures. There can be no assurance that the development of the Group's operational structure including information technology or the implementation of the Group's enterprise risk management framework will proceed smoothly or on the Group's projected timetable or achieve the aforementioned goals. Consequently, a failure to develop the Group's operational structure and enterprise risk management framework may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Certain of the Group's accounting, actuarial, catastrophe modelling, information technology, and claims settlement functions will be outsourced when the Group expects to commence underwriting activities (ahead of 1 January 2021 in respect of risks incepting from 1 January 2021). Some of these functions, such as catastrophe modelling and actuarial functions, are subsequently planned to be in-sourced by the end of the first year of operations. The Group will therefore rely on its third-party service providers and be subject to risks around the delivery of certain functions by these third-party service providers. Furthermore, the planned insourcing of certain of these functions could also give rise to risks around the future migration of such services (where relevant) to an insourced model, such as the risk of cost overruns associated with the insourcing or the inability to integrate different systems. Any of the risks relating to the outsourcing and subsequent insourcing of the Group's functions, including those noted above, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

12 ***The Group's proposed loss limitation methods may not be sufficient to avoid or mitigate underwriting loss exposures to expected levels; and retrocession programmes with other reinsurers, designed to mitigate underwriting loss exposure, may not be available to the Group on acceptable terms.***

The Group will seek to mitigate its underwriting loss exposure through a variety of methods including:

- the purchase of appropriate retrocessional programmes;
- the writing of some, but not all, of its contracts on an excess of loss basis in order to avoid lower, more attritional layers in policies; and

- loss limitation features in its contracts, including exclusions from coverage (including geographic zone limitations) and choice of coverage provisions.

However, these loss limitation methods and others considered by the Group may not be effective in all circumstances. Reinsurance may not be available to the Group (or may only be available on terms which are commercially unacceptable). Further, the Group's own reinsurers may suffer insolvency or fail or refuse to make payments under the terms of any of its agreements with the Group.

Although the Group will seek to mitigate its loss exposure through a variety of methods, insurance and reinsurance risk is inherently unpredictable. It is difficult to predict the timing, frequency and severity of loss events with statistical certainty or estimate the amount of loss any given occurrence will generate. It is also not possible to completely eliminate the Group's exposure to unforeseen or unpredictable events and, to the extent that any losses from such risks occur, this could result in a material adverse effect on the Group's business, financial condition, results of operations and prospects.

13 *It is possible a single or series of unforeseen events could come to pass which have more correlation than might be reasonably envisaged and create substantial losses from operations and investment losses for the Group.*

The Group's business model is designed to diversify risk across its underwriting and investment portfolio and, in that regard, the Group plans to undertake detailed statistical analysis to manage its exposure to losses from known potential loss events. However, a single or series of significant events which are not foreseeable, such as an unprecedented and unmodelled natural disaster or terrorist attack, could create simultaneous, correlated and substantial losses from operations due to claims associated with such event(s) and investment losses resulting in part from disruptions to capital markets, which would materially adversely affect the Group's business, financial condition, results of operations and prospects.

14 *In the event of a catastrophic event, actual losses of the Group could be substantially different from the losses estimated by the Group using catastrophe models.*

The Group expects to have exposure to, among other things, natural catastrophes such as hurricanes, earthquakes, floods, sea surges, fire and severe weather patterns, human instigated catastrophic events of terrorism, war or nuclear-related events. This list is not exhaustive and there may be other unknown events which could cause losses to the Group. The predictability, severity, frequency and post event estimation of such events is extremely difficult to assess.

Whilst the Group intends to write a broadly diversified reinsurance portfolio across six risk "classes", and over 40 "sub-classes", of risk, with approximately 75 per cent. of GWP in the first year of operations anticipated to be derived from Northern Europe and the U.S., there can be no assurance that the Group will not suffer losses from one or more catastrophic events in any one given geographic zone. The Group's estimated probable maximum loss will be determined through the use of modelling techniques, but such estimates do not represent the Group's total potential loss for such exposures. There is considerable uncertainty in the data and parameter inputs for insurance industry catastrophe models. This may be as a result of any number of factors, including the inherent uncertainties in estimating the frequency and severity of such events, potential inaccuracies and inadequacies in the data provided by clients and brokers, the limitations and inaccuracies of modelling techniques, the general limitations of historical data used to estimate future losses or as a result of a decision to change the percentage of shareholders' equity exposed to a single modelled catastrophic event. The accuracy of the models depends heavily on the availability of detailed insured loss data from actual recent large catastrophes. Due to the limited number of events, there is significant potential for substantial differences between the modelled loss estimate and actual company experience for a single large catastrophic event.

This potential difference could be even greater for catastrophes with less modelled annual frequency, such as a United States earthquake, or less modelled annual severity, such as a European windstorm. The Group will also rely upon third party estimates of industry insured exposures and there is significant variation possible around the relationship between the Group's loss and that of the industry following a catastrophic event. As a result of the factors discussed above, the occurrence of a catastrophic event, or series of catastrophic events, could result in greater actual underwriting losses for the Group than the underwriting losses estimated by the Group through catastrophe models, which, in turn, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

15 *The COVID-19 pandemic, including the related disruptions and the COVID-19-related governmental actions, could materially and adversely affect the Group's business, financial condition, results of operations and prospects.*

In December 2019, a novel strain of coronavirus, COVID-19, was reported to have surfaced in Wuhan, China. Since then, COVID-19 has spread to multiple countries, including the UK and the United States, and was declared a pandemic by the World Health Organization on 11 March, 2020. The global outbreak of COVID-19 continues to rapidly evolve and has resulted in quarantines, reductions in business activity, widespread unemployment and overall economic and financial market instability. The global COVID-19 pandemic is a live catastrophe, which has had and is expected to continue to have a significant impact on the global economy and financial markets. It is not possible to estimate how quickly the spread of the virus can be effectively stopped or the length of time or impact of any mitigatory measures imposed, and therefore, the Group is unable to accurately predict what impact the COVID-19 pandemic will ultimately have on the insurance and reinsurance industries, the capital markets and the Group in particular.

Given the Group has no operating history and does not expect to have a liability profile until the end of the first calendar quarter of 2021, it is too early to determine the ultimate effect that the economic slowdown, resulting from the COVID-19 pandemic, will have on the Group's revenues or expected claims and losses. Legislative and regulatory initiatives taken, or which may be taken in response to the COVID-19 pandemic, may adversely affect the Group's operations. Adverse effects could include:

- legislative or regulatory action seeking retroactively to mandate coverage for losses, which the typical insurance policies would not otherwise cover or have been priced to cover (for example, if there were legislative or regulatory actions, which prevented an insurer or reinsurer from excluding losses caused by the COVID-19 pandemic);
- regulatory actions relaxing reporting requirements for claims, which may affect coverage under the claims made and reported policies;
- legislative actions prohibiting the insurers from cancelling policies in accordance with its policy terms or non-renewing policies at their expiration date;
- legislative orders to provide premium refunds, extend premium payment grace periods and allow time extensions for past due premium payments;
- delays in reporting of losses, settlement negotiations and disputed claims resolution above the normal claims resolution trends; and
- interest rates being maintained at low levels or reduced further, which may result in lower investment income being received from the Group's investment portfolio.

The occurrence of any of these events or experiences, individually or collectively, could materially and adversely affect the Group's business, financial condition and results of operations. The Group's employees and agents, as well as the Group's brokers, vendors, service providers and other counterparties, may be adversely affected by the COVID-19 pandemic or any mitigation measures. Any such impacts may have a material adverse effect on the Group's financial condition.

The COVID-19 pandemic may also result in disruption to the global insurance and reinsurance industries, due, in part, to potential increase in regulation and/or political intervention in the industries, for instance to change or limit the scope of exclusions put in place in respect of losses caused by the COVID-19 pandemic. The likelihood or extent of any impacts arising from the COVID-19 pandemic on the wider insurance and reinsurance industries cannot be predicted but may have a material adverse impact on the Group's business, financial condition, results of operations and prospects.

16 *The Group's results may be affected by cyclical trends.*

The insurance and reinsurance industries historically have been, and may continue to be, cyclical. Demand for reinsurance is influenced significantly by underwriting results of primary insurers and prevailing general economic and market conditions, all of which affect liability retention decisions of companies and primary insurers and reinsurance premium rates. The supply of reinsurance is related directly to prevailing prices and levels of surplus available to support assumed business which, in turn, may fluctuate in response to changes in rates of return on investments being realised in the reinsurance industry, the frequency and severity of losses and prevailing general economic and market conditions.

The cyclical trends in the industry and the industry's profitability can also be affected significantly by volatile and unpredictable developments, such as a trend in which courts are granting increasingly larger

awards for certain damages, the factors affecting certain loss events, fluctuations in interest rates, changes in the investment environment that affect market prices of investments and inflationary pressures that may tend to affect the size of losses experienced by insureds and primary insurance companies. The COVID-19 pandemic is expected to result in a harder insurance market. However, positive changes in the general economic climate and increased certainty around the COVID-19 pandemic may mean that existing reinsurers re-enter the market, which may result in an increase in capacity in the market and impact the Group's ability to scale up the business. The Group cannot predict future trends in reinsurance market conditions. A deterioration in market conditions may lead to a significant reduction in premium rates, less favourable policy terms or less premium volume. These negative consequences of the general economic climate would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

17 ***Global changing climate conditions which increase the frequency and severity of weather events and resulting losses, may adversely affect the Group, particularly to the extent that policies written by the Group are concentrated in geographic areas where such events occur.***

There is a growing consensus today that man-made production of greenhouse gas has had, and will continue to have, an adverse effect on the global climate and that climate change increases the frequency and severity of extreme weather events. In recent years, the frequency of extreme weather events appears to have increased as borne out by the number and size of claims made as a result of climatological phenomena such as hurricanes, drought and wildfires. The Group cannot predict whether or to what extent damage caused by any such natural events will affect the Group's ability to write new reinsurance policies and such reinsurance policies could be concentrated in the geographic areas in which these events occur or occur more frequently, such as the United States and Asia (including Japan and other South Eastern Asia countries).

Climate change may have a disproportionate material adverse effect on the Group's business given the intention for the Group to write a significant amount of insurance in the Property Excess of Loss class (meaning that the Group will provide insurance against all, or a specified portion of, losses and expenses in respect of property loss claims in excess of a specified monetary amount or other threshold). There can be no assurance that the Group will be able to limit its exposure to potential losses which may arise because of climate change.

In addition, claims from catastrophe events could reduce the Group's earnings and cause substantial volatility in its business, financial condition and results of operations for any period. However, assessing the risk of loss and damage associated with the adverse effects of climate change and the range of approaches to address such loss and, including impacts related to extreme weather events and slow onset events, remains a challenge.

Consequently, the effects of climate change, including due to any of the factors identified above, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

18 ***The Group, in certain cases, will depend on its customers' evaluations or disclosures of the exposures associated with their insurance underwriting, which may subject the Group to reinsurance losses.***

The Group does not expect to separately evaluate each of the original individual exposures assumed under some of its reinsurance business (such as quota share contracts in which the Group expects to assume an agreed-upon percentage of each underlying insurance contract being reinsured). In these situations, the Group will be dependent on the original underwriting decisions made by ceding companies. The Group will be subject to the risk that its customers may not have adequately evaluated or disclosed the insured exposures and that the premiums ceded may not adequately compensate the Group for the exposures it will assume. The Group will not be able to evaluate separately each of the individual claims that may be made on the underlying insurance contracts under quota share contracts. Therefore, the Group may be dependent on the original claims decisions made by its customers. To the extent that a customer fails to evaluate adequately the insured exposures or the individual claims made thereunder, this could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

19 ***Exposure to coverage disputes.***

There can be no assurance that various provisions of the Group's reinsurance contracts, such as

limitations on, or exclusions from, coverage, will be enforceable in the manner intended. Disputes relating to coverage and choice of legal forum can be expected to arise, as a result of which the Group may incur losses beyond those that it contemplated would be incurred pursuant to its reinsurance contracts policies. By way of example, the Group may seek to put in place exclusions in respect of the COVID-19 pandemic, nuclear and war losses; however there can be no guarantee that such exclusions will be effective and losses that the Group are exposed to may be greater than expected. Losses, and the costs incurred in coverage disputes, may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

20 ***The involvement of insurance and reinsurance brokers will subject the Group to their credit risk.***

In accordance with industry practice, the Group expects to frequently pay amounts owed on claims under its policies to brokers that, in turn, will remit those amounts to the parties that are reinsured by the Group. In some jurisdictions, if a broker fails to make such a payment, the Group might remain liable to the customer for the deficiency notwithstanding the broker's obligation to make such payment. Conversely, in certain jurisdictions, when the customer pays premiums for policies to brokers for payment to the Group, these premiums are considered to have been paid and the customer will no longer be liable to the Group for these premiums, whether or not the Group has actually received them. Consequently, the Group expects to assume a degree of credit risk associated with brokers around the world and the failure of such brokers to make payments could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

21 ***The failure to obtain or retain letter of credit facilities may significantly and negatively affect the Group's ability to successfully implement its business strategy.***

The Group anticipates that certain of its reinsurance customers will require it to post a letter of credit and the Group expects to seek one or more letter of credit facilities. If the Group is unable to obtain or retain such letter of credit facilities on commercially acceptable terms, the Group's ability to operate its business and to compete effectively with other reinsurance companies may be materially limited.

In order to post a letter of credit, issuing banks usually require collateral. In these cases, the Group would expect to use its investment portfolio (the "**Investment Portfolio**") as collateral against any letter of credit. The inability to renew, maintain or obtain letters of credit collateralised by the Investment Portfolio may significantly limit the amount of reinsurance the Group can write or require the Group to modify its investment strategy. The Group may need additional letter of credit capacity as it grows, and if the Group is unable to renew, maintain or increase its letter of credit facilities or is unable to do so on commercially acceptable terms, it could significantly and negatively affect the Group's ability to implement its business strategy, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

22 ***Technology breaches or failures, including those resulting from a malicious cyber-attack on the Group or its business partners and service providers, could disrupt or otherwise negatively impact its business.***

The Group expects to be significantly reliant on information technology systems to process, transmit, store and protect the electronic information, financial data and proprietary models that will be critical to the Group's business. Furthermore, a significant portion of the communications between the Group's employees and the Group's business, banking and investment partners is expected to depend on information technology and electronic information exchange.

The Group's information technology systems will be vulnerable to data breaches, interruptions or failures due to events that may be beyond the control of the Group, including, but not limited to, natural disasters, theft, terrorist attacks, computer viruses, hackers and general technology failures. As the Group intends to outsource certain of its functions to third-party service providers initially, the Group will also be at risk of failures or breaches affecting those service providers. Although the Group intends to establish and implement appropriate security measures, controls and procedures to safeguard its information technology systems and to prevent unauthorised access to such systems and any data processed or stored in such systems, disruptions to and breaches of the Group's information technology systems may still occur and may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

B. RISKS RELATING TO THE GROUP'S INVESTMENT ACTIVITIES

1 *The Investment Portfolio will be exposed to market risk and market spreads on underlying investments.*

The Group expects to derive returns predominantly from underwriting activities and intends to take a conservative approach to the Investment Portfolio. However, at times, for example upon the launch of the business, a significant part of the Investment Portfolio will be in the process of being invested, giving exposure to rising and falling markets in respect of long and short positions which the asset managers to which Investment Portfolio assets are allocated (the "**Asset Managers**") are attempting to create. There is a material risk that deteriorating market conditions could reduce investment returns or cause volatility to an extent that the Investment Portfolio is not able to provide the stability needed in the Group's balance sheet to enable the growth of its reinsurance business. Any of the increased exposures to market risks mean that adverse market movements may have a material effect on the Group's anticipated investments, business financial condition, results of operations and prospects.

2 *The Group will be dependent on the Asset Managers in relation to the management of the Investment Portfolio.*

The Group expects to enter into investment management agreements with one or more specialist fund managers and may appoint an investment adviser to assist in the selection of Asset Managers, who will manage the Investment Portfolio on a "day-to-day" basis. The Group will be dependent upon the advice of the Asset Managers in relation to the management of the Investment Portfolio. While the Group will select and monitor the Asset Managers to which Investment Portfolio assets are allocated, the Group will rely to a great extent on information provided by the Asset Managers and generally will have limited access to other information regarding the Asset Managers' portfolios and operations. The failure of the Asset Managers to perform, or in performing, their obligations to the Group or the negligence, error, action or omission of the Asset Managers in performing their respective obligations to the Group, could cause the Group to suffer, among other things, financial loss, disruption of business, liability to third parties, regulatory intervention and reputational damage, any of which could have a material adverse effect on the Investment Portfolio, and therefore the Group's business, financial condition and results of operations.

The portfolio funds in which the Group expects to invest (the "**Portfolio Funds**") may remove, substitute, modify or otherwise deviate from their stated investment strategies and sub-strategies or any of the types of investments being utilised by the Portfolio Fund at the time of the Group's investment in the Portfolio Fund. Unexpected changes to an Asset Manager's investment strategies and investments by an Asset Manager in an area in which it has limited experience or knowledge may adversely affect the Investment Portfolio. Any of the above risks to the performance of the Investment Portfolio may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

C. RISKS RELATING TO THE GROUP'S FINANCIAL CONDITION

1 *Currency fluctuations could result in exchange losses and negatively impact the Group's business.*

The Group's functional currency will be the U.S. dollar. However, because the Group's business strategy includes reinsuring financial obligations created or incurred outside of the United States, the Group expects that it will receive premiums in currencies other than the U.S. dollar, in particular, in Pounds Sterling and Euro. Further currency risk exists for Shareholders as the Shares will be traded in sterling and yet the financial results of the business will be reported in U.S. dollars and the functional currency of the business will be the U.S. Dollar.

In addition, the currencies of the Group's liabilities may differ from the currencies underlying the Investment Portfolio at any point in time, which will subject the Group to both currency transaction and translation risk. Currency transaction risk arises from the mismatch of cash flows due to currency exchange fluctuations. Translation risk arises because the Group plans to report in U.S. dollars but a portion of its underlying premiums, reserves and operating expenses will be determined in other currencies. This translation risk is caused by changes in foreign exchange rates rather than a change in the assets, liabilities, revenues or costs themselves. Whilst the Board intends to hold investments in currencies in which the Group has material exposures, there can be no guarantee that the Group will be able to match the currencies of its liabilities with the Investment Portfolio at any point in time, or that its investments will be sufficient to fully alleviate or mitigate any foreign currency exposures. The COVID-19 pandemic may also cause volatility in

foreign currency rates. Adverse currency movement could therefore have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2 *The Group's actual results of operations and financial results may vary, potentially substantially, from the illustrative key performance indicators ("KPIs") and premium targets.*

The Group has no operating history and the illustrative KPIs and premium targets in this Prospectus are intended only to represent potential outcomes based upon certain preliminary assumptions and limited information available as of its date. For example, the Group has utilised illustrative KPIs and premium targets based on hypothetical data to model the Group's potential underwriting and investment performance, which does not cover any historical results or returns (of which there are none) and it may not accurately predict future returns or results of the Group. The relevant data has been developed based on a variety of estimates and assumptions about future events that cannot be reliably predicted. Premium rate levels are based on estimates of premium rates as well as estimates of losses, claims payments and mix of business. The actual rates ultimately received and the actual business mix written by Group may differ significantly from the levels and ratios assumed in the illustrative KPIs and premium targets. Furthermore, actual expenses of the Group could vary substantially from the Group's current estimates. Actual cash flows may also deviate significantly from assumptions, and such deviations could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's actual results will vary from the illustrative KPIs and premium targets based on, among other things, the amounts and types of reinsurance that the Group writes, the pricing and other terms of actual policies written, the cost of obtaining letter of credit facilities and/or providing collateral as may be required by counterparties or letter of credit facility providers, the amount of assets available to the Group to invest pursuant to its investment strategy and the Group's actual investment returns. It is unlikely that future events will unfold exactly as modelled, and differences are to be expected between actual results and those depicted in the illustrative financial projections. Such differences may be significant and could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

3 *Changes in accounting standards and the interpretation thereof could have a significant and negative effect on the Group's financial position and performance.*

New accounting standards or pronouncements that become applicable to the Group and its financial statements from time to time, and changes in the interpretation of existing standards and pronouncements, could have a significant and negative effect on the Group's financial position and performance for the affected periods. In particular, the Group plans to report its results under International Financial Reporting Standards (IFRS) and will likely be affected by the potential introduction of IFRS 17, Insurance Contracts which has an expected effective date of 1 January 2023. There is a degree of uncertainty on the potential impact of IFRS 17 as at the date of transition and on an on-going basis, the extent of which is unknown as at this point in time. However, it is envisaged that a substantial portion of the Group's reinsurance contracts written and held are expected to have a coverage period of one year or less and, as such, if IFRS 17 is adopted, then it is expected that the majority of the Group's contracts will be accounted for using the "Premium Allocation Approach" (an optional method under IFRS of measuring insurance contract assets and liabilities during a coverage period). The Group is reviewing the complex requirements of this standard and considering its potential impact. The effect of changes required to the Group's accounting policies as a result of implementing the new standard is currently uncertain, but these changes can be expected to, amongst other things, alter the timing of IFRS profit recognition. Any changes or modification of IFRS accounting policies may require a change in the way in which future results will be determined and/or a retrospective adjustment of reported results to ensure consistency. The implementation of this standard is also likely to require significant enhancements to IT, actuarial and finance systems of the Group, which would have an impact on the Group's expenses. For these reasons relating to expenses and the effects of the standards themselves on the accounts, the modification of IFRS accounting policies could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

D. LEGAL AND REGULATORY RISK

1 *Cancellation of Conduit Reinsurance's Bermuda Class 4 insurance licence would have a material adverse effect on its business.*

Conduit Reinsurance has received an approval from, and is licensed as a Class 4 insurer in Bermuda by, the Bermuda Monetary Authority ("BMA"). The BMA could, however, cancel Conduit Reinsurance's

Class 4 licence in certain circumstances, including where (i) false, misleading or inaccurate information was supplied to the BMA by Conduit Reinsurance for the purposes of the Bermuda Insurance Act 1978 (the "**Insurance Act**"), and related rules and regulations; (ii) Conduit Reinsurance has not commenced to carry on business within two years of being registered as an insurer or has ceased to carry on business; (iii) Conduit Reinsurance has not paid fees due under the Insurance Act; (iv) Conduit Reinsurance has not complied with a condition of its licence or with an Insurance Act or related regulatory requirement, or is convicted of an offence under the Insurance Act; or (v) the BMA is of the opinion that Conduit Reinsurance is not carrying on business in accordance with sound insurance principles.

The cancellation of Conduit Reinsurance's licence to do business as an insurance company in Bermuda for any reason would mean that the Group was unable to operate as an insurance or reinsurance business and would therefore have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2 *Regulatory challenges or breach of regulatory requirements by the Group or failure to obtain permits or licences could have a material adverse effect on its business.*

There is a risk that insurance regulators in the United States or elsewhere may review the Group's activities and claim that the Group is subject to such jurisdiction's licensing requirements. If the Group needs to meet these requirements or if the Group chooses to attempt to become licensed in a jurisdiction other than Bermuda, it may not be able to do so, and the process of obtaining licences can be time consuming and costly.

Furthermore, a failure to comply with rules and regulations in a jurisdiction in which the Group operates could lead to disciplinary action, the imposition of fines or the revocation of any licence, permission or authorisation necessary to conduct the Group's business in that jurisdiction. For example, effecting or carrying out contracts of insurance or reinsurance in the UK requires authorisation under the FSMA. Although not until a point following Admission, it is intended that the Group will, in part, promote its business in the UK reinsurance market under an appointed representative arrangement which would be entered into between a UK incorporated subsidiary of the Company (that is not yet in place) and a third party intermediary services business that is based in the UK and regulated by the FCA as an authorised person (an "**Appointed Representative Arrangement**"). However, it is not currently intended that any member of the Group will be authorised to carry out or effect insurance or reinsurance contracts in the UK. Consequently, in the event that any member of the Group does, whilst not authorised to do so, effect or carry out contracts of insurance or reinsurance in the UK, this may expose members of the Group and their directors to potential civil and criminal liability. Further, any contract made by Conduit Reinsurance whilst not authorised by the FCA, when it should have been, will be unenforceable against the other party unless the relevant English court otherwise allows. Were this to occur, this could have a material adverse effect on the Group's reputation, business, financial condition, results of operations and prospects.

3 *Reinsurance operations are subject to extensive regulation and such regulation could have a material adverse effect on the Group's business.*

Reinsurance operations are subject to extensive regulation across all jurisdictions, including the United States and the United Kingdom. Governmental agencies have broad administrative power to regulate many aspects of the reinsurance business, which may include premium rates, marketing practices, advertising, policy forms and capital adequacy. These governmental agencies are concerned primarily with the protection of policyholders to the exclusion of other stakeholders, including shareholders of insurers and reinsurers. Furthermore, insurance laws and regulations can impose restrictions on the amount and type of investments, prescribe solvency standards that must be met and maintained, and require the maintenance of reserves by market participants in the insurance and reinsurance industries.

In particular, changes in regulatory capital requirements in Bermuda, and other jurisdictions (if the Group becomes subject to their requirements), would impact the level of capital reserves required to be maintained by individual Group entities or by the Group as a whole. For example, European legislation known as "Solvency II" ("**Solvency II**"), which governs the prudential regulation of insurers and reinsurers, requires insurers and reinsurers in Europe to meet risk-based solvency requirements. It also imposes group solvency and governance requirements on groups which contain insurers or reinsurers operating in the European Economic Area. Solvency II equivalence for third countries means a non-EU jurisdiction has an insurance regulatory regime that achieves the same outcomes as those determined under the Solvency II framework. Bermuda was granted Solvency II equivalent status in 2016. This formal recognition means Bermuda's commercial reinsurers and insurance firms have only to comply with Bermuda's rules and regulations and should not thereby be disadvantaged when competing for, and writing, EU business.

In 2020 Bermuda's insurance regulatory regime also achieved Reciprocal Jurisdiction status from the National Association of Insurance Commissioners ("NAIC") in the United States.

The evolution of Bermuda's laws, rules and regulations to maintain equivalency and international recognition of its regulatory framework (to maintain for example Solvency II equivalence and NAIC Reciprocal Jurisdiction status) may increase solvency requirements and thereby reduce the funds available for writing insurance and reinsurance contracts and, as a result, this could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

4 *A change of control of the Company may be difficult to effect under applicable insurance laws.*

A change of control would require consents from regulators in various jurisdictions in which the Group intends to operate.

These laws (and laws having similar effect in other jurisdictions) may discourage potential acquisition proposals and may delay, deter or prevent a change of control of the Company, including through transactions, in particular unsolicited transactions, that some or all of the Shareholders might consider to be desirable. These regulatory restrictions are in addition to the takeover restrictions present in Bermuda law and in the Company's Bye-laws. The failure to execute on any potential favourable acquisition proposals may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

5 *The Group is subject to complex privacy and data protection laws and may be subject to privacy or data protection failures.*

The operations of the Group will be subject to a number of laws relating to privacy and data protection governing its ability to collect and use personal information, including Bermuda's Personal Information Protection Act 2016 which is anticipated to take effect in 2021. These data protection and privacy-related laws and regulations are becoming increasingly restrictive and complex and may result in greater regulatory oversight and increased levels of enforcement and sanctions. For example, the European Union's General Data Protection Regulation ("GDPR") came into force on 25 May 2018 and constitutes a major reform of the EU legal framework on the protection of personal data, and provides for fines of up to 4 per cent. of global turnover. While the Group's business is not particularly reliant on processing of personal data, the risks posed by possible data protection failures and the costs of compliance with applicable laws remain material. The Group will incur significant costs to ensure compliance with applicable data protection laws and regulations. Even the perception of privacy concerns, whether or not valid, may harm the reputation of the Group and inhibit the use of its reinsurance products and services by current and future clients, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

E. RISKS RELATED TO TAXATION

1 *Each of the Company or Conduit Reinsurance may be subject to UK tax in which case its results of operations could be materially adversely affected.*

Neither the Company nor Conduit Reinsurance is incorporated in the UK. Accordingly, neither should be treated as being resident in the UK for corporation tax purposes unless its central management and control is exercised in the UK. The concept of central management and control is indicative of the highest level of control of a company, which is wholly a question of fact. The Directors of the Company and the directors of Conduit Reinsurance intend to manage their respective affairs so that neither should be resident in the UK for UK tax purposes.

A company that is not resident in the UK for corporation tax purposes can nevertheless be subject to UK corporation tax if it carries on a trade through a permanent establishment in the UK, but, in that situation, the charge to UK corporation tax is limited to profits (both revenue profits and capital gains) attributable directly or indirectly to such permanent establishment.

Each of the Company and Conduit Reinsurance intends to operate in such a manner that it does not carry on a trade through a permanent establishment in the UK. Nevertheless, because neither case law nor UK statute completely defines the activities that constitute trading in the UK through a permanent establishment, HM Revenue & Customs ("HMRC") might contend successfully that the Company or Conduit Reinsurance is trading in the UK through a permanent establishment in the UK.

The UK has no comprehensive income tax treaty with Bermuda. There are circumstances in which companies that are neither resident in the UK nor entitled to the protection afforded by a double tax treaty between the UK and the jurisdiction in which they are resident may be exposed to income tax in the UK (other than by deduction or withholding) on the profits of a trade carried on there even if that trade is not carried on through a permanent establishment. However, each of the Company and Conduit Reinsurance intends to operate in such a manner so that it will not fall within the charge to income tax in the UK (other than by deduction or withholding).

If the Company and Conduit Reinsurance were treated as being resident in the UK for UK corporation tax purposes, or if the Company and Conduit Reinsurance were to be treated as carrying on a trade in the UK, the results of the Group's operations could be materially adversely affected. In addition, any change in the Company's tax status or any change in UK tax law could materially affect the Group's financial condition or results of operations or ability to provide returns to shareholders.

2 *Changes in U.S. tax law could materially affect an investment in the New Shares.*

Tax reform in the U.S. commonly referred to as The Tax Cuts and Jobs Act (the "**2017 Act**") was passed by the U.S. Congress and was signed into law on 22 December 2017, with certain provisions intended to eliminate certain perceived tax advantages of companies (including insurance companies) that have legal domiciles outside the U.S. but have certain U.S. connections and U.S. persons investing in such companies. As discussed in more detail in Part IX - "Taxation" below, the 2017 Act, among other things, revised the rules applicable to passive foreign investment companies ("**PFICs**") and controlled foreign corporations ("**CFCs**"). Although the Company is currently unable to predict the ultimate impact of the 2017 Act on the Group's future business, shareholders and results of operations, it is possible that the 2017 Act may affect the timing, character and amount of U.S. federal income taxes imposed on certain U.S. shareholders. Further, it is possible that other legislation could be introduced and enacted by U.S. Congresses that could have an adverse impact on the Group or U.S. shareholders. Additionally, tax laws and interpretations regarding whether a company is engaged in a U.S. trade or business or whether a company is a CFC or a PFIC or has RPII are subject to change, possibly on a retroactive basis. There are currently only recently proposed regulations regarding the application of the PFIC rules to an insurance company. Additionally, the regulations regarding RPII have been in proposed form since 1991. New regulations or pronouncements interpreting or clarifying such rules may be forthcoming. The Group cannot be certain if, when or in what form such regulations or pronouncements may be provided and whether such guidance will have a retroactive effect.

3 *The Group may be subject to U.S. tax in which case its results of operations could be materially adversely affected.*

If any member of the Group was considered to be engaged in a trade or business in the United States, it could be subject to U.S. corporate income and additional branch profits taxes on the portion of its earnings effectively connected to such U.S. business, in which case its results of operations could be materially adversely affected.

The Company and Conduit Reinsurance are Bermuda registered companies. The Directors of the Company and the directors of Conduit Reinsurance intend to manage the business of the Group so that each of these companies should operate in such a manner that neither should be subject to U.S. tax (other than U.S. excise tax on insurance and reinsurance premium income attributable to insuring or reinsuring U.S. risks and U.S. withholding tax on certain U.S. source investment income), because none of these companies should be treated as engaged in a trade or business within the U.S. However, because there is considerable uncertainty as to the activities which constitute being engaged in a trade or business within the U.S., it cannot be certain that the U.S. Internal Revenue Service (the "**IRS**") will not contend successfully that Group members are engaged in a trade or business in the U.S.

4 *The impact of Bermuda's commitment to the Organization for Economic Cooperation and Development to eliminate harmful tax practices is uncertain and could result in additional taxes being imposed on the Group.*

The Organization for Economic Cooperation and Development, or the OECD, has published reports and launched a global dialogue among member and non-member countries on measures to limit harmful tax competition. These measures are largely directed at counteracting the effects of tax havens and preferential tax regimes in countries around the world. According to the OECD, Bermuda is a jurisdiction that has substantially implemented the internationally agreed tax standard. However, neither the Company

nor Conduit Reinsurance is able to predict whether Bermuda will continue to implement internationally agreed tax standards. Changes in Bermuda's tax standards could subject the Company or Conduit Reinsurance to additional taxes, either in Bermuda or in countries in which the Group operates. If the Group is subject to additional taxes, it may have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

RISKS RELATING TO THE OFFER

A. RISKS RELATED TO THE NATURE OF THE SECURITIES

- 1 *The Share voting limitation contained in the Bye-laws may result in a Shareholder having fewer, or more, voting rights than such holder would otherwise have been entitled to based upon its economic interest in the Company.*

There are provisions in the Bye-laws which may reduce or increase the voting rights of the Shares. In general, and except as provided below, Shareholders have one vote for each Share held by them and are entitled to vote at all meetings of Shareholders. However, if, and so long as, the Shares of a Shareholder are treated as "controlled shares" (as determined under section 958 of the Internal Revenue Code of 1986, as amended, of the United States of America (the "Code")) of any "United States person" (as defined in the Code) and such controlled shares constitute 9.5 per cent. or more of the votes conferred by the Company's issued shares, the voting rights with respect to the controlled shares of such United States person (a **"9.5 per cent. U.S. Shareholder"**) shall be limited, in the aggregate, to a voting power of less than 9.5 per cent., under a formula specified in the Bye-laws. The formula is applied repeatedly until the voting power of all 9.5 per cent. U.S. Shareholders has been reduced to less than 9.5 per cent. In addition, the Board may limit a Shareholder's voting rights where it deems it appropriate to do so to (i) avoid the existence of any 9.5 per cent. U.S. Shareholder; and (ii) avoid certain adverse tax, legal or regulatory consequences to the Company or any of the Company's subsidiaries or any shareholder or its affiliates. "Controlled shares" include, among other things, all shares of the Company that such US Person is deemed to own directly, indirectly or constructively (within the meaning of section 958 of the Code).

Under these provisions, certain Shareholders may have their voting rights limited, while other Shareholders may have voting rights in excess of one vote per share. Furthermore, these provisions could have the effect of reducing the votes of certain Shareholders who would not otherwise be subject to the 9.5 per cent. limitation by virtue of their direct share ownership. The Company also has the authority under the Bye-laws to request information from any Shareholder for the purpose of determining whether a Shareholder's voting rights are to be reallocated under the Bye-laws. If a Shareholder fails to respond to the Company's request for information or submits incomplete or inaccurate information in response to a request by it, the Company may, in its sole discretion, eliminate such Shareholder's voting rights.

- 2 *The market price of the Shares could be negatively affected by sales of substantial numbers of such shares in the public markets, including following the expiry of the lock-up periods, or the perception that these sales could occur.*

Certain of the Directors and members of the Group's management are subject to a 12-month lock-up period during which they have agreed, subject to certain exceptions, not to offer, sell, contract to sell, grant options over or otherwise dispose of, directly or indirectly, their respective Shares, as described in further detail in section 8 of Part X – "The Offer" of this Prospectus.

Although there is no present intention or arrangement to do so, such Directors or members of the Group's management may, following the expiry of the applicable initial lock-up period, sell their Shares without restriction. The market price of Shares could decline significantly as a result of any sales of Shares by such individuals following expiry of such period (or otherwise) or the perception that these sales could occur.

- 3 *The Company is a holding company with no business operations of its own and depends on its subsidiaries for cash, including in order to pay dividends.*

The Company is a group holding company with no independent operations and is dependent on earnings and distributions of funds from its operating subsidiaries for cash, including in order to pay dividends to Shareholders. This risk remains material notwithstanding any cash that may be retained at the holding company level following a fundraise by the Company.

As a matter of Bermuda law, the Company can pay dividends only to the extent that it is, or would after the payment of the dividend be, able to pay its liabilities as they become due; and that the realisable value

of the Company's assets will thereby be greater than its liabilities, which depends upon the Company receiving cash from its operating subsidiaries. The Company's ability to pay dividends to Shareholders therefore depends on its future Group profitability, the ability to distribute or dividend profits from its operating subsidiaries up the Group structure to the Company, general economic conditions and other factors the Directors deem significant. The Group's ability to pay dividends can be affected by reductions in profitability as well as by impairment of assets.

Conduit Reinsurance, as a Class 4 insurer, is prohibited from declaring or paying a dividend if it is in breach of its minimum solvency margin ("MSM"), enhanced capital requirement ("ECR") or minimum liquidity ratio or if the declaration or payment of such dividend would cause such a breach. Where Conduit Reinsurance fails to meet its MSM or minimum liquidity ratio on the last day of any financial year, it will be prohibited from declaring or paying any dividends during the next financial year without the approval of the BMA.

The inability to transfer value up the Group to the Company may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

4 *Further issues of shares may result in immediate dilution.*

In the future, the Company may issue additional common shares or other equity or debt securities convertible into common shares in connection with a financing, acquisition, litigation settlement or employee arrangement or otherwise. Whilst no further capital is currently planned to be required for at least the next 12 months, any additional capital raised through the sale of equity could dilute shareholders' ownership interest, cause the value of shareholders' investments to decline and cause the trading price of the Shares to decline. Additional capital raised through the issuance of equity or debt may result in creditors or other investors having rights, preferences and privileges that are senior to those of existing shareholders.

Furthermore, the Group has put in place an incentivisation scheme (the "**Management Promote**") through which the Founders and other senior managers will be rewarded for increases in Shareholder value, subject to certain performance conditions and vesting periods. If the performance condition attaching to the Management Promote is satisfied and certain other conditions are satisfied, the Company could become obliged to issue Shares in satisfaction of its obligations under the Management Promote. Further, in certain circumstances, including a takeover of the Company or a sale or liquidation of Conduit MIP Limited, the participants in the Management Promote who hold shares in Conduit MIP Limited could become entitled to up to 7.5 per cent. of the return on the Company's invested capital calculated in sterling plus up to 7.5 per cent. of the return on the Company's invested capital calculated in U.S. dollars.

If the Company issues a large number of Shares, including in the circumstances outlined above, the market price of the Shares could decline significantly.

5 *The market price of the Shares may prove to be volatile and may be subject to fluctuations, including significant decreases.*

The market price of the Shares could be volatile and subject to significant fluctuations due to a variety of factors, including, without limitation, those referred in these risk factors, changes in general market conditions or changes in sentiment in the stock market regarding the shares or securities similar to them. Stock markets have from time to time experienced significant price and volume fluctuations that have affected the market prices for securities and which may be unrelated to the Group's operating performance or prospects. Events that could adversely affect the market price of the Shares include:

- changes in financial estimates by industry participants or securities analysts;
- variations in the Group's operating or financial results and any shortfall in the Group's operating results and/or prospects from time to time from levels expected by market commentators, including the illustrative KPIs set out in this Prospectus;
- changes in market conditions, including conditions which drive down the rates at which reinsurance can be written;
- changes in the market valuations of similar companies;
- regulatory changes affecting the Group's operations, including increased solvency and other requirements; and
- changes in the political, economic or social conditions in the UK, U.S., Asia or other geographic markets in which the Group may operate in the future.

In addition, potential investors should be aware that no stabilisation will be carried out in connection with the Offer and therefore there may be a greater risk of price volatility following the Offer than would otherwise be the case. Any or all of these factors could result in material adverse fluctuations in the price of the Shares, which could lead to Shareholders getting back less than they invested or a total loss of their investment.

6 *The Standard Listing of the Shares affords Shareholders a lower level of regulatory protection than a Premium Listing and the Company may be unable to transfer to another listing venue if it wishes to do so.*

The Shares are admitted to a Standard Listing on the Official List. A Standard Listing affords Shareholders a lower level of regulatory protection than that afforded to investors in companies with Premium Listings on the Official List, which are subject to additional obligations under the Listing Rules.

The Directors may seek to transfer the Company from a Standard Listing to a Premium Listing or other appropriate listing venue, subject to fulfilling the relevant eligibility criteria. There can be no guarantee that the Company will meet such eligibility criteria or that a transfer to a Premium Listing or other appropriate listing venue will be achieved.

A change of, or failure to change, listing venue in these circumstances may have a material adverse effect on the valuation of the Shares. Alternatively, in addition to, or in lieu of seeking a Premium Listing, the Company may determine to seek a listing on another stock exchange, which may not have standards of corporate governance comparable to those required by a Standard or Premium Listing, or which Shareholders may otherwise consider to be less attractive or convenient, which could have a material adverse effect on the value of the Shares.

7 *No Takeover Code protection.*

As the Company is incorporated in Bermuda, it is subject to Bermuda law. The Takeover Code will not apply to the Company. Bermuda law does not contain any provisions similar to those applicable in the UK which are designed to regulate the way in which takeovers are conducted. It is therefore possible that an offeror may gain control of the Company in circumstances where non-selling Shareholders do not receive, or are not given the opportunity to receive, the benefit of any control premium paid to selling Shareholder(s). The Bye-laws contain certain takeover protections, although these will not provide the full protections afforded by the Takeover Code.

Takeover protections in the Bye-laws may discourage takeover offers which would be considered favourable and that could in turn adversely affect the value of the Shares. Even in the absence of a takeover attempt, these provisions may adversely affect the value of the Shares if they are viewed as discouraging takeover attempts in the future.

PART III - CONSEQUENCES OF A STANDARD LISTING

Application has been made for the Shares to be admitted to listing on the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings. A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in companies with premium listings on the Official List, which are subject to additional obligations under the Listing Rules.

The Shares will be admitted to the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings. As required by the FCA, the Company will comply with Listing principles 1 and 2 as set out in Chapter 7 of the Listing Rules.

While the Company has a Standard Listing, it is not required to comply with the provisions of, among other things:

- Chapter 7 of the Listing Rules, to the extent that they refer to the Premium Listing Principles;
- Chapter 8 of the Listing Rules regarding the appointment of a sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company has not and does not intend to appoint such a sponsor in connection with the Offer and Admission;
- Chapter 9 of the Listing Rules regarding continuing obligations of a company with a premium listing including, among other things, requirements relating to further issues of shares, the ability to issue shares at a discount in excess of 10 per cent. of the market value, notifications and contents of financial information, and explanations as to how the company has complied with the UK Corporate Governance Code (although note that, as set out in Part IX - "Directors, Senior Management and Corporate Governance", the Company intends to comply with certain elements of the UK Corporate Governance Code on a voluntary basis);
- Chapter 10 of the Listing Rules relating to significant transactions;
- Chapter 11 of the Listing Rules regarding related party transactions;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

The Company intends to comply with certain components of the UK Corporate Governance Code, as set out in Part IX – "Directors, Senior Management and Corporate Governance". It should be noted that the FCA will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company so to comply.

PART IV - PRESENTATION OF INFORMATION

1 GENERAL

Investors should only rely on the information in this Prospectus. No person has been authorised to give any information or to make any representations in connection with the Offer, other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, the Directors, Kinmont or any of the Banks. No representation or warranty, express or implied, is made by Kinmont, any of the Banks or any of their respective affiliates or any selling agent as to the accuracy or completeness of such information, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by Kinmont or any of the Banks, any of their respective affiliates or any selling agent as to the past, present or future. The Banks assume no responsibility for its accuracy, completeness or verification and accordingly disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this Prospectus or any such statement. Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to FSMA, neither the delivery of this Prospectus nor any subscription or sale of the New Shares pursuant to the Offer shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Group since the date of this Prospectus or that the information contained herein is correct as of any time subsequent to its date.

A copy of this Prospectus has been filed with, and approved by, the FCA and has been made available to the public in accordance with the Prospectus Regulation.

The Company will update the information provided in this Prospectus by means of a supplement if a significant new factor that may affect the evaluation by prospective equity investors of the Offer occurs after the publication of this Prospectus or if this Prospectus contains any material mistake or substantial inaccuracy. This Prospectus and any supplement will be subject to approval by the FCA and will be made public in accordance with the Prospectus Regulation Rules. If a supplement to this Prospectus is published prior to Admission, equity investors shall have the right to withdraw their applications for the New Shares made prior to the publication of the supplement. Such withdrawal must be made within the time limits and in the manner set out in any such supplement (which shall not be shorter than two clear business days after publication of the supplement).

As announced on 18 November 2020, Conduit Reinsurance has received a Preliminary Credit Assessment ("PCA") from A.M. Best with a Financial Strength Assessment of "A- pca" (Excellent). Investors should be aware that the final rating will not be confirmed by A.M. Best prior to Admission and remains conditional on the Company's receipt of the Net Proceeds and its capitalisation of Conduit Reinsurance. If A.M. Best were unable, for any reason, to confirm a rating of "A-" (Excellent) following Admission and receipt of the Net Proceeds the Group would be unable to execute its business plan until such rating was confirmed. If A.M. Best were unable to confirm the rating by 31 January 2021, the Board would seek to return the Net Proceeds to investors through the mechanism that the Board considers the most appropriate at the time (subject to any Shareholder approval required) and would consider a winding up of the Group. Please note that any such Net Proceeds would also be net of any costs paid post Admission or amounts paid to creditors of the Company or costs incurred by any liquidator in such return process. In the event of such return, holders of the Shares would be treated equally.

Prior to making any decision as to whether to subscribe for or purchase the New Shares, prospective investors should read this Prospectus. Investors should ensure that they read the whole of this Prospectus and not just rely on key information or information summarised within it. In making an investment decision, prospective investors must rely upon their own examination of the Company and the terms of this Prospectus, including the risks involved.

Investors who subscribe for or purchase the New Shares in the Offer will be deemed to have acknowledged that: (i) they have not relied on Kinmont or any of the Banks or any of their respective affiliates in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; and (ii) they have relied on the information contained in this Prospectus, and no person has been authorised to give any information or to make any representation concerning the Group or the Shares (other than as contained in this Prospectus) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company, the Directors, Kinmont or any of the Banks.

None of the Company, the Directors, Kinmont or any of the Banks or any of their respective affiliates or representatives is making any representation to any offeree, subscriber or purchaser of the New Shares

regarding the legality of an investment by such offeree, subscriber or purchaser.

In connection with the Offer, the Banks and any of their affiliates, acting as investors for their own accounts, may subscribe for and/or acquire the New Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such New Shares and other securities of the Company or related investments in connection with the Offer or otherwise. Accordingly, references in this Prospectus to the New Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, dealing or placing by, the Banks and any of their affiliates acting as investors for their own accounts. None of the Banks intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

2 PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial information

The Group has no historical operations or historical financial information as no member of the Group has commenced business. The financial information of the Company and the Group will be prepared in accordance with IFRS.

None of the financial information used in this Prospectus has been prepared in accordance with U.S. Generally Accepted Accounting Principles ("US GAAP") or audited in accordance with auditing standards generally accepted in the United States of America ("US GAAS") or auditing standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"). The financial information included in this Prospectus is not intended to comply with the SEC reporting requirements. Compliance with such requirements would entail the modification, reformulation or exclusion of certain financial measures and changes to the presentation of certain other information. No reconciliation to US GAAP is provided in this Prospectus.

Non-IFRS Measures

This Prospectus presents certain measures that are termed "non-IFRS" measures because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measures calculated and presented in accordance with IFRS, or are calculated using financial measures that are not calculated in accordance with IFRS. These non-IFRS measures include:

- Gross written premium ("GWP");
- Ultimate loss ratio;
- Acquisition cost ratio;
- Operating costs;
- Return on equity ("ROE"); and
- Probable maximum loss ("PML").

These non-IFRS financial measures are included in this Prospectus as they are important to understanding the Group's business plan, and they are expected to be utilised to evaluate the Group's period performance. Therefore, the Directors believe that these measures enhance prospective investors' understanding of the Group's business plan and how it compares with the Group's peers.

These non-IFRS financial measures are not measurements of operating performance under IFRS, and should not be considered a substitute for financial information prepared under IFRS. These measures are not meant to be predictive of potential future results. Other companies may calculate such measures in a different way, and the Group's presentation may not be comparable to similarly entitled measures of other companies.

Other information

The Group presents certain illustrative key performance indicators ("KPIs") and premium targets in this Prospectus. The Directors believe that such data is important to understanding the Group's business plan and is expected to be utilised to evaluate the Group's period performance and is expected to facilitate comparison with the Group's peers. However, such data as presented in this Prospectus may not be comparable to similarly titled data presented by other companies in the Group's industry and the method of calculation and presentation may differ across the Group's industry. Such illustrative KPIs and premium targets are not intended to be a substitute for any IFRS measures of performance. They are based on the

Group's estimates and will not form part of the Group's financial statements and have not been audited or otherwise reviewed by outside auditors, consultants or experts.

The illustrative KPIs, premium targets and premium target weightings presented in this Prospectus were developed based on:

- current market conditions;
- the Group's plans to build a diversified portfolio of risks to produce reliable risk adjusted returns for investors;
- the Founders' substantial experience and expertise in the reinsurance market, particularly within the chosen risk classes;
- market intelligence;
- the Founders' significant relationships with many reinsurance brokers; and
- the comparable new reinsurance businesses that were established successfully in the wake of large industry or catastrophic events.

The illustrative KPIs and premium targets utilise hypothetical data to model the Group's performance and are not intended to reflect historical returns or predict future returns of the Group. They have been developed based on a variety of estimates and assumptions about future events that cannot be predicted reliably. It is the Group's expectation that future events will not necessarily unfold as assumed and, accordingly, that there will be differences between actual results and the illustrative KPIs and premium targets which are set out in this Prospectus. Such differences may be material and adverse.

Each of the illustrative KPIs that are included in this Prospectus and that the Group expects to utilise to evaluate its business performance are defined below:

- "GWP" is the total premium written during a given period before deductions for reinsurance and ceding commissions and includes additional and/or return premiums.
- "Ultimate loss ratio" is the ratio determined by dividing ultimate underwriting losses and loss adjustment expenses by premiums written.
- "Acquisition cost ratio" is the costs paid to access business (being brokerage and quota share ceding commissions) expressed as a percentage of premium.
- "Operating costs" are the expenses which are related to the operation of the business.
- "ROE" is the net income return on underwriting activities and investment expressed as a percentage of the equity or accrued book value at the start of a given year. The Group's ROE will be a function of a number of variables, including:
 - the level of GWP it writes;
 - the actual claims incurred and hence the ultimate loss ratio it achieves;
 - the actual acquisition expenses incurred by the Group to write business;
 - the actual retrocessional programme the business puts in place and its cost;
 - the level of investment return achieved;
 - the actual operating expenses of the business; and
 - the level of tax paid by the business on its profits.
- "PML" is the anticipated maximum loss that could result from a defined loss event or events, as opposed to the "Maximum Foreseeable Loss" ("MFL"), which would be a similar valuation, but on a worst case basis.

Sensitivity to Key Assumptions

The Group's business plan is predicated on raising a minimum of \$1.1 billion of capital to write a diversified portfolio of reinsurance business. The Group's performance will be sensitive to, among other things, the following key factors:

- The level of premium the Group is able to write: The Company has set out in section 3 of Part VIII - "Information on the Group" its premium targets, which are based on management's targets and expectations built up based on their knowledge of the market place, their detailed business planning

and their many years of experience in the reinsurance industry. As set out in Section 7 of Part VIII - "Information on the Group", the Founders have strong relationships with key industry brokers and believe that, given those strong relationships and the current market conditions, the Group will be provided with the opportunity to write substantial amounts of reinsurance business. The Group will be mindful of protecting its target credit rating and compliance with its regulatory requirements in assessing the level of premium it can write.

- The performance of the Group's underwriting: This will, in particular, be dependent on:
 - the actual acquisition costs incurred by the Group in writing business (see Section 3 of Part VIII - "Information on the Group" for indicative acquisition costs by line of business); and
 - the claims actually incurred by the Group under its reinsurance contracts (see Section 3 of Part VIII - "Information on the Group" for indicative mean ultimate loss ratios by line of business). In particular it should be noted that the Group's business is subject to catastrophe risk and actual ultimate loss ratios will depend on, among other things, both the actual business written, the extent of any catastrophe claims or large losses which may occur in any given year (see Section 3 of Part VIII - "Information on the Group" for the indicative Probable Maximum Loss analysis) and the level of attritional losses which occur under the Group's reinsurance policies.
- The extent and cost of the Group's outward reinsurance policies: As described in Section 3 of Part VIII - "Information on the Group", the Group intends to purchase reinsurance to protect its balance sheet from significant loss events. The amount of premium ceded to such reinsurance policies and the recoveries thereunder will determine the net cost of such policies to the Group.
- The actual performance of the Group's investments: As set out in Section 11 of Part VIII - "Information on the Group", the Group intends to have a conservative investment policy with a significant proportion of its investments invested in assets with a credit rating of AA or better. The actual returns from the Group's investment portfolio will depend on the performance of such investments.
- The actual administrative costs of the business: The Group has prepared a detailed budget of administration expenses which is summarised in Section 10 of Part VIII - "Information on the Group". Variance from this budget will affect the performance of the Group's results.

All information relating to the Group's business plan constitute 'forward-looking' statements. Please refer to Section 4 of this Part IV - "Presentation of Information" for more information regarding such 'forward-looking' statements.

Market, industry and economic data

Unless the source is otherwise identified, the market, economic and industry data and statistics in this Prospectus constitute the Directors' estimates, using underlying data from third parties. The Company obtained market and economic data and certain industry statistics from internal reports as well as from third party sources as described in the footnotes to such information. The Company confirms that all third party information set out in this Prospectus has been accurately reproduced and that, so far as it is aware and has been able to ascertain from information published by the third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, the Company makes no representation or warranty as to the accuracy or completeness of such information as set out in this Prospectus. Such third party information has not been audited or independently verified. Where third-party information has been used in this Prospectus, the source of such information has been identified.

Information not contained in this Prospectus

No person has been authorised to give any information or to make any representations other than those contained in this Prospectus in connection with the Company and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company or the Directors. The Company makes no representation as to the appropriateness, accuracy, completeness or reliability of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media or any other person regarding the Company or the Group.

3 ADVICE

Prospective investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of shares; (b)

any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of shares. Prospective investors must rely upon their own representatives, including their own legal or financial advisers and accountants, as to legal, taxation, investment or any other related matters concerning the Company and an investment therein.

4 INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

All information contained in this Prospectus, other than statements of historical fact, constitutes 'forward-looking' statements. In certain cases, forward-looking statements may be identified by terminology such as "will", "expect," "anticipate," "potential," "believe," "intend," "seek," "may," "should," "aim," "plan," "estimate," "project," "forecast" or "target," or any combinations or the negatives thereof, variations thereon or other similar terminology. As the Company is a newly-formed entity with no operating or underwriting history, nearly all information relating to it is forward-looking, including statements about its plans, strategies, prospects, expectations and financial performance (including all business and financial models, actuarial models and analyses, illustrative financial information, analyses and valuations, and investor return sensitivity charts and comparisons), in particular appearing in Part VIII - "Information on the Group".

Forward-looking statements are not guarantees of any future events or results. They involve risks and uncertainties, both known and unknown, including those set forth in Part II – "Risk Factors" and other sections of this Prospectus. Actual results are likely to differ materially as a result of these and other factors. These factors should be considered carefully and undue reliance should not be placed on any forward-looking statement. No representation, warranty or covenant is made as to future performance or any other forward-looking statement. All written and oral forward-looking statements attributable to the Company or any person acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements contained or referenced herein. Certain financial and operational data contained in this Prospectus, including the illustrative KPIs and premium targets, utilise, for illustrative purposes, hypothetical data to model the Group's underwriting and investment performance, which data are not intended to reflect historical returns or predict future returns of the Company. Such data have been developed based on a variety of estimates and assumptions about future events that cannot be predicted reliably. It is not expected that future events will unfold as modelled, and differences are to be expected between actual results and those depicted herein, which differences may be material and adverse.

The illustrative KPIs and premium targets will vary from actual results based on, among other things, the amounts and types of reinsurance that the Group actually writes, the pricing and other terms of actual policies written and the Company's actual investment returns.

The forward-looking statements contained in this Prospectus are made only as of the date of this Prospectus. The Company and the Directors expressly disclaim any obligation or undertaking to update these forward-looking statements contained in this Prospectus to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so by applicable law (including but not limited to FSMA and the Market Abuse Regulation, the Prospectus Regulation Rules, the Listing Rules or the Disclosure Guidance and Transparency Rules of the FCA).

Investors should note that the contents of these paragraphs relating to forward-looking statements are not intended to qualify the statements made as to the sufficiency of working capital in this Prospectus.

5 NO INCORPORATION OF WEBSITE INFORMATION

The contents of the Company's website, any website mentioned in this Prospectus or any website directly or indirectly linked to these websites have not been verified and no information contained in any website forms part of this Prospectus unless it is expressly incorporated by reference. Investors should not rely on such information.

6 ROUNDING

Certain data contained in this Prospectus, including financial information, have been subject to rounding adjustments. As a result of this rounding, the totals of data presented in this Prospectus may vary slightly from the actual arithmetic totals of such data. In certain statistical and operating tables contained in this Prospectus, the sum of numbers in a column or a row may not conform to the total figure given for that column or row. Percentages in tables and elsewhere in this Prospectus may have been rounded and accordingly may not add up to 100 per cent.

7 CURRENCIES

The Company's accounts will be denominated in US dollars. All references in this Prospectus to "sterling", "Pounds Sterling", "£" or "pence" are to the lawful currency of the UK and references to "Euro" or "EUR" are to the lawful currency of the member states of the European Union that adopt the single currency in accordance with the EC Treaty. All references to "U.S. dollars" or "\$" are to the lawful currency of the United States. Unless otherwise indicated, the financial information contained in this Prospectus has been expressed in U.S. dollars.

Certain industry-related information included in this Prospectus is shown translated from U.S. dollars and euros into Pounds Sterling at specified rates solely for the convenience of the reader. These convenience translations should not be construed as representations that the U.S. dollar and euro amounts actually represent such Pound Sterling amounts or could have been or could be converted into Pounds Sterling at the specified rate or at all.

Furthermore, the exchange rate for purposes of the convenience translation is not necessarily the same rate used in preparing the financial information that appears elsewhere in this Prospectus.

8 CONSTITUTION

All Shareholders are entitled to the benefit of, and from the date of their adoption will be bound by, and are deemed to have notice of, the provisions of the Bye-Laws.

9 INTERPRETATION

Certain terms used in this Prospectus, including capitalised terms and certain technical and other items, are defined in the sections entitled "Definitions".

References to the singular in this Prospectus shall include the plural and vice versa where the context requires. Any references to time in this Prospectus are to London times unless otherwise stated.

PART V - DIRECTORS, SECRETARY, REGISTERED AND HEAD OFFICE AND ADVISERS

DIRECTORS:

Executive Directors

Neil Eckert	<i>(Executive Chairman)</i>
Trevor Carvey	<i>(Chief Executive Officer)</i>
Mark Heintzman	<i>(Chief Financial Officer)</i>

Non-Executive Directors

Sir Brian Williamson	<i>(Senior Independent Director)</i>
Elizabeth Murphy	<i>(Non-Executive Director)</i>
Ken Randall	<i>(Non-Executive Director)</i>
Malcolm Furbert	<i>(Non-Executive Director)</i>
Dr. Richard L. Sandor	<i>(Non-Executive Director)</i>

COMPANY SECRETARY:

Greg Lunn (*General Counsel & Company*

Secretary)

Conyers Corporate Secretary (Bermuda) Limited
(*Assistant Company Secretary*)

HEAD OFFICE:

3rd Floor
Power House
7 Par-La-Ville Road
Hamilton
Bermuda

REGISTERED OFFICE:

Clarendon House, 2 Church Street, Hamilton HM
11, Bermuda

ADVISERS:

Joint Global Coordinator, Joint Broker and Joint Bookrunner

Jefferies International Limited
100 Bishopsgate
London EC2N 4JL

Joint Global Coordinator, Joint Broker and Joint Bookrunner

Panmure Gordon (UK) Limited
1 New Change
London EC4M 9AF

Financial Adviser

Kinmont Limited
5 Clifford Street
London W1S 2LG

English and U.S. legal advisers to the Company

Travers Smith LLP
10 Snow Hill
London EC1A 2AL

Bermudian legal advisers to the Company

Conyers Dill & Pearman Limited
Clarendon House, 2 Church Street
Hamilton HM 11
Bermuda

**English and U.S. legal advisers to the Joint
Global Coordinators, Joint Brokers and Joint
Bookrunners**

Hogan Lovells International LLP
Atlantic House
Holborn Viaduct
London EC1A 2FG

Auditors

KPMG Audit Limited
Crown House
4 Par-la-Ville Road
Hamilton
Bermuda

Reporting Accountants

BDO LLP
55 Baker St
London W1U 7EU

Depository

Computershare Investor Services plc
The Pavilions
Bridgewater Road
Bristol BS13 8AE

Registrar

Computershare Investor Services (Bermuda)
Limited
5 Reid Street
PO Box HM 1475
Hamilton HM FX
Bermuda

PART VI - EXPECTED TIMETABLE OF PRINCIPAL EVENTS AND OFFER STATISTICS

Expected timetable of principal events

Publication of Prospectus	2 December 2020
Conditional dealings in the Shares commence ¹	8.00 a.m. 2 December 2020
Admission and unconditional dealings in the Shares commence	8.00 a.m. 7 December 2020
CREST accounts credited in respect of the Depositary Interests	7 December 2020
Despatch of definitive share certificates (where applicable)	21 December 2020
All references to times in this Prospectus are to London times unless otherwise stated.	

Offer statistics

Offer Price (per New Share)	500 pence
Total number of Shares in issue immediately prior to Admission	1
Total number of New Shares being issued by the Company pursuant to the Offer	164,129,996
Gross Proceeds of the Offer	£820.6 million
Estimated costs in connection with the Offer	£38.3 million
Estimated Net Proceeds in connection with the Offer	£782.4 million
Total number of Management Subscription Shares being issued by the Company pursuant to the Management Subscription ²	510,000
Gross proceeds of the Management Subscription	£2,550,000
Total number of Pre-Funding Shares being issued by the Company pursuant to the Pre-Funding Agreement and the Founder Group Funding ³	600,000
Total number of Shares in issue immediately following Admission	165,239,997
Expected market capitalisation at the Offer Price ⁴	£826.2 million
Percentage of enlarged issued share capital subject to the Offer	99.3 per cent.

NOTES:

- (1) It should be noted that if Admission does not occur all conditional dealings will be of no effect and any share dealings will be at the sole risk of the parties concerned.
- (2) See Section 8 of Part XIV - "Additional Information" for further detail.
- (3) See Section 10 of Part VIII - "Information on the Group" for further detail.
- (4) The calculation for this includes the one Share in issue immediately prior to Admission, the New Shares, the Management Subscription Shares, and the Pre-Funding Shares (i.e. the total number of Shares in issue immediately following Admission).

Dealing Codes

LEI	21380085AE62D1BXSF19
ISIN	BMG243851091
SEDOL	BN133N2
EPIC/TIDM	CRE

PART VII - MARKET OVERVIEW

The following information relating to the Group has been provided for background purposes only. Unless indicated otherwise, the market, economic and industry data set out in this Part VII – "Market Overview" and in this Prospectus constitutes the Company's analysis and best estimates. The Company confirms that all third-party data contained in this Prospectus has been accurately reproduced and, so far as the Company is aware and able to ascertain, no facts have been omitted that would render the reproduced information inaccurate or misleading. Investors should read this Part VII – "Market Overview" in conjunction with the more detailed information contained in this Prospectus including in Part II – "Risk Factors".

The Group expects to participate in the global market for reinsurance. The Directors believe that the current market backdrop described below presents an opportunity for Conduit as a new reinsurance start-up business. The Directors believe that the past several years of high losses have contributed to a reduction in appetite from incumbent market participants for reinsurance underwriting, and that this trend has been exacerbated by the COVID-19 pandemic. The Group intends to capitalise on this perceived opportunity in the market.

1 Reinsurance Industry Overview

Reinsurance is an arrangement in which a reinsurance company agrees to indemnify another insurance or reinsurance company, the "cedant", against all or a portion of the insurance exposures underwritten by the cedant under one or more insurance contracts. Reinsurance does not discharge the cedant from its liability to policyholders; rather, it reimburses the cedant for covered losses.

Reinsurance can provide a cedant with several benefits, including a reduction in its net liability on individual exposures or classes of exposures or a reduction in operating leverage as measured by the ratio of net premiums and reserves to capital. Reinsurance also provides a cedant with additional underwriting capacity by permitting it to accept larger exposures and write more business than otherwise would be acceptable relative to the cedant's financial resources.

There are two basic types of reinsurance arrangements: treaty and facultative policies.

- Treaty reinsurance: obligates the cedant to cede, and the reinsurer to assume, a specified portion of a type or category of exposures insured by the cedant. Treaty reinsurers do not separately evaluate each of the individual exposures assumed under their policies; instead, the reinsurer relies upon the pricing and underwriting decisions made by the cedant.
- Facultative reinsurance: the cedant cedes, and the reinsurer assumes, all or part of the risk under a single insurance contract. Facultative reinsurance is negotiated separately for each insurance contract that is reinsured and is usually intended to cover individual risks not covered by their reinsurance policies because of the limits involved or because the risk is unusual.

Both treaty and facultative reinsurance policies can be written on either a pro rata basis or an excess of loss basis:

- Pro rata reinsurance: the cedant and the reinsurer share the premiums, as well as the losses and expenses in an agreed proportion. "Quota share" reinsurance is a form of pro rata reinsurance in which the reinsurer assumes an agreed percentage of each insurance contract being reinsured and shares all premiums and losses accordingly with the cedant.
- Excess of loss reinsurance: the reinsurer indemnifies the cedant against all or a specified portion of losses and expenses in excess of a specified monetary amount or other threshold, known as the cedant's retention or reinsurer's attachment point, generally subject to a negotiated reinsurance contract limit.

Conduit's business plan (which is described in more detail in Section 1 of Part VIII – "Information on the Group" below) is expected to focus predominantly on treaty reinsurance written on a quota share and excess of loss basis.

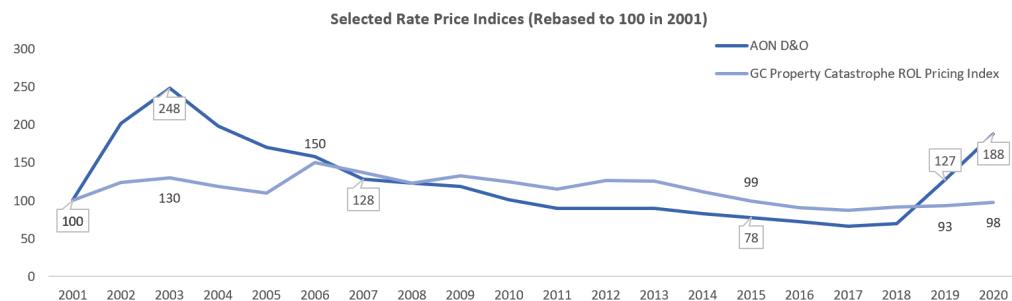
Reinsurers may purchase reinsurance to cover their own risk exposure. Reinsurance of a reinsurer's business is called "retrocession". Reinsurance companies cede exposures under retrocessional agreements to other reinsurers for reasons similar to those that cause insurers to purchase reinsurance: to reduce net liability on individual or classes of exposures, protect against catastrophic losses, reduce operating leverage and obtain additional underwriting capacity. The Group intends to use retrocessional (outwards) reinsurance to manage its own risk exposures (further detail of the Group's intended outwards reinsurance programme is provided in Section 1 of Part VIII – "Information on the Group" below).

Reinsurance is predominantly written through intermediaries, generally licensed reinsurance brokers, or directly with cedants. From a cedant's perspective, the broker and the direct distribution channels have advantages and disadvantages. A cedant's decision to select one distribution channel over the other will be influenced by its perception of such advantages and disadvantages relative to the reinsurance coverage being placed. From the reinsurance company's perspective, operating through reinsurance brokers prevents the need to build out a significant sales force. The Group expects to write the vast majority of its business through brokers, leveraging the Founders' established relationships with key reinsurance brokers which have global operations in the classes of business the Group intends to write (see Section 1 of Part VIII – "Information on the Group" below for an overview of the Group's distribution plan).

The reinsurance market is often considered to be cyclical in that it fluctuates between a hard market and a soft market. In the reinsurance industry, a hard market is the upswing in a market cycle, when premiums increase and capacity for most types of insurance decreases. This can be caused by a number of factors, including falling investment returns for insurers or reinsurers, increases in frequency and/or severity of losses, and regulatory intervention deemed to be against the interests of insurers or reinsurers. In a hard market, there is a restriction of capacity in the marketplace as insurance companies and reinsurers re-evaluate their portfolios of business, and their ongoing capacity for accepting risk. Hard markets tend to occur within classes of risk rather than by geographic region. In hard market conditions, underwriters often apply stricter underwriting standards in an attempt to correct adverse loss ratios experienced during soft market conditions. As a result, insurance premium rates often go up, the amount of limit carriers are willing to provide to cedants decreases, and some insurers withdraw from certain classes of business altogether. This can make it harder for insureds and their agents to find coverage options, which means the carriers that are offering coverage can apply rate increases, restrictions on limits and stricter terms and conditions. The benefit to the reinsurer is therefore potentially two-fold, a lower insured risk and a higher premium.

A soft market on the other hand is characterised by: lower insurance premiums, wider coverage, broadened underwriting criteria, increased capacity and increased competition among insurance and reinsurance carriers.

The duration of hard or soft markets depends on numerous factors and may vary by class. The graph below shows two rate indices as examples, Property Catastrophe and Directors and Officers Liability Insurance (D&O). The D&O market was heavily affected by insurance losses arising from terrorist attacks on the World Trade Centre in 2001 and saw a spike in rates which remained high for a number of years but was not obviously affected by Hurricane Katrina in 2005. However, the Property Catastrophe price index was affected by both events given both generated significant Property Catastrophe losses. The Directors believe that the current market conditions, which are described in more detail below, provide the prospect for an enduring hard market across many classes of business.



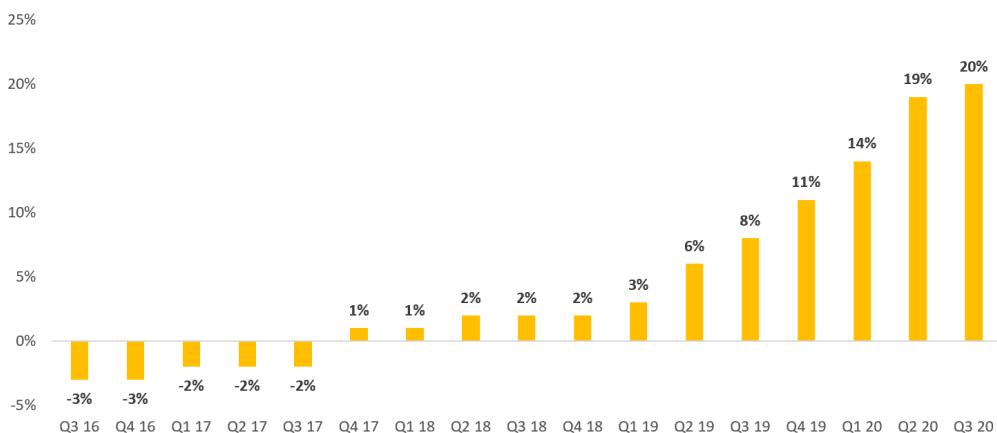
Sources:

1. Global property catastrophe ROL index, post 1 Jan renewals, rebased to 100 in 2001
2. AON D&O Pricing Index rebased to 2001 levels. 2020 figure shows Q3 2020 level

2 Background to the Current Reinsurance Market

Due in particular to recent years' significant catastrophe losses and the increased expected cost of claims associated with casualty markets, which have each contributed to a reduction in capacity in the global insurance and reinsurance market, there has been an increase in global commercial insurance prices, with prices rising constantly in each of the last 12 quarters to Q3 2020.

Marsh Global Insurance Pricing Change



Source: Marsh Global Insurance Market Index Quarterly Report November 2020.

The global reinsurance market has historically been highly cyclical and, as a result, the reinsurance industry has generally enjoyed attractive underwriting conditions following major market loss events. For example, the reinsurance industry was highly profitable in the years following Hurricane Andrew in 1992, the United States terror attacks of 2001 and Hurricane Katrina in 2005, all of which the Directors believe have contributed to the hard market cycle within the industry.

Start-up reinsurance businesses have in the past successfully been established in the wake of large industry events or catastrophes. The following table provides examples of new reinsurance businesses which have been established in the wake of the terrorist attacks on the World Trade Centre in 2001 and Hurricane Katrina in 2005 and illustrates how they grew GWP and generated ROE in their first five years of operations:

	Class	Invested Capital ⁽¹⁾	Metric ⁽²⁾	Year 1	Year 2	Year 3	Year 4	Year 5	Mean	Median
Arch Capital	2001/02	1,040	GWP ⁽³⁾	909	1,625	1,658	1,751	1,704	14.8%	16.0%
			ROE	4.9%	18.0%	16.0%	10.9%	24.1%		
Endurance Specialty Holdings	2001/02	1,162	GWP ⁽³⁾	629	1,302	1,352	1,391	1,372	11.7%	18.4%
			ROE	8.6%	18.4%	20.3%	(12.0%)	23.1%		
Lancashire Holdings	2005/06	1,084	GWP	626	753	638	628	689	21.4%	23.3%
			ROE	17.8%	31.4%	7.8%	26.5%	23.3%		
Montpelier Re	2001/02	1,070	GWP	608	810	837	979	728	5.3%	14.4%
			ROE	14.4%	28.0%	14.1%	(53.6%)	23.7%		
Validus Re	2005/06	1,049	GWP ⁽³⁾	541	702	688	768	1,101	17.8%	17.0%
			ROE	17.0%	26.9%	2.7%	31.8%	10.8%		
Mean GWP				662	1,038	1,034	1,103	1,119		

Sources: Public Filings for Arch Capital Group Limited, Endurance Specialty Holdings Limited, Lancashire Holdings Limited, Montpelier Re Holdings Limited and Validus Holdings Limited (Year 1 reflects first full financial year)

(1) Beginning of Year 1. Includes equity and debt

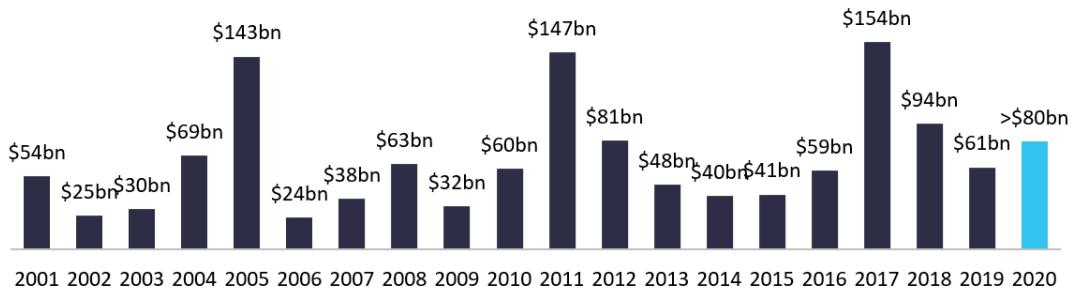
(2) Return on equity calculated as net income over average equity where not reported

(3) Reinsurance segment only

Based on a number of factors listed below, the Directors believe that there currently is a general market opportunity similar to the previous hard markets identified above. These factors include:

- a sustained period of significant and abnormal catastrophe losses between 2017 and 2019 (\$309 billion), including the largest loss year ever (2017) (a result of Hurricanes Harvey, Irma and Maria which together resulted in combined insured losses of \$92 billion) as demonstrated in the graph below:

Industry Catastrophe Insured Losses \$bn



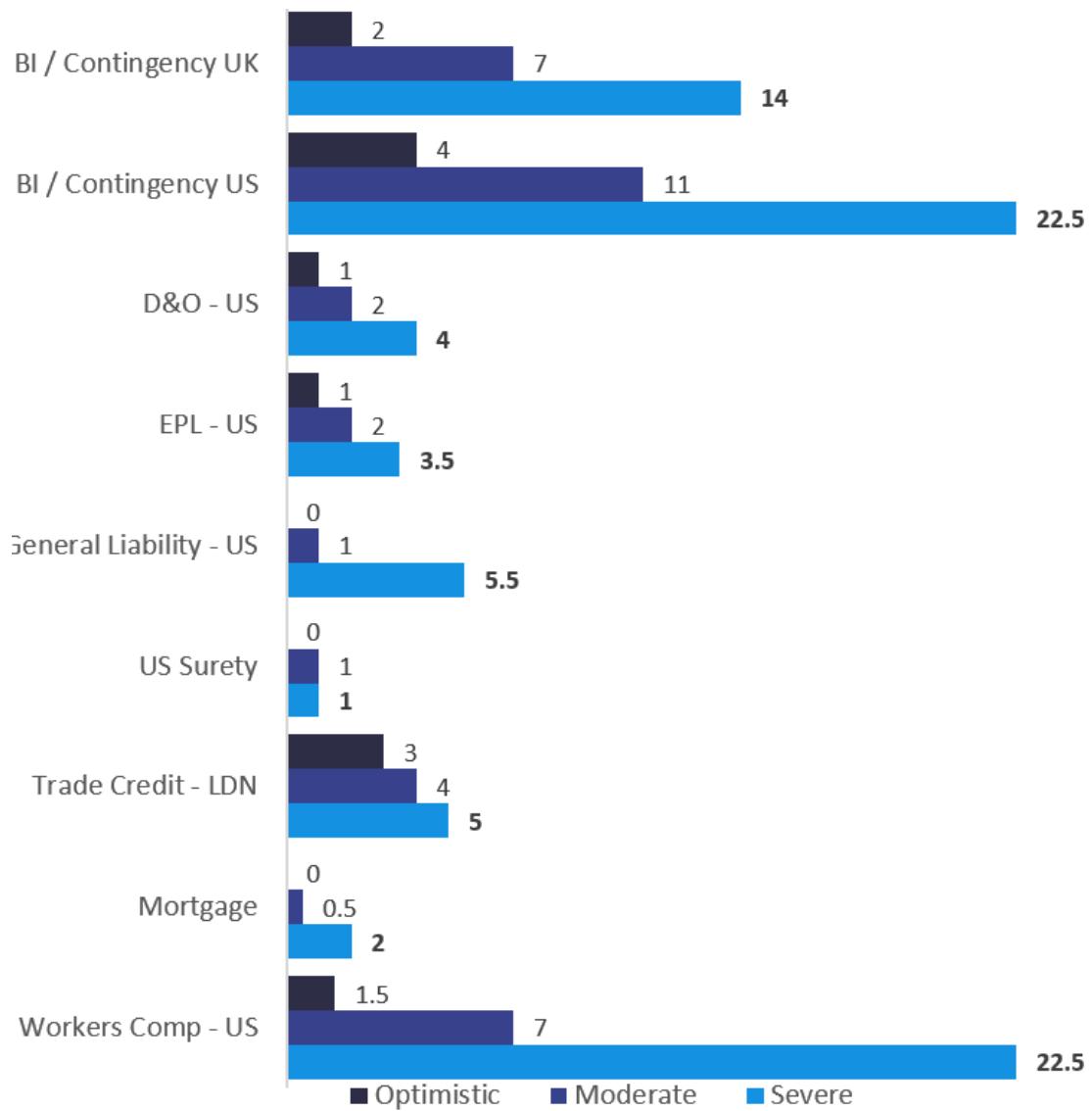
- a steady reduction of industry casualty reserves (shortfall estimated at \$100 billion to \$200 billion²);
- steady claims inflation in the casualty classes³;
- insurers have historically made investment profits from assets held as reserves to pay future claims therefore lower investment yields have contributed to lower profitability;
- that a number of existing market participants remain uncertain on their exposures, fuelling a retrenchment of capacity across classes; and
- significant losses and uncertainty resulting from the COVID-19 pandemic with COVID-19 estimated as potentially the largest insured loss event of the last 20 years as presented below⁴;

Breakdown of COVID-19 Loss Estimates for the period to May 2020

² Source: S&P Global Market Intelligence, "Insurers' \$200B casualty reserve hole requires fundamental rethink, says Catlin" 8 November 2019

³ Source: S&P Global Market Intelligence, "Insurers' \$200B casualty reserve hole requires fundamental rethink, says Catlin" 8 November 2019

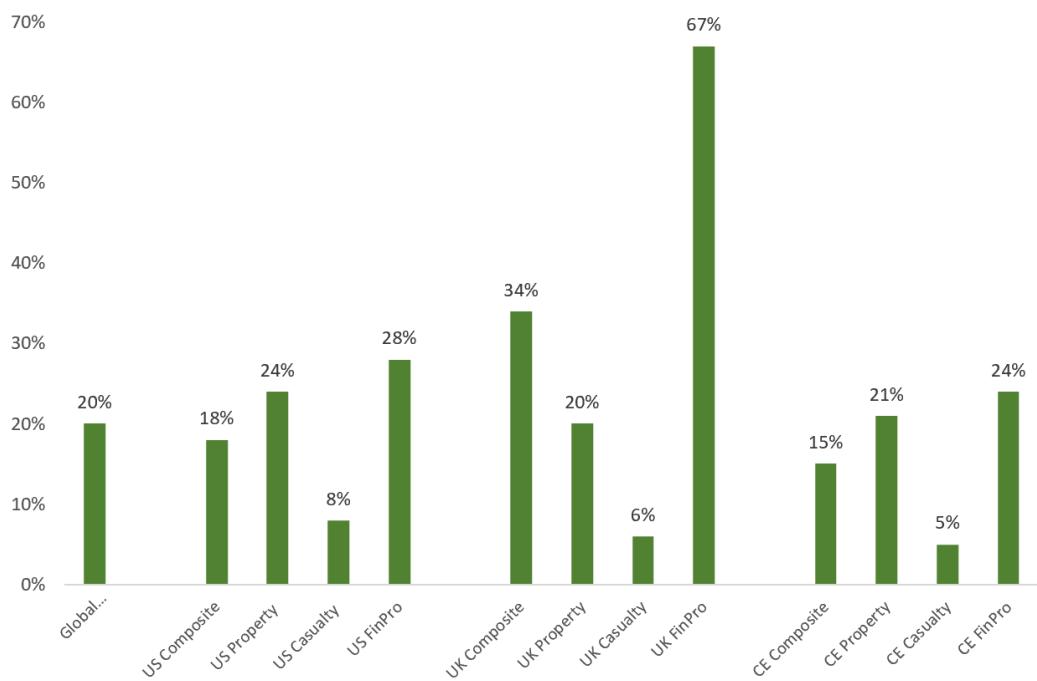
⁴ Willis Towers Watson COVID Insurance Scenario Analysis, 1 May 2020: COVID-19 Loss Estimates range between \$30 billion and \$80 billion based on a moderate-severe range. It is believed that the optimistic scenario of \$10 billion in losses has been exceeded since the source was published.



Source: Willis Towers Watson COVID Insurance Scenario Analysis, 1 May 2020

These industry factors have led to some reinsurance companies either exiting the reinsurance markets and/or reducing the scope of their underwriting activities leading to capacity reductions and consequent price increases across the industry as is illustrated in the graph below which highlights the significant year-on-year rate increases seen in the insurance market in Q3 2020.

Q3 2020 Year on Year Insurance Rate Change



Source: *Marsh Insights, November 2020*

Some classes of business have been particularly badly affected by these industry factors, such as Property Catastrophe, specialty markets such as Aviation, Energy and Contingency and casualty markets such as D&O, Medical Malpractice, Healthcare and Transactional Liabilities.

Global commercial insurance prices rose 19 per cent. in the second quarter of 2020, the eleventh consecutive quarter of price increases.⁵

In the context of these price rises, the new capital raised so far in 2019 and 2020 in the industry through equity raises (c.\$7 billion) has been insignificant compared to the losses experienced, and the nearly \$600 billion of existing industry capital and the alternative capital of c.\$91 billion.⁶

⁵ Marsh Insights, May 2020.

⁶ AON Reinsurance Market Outlook, June/July 2020.

PART VIII - INFORMATION ON THE GROUP

This Part VIII - "Information on the Group" includes illustrative KPIs and premium targets that were developed by the Founders based on their significant experience and expertise in the reinsurance market. The illustrative KPIs and premium targets set out herein utilise hypothetical data to model the Group's performance and are not intended to reflect historical returns or predict future returns of the Group. Such data have been developed based on a variety of estimates and assumptions about future events that cannot be predicted reliably. It is the Group's expectation that future events will not necessarily unfold as assumed and, accordingly, that there will be differences between actual results and the illustrative KPIs and premium targets which are set out in this Part VIII – "Information on the Group". Such differences may be material and adverse.

Conduit was incorporated and registered in Bermuda on 6 October 2020. The Group has been formed for the purpose of writing reinsurance to capitalise on what the Founders believe to be an exceptional market opportunity.

1 Conduit's Business Plan

The Group intends to participate in the global market for reinsurance and its principal objective is to build a modern world-class reinsurance business with best-in-class technology, pricing and risk management capabilities to deliver returns across the underwriting cycle. In order to deliver this, the Group intends to operate as a Bermuda reinsurance business, with certain support functions relating to marketing located in London. The Group plans to build a small highly experienced underwriting team which will work together as a single unit to deliver its target portfolio. The Group intends to invest in technology to build competitive pricing, analysis and data management tools and highly streamlined transaction processing.

The Group intends to write reinsurance policies across six "classes" of reinsurance, comprising Property Excess of Loss, Short Tail Specialty Excess of Loss, Long Tail Specialty Excess of Loss, Short Tail Quota Share, Casualty Excess of Loss and Casualty Quota Share (in each case, as described in more detail in Section 3 of this Part VIII – "Information on the Group" below). Those six "classes" can then be divided further into specific "sub-classes", which are the specific lines of business in which reinsurance policies are proposed to be written by the Group.

Conduit's wholly owned subsidiary, Conduit Reinsurance (see the structure chart at Section 6 of this Part VIII - "Information on the Group" below), a newly formed reinsurance company is expected to be capitalised with an initial equity capital base of at least \$1 billion. The Company and Conduit Reinsurance will be based in Bermuda, where all of the key underwriting and investment activities will be undertaken. Conduit Reinsurance has received an approval from, and is licensed as a Class 4 insurer in Bermuda by, the Bermuda Monetary Authority ("BMA"). The Group does not intend to solicit, settle claims or conduct other reinsurance activities in any other jurisdiction other than Bermuda. Both the Company and Conduit Reinsurance will maintain their books and records in Bermuda.

The Group is being established in Bermuda given it is a globally recognised hub for the insurance and reinsurance industry and a mature market where key reinsurance brokers already have a significant presence. The Directors also believe the Bermuda location provides a lower regulatory overhead and costs when compared to other jurisdictions such as London.

Following Admission, the Group intends to support its access to the UK market by way of basic promotional marketing activities within the terms of an appointed representative arrangement to be entered into between a UK incorporated subsidiary of the Company (that is yet to be put in place) and a third party intermediary services business based in the UK and regulated by the FCA as an authorised person (an **"Appointed Representative Arrangement"**). It is intended that this future UK subsidiary may also provide other services to the Group, including services related to human resources, investor relations and information technology. However, all of the Group's underwriting, claims and other reinsurance related activities will take place in Bermuda. The Group plans to establish and enforce strict operating guidelines to prevent staff from engaging in or conducting regulated activities in jurisdictions other than Bermuda.

The Group expects to consistently maintain a strong balance sheet and as announced on 18 November 2020, Conduit Reinsurance has received a Preliminary Credit Assessment ("PCA") from A.M. Best with a Financial Strength Assessment of "A- pca" (Excellent). The Preliminary Credit Assessment is not a rating but is instead a preliminary indicator of A.M. Best's view of the company's creditworthiness, including its strengths and weaknesses as an obligor. Conditional on Admission taking place and the subsequent funding of Conduit Reinsurance, Conduit Reinsurance is targeting formal release of an A.M. Best financial strength rating of "A-" (Excellent).

Certain accounting, actuarial, catastrophe modelling, information technology, and claims settlement functions are expected to be outsourced when the Group expects to commence underwriting ahead of 1 January 2021 in respect of risks incepting from 1 January 2021. The Group has identified the main providers for these systems and processes and is currently in the process of setting up the contractual arrangements with them. By the end of the first year of operations, the Group plans to in-source certain of these services that are core to the underwriting process (for example, catastrophe modelling and actuarial services) in order to leverage a flexible model for the optimal mix of performance and efficiency. The Group intends to continue to review its technology systems and processes and may consider in-sourcing other services as the Group develops.

Based on the Board's broker relationships and expertise (and in particular that of Neil Eckert and Trevor Carvey, the "**Founders**"), combined with the reduction in capacity in the market, the Board believes that, once licenced and capitalised in accordance with its business plan, Conduit Reinsurance will be able to commence underwriting a high quality portfolio of business ahead of 1 January 2021 relating to risks incepting from 1 January 2021. The Directors expect that Conduit Reinsurance, once licensed and capitalised, will underwrite between 50 to 80 reinsurance policies ahead of 1 January 2021 relating to risks incepting at 1 January 2021.

2 Investment Case

The Directors believe that the current market backdrop described in Part VII – "Market Overview" presents a compelling opportunity for the Group for the following reasons:

- ***No legacy:***

- The Group will have a clean balance sheet with no reserving uncertainty relating to existing underwritten risks and exposures which will enable the Group to focus solely on writing new policies in the hard market.
- The Group expects to be able to focus on the classes and sub-classes of reinsurance it has identified rather than having legacy systems and clients which may be focused on less attractive lines/risk classes

- ***Quick to market:***

- As a newly capitalised business, the Group will seek to leverage the Founders' relationships with key global brokers (in particular, Guy Carpenter, AON, Willis Towers Watson and AJ Gallagher) to access business at a time where new underwriting capacity is at a premium.
- Establishing a reinsurer has more limited technology and infrastructure requirements in contrast to that of a primary insurer.
- The Group expects to utilise outsourced options in a number of areas as it develops its systems and infrastructure. The Group intends to continue to develop, evolve and refine its technology systems and intends to in-source certain systems (such as catastrophe modelling and actuarial systems) by the end of the first year of operations.

- ***Broad number of affected reinsurance classes:***

- The vast majority of classes which the Group intends to target are believed to be impacted by the current hard market across the property, specialty and casualty lines, which the Directors believe allows a start-up to build a diversified business with lower volatility/risk profile than a business which is focused only on certain classes.

- ***Strong returns dynamic:***

- The current hard market is leading to significant improvement in the reinsurance pricing environment across most of the Group's target classes of business⁷ which the Directors believe will lead to strong risk adjusted returns. The Group intends to focus on these opportune risk classes rather than having to protect market position or client relationships in less favourable risk classes.

- ***Technological development:***

- There have been significant technological advancements in the reinsurance marketplace in recent years (such as electronic trading, cloud server technology, data management processes and

⁷ Source: Willis Towers Watson Insurance Marketplace Realities 2021, 19 November 2020

modular software development techniques), which in some instances have been accelerated by the COVID-19 pandemic. In establishing its technology platform and infrastructure, including through the use of third-party outsourcing, the Group is expected to benefit from the fact that it is not encumbered by legacy technology and data management which can create difficulties for existing business when adopting new systems.

3 Conduit's Underwriting Philosophy

The Founders' plan is focused on building a business which will target returns on equity in the mid-teens, which has a balanced approach to catastrophe risk exposures and generates franchise value through the quality of its underwriting and its diverse portfolio of business. The Group will target a mid-teens ROE. In order to achieve this, the Group will seek to build its reputation on a strict underwriting philosophy of focused excellence and discipline:

- **Pure underwriting business** - Philosophically, the Founders believe that franchise value in a reinsurance business is built around a disciplined underwriting plan and the Group is therefore intended to be a pure underwriting business with limited risk being taken on the investment of its assets in order to protect solvency capital and rating.
- **Both focused and diversified** – With a focus on quality underwriting, the Group's business is expected to be constructed from six main "classes" and more than 40 risk "sub-classes" with balanced line sizes across contracts and classes. Therefore, the Group expects to have a highly diversified portfolio and consequently is expected to have significantly lower relative aggregate exposures and net risk tolerances than some other start-up reinsurers. The Group plans to actively manage the business over the underwriting cycle to focus on sub-classes based on risk adjusted rate. The Group's objective will be to maximise ROE over the underwriting cycle rather than in any one underwriting year.
- **Risk adjusted returns maximisation and portfolio optimisation** - The Group intends to actively monitor its target classes and expects to regularly review and, if necessary, reallocate its capacity by class of business based on market dynamics to target the best returns on a risk-adjusted basis for the portfolio as a whole.
- **Collaborative team with a focus on returns** – The Group intends to build a team of underwriters who will collaborate to deliver a target overall portfolio, with a collaborative approach rather than teams operating in 'silos' of business. The Group's central ethos will be built on discipline, transparency and risk management to deliver a portfolio return over the long-term. The Group will seek to build a team with multiclass skills that works across the various classes of reinsurance and will be rewarded based on the Company's overall returns, rather than the returns of individual classes. To avoid silos and support the portfolio approach of writing desired risks, capital is not expected to be automatically allocated equally to risk classes. Decisions on the allocation of capital to risk classes are expected to be made centrally, predominantly by the Underwriting and Claims Committee (see Section 12 of this Part VIII - "Information on the Group"), based on expected returns within such risk classes.
- **Insurance and reinsurance expertise** - Conduit's team will be comprised of experienced individuals from both insurance and reinsurance backgrounds with the expertise and experience to access and manage risk through the market cycles.
- **Efficient and targeted use of technology** - The business intends to focus particularly on data driven pricing, analytics and exposure management and will seek to maximise its use of technology to ensure the team is positioned to make the best real time capacity allocation and underwriting decisions in a highly efficient operating environment.
- **Strong leadership** - The Founders have highly regarded industry credentials and each has over 30 years' experience in industry leading organisations in all aspects of insurance across distribution, underwriting and technology (including several successful start-up vehicles). The Founders have devoted significant time over the previous months garnering support for the Group's business plan from a number of key reinsurance brokers and the Directors believe that the Group will benefit from the Founders' strong personal relationships at high levels.

The charts and tables in this Section 3 of Part VIII - "Information on the Group" are all illustrative projections that utilise hypothetical data to model the Group's reinsurance underwriting performance. The information contained therein does not reflect historical results and is not intended to predict future performance of the Group. Different results are likely and such differences could be material. The financial projections set out herein at Part VIII - "Information on the Group" assume that a capital base of \$1.1 billion will be available.

Gross Written Premiums

The Group intends to underwrite a diversified and balanced portfolio of reinsurance treaty business across property, specialty and casualty classes, both on an excess of loss basis and a quota share basis. Conduit expects the Group to write a portfolio of approximately \$472 million of GWP in its first year of operations and to grow this portfolio to approximately \$1 billion of GWP by the end of its fifth year:

Premium Estimates (\$m)		2021	2022	2023	2024	2025
(\$m)						
Property Excess of Loss		107	138	159	190	209
Specialty Excess of Loss						
Short Tail		82	109	131	158	173
Long Tail		32	43	54	62	65
Short Tail Quota Share		106	142	170	204	225
Casualty						
Excess of Loss		28	37	46	53	56
Quota Share		117	157	196	226	237
Total		472	626	757	893	966

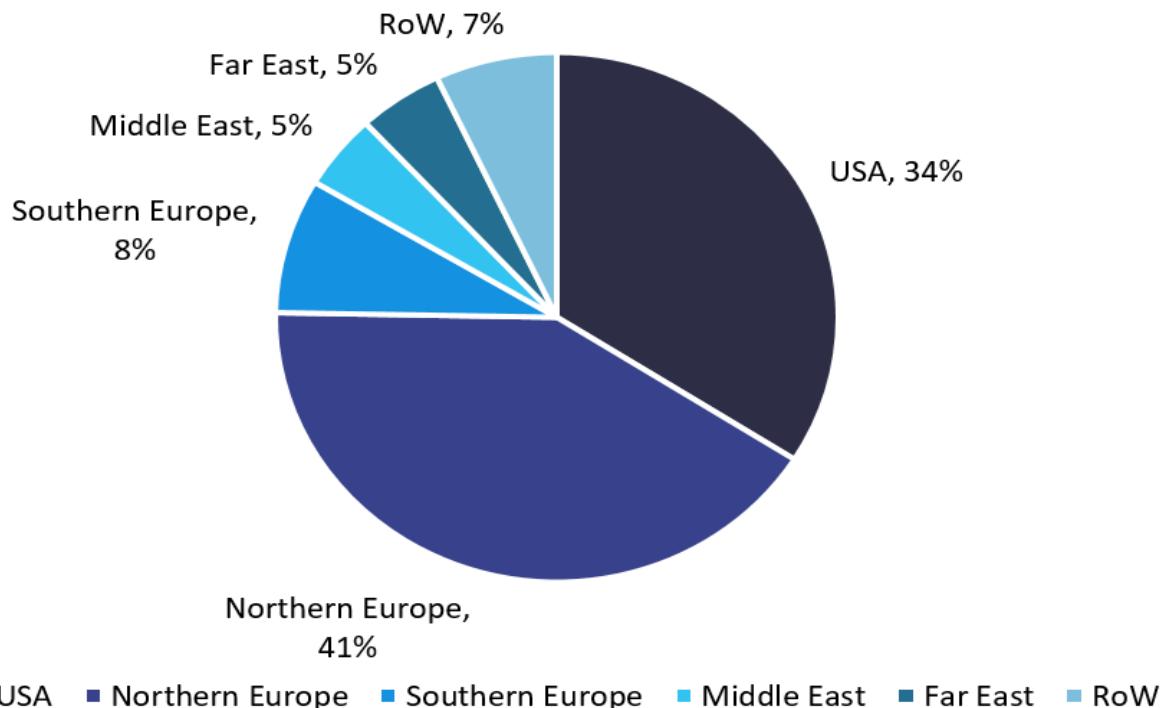
Source: Company estimates

The Group intends to actively assess its reinsurance portfolio to seek to maximise risk adjusted returns and efficient use of its balance sheet. The Group plans to target premium splits in the first five years of operations at approximately:

- 52 per cent. excess of loss treaty business and 48 per cent. quota share business; and
- 62 per cent. shorter tail property and specialty business and 38 per cent. longer tail specialty and casualty business.

The six key "classes" of business which the Group plans to underwrite comprise more than 40 underlying "sub-classes", an approach which the Directors believe should provide strong risk diversification and should limit the exposure of the business to any individual peril or loss event.

The diversity of the Group's approach to reinsurance is also expected to provide a well-balanced geographic spread of premiums, although the proportion of business written in the different classes and sub-classes of business is expected to differ between each geographical area, based on what the Directors believe to be the appropriate mix of business from time to time. Conduit estimates that the Group's target portfolio of GWP in its first full year of operations will be split as follows:



Source: Company estimates

Each of the below risk classes has its own pricing and market dynamics, but the Directors believe that the ongoing hard market conditions are expected to broadly remain for the next two to three years.

Property Excess of Loss

The Group intends to write a balanced and diversified portfolio of property reinsurance excess of loss contracts across a variety of territories including the U.S., Europe, Far East, Middle East and Latin America.

	Year 1	Year 2	Year 3	Year 4	Year 5
Premium Estimates (\$m)					
GWP ⁸	107	138	159	190	209

Indicative Ultimate Mean Gross Loss Ratio⁹: 44%

Indicative Acquisition Costs Ratio¹⁰: 10.2%

Excess of loss reinsurance refers to a policy that indemnifies the cedant against all or a portion of losses in excess of a specified dollar or percentage loss ratio amount (given the size of the loss event).

The Group's property portfolio is expected to combine catastrophe excess of loss policies which protect cedants against physical damage losses accumulating from a single natural catastrophe event, such as an earthquake or a major hurricane, and/or 'per risk' policies which protect cedants against physical damage losses arising from a single large loss event such as a major terrorist attack.

The Group intends to avoid 'worldwide' risks and will instead focus on regional clients (for example, the Group may write a policy in respect of the North American 'arm' of a global business, but not in respect of the global business as a whole). This portfolio is expected to include an element of reinsurance, and industry loss warranty business (whereby coverage is triggered when losses experienced by an industry exceed a specific threshold). In certain select circumstances the Group may write business on a collateralised basis, that is where the Group posts collateral to provide the cedant with additional security

⁸ Target premiums based on \$1.1 billion of capital and an underwriting segment plan as noted on page 46.

⁹ Indicative ultimate mean gross loss ratios refer to the losses (expressed as a percentage of premium) which the Company might ultimately expect the Group to achieve for mean claims outcomes (i.e. claims actually incurred) based on anticipated market conditions. Indicative ultimate mean gross loss ratio is based on anticipated 2021 pricing and terms and conditions.

¹⁰ Acquisition costs represent the costs paid to access business (and may also include certain taxes such as U.S. Federal Excise Tax) and are expressed as a percentage of premium. For the Group, as a reinsurance business, these costs represent brokerage and, on quota share business, quota share ceding commissions payable to the underlying insurer to whom the Group is providing reinsurance. Indicative acquisition costs ratio is based on anticipated 2021 pricing and terms and conditions. Actual acquisition costs will be negotiated on a contract by contract basis and may exceed the indicative ratio.

over the amounts insured. The Group may consider writing such collateralised business only where it provides an exceptional underwriting opportunity and meets the Group's return on capital requirements.

The pricing of property excess of loss risks is generally highly driven by statistical modelling and the Group intends to seek to participate on contracts that provide the best risk-adjusted returns on a portfolio basis rather than a per risk basis.

Generally, losses arising from property excess of loss business are low frequency, high severity, in nature and the Group expects to be naturally protected from aggregation of catastrophe losses through its diversification strategy.

The Group may still be exposed to aggregations of losses from multiple worldwide events and the Group anticipates that it will buy a retrocessional reinsurance programme to protect the Group's balance sheet from either an exceptional single event loss or a series of events that may affect the overall portfolio.

Specialty Excess of Loss

The Group's specialty portfolio is expected to provide cover for more specific sub-classes of business such as Aviation, Marine, Energy, Personal Accident and Healthcare.

Specialty classes can protect against physical damage losses (short tail) or against legal liability losses (long tail). These classes are less exposed to natural catastrophe losses than the property portfolio and therefore offer a natural diversification.

The specialty reinsurance markets require specific market expertise and experience which the Group's underwriting team is expected to have. The Group intends to target 'single class' contracts rather than a broader 'all risks' approach to ensure the portfolio remains focused and balanced and is always in a position to redeploy capacity by "sub-class" of business when necessary.

Short Tail Specialty Excess of Loss

The Group intends to write a balanced and diversified portfolio of "short tail" specialty excess of loss contracts across a variety of underlying classes and territories. The "short tail" specialty classes written by the Group are expected to include sub-classes such as Contingency, Aviation and Marine and Energy, where loss events are known and quantified relatively quickly, generally within one to two years.

	Year 1	Year 2	Year 3	Year 4	Year 5
Premium Estimates (\$m)					
GWP¹¹	82	109	131	158	173

Indicative Ultimate Mean Gross Loss Ratio: 47%¹²

Indicative Acquisition Costs Ratio: 10.5%¹³

Specialty excess of loss business is highly diverse in nature and generally protects cedants against property and physical damage losses arising from a specific class of business from both catastrophe loss events and man-made loss events.

Losses from these "short tail" specialty classes can arise from catastrophe events that may correlate with the property portfolio and these will be included in the Group's catastrophe retrocession programme. However, specialty losses are more likely to be affected by specific large loss events such as accidents, crashes, fires and similar 'man made' events. These large loss events will also be covered in the Group's 'per risk' retrocession programme.

The Group's underwriting team is also expected to have insurance expertise for specific classes of business targeted.

Conduit intends to protect the Group's balance sheet from these "large loss" events by buying a 'per risk' retrocession programme which will protect the Short Tail Specialty portfolio.

Long Tail Specialty Excess of Loss

The Group intends to complement the "short tail" specialty portfolio with a "long tail" specialty excess of loss portfolio which is expected to target sub-classes hardest hit by the current market conditions, including

¹¹ Target premiums based on \$1.1 billion of capital and an underwriting segment plan as noted on page 46.

¹² Indicative Ultimate underwriting year loss ratio expectation based on anticipated 2021 pricing and terms and conditions.

¹³ Indicative Acquisition costs ratio expectation based on anticipated 2021 pricing and terms and conditions. Actual acquisition costs will be negotiated on a contract by contract basis and may exceed the indicative ratio.

Healthcare, Personal Accident and Medical Malpractice:

	Year 1	Year 2	Year 3	Year 4	Year 5
Premium Estimates (\$m)					
GWP¹⁴	32	43	54	62	65

Indicative Ultimate Mean Gross Loss Ratio: 54%¹⁵

Indicative Acquisition Costs Ratio: 10.5%¹⁶

The long tail specialty classes generally protect against losses arising from legal liabilities rather than physical damage, and claims arising from these policies often take longer to be realised and settled than physical damage risks as they normally arise as a result of a lawsuit or regulatory investigation. The Group will be required to maintain adequate claims reserves over a longer period than for property and short tail specialty classes where the costs of claims are generally known and paid sooner.

Short Tail Quota Share

The Group intends to build a balanced portfolio of "short tail" quota share reinsurance policies across a diverse range of underlying classes of business and territories, encompassing both property and specialty classes. Expected sub-classes of business include Commercial Property, Contingency, SME Risk, Energy, Marine, U.S. & ex-U.S. D&F, Political Violence/Terror and War.

	Year 1	Year 2	Year 3	Year 4	Year 5
Premium Estimates (\$m)					
GWP¹⁷	106	142	170	204	225

Indicative Ultimate Mean Gross Loss Ratio: 53%¹⁸

Indicative Acquisition Costs Ratio: 17.6%¹⁹

Quota share policies provide capacity to cedants by the reinsurer underwriting a proportion of the risks and returns of an insurer's underlying portfolio of direct insurance policies. These quota share policies also generally protect against physical damage losses which may include natural catastrophes but will generally be more attritional in nature such as accidents, crashes and fires and other man made loss events.

Conduit intends to actively manage the Group's "short tail" quota share portfolio through constant monitoring, data analysis and annual risk audits. Conduit will restrict, or not underwrite in, geographical territories where data quality, transparency and accessibility do not meet Conduit's criteria.

The short tail quota share portfolio is expected to also be protected by the catastrophe and 'per risk' retrocession programme referred to below.

Casualty Excess of Loss and Quota Share

The Group intends to complement its property and specialty portfolios by underwriting a balanced portfolio of casualty policies which will comprise both excess of loss and quota share policies and is expected to focus on sub-classes that have been particularly affected by current market conditions.

Casualty policies, which are "long tail" in nature, generally protect against losses arising from legal liabilities rather than physical damage. Key sub-classes are targeted to include General Liability, Directors & Officers, Professional Indemnity and Transactional Liability.

Generally, there is little or no correlation between the property and specialty portfolios and the casualty classes, which are far less exposed to natural catastrophe events.

Casualty claims often take longer to be realised and settled than physical damage risks as they often arise as a result of a lawsuit or regulatory investigation and so the Group will be required to maintain adequate claims reserves over a longer period than for property and specialty classes where the costs of claims are

¹⁴ Target premiums based on \$1.1 billion of capital and an underwriting segment plan as noted on page 46.

¹⁵ Indicative Ultimate underwriting year loss ratio expectation based on anticipated 2021 pricing and terms and conditions.

¹⁶ Indicative Acquisition costs ratio expectation based on anticipated 2021 pricing and terms and conditions. Actual acquisition costs will be negotiated on a contract by contract basis and may exceed the indicative ratio.

¹⁷ Target premiums based on \$1.1 billion of capital and an underwriting segment plan as noted on page 46.

¹⁸ Indicative Ultimate underwriting year loss ratio expectation based on anticipated 2021 pricing and terms and conditions.

¹⁹ Indicative Acquisition costs ratio expectation based on anticipated 2021 pricing and terms and conditions. Actual acquisition costs will be negotiated on a contract by contract basis and may exceed the indicative ratio.

generally known and paid sooner.

The Group intends to buy a specific "clash cover" retrocession programme to protect against any potential 'clash' between losses arising from the Group's property or specialty portfolios and the casualty portfolio, which can result from complex claim events involving both physical damage and liability awards.

The Group expects to apply COVID-19 exclusion clauses in all casualty excess of loss and quota share policies.

Casualty Excess of Loss

The Group's casualty excess of loss portfolio will initially target sub-classes of business that have been affected by recent market changes and have therefore seen price increases and improved terms and conditions. These sub-classes include General Liability, Directors & Officers Liability, Energy Liability and Transactional Liability.

	Year 1	Year 2	Year 3	Year 4	Year 5
Premium Estimates (\$m)					
GWP ²⁰	28	37	46	53	56

Indicative Ultimate Mean Gross Loss Ratio: 59%²¹

Indicative Acquisition Costs Ratio: 10.5%²²

Casualty Quota Share

The Group's casualty pro rata portfolio will also seek to support cedants with sub-classes of business that have been affected by recent market changes and have therefore seen price increases and improved terms and conditions. These sub-classes include Directors & Officers, Professional Indemnity, Healthcare and Transactional Liability.

	Year 1	Year 2	Year 3	Year 4	Year 5
Premium Estimates (\$m)					
GWP ²³	117	157	196	226	237

Indicative Ultimate Mean Gross Loss Ratio: 52%²⁴

Indicative Acquisition Costs Ratio: 21.0%²⁵

Management of loss exposures and outward reinsurance

Conduit plans to manage the Group's underwriting activities as a "gross underwriter" by seeking to minimise risk in the portfolio it underwrites rather than writing a high-risk premium base and seeking substantial retrocessional reinsurance to mitigate that risk. Conduit intends to manage the Group's exposure to high severity catastrophe events, and large man-made loss events, through the diversity of the Group's classes of business and through the purchase of an appropriate retrocessional reinsurance programme. In managing the Group's underlying exposures, Conduit plans to be mindful of its target mid-teens ROE and its stated dividend policy. These reinsurance and retrocession arrangements are maintained to protect the Group against both the severity of losses on individual claims and unusually serious occurrences caused where a number of claims produce an aggregate extraordinary loss.

The Group's risk appetite will be determined by the Board and managed and executed through the Underwriting and Claims Committee, with input from the Risk and Compliance Committee (as further described in Section 12 of this Part VII - "Information on the Group"). The amount of coverage purchased will be determined by the Group's risk appetite together with the price, quality and availability of such coverage.

Retrocession programmes are expected to be based on probable maximum loss analyses ("PML").

²⁰ Target premiums based on \$1.1 billion of capital and an underwriting segment plan as noted on page 46.

²¹ Indicative Ultimate underwriting year loss ratio expectation based on anticipated 2021 pricing and terms and conditions.

²² Indicative Acquisition costs ratio expectation based on anticipated 2021 pricing and terms and conditions. Actual acquisition costs will be negotiated on a contract by contract basis and may exceed the indicative ratio.

²³ Target premiums based on \$1.1 billion of capital and an underwriting segment plan as noted on page 46.

²⁴ Indicative Ultimate underwriting year loss ratio expectation based on anticipated 2021 pricing and terms and conditions.

²⁵ Indicative Acquisition costs ratio expectation based on anticipated 2021 pricing and terms and conditions. Actual acquisition costs will be negotiated on a contract by contract basis and may exceed the indicative ratio.

Conduit's current intention is to buy three separate retrocession programmes, as follows:

- (1) **a whole account catastrophe programme:** to protect all losses arising from a single event across all of the Group's portfolio in excess of \$37.5 million;
- (2) **a 'per risk' programme:** to protect against large single risk loss events in excess of \$25 million; and
- (3) **a liability "clash" protection cover:** to protect against risk losses impacting more than one class of business (for example, specialty and casualty) in excess of \$25 million.

Although the lack of capacity in the market is also expected to increase the rates at which the Group is able to purchase reinsurance, the Board is confident that the Group will be able to purchase retrocessional reinsurance for these select risks.

Conduit intends to limit the Group's potential net risk from any single 1 in 100 loss event to between 5 per cent. and 15 per cent. of the Group's capital base. The Directors believe that such limitation of risk is achievable based on the below PML summary showing exposure to two key peak peril losses (Florida Wind and California Earthquake) which has been prepared based on the Founders' experience in the insurance and reinsurance industries. "Opening TNAV" refers to the estimated tangible net asset value of the Group at the start of a given year.

Indicative PML Analysis²⁶

	Year 1	Year 2	Year 3	Year 4	Year 5
Gross PML as % of Opening TNAV (Pre-Reinstatements)					
Florida Wind 1 in 100	9.5%	12.2%	13.7%	16.1%	18.9%
California Quake 1 in 250	13.5%	17.3%	19.4%	22.6%	26.5%
Net PML (Post-Reinstatements)					
Florida Wind 1 in 100	4.4%	5.3%	5.9%	6.8%	7.5%
California Quake 1 in 250	6.7%	7.8%	9.1%	10.7%	12.6%

In addition to the Founders' experience, the PML analysis set out above is based on the model portfolio corroborated against stochastic modelling. A stochastic model is a statistical analysis tool for estimating probability distributions of potential outcomes by allowing for random variation in one or more inputs over time. Using stochastic techniques it is therefore possible to assess the potential exposure of the Group's business to major loss events in a probabilistic manner. By simulating the gross exposures to the relevant loss events (i.e. claims likely to be incurred by the Group before the impact of outwards reinsurance) together with the impact of the planned outwards reinsurance programme it is possible to estimate the probability distribution of financial outcomes from such events. Using these techniques the Group can therefore estimate the impact of particular loss events at certain likelihoods of occurrence (for example 1 in 100).

Conduit's proposed three-pronged retrocession programme is anticipated to increase retentions and limits in line with growth and is intended to be structured to purchase significant protection (to optimum levels) around key peak perils and zones.

4 Market Competition

The reinsurance industry is well-established and highly competitive. Competition varies significantly on the basis of product and geography. Reinsurance companies compete on the basis of many factors, including premium charges, general reputation and perceived financial strength, the terms and conditions of the products offered, ratings assigned by independent rating agencies, speed of claims payments, reputation and experience in the particular risk to be underwritten, quality of service, the jurisdiction where the reinsurer or insurer is licensed or otherwise authorised, capacity and coverages offered and various other factors. Conduit expects to compete with major United States, UK, Bermuda, European and other international insurers and reinsurers and underwriting syndicates from Lloyd's. Conduit also expects to compete with capital market participants that create alternative products, such as catastrophe bonds, that are intended to compete with traditional reinsurance products. In addition to asset managers and reinsurers who provide collateralised reinsurance and retrocessional coverage, the availability of these non-traditional products could reduce the demand for both traditional insurance and reinsurance products.

²⁶ Company analysis. Assumes minimum capital of \$1.1 billion.

The public insurance specialty market has seen a high degree of consolidation over the past 15 years, with over 20 acquisitions completing between 2006 and 2020, including Exor N.V.'s acquisition of PartnerRe Limited (2015, \$6.7 billion), Tokio Marine Holdings' acquisition of HCC Insurance Holdings (2015, \$7.5 billion), and Axa SA's acquisition of XL Group Limited (2018, \$15.3 billion).²⁷

Conduit's competitors may include, but are not limited to, American International Group, Inc., Transatlantic Holdings, Inc., Arch Capital Group Limited, Axis Capital Holdings Limited, Chubb Limited, Sompo International, Everest Re Group Limited, Hannover Rück AG, Lancashire Holdings Limited, Munich Re, PartnerRe Limited, QBE Insurance Group Limited, Renaissance Re Holdings Limited, SCOR SA, Swiss Re Limited, Validus Holdings Limited (a subsidiary of AIG), XL Catlin (a subsidiary of AXA XL and AXA SA), MS Amlin plc and various Lloyd's syndicates and government-sponsored insurers and reinsurers.

5 Conduit team

The Founders

The Founders are highly experienced in the reinsurance industry and have been involved in several successful start-ups in previous hard markets.

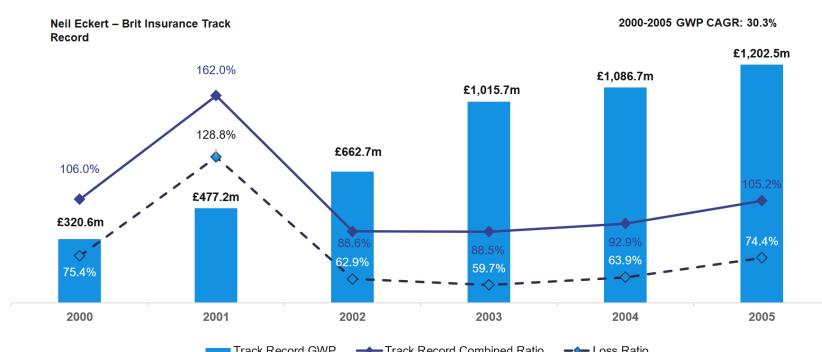
Neil Eckert (Executive Chairman)

Neil Eckert became a reinsurance broker in 1980 before joining Benfield Lovick & Rees & Co in 1986. Neil was involved in the management buy-out of Benfield in 1988 and was a Board member from 1991 until his resignation in 2000.

In 1995, during his time at Benfield, Neil founded Brit Insurance Limited and remained its CEO until 2005, following which he served as a non-executive director of the company until 2008, delivering total shareholder returns of approximately 60 per cent. over this period. Brit Insurance raised £60 million of initial capital in 1995 and was eventually sold in 2011 to a consortium of funds managed by Apollo Management VII, L.P. and CVC Capital Partners Limited for £888 million. The track record for Brit Insurance is shown in the chart below.

Neil was the co-founder and CEO of Climate Exchange PLC until its sale to Intercontinental Exchange in 2010 for approximately £400 million. Over the period of Neil's tenure at Climate Exchange, total shareholder returns were 648 per cent. Following the sale of Climate Exchange, Neil founded Aggregated Micropower which was sold in January 2020.

Neil is currently Chairman of Incubex and is also on the board of Ebix, a \$600 million Nasdaq listed company and a leading provider of electronic exchange services to the insurance industry. It has been one of the fastest growing companies in the United States over the last decade (source: Fortune Magazine, September 2017).



NB: Shows restated figures where results were restated in following year. Source: All sourced from Brit Insurance Public Filings.

Trevor Carvey (Chief Executive Officer)

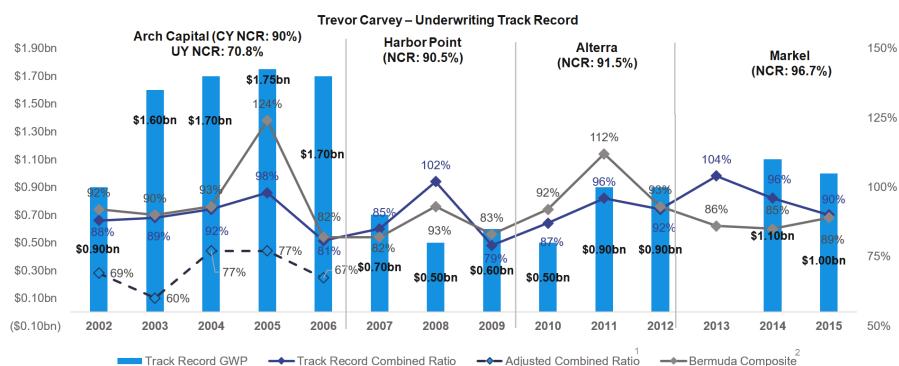
Trevor has a track record of profitable build outs in the reinsurance industry. He led the consolidation and subsequent profitable turnaround of the GE Frankona Marine & Energy Global portfolio from 1999 to 2002.

²⁷ Foreign exchange rates as at respective transaction announcement date, USD values represent consideration paid for the acquisition.

In 2002 Trevor was recruited as a founding underwriter and leader at Arch Re Bermuda which was one of the class of 2002 reinsurance start-ups and where he was key in the development of the reinsurance business.

In 2007 Trevor joined Harbor Point Re, a Bermuda-based reinsurance company focused on property and casualty reinsurance, in the UK to lead the build out of the reinsurance operation over a 5-year period. Subsequently he held the role of CUO Europe in the Alterra Re business which resulted from the merger of Max Re with Harbor Point in 2010, and also sat on the board of Alterra at Lloyd's Limited. Following Alterra Re's acquisition by Markel in 2013, Trevor was appointed as co-leader of the Global Reinsurance portfolio (c. \$750m). Trevor was part of the team responsible for the successful integration of this Global Reinsurance unit into Markel, delivering an established and profitable business to the enlarged Markel group.

Trevor was approached by Hamilton in 2015, to assist in building out a new treaty reinsurance strategy in the UK and subsequently took on the overall role for leading the successful Lloyd's approval of the syndicate business plan as active underwriter for the three years from 2016 to 2018. The business grew from zero GWP in 2015 as a pure start up to finally growing to 80 employees and a Lloyd's capacity of GWP c \$165m for the 2018 underwriting year.



Source: Bloomberg and company filings.

Net combined ratio ("NCR") and GWP shown for the reinsurance segments of each business. 2013 Markel combined ratio is 9 month combined ratio for the Alterra segment, no GWP available for this period

1. Arch underwriting year ("UY") loss is calculated using data from 2015 Arch Global Loss Triangles report. UY year acquisition cost and expense ratios are assumed to equal the corresponding calendar year ("CY") ratios. Markel 2014 and 2015 CY loss ratio adjusted for fall in 2014/2015 accident year ultimate loss estimate from 2014/2015 year end to 2019 year end estimate (all information from Markel publishes 10-Ks)

2. Composite includes: Allied World, Alterra, Arch, Aspen, Axis, Endurance, Everest Re, Flagstone Re, Greenlight Re, Harbor Point, IPC, Maiden, Montpelier Re, Partner Re, Platinum Underwriters, Renaissance Re, Third Point Re, Validus and XL Group

Non-Executive Directors

Sir Brian Williamson CBE - Senior Independent Director

Sir Brian Williamson has held a number of Chairmanships and Directorships in Banking, Exchanges, Funds & Investment Trusts, and Private Equity.

Sir Brian was Chairman and Chief Executive of Gerrard Group PLC., a member of the Court of the Bank of Ireland. Sir Brian was a director of HSBC Holdings PLC, where he was also the Chairman of the Nomination Committee. Sir Brian was also a director of NYSE Euronext and Chairman of the Remuneration Committee.

Sir Brian was one of the four founders of the London International Financial Futures Exchange and twice Chairman. In the U.S., Sir Brian has been a member of both Nasdaq (additionally serving as Chairman of its International Advisory Board); the New York Stock Exchange and, in the UK, The Climate Exchange PLC. Sir Brian is currently a director of the London International Vintners Exchange and Incubex which is in partnership with the European Energy Exchange, part of Deutsche Borse Group and Nodal Exchange in the U.S.

Sir Brian is a former director of Fleming Emerging Markets Investment Trust PLC, Templeton Emerging Market Investment Trust PLC, Waverton Investment Trust PLC and he chaired Electra Private Equity PLC. Sir Brian was also the first Chairman of Resolution Life Group.

Sir Brian has served on regulatory bodies in both the U.S. and UK; the National Association of Securities Dealers and The Financial Services Authority.

Sir Brian is a director of three family funds and was the first Chairman of the Armed Forces Common Investment Fund. He was a Trustee of the Winston Churchill Memorial Trust and on various boards of Windsor Castle. He is a Lieutenant of Her Majesty's Commission for the City of London and is an Honorary Bencher of the Inner Temple.

Sir Brian is also currently Chairman of RJ Fleming & Co Ltd, Vice Chairman of Bergos Fleming in Zurich and a director of Politeia – the UK Forum for Social and Economic Thinking.

Elizabeth Murphy

Elizabeth Murphy is a Bermuda resident and has worked in the insurance and reinsurance industry for more than 30 years. Elizabeth qualified as a Chartered Accountant with Coopers & Lybrand in London and moved to work for them in Bermuda. She continued her career with ACE Tempest Reinsurance Ltd as Chief Financial Officer from 1993 to 2000 and as Treasurer of ACE Limited for the next two years.

From 2002 to 2006, Elizabeth worked for Scottish Re Group Limited, as Chief Financial Officer and Executive Vice President. From 2006 to 2008 she was a non-executive director of Kiln Limited, Chair of the Compensation Committee and Member of the Audit committee and she also served on the Board of SCPIE Holdings Inc. where she was a member of the Audit Committee and Stock Option Committee. From 2009 to 2015 Elizabeth was an Executive Director and Chief Financial Officer of Amlin Bermuda Ltd. / Amlin AG and a member of the Risk Committee.

Since 2017 Elizabeth has been a non-executive director of Bernina Re Ltd. where she chairs the Audit Committee, Investment Committee and Claims and Reserving Committee.

Ken Randall

Ken Randall is a Certified Accountant and has worked in the Insurance industry for more than 46 years. During the early 1980s, Ken was Head of Regulation at Lloyd's which was then a self-regulated institution. From 1985 until 1991 Ken served as Chief Executive of the Merrett Group, which managed a number of prominent Syndicates at Lloyd's.

In 1991, Ken left Merrett to set up his own business in partnership with Alan Quilter. Over the next 8 years they developed the Randall & Quilter Group's principal subsidiary, the Eastgate Group, into the UK's largest third party provider of insurance services with 1,300 employees and a turnover of over £80m per annum. Eastgate was sold to Capita plc in November 2000.

Following the sale of Eastgate, Ken and Alan refocused Randall & Quilter onto the acquisition of non-life legacy run-off portfolios and again developed an insurance servicing business in London and the U.S.; initially, the Randall & Quilter Group's service offering focused on legacy portfolios.

In 2007 Ken presided over the Randall & Quilter Group's admission to AIM, part of the London Stock Exchange. Ken remains a principal shareholder and is Executive Chairman of the Randall & Quilter Group. He is to retire from Randall & Quilter in March 2021.

Malcolm Furbert

Malcolm Furbert is a corporate and regulatory lawyer with over 30 years' experience including as a corporate lawyer with one of Bermuda's leading law firms and over 15 years' diverse in-house legal counsel and management experience with Bermuda based insurance and reinsurance companies (including American International Company Limited, Catlin Insurance Company Limited and XL Catlin), most recently as General Counsel and Head of Compliance & Regulatory Affairs for the Bermuda operations of XL Catlin a Bermuda based global re/insurance company (following the acquisition of the Catlin Group by XL Capital). In these roles he provided general and transactional legal and regulatory advice and support to all business areas, and had oversight over the Bermuda compliance function. He also acted as company secretary to both regulated and non-regulated group companies.

He holds a B.A. in Economics from Dalhousie University, an LLB (Hons) from Bristol University and is a member of the Bar of England and Wales and the Bermuda Bar.

Malcolm resides in Bermuda.

Dr. Richard L. Sandor

Dr. Richard L. Sandor is an entrepreneur and economist and is Chairman and CEO of the American Financial Exchange (AFX) and the CEO of Environmental Financial Products (EFP).

Dr. Sandor is currently the Aaron Director Lecturer in Law and Economics at the University of Chicago Law School and an honorary Professor at the University of Hong Kong and the school of Economics at Fudan University. He formerly taught at graduate and undergraduate levels at several universities throughout California, Illinois, New York, China and England.

Dr. Sandor is a member of the Advisory Board of the Center for Financial Stability, a senior Fellow of the Milken Institute and International Emissions Trading Association and a member of the Advisory Committee of the Ronald Coase Centre for Property Rights Research at the University of Hong Kong.

He formerly served on the boards of leading commodity and futures exchanges in the U.S., such as the CME and ICE, and in London and China, as well as one of North America's largest utility companies, American Electric Power, and several philanthropic and non-for-profit organizations.

He has a Bachelor of Arts degree from the City University of New York, Brooklyn College, and a Ph.D. in Economics from the University of Minnesota. In addition, he holds an honorary degree of Doctor of Science, honoris causa, from the Swiss Federal Institute of Technology (ETH).

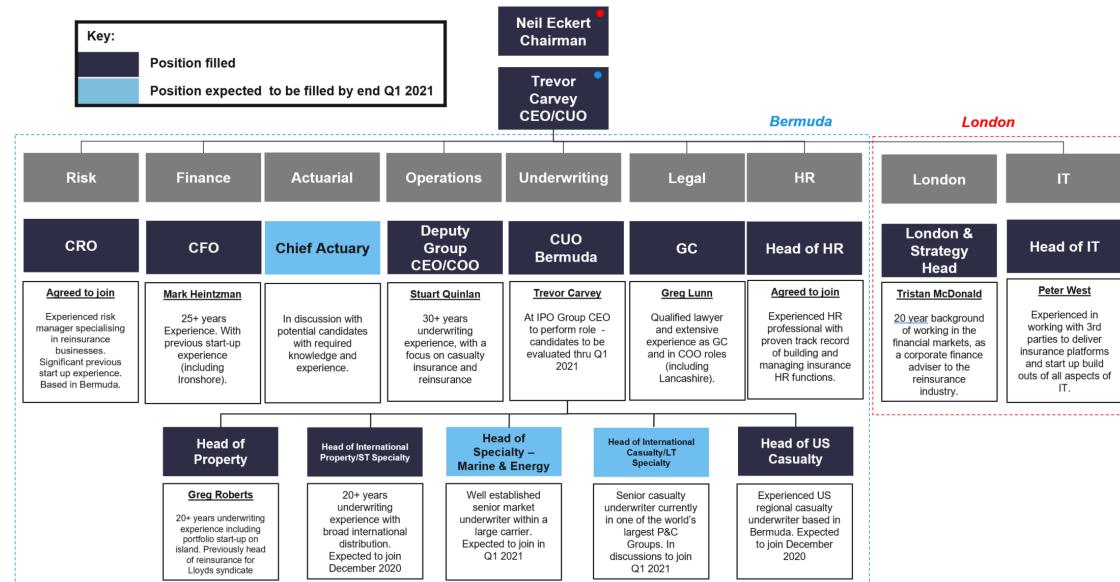
The wider Conduit team

A key driver of Conduit's strategy is to build a highly specialised and collaborative core underwriting team with the requisite skills and experience to deliver the target business plan. The team is expected to include both insurance and reinsurance expertise and experience and to have underwriting experience across a variety of different classes of business and underwriting in different market conditions.

The majority of the key operational, finance and risk and regulatory related employees and managers are expected to be formally engaged as at the point of Admission. These include the roles of Deputy CEO and Chief Operating Officer, Chief Financial Officer, General Counsel and Head of Strategic Development. A number of further key individuals have binding offer letters with the Group which have been entered into conditional on Admission and Conduit Reinsurance's receipt of its targeted A.M. Best financial strength rating of "A-" (Excellent). A number of further individuals have been approached following an extensive recruitment process to join the team once the business is fully established and funded after Admission to enable the Group to commence underwriting ahead of 1 January 2021 in respect of risks incepting from 1 January 2021. Details on the identified senior managers of the Group are set out in Part IX – "Directors, Senior Management and Corporate Governance".

The wider Conduit team is anticipated to be made up of around 50 full time equivalents ("FTEs") by the end of the first year of operations and is expected to grow to around 85 FTEs by the end of the fifth year. The underwriting teams, including actuarial, modelling and claims resources are expected to make up approximately 30 FTEs in year one and approximately 55 FTEs in year five. The other team members will be in support functions including finance, legal and operations support.

The initial planned management structure of Conduit is set out in the following diagram*:

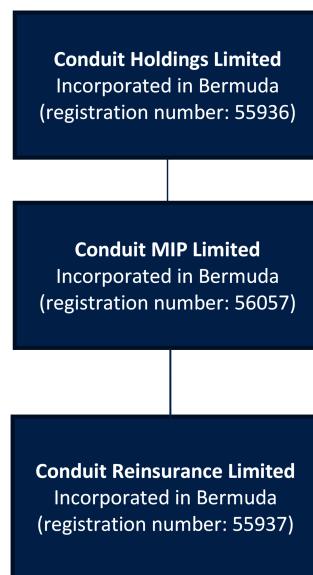


* Based on the intention and understanding of Conduit as at the date of this Prospectus. There is no guarantee that positions will be filled or that the identified persons will accept the position shown.

Details on the framework of committees and corporate governance compliance is provided in Section 3 of Part IX – "Directors, Senior Management and Corporate Governance".

6 Group structure

The diagram below sets out the expected structure of the Group following Admission (note that pursuant to incentive arrangements set out in detail in Section 8.2 of this Part VIII - "Information on the Group", Conduit MIP Limited is part owned by members of management and the result is that Conduit Reinsurance is also indirectly part owned by members of management):



7 Distribution

The Group expects the majority of its insurance and reinsurance business to be introduced by global reinsurance brokers including, AON, Willis Towers Watson, Guy Carpenter and AJ Gallagher. The Founders have significant relationships with these reinsurance brokers who between them represented approximately 64 per cent. of the worldwide reinsurance market premium between 2012 and 2016²⁸. The Group also expects that certain smaller specialist intermediaries based in London and the United States will introduce business to the Group.

Conduit's leadership team has an extensive network of personal contacts at high levels throughout these key distribution networks and intend to leverage these long-term relationships to help support the Group's delivery of its business plan targets.

Conduit expects to pay brokerage fees and commissions to the brokers to access this business which are expected to be generally in line with market rates and range from 10 per cent. to 25 per cent. of the relevant premium, depending on the class of business, the territory and the type of contract.

8 Remuneration strategy

8.1 Overview

Although Conduit intends to seek to attract and retain a high calibre team to manage and develop the Group's reinsurance business, it does not plan to achieve this by paying above market salaries and benefits. The Directors believe that as a new business which is well capitalised and unencumbered by legacy underwriting in a hard market, Conduit will be an attractive business for new team members.

Conduit intends to differentiate itself from other market participants in the way that it remunerates its team. Conduit intends to implement success related remuneration schemes based on the business meeting its overall business targets, both long term and short term, which would contain deferred elements in line

²⁸ Financial Conduct Authority, Wholesale Insurance Broker Market Study, February 2019.

with results. In addition, senior underwriters are intended to be offered participation in the Management Promote scheme (defined below) and are therefore expected to receive equity based on returns.

8.2 Management Promote

Arrangements have been put in place to create incentives for the Founders and other senior managers who are expected to make key contributions to the success of the Group from Admission (the "**Management Promote**"). Success will be measured by share price performance and investor returns and the arrangements will therefore reflect these key metrics. The Management Promote has been facilitated by the subscription for shares in Conduit MIP Limited ("**Conduit MIP**") (a direct subsidiary of the Company which is an intermediate holding company of Conduit Reinsurance).

Under the Management Promote, the Founders and other senior managers invited to participate have subscribed for shares in Conduit MIP ("**MIP Shares**"). Half of the MIP Shares are denominated in sterling ("**GBP MIP Shares**") and half in U.S. dollars ("**USD MIP Shares**").

Subject to vesting in the hands of the relevant holder of MIP Shares (as described below), if the Performance Condition (also described below) is satisfied at the relevant time, the MIP Shares will be automatically exchanged for Shares of the Company ("**Exchange**") for an aggregate value equivalent to up to 15 per cent. of the excess of the Market Value of the Company (as defined below) over and above the Invested Equity (the "**Growth**") (7.5 per cent. of the Growth based on calculations in sterling for the GBP MIP Shares and 7.5 per cent. of the Growth based on calculations in U.S. dollars for the USD MIP Shares, in each case as described below).

Market Value means (a) the market capitalisation of the Company calculated by reference to the 6 month average closing share price prior to the date of the relevant Exchange (adjusted to take into account any capital events or distributions during that period); or, (b) in the case of a takeover of the Company, the value of the consideration for the takeover, or (c) in the case of a sale of Conduit MIP, the net sale consideration, or (d) in the case of the liquidation of Conduit MIP, the amount available for distribution in the liquidation, in each case taking into account any prior dividends, returns of capital or other distributions. The Market Value for the USD MIP Shares will be calculated in U.S. dollars based on the prevailing spot rate on the date of the relevant share price and in the case of a takeover of the Company, or sale or liquidation of Conduit MIP the latest reasonably practicable spot rate prior to the date of the Exchange as determined by the Remuneration Committee of the Company.

Invested Equity means the aggregate of initial equity invested in the Company on Admission and equity invested pursuant to any future equity raises by the Company, with the U.S. dollar value of Invested Equity for the USD MIP Shares being calculated at the spot rate at the time the relevant proceeds of the equity raise were received by the Company.

If (a) the Performance Condition is satisfied for either or both of the GBP MIP Shares or the USD MIP Shares on each of the fourth, fifth, sixth and seventh anniversaries of Admission and (b) no takeover of the Company or sale or liquidation of Conduit MIP has taken place before any of those dates, one quarter of the relevant MIP Shares (delivering 1.875 per cent. of the Growth to the relevant shares) (each a "**Tranche**") will be automatically Exchanged for such number of Shares of the Company as have an aggregate value (at the closing share price for the trading day immediately prior to the date of Exchange) equal to 1.875 per cent. of the Growth at the date of the Exchange. Whenever the Performance Condition has not been satisfied on the relevant anniversary date in respect of a Tranche, those MIP Shares which might otherwise have been Exchanged will not be Exchanged and will automatically Exchange at the next anniversary date on which the Performance Condition is satisfied.

If the Performance Condition is satisfied, any MIP Shares that have not automatically been Exchanged before that date will on the effective date of any takeover of the Company or sale or liquidation of Conduit MIP be Exchanged (delivering the remainder of the 7.5 per cent. of Growth for each of the USD MIP Shares and the GBP MIP Shares).

Performance condition

The "**Performance Condition**" is that the compound annual growth rate achieved by the Company's shareholders on the date of the relevant Exchange is equal to or greater than ten per cent. per annum. The Performance Condition is measured by reference to (i) any growth in the Company's market capitalisation, (ii) any dividends paid to Shareholders, and (iii) any other returns of value to Shareholders. The Performance Condition is calculated from Admission on the initial capital raised then (and from the date of any future equity investment in the Company on that equity) to the date of the relevant Exchange. It also takes into account the timing of any prior returns to Shareholders. The Performance Condition will be

calculated separately in U.S. dollars for the USD MIP Shares and sterling for the GBP MIP Shares.

If on the seventh anniversary of Admission, the Performance Condition is not satisfied, all MIP Shares to be Exchanged on that date will be redeemed for 1 pence (sterling) in aggregate. Similarly, on a takeover of the Company or sale or liquidation of Conduit MIP, if the Performance Condition is not satisfied, all of the MIP Shares will be redeemed for 1 pence (sterling) in aggregate.

Vesting conditions

The MIP Shares will vest on:

- (a) a takeover of the Company; or
- (b) a sale or liquidation of Conduit MIP; or
- (c) the relevant vesting period has elapsed for that Tranche of the MIP Shares.

For the Founders, 20 per cent. of their MIP shares will vest on Admission. The remainder of the Founders' MIP Shares and those for other senior managers will vest on a per diem basis in the period between Admission and the date of the relevant Tranche's automatic Exchange.

Leaver provisions

MIP Shares are subject to customary leaver provisions and malus / clawback principles will apply such that the Company can reclaim shares (or the proceeds thereto) from a leaver in the event of certain contractual breaches or fraudulent actions by that person after their departure (see Section 11 of Part XIV - "Additional Information" for further details within the remuneration policy overview).

Lock-up arrangements

Shares issued on an Exchange of MIP Shares (other than Shares issued on a takeover of the Company or Shares which are required to be sold to cover any tax charge arising on such Exchange) will be subject to lock-up provisions as follows:

- one-third of the Shares will have no lock-up post-Exchange;
- one-third of the Shares will have a one year lock-up post-Exchange; and
- one-third of the Shares will have a two year lock-up post-Exchange.

Any applicable lock-up period in force at any time will expire automatically and immediately on a subsequent takeover or change of control of the Company.

Other/miscellaneous

The reason for issuing USD MIP Shares and GBP MIP Shares is to provide some hedging for participants in the Management Promote against the impact of fluctuations in the U.S. dollar-sterling exchange rate. The Company's share price and, therefore, its market capitalisation, will be reported in sterling but the majority of the business' assets, liabilities and cashflows will be denominated in U.S. dollars. The USD MIP Shares will therefore be more matched to the Company's functional currency than the GBP MIP Shares. The value of the GBP MIP Shares will likely be more impacted by the U.S. dollar - sterling exchange rate (on the basis that the Company's underlying cashflows are largely U.S. dollar denominated), but will track more closely the returns of the Shares themselves on a sterling basis. It is not expected, however, that these MIP currency arrangements will have any impact on decisions taken in respect of the management of the Company's business.

As the USD MIP Shares and the GBP MIP Shares are calculated on different amounts, the Performance Condition may be satisfied for one class of share but not the other. As a hypothetical example, if neither the Performance Condition on the USD MIP Shares nor the Performance Condition on the GBP MIP Shares were satisfied until the sixth anniversary of Admission and in the sixth year the Performance Condition on the USD MIP Shares alone was satisfied, the holders of those shares would receive Shares with a value equal to 5.625 per cent. of the Growth in U.S. dollars to that date. In the following year, if both Performance Conditions were satisfied, the holders of the MIP Shares would receive Shares with a value equal to 1.875 per cent. of the Growth in U.S. dollar to that date (in addition to the amounts received at year 6) and 7.5 per cent. of the Growth in sterling. The aggregate value of the Shares received could be greater than 15 per cent. of the Growth in sterling or the Growth in U.S. dollars on the seventh anniversary.

The issue of Shares upon an Exchange will not impact the Invested Equity calculation for future Tranches. Any issue of Shares will dilute shareholders' returns.

A number of MIP Shares will be warehoused for the benefit of new joiners by issuing them to the Company. This will provide flexibility to include in the Management Promote certain senior employees that join after

Admission. Such employees will either subscribe for MIP Shares at fair market value or such employees may be given options over these MIP Shares held by the Company.

Anti-dilution protections are in place such that a proportion of existing holders of MIP Shares will be required to consent to the issuance of additional MIP Shares but not, for the avoidance of doubt, the allocation of the shares held by the Company.

Management Promote contributions

On 17 November 2020, Neil Eckert, Trevor Carvey, Mark Heintzman, Stuart Quinlan, Tristan McDonald and Greg Lunn each entered into a Management Promote subscription agreement with Conduit MIP, which provide for the participation of the above parties in the Management Promote.

The table below sets out the respective allocations and subscription monies for each of the parties.

Name	USD MIP Shares	U.S. dollar subscription	GBP MIP Shares	Sterling subscription	Percentage of Management Promote
Neil Eckert	45,000	101,815	45,000	77,379	45.0%
Trevor Carvey	30,000	67,877	30,000	51,586	30.0%
Mark Heintzman	3,000	6,788	3,000	5,159	3.0%
Stuart Quinlan	4,000	9,050	4,000	6,878	4.0%
Tristan McDonald	1,500	3,394	1,500	2,579	1.5%
Greg Lunn	1,500	3,394	1,500	2,579	1.5%
Total	85,000	192,317	85,000	146,161	85.0%

9 Dividends

The Company may pay dividends on the Shares at such times (if any) and in such amounts (if any) as the Board determines appropriate and subject to the Board being satisfied that to do so will not prejudice Conduit Reinsurance's ability to maintain at least an A.M. Best "A-" (Excellent) financial strength rating and subject to applicable law.

Conduit expects to generate significant returns for its shareholders and to provide an ongoing and progressive dividend. The Company is targeting a dividend as soon as during the 2021 financial year of approximately 5 to 6 per cent. of equity capital, allocated between an interim and final distribution.

Depending on the Group's results and general market conditions, the Group may also from time to time consider the payment of special dividends and returns of capital to Shareholders by way of share buybacks. Special dividends (if any) are likely to vary significantly in amount and timing.

All dividends and returns of capital will be subject to the future financial performance of the Group including results of operations and cash flows, the Group's financial position and capital requirements, rating agency considerations, general business conditions, legal, tax, regulatory and any contractual restrictions on the payment of dividends and any other factors the Directors deem relevant in their discretion, which will be taken into account at the time.

Please refer to Part II - "Risk Factors" which lists certain risks which should be taken into account. In particular, the insurance and reinsurance industries can be highly cyclical and volatile and are subject to exposure to significant unpredictable losses. Accordingly, there can be no assurance that, in any given year, the Group will generate profits for the Company to distribute.

10 Operating platform and model

Conduit intends to make significant investment in information technology to create a highly efficient underwriting and operating platform. Conduit expects to be able to take advantage of a number of recent technological developments, such as cloud server technology, data management processes and modular software development techniques without the encumbrance of having to transfer legacy systems and data and the ongoing responsibility to manage prior underwriting years in legacy systems. Conduit is targeting a relatively low expense ratio base of less than 6 per cent. of GWP. This ratio has been benchmarked against other start-up reinsurers and the Directors believe it is deliverable.

Conduit's vision is to lead the industry in the way it utilises technology to enhance its underwriting capabilities, in particular harnessing market leading outsourced capabilities in managing and analysing its data, and to streamline its operations.

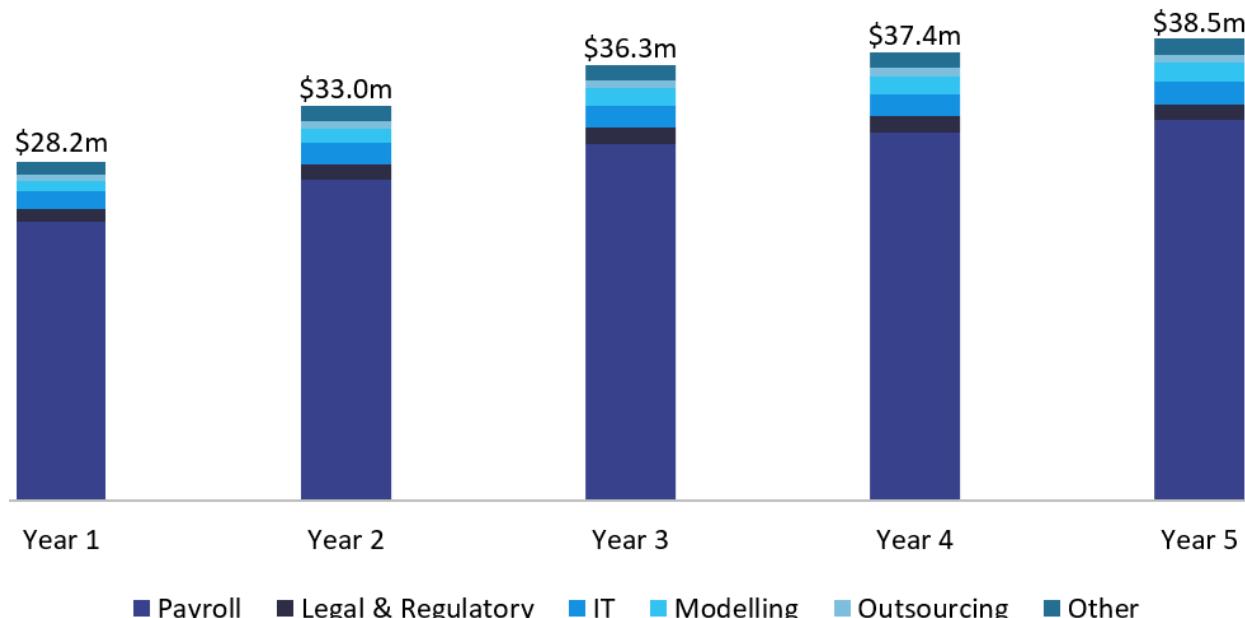
The Group intends, by the end of the first year of operations, to have in place an underwriting platform fitting the business' needs. The Group has identified an underwriting platform partner and agreed on a "phase 1" launch platform. All systems are expected to meet Conduit's requirements of cloud integration and agile deployment, meaning there is expected to be little to no reliance on physical hardware, which would allow for the flexible approach essential in the current working environment.

Certain accounting, actuarial, catastrophe modelling, information technology, claims settlement and operational services are expected to be outsourced when the Group commences underwriting activities. As at the date of this Prospectus, the Group has identified providers for these systems and processes and is in discussions or negotiations with each of them. By the end of the first year of operations, the Group plans to have in-sourced certain of these services that are core functions (for example, catastrophe modelling and actuarial services) in order to leverage a flexible model for the right mix of performance and technology. The Group intends to continue to review its technology systems and processes and may consider insourcing other services as the Group's business develops.

Conduit's operating platform is seeking to avoid the following operational considerations and difficulties that a typical start-up might expect to face:

- significant investment into marketing;
- property – branches / HQ / regional centres;
- large staff numbers;
- loss leading new customer offers; or
- 3-5 year "proof of concept" ramp-up costs / large sunk costs on infrastructure.

Conduit's main investment in terms of operating costs will be in its team of underwriters. The following chart shows the Group's illustrative projected operating expenses for the first five years of operations:



Note: These illustrative projections utilise hypothetical data to model the Group's reinsurance underwriting performance, which does not reflect historical results and is not intended to predict future performance of the Group. Different results are likely and such differences could be material.

Expense Ratio (% of GWP)	Year 1	Year 2	Year 3	Year 4	Year 5
Conduit	6.0%	5.3%	4.8%	4.2%	4.0%
Peer Mean ²⁹	5.2%	5.5%	5.8%	5.8%	6.4%

²⁹ Mean and Median of selected peers includes the following: Allied World Assurance*, Arch Capital Group*, Axis Capital Holdings*, Endurance Specialty

Expense Ratio (% of GWP)	Year 1	Year 2	Year 3	Year 4	Year 5
Peer Median	5.7%	5.6%	5.7%	5.3%	6.6%

Notes:

These illustrative projections utilise hypothetical data to model the Group's reinsurance underwriting performance, which does not reflect historical results and is not intended to predict future performance of the Group. Different results are likely and such differences could be material.

Based on \$1.1 billion of capital.

The Founders have estimated the Group's cost base utilising a detailed build out plan, basing their assumptions on, among other things:

- market salaries and other employment related costs for the particular roles (which include operating expenses but not any costs associated with the Management Promote);
- known regulatory fees and the estimated costs of engaging legal counsel in respect of regulatory costs; and
- the Founders' past experience and, where relevant, discussions with appropriate service providers to derive other estimates such as outsourcing, IT and infrastructure costs.

Founder Group contributions

On 2 December 2020, Neil Eckert, Trevor Carvey, Mark Heintzman, Stuart Quinlan, Tristan McDonald, Greg Lunn and Kinmont Limited entered into an agreement with the Company (the "**Pre-Funding Agreement**") regarding payment of expenses incurred and / or due in preparation for the Offer. This agreement formalised an informal arrangement which was in place from 17 August 2020. The sums committed by the above named parties are, respectively, £300,000, £100,000, £125,000, £25,000, £25,000, £25,000 and £150,000 (the "**Founder Group Funding**").

Certain amounts within the above Founder Group Funding figure have already been spent on bona fide expenses incurred in connection with the establishment of the Company. As an example of this on 18 November 2020, Mark Heintzman contributed \$120,000 capital to Conduit MIP by way of loan (and such loan is within the above aggregate Founder Group Funding figure) in order for Conduit MIP to capitalise Conduit Reinsurance with the requisite amount of capital to meet the BMA's minimum capital requirement for a Class 4 insurer.

Upon Admission the balance of the Founder Group Funding not already invested or already spent on bona fide expenses incurred in connection with the establishment of the Company will be invested into the Company and the aggregate amount of the Founder Group Funding will be converted into new Shares at a price of 125 pence per new Share (being a 75% discount to the Offer Price) (the "**Pre-Funding Shares**"). If the Offer does not proceed, Conduit will itself have no liability to meet the relevant expenses which are the subject of the Pre-Funding Agreement to the extent that the Company is not capitalised or provided with the Founder Group Funding.

11 Investment strategy

Conduit intends to build its reputation on the basis of underwriting excellence and discipline. It therefore intends to take a conservative approach to risk on the asset side of the balance sheet. Conduit will enter into investment management agreements with one or more specialist fund managers and may appoint an investment adviser to assist in the selection of portfolio managers to manage its asset portfolio ("**Investment Portfolio**").

Conduit will seek to maintain an Investment Portfolio with a high credit profile in order to protect its solvency capital base to focus purely on underwriting activities. Conduit will seek to match the duration of its asset portfolio with the duration of its claims payouts to maximise investment returns within this framework. Conduit intends to balance the Investment Portfolio between dollar and non-dollar denominated funds to reflect the currencies in which Conduit does business and thereby minimise currency risk across assets and liabilities on the balance sheet. Conduit intends to focus on liquidity and low risk positions and to adopt a conservative approach to investments with a focus on investment grade corporate and sovereign bonds with fixed income returns and credit ratings of A and above prioritised. The Company's investment portfolio is intended to provide liquidity and stability to the balance sheet to support the core underwriting business. The Investment Portfolio is not expected to be a key driver of returns to the business.

Holdings*, Harbor Point Re, Montpelier Re, Third Point Re and Validus Re*. Figures for entities marked * are from the reinsurance segment, with the share of central costs added based on share of GWP if not already included.

The Group's focus on underwriting rather than investment returns should be matched well to the economic environment as there is forecast³⁰ to be a low interest rate environment for the foreseeable future. Casualty reinsurance is "long tail" in nature (i.e. the time between writing the policy and the eventual payment of the claim), and insurers and reinsurers typically price such business on the basis of receiving the premium and making a return on the premium and reserve funds over this tail period. In a higher investment return environment this means that they can write to a higher loss ratio (lower premium pricing) and still make profits. Conversely, in a low investment income environment, as is currently the case, a reinsurer typically needs to increase premium (pricing) to achieve the same levels of profitability. This tends to result in increased prices and fits well with the Group's approach to maximising returns from underwriting over investment.

The Group's finance and investment committee will establish investment guidelines and supervise investment activity. The investment committee will regularly monitor the overall investment results, review compliance with its investment objectives and guidelines, and ultimately report the overall investment results to the Board. These guidelines will specify minimum criteria on the overall credit quality and liquidity characteristics of the portfolio. They will include limitations on the size of certain holdings as well as restrictions on purchasing certain types of securities or investing in certain industries.

The Investment Guidelines will consider environmental, social and governance ("ESG") factors in the selection of investments in order to ensure that each investment has a beneficial track record in assessing their impact on ESG factors. Conduit believes that ESG factors will be important in reducing investment risk, especially those risks that are not adequately priced into the market value of affected securities. Conduit also believes that returns over the long term will be similar or better than those investments that are not aware of ESG factors or fail to manage their ESG risks. Conduit will disclose ESG factors taken into account in its annual reports in each financial year. See Section 3.1.3 of Part IX - "Directors, Senior Management and Corporate Governance".

12 Risk Management

Conduit has established a group-wide Enterprise Risk Management Framework which will identify, monitor and report on all risks in the business. The Risk team will be managed by the Group Chief Risk Officer ("CRO"). The Risk team will report to the Conduit Reinsurance Executive Management Committee on a monthly basis and to the Conduit Reinsurance board Risk and Compliance Committee on a quarterly basis.

Conduit Reinsurance board committees

Conduit Reinsurance has also established three board committees which will be responsible for overseeing and managing operational risk within the Group's business. A description of each of these committees, and their core role, is set out below. For information on the other committees proposed to be established by the Company, see Part IX - "Directors, Senior Management and Corporate Governance" of this Prospectus.

Risk and compliance

Conduit Reinsurance has established a board Risk and Compliance Committee which will meet quarterly. The Risk and Compliance Committee will oversee the risk management policies and will work with the Conduit Reinsurance Executive Management Committee to manage and identify strategic risks and compliance changes or challenges that may impact the Group's business.

Underwriting controls

Conduit Reinsurance has established a board Underwriting and Claims Committee which will establish strict underwriting guidelines, authorities and limits by class and by underwriting team. These will be set out in the Conduit Reinsurance underwriting guidelines and will also be built into the Conduit underwriting platform to ensure compliance.

Any risks that fall outside of individual authorities will require the approval of team leaders, and any risks that fall outside of a team leader's authorities will require the approval of the Chief Underwriting Officer or the Chief Executive Officer.

The Underwriting and Claims Committee will meet quarterly to review these guidelines and authorities and compliance therewith as well as to reallocate Conduit's underwriting capacity based on market developments.

The underwriting teams will monitor aggregate exposures and Probable Maximum Losses by class and by

³⁰ Source: OECD Long-term interest rates forecast.

territory which will be reported to the Chief Underwriting Officer on a regular basis and to the Underwriting and Claims Committee and the Risk and Compliance Committee on a quarterly basis.

The Underwriting and Claims Committee and Risk and Compliance Committee will also work together to determine and oversee Conduit's overall risk appetite through its reinsurance programmes.

Financial strength

Conduit Reinsurance has established a board Finance & Investments Committee which will meet quarterly.

The Finance & Investments Committee is responsible for ensuring that Conduit Reinsurance maintains a strong balance sheet in order to maintain its targeted A.M. Best financial strength rating of "A-" (Excellent).

The Finance & Investments Committee is also responsible for ensuring that Conduit is managing its investments within the Investment Guidelines established by the Board.

Conduit Reinsurance management committees

In addition to the board committees noted above, Conduit Reinsurance has also established a number of operational management committees which will report to the Conduit Reinsurance board via an Executive Management Committee in relation to their respective area of responsibilities. A description of each of these committees, and their core role, is set out below.

Executive management committee

Conduit Reinsurance has established an Executive Management Committee, to be chaired by the Group Chief Executive Officer. The Executive Management Committee is responsible for executing the Conduit business plan approved by the Board and the board of Conduit Reinsurance. The Executive Management Committee will meet monthly and report to the Conduit Reinsurance board on a quarterly basis.

Reserving and claims

Conduit Reinsurance has established a management Reserving Committee, to be chaired by the Group CFO, which will meet on a monthly basis and will oversee Conduit Reinsurance's reserving methodology and review reserves by class of business and report on its findings to the Executive Management Committee.

Reserves will be established independently of the underwriting teams and overseen by the Chief Actuary in conjunction with the Claims Manager.

Conduit Reinsurance will adopt a conservative and prudent approach to reserving, and all reserves will be managed on a gross basis and will be reviewed annually by Conduit Reinsurance's independent third-party loss reserve specialist. It is intended that a representative of Willis Towers Watson, Hamilton Bermuda, will be appointed to this role as soon as possible upon Admission.

Underwriting review

Conduit Reinsurance has established a management Underwriting Review Committee, to be chaired by the Group Chief Underwriting Officer, which will meet to review the application of underwriting guidelines established by the Conduit Reinsurance board Underwriting and Claims Committee and report on its findings to the Executive Management Committee.

The Underwriting Review Committee will meet regularly to share key performance indicators and market intelligence and will prepare a quarterly review of all underwriting activities for Conduit Reinsurance's Executive Management Committee on a quarterly basis.

Finance, technology and operations

Conduit Reinsurance has established a management Finance, Technology & Operations Committee, to be chaired by the Group Deputy Chief Executive Officers, which is responsible for overseeing the Group's operations and use of technology and will report to the Executive Management Committee. The Finance, Technology & Operations Committee will have responsibility for management of the implementation of the Group's outsourcing and insourcing of key operational functions as outlined in Section 10 of this Part V -"Information on the Group".

Operational risk and compliance

Conduit Reinsurance has established a management Risk & Compliance Committee, to be chaired by the Group Deputy Chief Executive Officer. This management Risk & Compliance Committee is responsible for

overseeing the Group's compliance with applicable laws and regulations and will report to the Executive Management Committee.

13 REGULATORY OVERVIEW

Bermuda Insurance Regulation

The Bermuda Insurance Act provides that no person shall carry on insurance business in or from within Bermuda, unless registered by the BMA. The Insurance Act does not distinguish between insurers and reinsurers: companies are registered (licensed) under the Insurance Act as "insurers" (although in certain circumstances a condition to registration may be imposed to the effect the company may carry on only reinsurance business). The Insurance Act uses the defined term "insurance business" to include reinsurance business.

Conduit Reinsurance has received an approval from, and is licensed as a Class 4 insurer in Bermuda by, the BMA.

A body corporate is registerable as a Class 4 insurer where (i) it has at the time of its application for registration, or will have before it carries on insurance business, a total statutory capital and surplus of not less than U.S. \$100 million; and (ii) it intends to carry on general insurance and/or reinsurance business, including excess liability business or property catastrophe reinsurance business.

The Insurance Act also grants to the BMA powers to supervise, investigate and intervene in the affairs of insurance companies. The BMA may, among other things, direct an insurer not to take on any new insurance business.

A Class 4 insurer, is required to maintain a head and a principal office in Bermuda and to appoint and maintain a principal representative in Bermuda responsible for notifying the BMA of certain key events. The principal office of Conduit Reinsurance will be located at 3rd Floor, Power House, 7 Par-La-Ville Road, Hamilton, Bermuda. Conduit Reinsurance's principal representative will be Mark Heintzman, the Chief Financial Officer of Conduit Reinsurance.

The Insurance Act prescribes rules for the preparation and substance of statutory financial statements on a quarterly and annual basis along with other regulatory filings including loss reserve reports and solvency and capital returns. The statutory financial statements include detailed information and analysis regarding premiums, claims, reinsurance and investments of the insurer or reinsurer.

The Insurance Act imposes solvency and liquidity standards on Bermuda insurance companies, as well as auditing and reporting requirements.

The Insurance Act provides that the value of the statutory assets of an insurer must exceed the value of its statutory liabilities by an amount greater than its prescribed minimum solvency margin, or "MSM" (which is the greater of (i) \$100 million or (ii) 50 per cent. of net premiums written (with a credit for reinsurance ceded not exceeding 25 per cent. of gross premiums) or (iii) 15 per cent. of net loss and loss expense provisions and other insurance reserves or (iv) 25 per cent. of the enhanced capital requirement, or "ECR" which is established by reference to either the Bermuda Solvency and Capital Requirement or an approved internal capital model. The BMA has also established a target capital level, or "TCL", for each Class 4 insurer equal to 120 per cent. of its ECR. The TCL serves as an early warning tool for the BMA and failure to maintain statutory capital at least equal to the TCL will likely result in increased regulatory oversight.

The Insurance Act provides a minimum liquidity ratio for general business insurers. A Class 4 insurer engaged in general business is required to maintain the value of its relevant assets at not less than 75 per cent. of the amount of its relevant liabilities.

A Class 4 insurer is prohibited from declaring or paying a dividend if it is in breach of its MSM, ECR or minimum liquidity ratio or if the declaration or payment of such dividend would cause such a breach.

Conduit Reinsurance, at least initially, does not plan on obtaining an insurance licence in any jurisdiction other than Bermuda. Many jurisdictions do not permit insurance companies to take credit for reinsurance obtained from reinsurers that are not licensed or admitted in that jurisdiction on that group's statutory financial statements, unless appropriate security measures are in place. Accordingly, the Group expects to seek one or more letter of credit facilities to satisfy these requirements.

The BMA maintains supervision over the controllers of all registered insurers in Bermuda.

A controller includes (i) the managing director of the registered insurer or its parent company; (ii) the chief executive of the registered insurer or of its parent company; (iii) a shareholder controller; and (iv) any person in accordance with whose directions or instructions the directors of the registered insurer or of its

parent company are accustomed to act.

The definition of shareholder controller is set out in the Insurance Act but generally refers to (i) a person who holds 10% or more of the shares carrying rights to vote at a shareholders' meeting of the registered insurer or its parent company, or (ii) a person who is entitled to exercise 10 per cent. or more of the voting power at any shareholders' meeting of such registered insurer or its parent company, or (iii) a person who is able to exercise significant influence over the management of the registered insurer or its parent company by virtue of its shareholding or its entitlement to exercise, or control the exercise of, the voting power at any shareholders' meeting.

A shareholder controller that owns 10 per cent. or more but less than 20 per cent. of the shares as described above is defined as a 10 per cent. shareholder controller; a shareholder controller that owns 20 per cent. or more but less than 33 per cent. of the shares as described above is defined as a 20 per cent. shareholder controller; a shareholder controller that owns 33 per cent. or more but less than 50 per cent. of the shares as described above is defined as a 33 per cent. shareholder controller; and a shareholder controller that owns 50 per cent. or more of the shares as described above is defined as a 50 per cent. shareholder controller.

Where the shares of the registered insurer, or the shares of its parent company, are traded on a recognised stock exchange, and a person becomes a 10 per cent., 20 per cent., 33 per cent. or 50 per cent. shareholder controller of the insurer, that person shall, within 45 days, notify the BMA in writing that he has become such a controller. In addition, a person who is a shareholder controller of a Class 4 insurer whose shares or the shares of its parent company (if any) are traded on a recognised stock exchange must serve on the BMA a notice in writing that he has reduced or disposed of his holding in the insurer where the proportion of voting rights in the insurer held by him will have reached or has fallen below 10 per cent., 20 per cent., 33 per cent. or 50 per cent. as the case may be, not later than 45 days after such disposal.

Where the shares of an insurer, or the shares of its parent company, are not traded on a recognised stock exchange (i.e. private companies), the Insurance Act prohibits a person from becoming a shareholder controller unless he has first served on the BMA notice in writing stating that he intends to become such a controller and the BMA has either, before the end of 45 days following the date of notification, provided notice to the proposed controller that it does not object to his becoming such a controller or the full 45 days has elapsed without the BMA filing an objection. Where neither the shares of the insurer nor the shares of its parent company (if any) are traded on any stock exchange, the Insurance Act prohibits a person who is a shareholder controller of a Class 4 insurer from reducing or disposing of his holdings where the proportion of voting rights held by the shareholder controller in the insurer will reach or fall below 10 per cent., 20 per cent., 33 per cent. or 50 per cent., as the case may be, unless that shareholder controller has served on the BMA a notice in writing stating that he intends to reduce or dispose of such holding.

Any person who contravenes the Insurance Act by failing to give notice or knowingly becoming a controller of any description before the required 45 days has elapsed is guilty of an offence and liable to a fine of \$25,000 on summary conviction.

The BMA may file a notice of objection to any person who has become a controller of any description where it appears that such person is not, or is no longer, a fit and proper person to be a controller of the registered insurer. Before issuing a notice of objection, the BMA is required to serve upon the person concerned a preliminary written notice stating the BMA's intention to issue a formal notice of objection. Upon receipt of the preliminary written notice, the person served may, within 28 days, file written representations with the BMA which shall be taken into account by the BMA in making its final determination. Any person who continues to be a controller of any description after having received a notice of objection shall be guilty of an offence and shall be liable on summary conviction to a fine of \$25,000 (and a continuing fine of \$500 per day for each day that the offence is continuing) or, if convicted on indictment, to a fine of \$100,000 and/or 2 years in prison.

UK Insurance Regulation applicable to the Group

The Group intends to support its access to the UK market by way of basic promotional marketing activities within the terms of the Appointed Representative Arrangement. However, all of the Group's underwriting, claims and other reinsurance-related activities will take place in Bermuda and therefore will not be subject to UK regulation. Strict operating guidelines will be in place and enforced to prevent staff from engaging in or conducting regulated activities in the UK.

PART IX - DIRECTORS, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE

1 DIRECTORS

The Directors and their principal positions within the Company, together with a brief description of their business experience and principal business activities outside of the Company, are set out below. The business address of each of the Directors (in such capacity) is Conduit Holdings Limited, 3rd Floor, Power House, 7 Par-La-Ville Road, Hamilton, Bermuda.

Neil Eckert – Executive Chairman

Neil Eckert became a reinsurance broker in 1980, joining Benfield Lovick & Rees & Co in 1986. He was a board member from 1991 until his resignation in 2000.

Neil founded Brit Insurance Limited in 1995 and remained its CEO until 2005, following which he served as a non-executive director of the company until 2008.

Neil was the co-founder and CEO of Climate Exchange PLC until its sale to Intercontinental Exchange in 2010 for approximately £400 million. Following the sale of Climate Exchange, Neil founded Aggregated Micropower Holdings plc which was sold in January 2020.

Neil is currently Chairman of Incubex and is also on the board of Ebix, a \$600 million Nasdaq listed company and the world's leading provider of electronic exchange services to the insurance industry. It has been one of the fastest growing companies in the United States over the last decade.

Trevor Carvey – Executive Director and Group Chief Executive Officer

Trevor Carvey has a track record of profitable build outs in the reinsurance industry. He led the consolidation and subsequent profitable turnaround of the GE Frankona Marine & Energy Global portfolio.

In 2002 he was recruited as a founding underwriter and leader at Arch Re Bermuda which was the poster child of the class of 2002 start-ups and where he was key in the development of the Reinsurance business.

In 2007 Trevor joined Harbor Point Re in the UK to lead the build out of the reinsurance operation over a 5-year period. Subsequently he held the role of CUO Europe in Alterra Re business. Trevor was part of the team responsible for the successful integration of the Alterra Global Re unit into Markel.

Trevor was approached by Hamilton in 2015, to assist in building out a new treaty reinsurance strategy in the UK and subsequently took on the overall role for leading the Lloyd's approval of the syndicate business plan as active underwriter.

Mark Heintzman – Executive Director and Chief Financial Officer

Mark Heintzman is a CPA/CFA/ARe qualified accountant with 30 years experience in the insurance and reinsurance industry, most recently as CFO for Ironshore Insurance Limited, a Bermuda Class 4 licensed company. Prior to Ironshore, Mark worked in Corporate Finance at Scotia Capital Markets in Toronto and at Fairfax Financial Holdings as corporate controller and as CFO of one of Fairfax's subsidiary companies. Mark was also CFO of Western General Insurance.

Mark has extensive experience in Treasury, Financial Controller and CFO roles in the industry, for businesses across a wide range of different underwriting classes and territories, including start up experience.

Mark will be based in Bermuda and will take responsibility for managing all financial aspects of the Group's business activities including its outsource partner relationships, all aspects of the Group's internal and external financial reporting (including A.M. Best) and the execution and oversight of the Group's Investment Management strategy.

Sir Brian Williamson CBE - Senior Independent Director

Sir Brian Williamson has held a number of Chairmanships and Directorships in Banking, Exchanges, Funds & Investment Trusts, and Private Equity.

Sir Brian was Chairman and Chief Executive of Gerrard Group PLC., a member of the Court of the Bank of Ireland. Sir Brian was a director of HSBC Holdings PLC, where he was also the Chairman of the Nomination Committee. Sir Brian was also a director of NYSE Euronext and Chairman of the Remuneration Committee.

Sir Brian was one of the four founders of the London International Financial Futures Exchange and twice Chairman. In the U.S., Sir Brian has been a member of both Nasdaq (additionally serving as Chairman of its International Advisory Board), the New York Stock Exchange and, in the UK, The Climate Exchange PLC. Sir Brian is currently a director of the London International Vintners Exchange and Incubex which is in partnership with the European Energy Exchange, part of Deutsche Borse Group and Nodal Exchange in the U.S..

Sir Brian is a former director of Fleming Emerging Markets Investment Trust PLC, Templeton Emerging Market Investment Trust PLC, Waverton Investment Trust PLC and he chaired Electra Private Equity PLC. Sir Brian was also the first Chairman of Resolution Life Group.

Sir Brian has served on regulatory bodies in both the U.S. and UK, the National Association of Securities Dealers and The Financial Services Authority.

Sir Brian is a director of three family funds and was the first Chairman of the Armed Forces Common Investment Fund. He was a Trustee of the Winston Churchill Memorial Trust and on various boards of Windsor Castle. He is a Lieutenant of Her Majesty's Commission for the City of London and is an Honorary Bencher of the Inner Temple.

Sir Brian is also currently Chairman of RJ Fleming & Co Ltd, Vice Chairman of Bergos Fleming in Zurich and a director of Politeia – the UK Forum for Social and Economic Thinking.

Elizabeth Murphy - Non-Executive Director

Elizabeth Murphy is a Bermuda resident and has worked in the insurance and reinsurance industry for more than 30 years. Elizabeth qualified as a Chartered Accountant with Coopers & Lybrand in London and moved to work for them in Bermuda. She continued her career with ACE Tempest Reinsurance Ltd as Chief Financial Officer from 1993 to 2000 and as Treasurer of ACE Limited for the next two years.

From 2002 to 2006, Elizabeth worked for Scottish Re Group Limited, as Chief Financial Officer and Executive Vice President. From 2006 to 2008 she was a non-executive director of Kiln Limited, Chair of the Compensation Committee and Member of the Audit committee and she also served on the Board of SCPIE Holdings Inc. where she was a member of the Audit Committee and Stock Option Committee. From 2009 to 2015 Elizabeth was an Executive Director and Chief Financial Officer of Amlin Bermuda Ltd. / Amlin AG and a member of the Risk Committee.

Since 2017 Elizabeth has been a non-executive director of Bernina Re Ltd. where she chairs the Audit Committee, Investment Committee and Claims and Reserving Committee.

Ken Randall - Non-Executive Director

Ken Randall is a Certified Accountant and has worked in the Insurance industry for more than 46 years. During the early 1980s, Ken was Head of Regulation at Lloyd's which was then a self-regulated institution. From 1985 until 1991 Ken served as Chief Executive of the Merrett Group, which managed a number of prominent Syndicates at Lloyd's.

In 1991, Ken left Merrett to set up his own business in partnership with Alan Quilter. Over the next 8 years they developed the Randall & Quilter Group's principal subsidiary, the Eastgate Group, into the UK's largest third party provider of insurance services with 1,300 employees and a turnover of over £80m per annum. Eastgate was sold to Capita plc in November 2000.

Following the sale of Eastgate, Ken and Alan refocused Randall & Quilter onto the acquisition of non-life legacy run-off portfolios and again developed an insurance servicing business in London and the U.S.; initially, the Randall & Quilter Group's service offering focused on legacy portfolios.

In 2007 Ken presided over the Randall & Quilter Group's admission to AIM, part of the London Stock Exchange. Ken remains a principal shareholder and is Executive Chairman of the Randall & Quilter Group. He is to retire from Randall & Quilter in March 2021.

Malcolm Furbert - Non-Executive Director

Malcolm Furbert is a corporate and regulatory lawyer with over 30 years' experience including as a corporate lawyer with one of Bermuda's leading law firms and over 15 years' diverse in-house legal counsel and management experience with Bermuda based insurance and reinsurance companies (including American International Company Limited, Catlin Insurance Company Limited and XL Catlin), most recently as General Counsel and Head of Compliance & Regulatory Affairs for the Bermuda operations of XL Catlin a Bermuda based global re/insurance company (following the acquisition of the

Catlin Group by XL Capital). In these roles he provided general and transactional legal and regulatory advice and support to all business areas, and had oversight over the Bermuda compliance function. He also acted as company secretary to both regulated and non-regulated group companies.

He holds a B.A. in Economics from Dalhousie University, an LLB (Hons) from Bristol University and is a member of the Bar of England and Wales and the Bermuda Bar.

Malcolm resides in Bermuda.

Dr. Richard L. Sandor - Non-Executive Director

Dr. Richard L. Sandor is an entrepreneur and economist and is Chairman and CEO of the American Financial Exchange (AFX) and the CEO of Environmental Financial Products (EFP).

Dr. Sandor is currently the Aaron Director Lecturer in Law and Economics at the University of Chicago Law School and an honorary Professor at the University of Hong Kong and the school of Economics at Fudan University. He formerly taught at graduate and undergraduate levels at several universities throughout California, Illinois, New York, China and England.

Dr. Sandor is a member of the Advisory Board of the Center for Financial Stability, a senior Fellow of the Milken Institute and International Emissions Trading Association and a member of the Advisory Committee of the Ronald Coase Centre for Property Rights Research at the University of Hong Kong.

He formerly served on the boards of leading commodity and futures exchanges in the U.S., such as the CME and ICE, and in London and China, as well as one of North America's largest utility companies, American Electric Power, and several philanthropic and non-for-profit organizations.

He has a Bachelor of Arts degree from the City University of New York, Brooklyn College, and a Ph.D. in Economics from the University of Minnesota. In addition, he holds an honorary degree of Doctor of Science, honoris causa, from the Swiss Federal Institute of Technology (ETH).

2 SENIOR MANAGEMENT

The Company's current senior management team, in addition to the Directors, is as follows. The business address of each of the Senior Management (in such capacity) is Conduit Holdings Limited, 3rd Floor, Power House, 7 Par-La-Ville Road, Hamilton, Bermuda.

Stuart Quinlan – Deputy CEO and Group COO

An experienced insurance and reinsurance leader, Stuart has a track record for developing and building successful, enduring and profitable businesses. With a solid background in running all aspects of the business, Stuart has particular expertise in delivering effective IT strategies, recruitment and retention of top talent and monitoring and controlling the business. He has experience of dealing with regulators, rating agencies and investment stakeholders.

Stuart started his 30-year career underwriting casualty lines specialising in financial lines. At Royal & SunAlliance he was responsible for their UK financial lines book when he left in 2004 to join Novae as Underwriting Director.

From 2007 to 2012 at Zurich Insurance, he was head of Financial Lines and then CUO Professional Lines across Europe. He was then Head of Specialty and Deputy Active Underwriter at Barbican Insurance (Syndicate 1955). He joined Hamilton Insurance in 2015 to establish a new Lloyd's business with Trevor Carvey.

Stuart will take on the role of Deputy CEO for Conduit Reinsurance, working with Trevor on all aspects of the business and will take direct responsibility for operations.

Tristan McDonald - London Head and Group Strategic Development

Tristan has a 20-year background of working in the financial markets, primarily in the reinsurance industry, as a corporate finance adviser. He has had a particular focus on start-ups and has advised on and helped to build a wide range of start-up insurance and reinsurance businesses, including Montpelier Re in 2001/2 and Lancashire Insurance in 2005/6.

Tristan started his career working for the UBS Investment Banking Financial Institutions team where he worked on a number of post R&R Lloyd's insurance vehicles. He joined Benfield Advisory, Benfield's corporate finance division, in 1997 and then ran this business from 2000 until 2011.

He has been involved in all aspects of building start up reinsurers, from raising capital, arranging and

managing licences in multiple jurisdictions, arranging and managing Financial Strength ratings, building operating infrastructure and business development.

Tristan will initially work closely with Stuart building the operations of Conduit Reinsurance and oversee the Group's London office and provide advice and guidance on the strategic development of the Group.

Greg Lunn - General Counsel and Company Secretary

Greg Lunn is a highly experienced lawyer who has held a number of senior in-house legal positions in the global insurance and reinsurance industry over the last 25 years.

His most recent role in the industry was as Group Legal Counsel for Lancashire Holdings Limited, a Bermuda based London listed insurance/reinsurance group, where he was also initially responsible for establishing Lancashire's internal audit function. Prior to this role, he spent 10 years in senior management roles in the legal team at a major global insurance and reinsurance group.

Greg will be based in Bermuda and will be responsible for all legal aspects of the Group's business activities, including all contracts, regulatory matters and any legal actions or disputes, including claims, company secretarial responsibilities, data protection and regulatory compliance.

3 CORPORATE GOVERNANCE

The Board is committed to the highest standards of corporate governance. As a company with a Standard Listing, the Company will not be required to comply, or otherwise explain non-compliance, with the requirements of the UK Corporate Governance Code. Following Admission, however, the Company voluntarily intends and commits to comply with the UK Corporate Governance Code, subject to the limited exceptions set out below, and to report on its compliance or non-compliance with the UK Corporate Governance Code as if it were required to under the Listing Rules. The Board has analysed compliance with the UK Corporate Governance Code and, as at Admission, Conduit will have the necessary operational framework in place and, except as set out immediately below, will be in compliance with the provisions of the UK Corporate Governance Code. In accordance with the requirements of the UK Corporate Governance Code, if the position as to compliance changes at any future date such non-compliance will be fully disclosed in the Company's annual report for the relevant year.

3.1 The Board

The Board is responsible for leading and controlling the Company and has overall authority for the management and conduct of its business, strategy and development. The Board is also responsible for ensuring the maintenance of a sound system of internal controls and risk management (including financial, operational and compliance controls) and for reviewing the overall effectiveness of systems in place as well as for the approval of any changes to the capital, corporate and/or management structure of the Company. To ensure transparency and accountability of the business to the independent non-executive directors, the Board will be invited to attend subsidiary board level meetings and see all minutes and records of such subsidiary board and committee meetings.

Conduit has put in place a Board with a strong blend of experience in, *inter alia*, insurance and other financial services, accounting and governance. The Board will oversee the Company's early trading and operation as a public company. Under the leadership of the Senior Independent Director, the Board will consider in the first half of 2021 the long term Board skills and diversity required to take the business forward and, if appropriate, following due process make additions to the Board and refinements to the governance structure. The Board is mindful that Conduit is a new entity seeking to build a world class business and the Senior Independent Director will regularly lead a Board review to make sure that Conduit always has the required Board resources available to help meet its objectives.

3.1.1 Compliance with corporate governance requirements

(a) Board and committee independence

The UK Corporate Governance Code recommends that at least half the board of directors of a UK listed company, excluding the chair, should comprise non-executive directors determined by the Board to be independent in character and judgment and free from relationships or circumstances which may affect, or could appear to affect, this judgment. The Board has determined that all of the Non-Executive Directors are free from any business or other relationship that could materially interfere with the exercise of their independent judgment and are therefore "independent non- executive directors" within the meaning of the UK Corporate Governance Code. On Admission, the Company will have

two Executive Directors (not including the Executive Chairman) and five independent Non-Executive Directors and therefore will comply with the UK Corporate Governance Code in this respect.

(b) Chair of the Board

The UK Corporate Governance Code recommends that a chairman should meet the independence criteria set out in the UK Corporate Governance Code on appointment. The Company will not comply with the UK Corporate Governance Code in this respect as Neil Eckert will be Executive Chairman. However, the roles of Chair and Chief Executive Officer at Conduit are not exercised by the same individual. Further, the Board believes that effective business leadership will be provided by Neil Eckert as Executive Chairman and Trevor Carvery as Chief Executive whilst at the same time, appropriate checks and balances and scrutiny will be maintained through:

- the balance of the board which contains five independent non-executives and three executives;
- the strong and relevant experience of the non-executives each of whom is independent; and
- the clear segregation of duties between the Executive Chairman and the Senior Independent Director.

(c) Senior independent director

The UK Corporate Governance Code also recommends that the board of directors of a company should appoint one of the independent non-executive directors to be the senior independent director to provide a sounding board for the chair and to serve as an intermediary for the other directors when necessary. The senior independent director has an important role on the Board in leading on corporate governance issues and being available to Shareholders if they have concerns which contact through the normal channels of the Chair, Chief Executive Officer or other Executive Directors has failed to resolve or for which such contact is inappropriate. Sir Brian Williamson has been appointed as the senior independent director of the Board.

(d) Re-election

The UK Corporate Governance Code recommends that all directors of FTSE350 companies should be subject to election by shareholders at the first annual general meeting after their appointment, and to annual re-election thereafter. The Directors therefore intend to put themselves up for election at the Company's next annual general meeting. It is also intended that the Directors will continue to put themselves up for annual re-election voluntarily at each further annual general meeting of the Company. In addition, prior to recommending their re-election to Shareholders, the Board intends to carry out an annual re-assessment of the ongoing independence of each of the non-executive Directors and to make an appropriate statement disclosing their status in the Company's annual report.

(e) Identification of the chairman and non-executive directors

The UK Corporate Governance Code provides that open advertising and/or an external search consultancy should generally be used for the appointment of the chair and non-executive directors. While an external search firm was not used during the initial start-up phase of the business, Conduit believes that it has formed a strong board with an excellent mix of diversity, skills and experience.

Conduit confirms it will comply with this provision for subsequent appointments or it will explain clearly why it has not.

(f) Remuneration schemes

The UK Corporate Governance Code provides that remuneration schemes and policies should enable the use of discretion to override formulaic outcomes. In the context of Conduit being a start-up company, it has been determined that an absolute calibration to the Management Promote rather than a relative return or discretionary based scheme is appropriate in the circumstances.

Malus and clawback provisions apply to both bonus payments and the Management Promote and are set out in more detail in Section 8.2 of Part VIII – "Information on the Group".

(g) Diversity

As at Admission, the Board will comprise one woman and future appointments will have regard to diversity, including gender. In accordance with the UK Corporate Governance Code, the Company will report on the Board's policy on diversity, including gender, in its next annual report.

3.1.2 Board Committees

The Board has established a number of committees, whose terms of reference are documented formally and updated as necessary. If the need should arise, the Board may set up additional committees as appropriate. The board of Conduit Reinsurance has also established a number of committees, as set out in Section 12 of Part VIII - "Information on the Group" of this Prospectus.

(a) Audit Committee

The Audit Committee will be chaired by Elizabeth Murphy and its other member on Admission will be Ken Randall. The Audit Committee will meet at least three times a year, and more frequently if required. The quorum necessary for the transaction of business at any meeting of the Audit Committee is two members.

The Audit Committee's terms of reference state that the Audit Committee must comprise a Chair and a minimum of one other member. All of the members must be independent non-executive directors with competence relevant to the sector in which the Company operates, and at least one member must have recent and relevant financial experience and competence in accounting and/or auditing. The Board considers Elizabeth Murphy to have recent and relevant financial experience.

Appointments to the Audit Committee are made by the Board, on recommendation by the Nomination Committee and in consultation with the chairman of the Audit Committee. Appointments to the Committee shall be for a period for up to three years, which may be extended by no more than two further periods of up to three years, provided the members continue to be independent. Appointment of the Chair of the Audit Committee is also made by the Board on the recommendation of the Nomination Committee.

The Audit Committee's role is to assist the Board with the discharge of its responsibilities in relation to financial reporting, including reviewing the Group's annual financial statements and accounting policies, internal and external audits and controls, reviewing and monitoring the scope of the annual audit and the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors and reviewing the effectiveness of the internal audit, internal controls, whistleblowing and fraud systems in place within the Group. The Audit Committee will meet as often as it deems necessary but at least three times a financial year.

Outside of the formal meeting programme, the chair of the Audit Committee will maintain a dialogue with key individuals, including the Chairman, the CEO, the CFO, as well as senior managers and/or internal or external auditors. The chair of the Audit Committee will be available at annual general meetings of the Company to respond to questions from Shareholders on the Audit Committee's activities.

(b) Remuneration Committee

The Remuneration Committee has delegated responsibility for determining the policy for executive remuneration and setting remuneration for the Chair, the Executive Directors and senior management. It reviews workforce remuneration and related policies and the alignment of incentives and rewards with culture, taking them into account when setting the policy for Executive Directors' remuneration. The Remuneration Committee also prepares an annual remuneration report for approval by the Shareholders at the annual general meeting. The Remuneration Committee will normally meet not less than two times a year.

The terms of reference of the Remuneration Committee cover membership and frequency of meetings, as mentioned above, together with the requirements for quorum and the right to attend meetings. The responsibilities of the Remuneration Committee covered in its terms of reference include determining and monitoring the strategy and policy on remuneration, termination, performance-related pay, pension arrangements, reporting and disclosure, share incentive plans and remuneration consultants. The terms of reference also set out the reporting responsibilities and the authority of the Remuneration Committee to carry out its responsibilities.

The UK Corporate Governance Code recommends that, for companies in the FTSE 350, the Remuneration Committee comprises at least three members who are independent non-executive

directors, one of whom may be the Chairman (but who may not chair the Remuneration Committee). The terms of reference of the Remuneration Committee require that its composition comply with these requirements. The Remuneration Committee is chaired by Sir Brian Williamson and its other members are Ken Randall, Malcolm Furbert and Richard Sandor.

In line with the provision in the updated UK Corporate Governance Code (which applies to accounting periods beginning on or after 1 January 2019), the chairman of the Remuneration Committee should have served on a remuneration committee for at least 12 months and this provision will be satisfied on Admission by Sir Brian Williamson.

(c) Nomination Committee

The Nomination Committee will be chaired by Ken Randall, and its other members will be Elizabeth Murphy, Brian Williamson, Malcolm Furbert and Richard Sandor. The Nomination Committee will meet at least two times a year, or more frequently if required. The quorum necessary for the transaction of business at any meeting of the Nomination Committee shall be two members.

The Nomination Committee's terms of reference state that the Nomination Committee must comprise a Chair and at least two other members and that a majority of its members must be independent non-executive directors.

Appointments to the Nomination Committee are made for a period of three years (subject to the director remaining a member of the Board and the Company's Bye-laws) which may be extended for up to two further periods of three years, provided the director whose appointment is being considered still meets the criteria for membership. The Chair of the Nomination Committee shall review membership of the Committee annually.

The responsibilities of the Nomination Committee include: (i) reviewing the size, structure and composition of the Board and ensuring that the Board comprises the right balance of skills, knowledge, diversity and experience; (ii) identifying and nominating for approval candidates to fill any vacancies on the Board; (iii) giving full consideration to succession planning for the Group; and (iv) making recommendations to the Board concerning membership of the Audit Committee and the Remuneration Committee in consultation with the chairs of those committees.

The Nomination Committee will also prepare a report to be included in the Company's annual report. This will describe the activities of the Nomination Committee including, among other matters, the process used to make appointments. The Chair of the Nomination Committee will be available at annual general meetings of the Company to respond to questions from Shareholders on the Nomination Committee's activities.

3.1.3 Environmental, Social and Governance

Introduction

The Chair and Head of Human Resources at Conduit are charged with leading the Company's environmental, social and governance ("ESG") policies as a term of their contract of employment.

Conduit has established an ESG Working Group made up of Board and non-Board members. This working group will meet quarterly and its findings and reports are made available to the whole Board formally through Board papers. The Head of Human Resources will attend all Board meetings to discuss these reports and findings with Board colleagues.

The ESG Working Group will be charged with assisting Conduit challenge convention, improve business practices over outdated norms and help build a business which is regarded as great to work for, great to be invested in and great to have as a community partner. The ESG Working Group will challenge itself and be challenged by the Board to bring sound ESG principles into the day to day life of the company promoting better risk management, innovation, sustainable outperformance and community engagement.

Conduit will aim to be a Zero-Carbon business. In the short-term Conduit will target a Net-Zero position through a combination of sound business practices and strategically chosen offset initiatives.

Reporting Framework

Conduit will regularly update all stakeholders on its ESG policies and initiatives through its website and as part of its corporate communications strategy.

Conduit will use the UN Environment Programme Finance Initiative as its reporting framework for all stakeholders and an ESG Report will be set out in each Annual Report. This report will also be published

on the Company's website.

UN Benchmarking: Key Principles for Sustainable Insurance and Consideration of Achievable Actions:

Principle Description	Possible Actions
Embed in decision-making ESG issues relevant to insurance business	<ul style="list-style-type: none">• Ensure the company strategy identifies, amasses, manages and monitors ESG issues in business operations• Develop products and services which reduce risk, have a positive impact on ESG issues and encourage better risk management• Integrate ESG issues into risk management, underwriting and capital adequacy decision-making processes• Educate sales and marketing staff on ESG issues relevant to products and services• Integrate ESG issues into investment decision-making and ownership practises, e.g. by implementing Principles for Responsible Investment
Work together with clients and business partners to raise awareness of ESG issues, manage risk and develop solutions	<ul style="list-style-type: none">• Communicate with clients and suppliers on the company's expectations and requirements on ESG issues• Encourage clients and suppliers to disclose ESG issues and to use relevant disclosure or reporting framework
Work together with governments, regulators and other key stakeholders to promote widespread action across society on ESG issues	<ul style="list-style-type: none">• Support prudential policy, regulatory and legal frameworks that enable risk reduction, innovation and better management of ESG issues• Communicate with business and industry associations to better understand and manage ESG issues across industries and geographies
Demonstrate accountability and transparency in regularly disclosing publicly the progress in implementing the Principles	<ul style="list-style-type: none">• Proactively and regularly disclose information on the company's progress in managing ESG issues publicly• Participate in disclosure or reporting frameworks

Actions

Conduit's ESG initiatives for 2020/2021 will include:

Company and Climate Change

- embedding positive initiatives into its risk management and supply chain practices which promote positive change;
- adopting an investment strategy which embraces its ESG framework, for example investing where possible into Green Bonds and other fixed income securities which meet Conduit's ESG and Investment criteria; and
- deploying its human capital, industry position and influence to be a force for change.

Company and Community

- community outreach programme involved in local education, charitable activity, social enterprise and engagement with dislocated groups such as older citizens; and
- active internship programme with an emphasis on gender and racial diversity.

4 REMUNERATION POLICY

Details regarding the remuneration policy of Directors are set out at Section 11 of Part XIV – "Additional Information".

PART X - THE OFFER

1 DESCRIPTION OF THE OFFER

This Part X – "The Offer" should be read in conjunction with Part VI - "Expected Timetable of Principal Events and Offer Statistics" on page 37 of this Prospectus.

A total of 164,129,996 new Shares ("New Shares") have been allocated to Investors pursuant to the Offer at the Offer Price of 500 pence per New Share. The Offer is conditional only on the Placing Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms prior to Admission and Admission occurring on or before 8.00 a.m. on 7 December 2020 (or such later date, not being later than 31 December 2020, as may be agreed by the Company and the Banks). If Admission does not occur by such date, the Offer will not proceed, and all monies paid will be refunded to the applicants without interest. Completion of the Offer will be announced via a regulatory news service on Admission, which is expected to take place at 8.00 a.m. on 7 December 2020.

The Banks have agreed, subject to certain conditions, to use reasonable endeavours to procure subscribers for the New Shares forming part of the Offer at the Offer Price failing which the Banks shall subscribe for such New Shares themselves.

Applications under the Offer were required to be received by the Banks no later than 4.30 p.m. on 1 December 2020 (or such later time and/or date as the Company and the Banks may agree).

The Offer is conditional on:

- (1) the Placing Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms prior to Admission; and
- (2) Admission having become effective on or before 8.00 a.m. on 7 December 2020 (or such later date, not being later than 31 December 2020, as the Company and the Banks may agree).

Conditional dealings on the London Stock Exchange before Admission will only be settled if Admission takes place. All dealings in Shares prior to commencement of unconditional dealings will be at the sole risk of the parties concerned. Admission is expected to take place and unconditional dealings in the Shares are expected to commence on the London Stock Exchange on 7 December 2020 (and further detail on dealings are set out at Section 4 of this Part below). Immediately following Admission, 57.4 per cent. of the Shares will be held in public hands (within the meaning of Listing Rule 14.2.2R).

No application has been or is currently intended to be made for the Shares to be admitted to listing or dealt with on any other stock exchange. When admitted to trading, the Shares will be registered with ISIN BMG243851091 and SEDOL number BN133N2.

The Offer is being made: (i) to certain institutional investors in the UK and elsewhere outside the United States in reliance on Regulation S and in compliance with applicable laws and (ii) in the United States to persons reasonably believed to be QIBs pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

2 ALLOCATION AND PLACING

Allocations under the Offer have been determined at the discretion of the Banks, following consultation with the Company. A number of factors are considered in determining the basis of allocation, including the level and nature of demand for the New Shares in the Offer and the objectives of encouraging an orderly and liquid after-market in the Shares, and establishing an investor profile consistent with the long-term objectives of the Company.

Investors in the Offer have been advised verbally or by electronic mail of their allocation. Upon accepting any allocation, investors will be contractually committed to acquire the number of New Shares allocated to them at the Offer Price and, to the fullest extent permitted by law, will be deemed to have agreed not to exercise any rights to rescind or terminate, or otherwise withdraw from, such commitment.

All New Shares issued or sold pursuant to the Offer will be issued or sold, payable in full, at the Offer Price.

3 PLACING ARRANGEMENTS

The Company, the Directors and the Banks have entered into the Placing Agreement pursuant to which the Banks have agreed, subject to certain conditions, to procure subscribers and/or purchasers for the New Shares which are allocated pursuant to the Offer. All such subscriptions and purchases (as applicable) will be at the Offer Price.

The Placing Agreement contains provisions entitling the Banks to terminate the Offer (and the arrangements associated with it) at any time prior to Admission in certain circumstances. If this right is exercised, the Offer and these arrangements will lapse and any monies received in respect of the Offer will be returned to applicants without interest.

The Placing Agreement provides for the Banks to be paid commissions in respect of the New Shares to be allotted pursuant to the Offer. Any commissions received by the Banks may be retained, and any New Shares subscribed for or purchased by the Banks may be retained, or dealt in, by them for their own benefit.

The Banks and/or their respective affiliates may have, from time to time, been engaged, and may in the future engage, in commercial banking, investment banking and financial advisory and ancillary activities in the ordinary course of their business with the Company (or any parties related to the Company) for which they have received, or may in the future receive, customary compensation, fees and/or commissions.

As a result of acting in the capacities described above, the Banks may have interests that may not be aligned, or could potentially conflict, with investors' and/or the Company's interests.

Further details of the terms of the Placing Agreement are set out in Section 15 of Part XIV – "Additional Information" of this Prospectus.

4 ADMISSION, DEALINGS AND SETTLEMENT ARRANGEMENTS

The Offer is subject to the satisfaction of the conditions set out in the Placing Agreement, including Admission occurring and becoming effective by no later than 8 a.m. on 7 December 2020 or such later date and/or time, not being later than 31 December 2020, as the Company and the Banks may agree, and to the Placing Agreement not having been terminated. Further details of the Placing Agreement are set out in the section headed "Placing Arrangements" above and in Section 15 of Part XIV – "Additional Information" of this Prospectus.

Application has been made to the FCA and London Stock Exchange for Admission. Conditional dealings in the Shares are expected to commence on the London Stock Exchange at 8.00 a.m. (London time) on 2 December 2020. It is expected that Admission will become effective and that unconditional dealings in the Shares will commence on the London Stock Exchange at 8.00 a.m. (London time) on 7 December 2020. All dealings in the Shares before the commencement of unconditional dealings will be on a "when issued" basis and will be of no effect if Admission does not take place. Such dealings will be at the sole risk of the parties concerned. It should be noted that if Admission does not occur all conditional dealings will be of no effect and any share dealings will be at the sole risk of the parties concerned.

Each investor in the Offer will be required to pay the Offer Price for the New Shares issued or sold to such investor in such manner as shall be directed by the Banks. No expenses will be charged by the Company to any subscribers or purchasers of New Shares pursuant to the Offer.

It is expected that New Shares allocated to investors in the Offer will be delivered by crediting Depositary Interests to relevant CREST stock accounts and settlement will take place through CREST on Admission. No temporary documents of title will be issued. Dealings in advance of crediting of the relevant CREST stock account shall be at the risk of the person concerned.

In connection with the Offer, each of the Banks and any of their respective affiliates may take up a portion of the New Shares in the Offer as a principal position, and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such New Shares and any other securities of the Company or related investments in connection with the Offer or otherwise. Accordingly, references in this Prospectus to the New Shares being issued, offered, subscribed, acquired, placed or otherwise dealt with should be read as including any issue, offer, subscription, acquisition, dealing or placing by the Banks and any of their affiliates acting in such capacity. In addition, certain of the Banks or their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which such Banks (or their affiliates) may from time to time acquire, hold or dispose of the New Shares. None of the Banks intends to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so.

5 STABILISATION AND OVERALLOTMENT

No stabilisation will be carried out and no over-allotment option will be granted in connection with the Offer.

6 CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. Upon Admission, the Bye-laws will permit the holding of Shares under the CREST system. The Company has applied for the Depositary Interests to be admitted to CREST with effect from Admission and it is expected that the Depositary Interests will be admitted with effect from that time. Accordingly, settlement of transactions in the Depositary Interests following Admission may take place within the CREST system if any Shareholder so wishes.

CREST is a voluntary system and shareholders who wish to receive and retain share certificates will be able to do so. An investor applying for New Shares in the Offer may elect to receive New Shares in uncertificated form in the form of Depositary Interests if such investor is a system-member (as defined in the Regulations) in relation to CREST.

7 REASONS FOR THE OFFER AND USE OF PROCEEDS

The issue of New Shares under the Offer will result in Net Proceeds of £782.4 million being raised. This number is reached after deducting commissions and other estimated fees and expenses incurred in connection with the Offer of £38.3 million from Gross Proceeds of £820.6 million.

The principal use of the Net Proceeds of the Offer received by the Company will be to write reinsurance in line with the Company's business plans. To support this, the net proceeds of the Offer received by the Company will be used to capitalise Conduit Reinsurance to a level such that its capitalisation meets the levels required for the purposes of its targeted formal release of an A.M. Best rating of "A-" (Excellent). As announced on 18 November 2020, Conduit Reinsurance has received a Preliminary Credit Assessment ("PCA") from A.M. Best with a Financial Strength Assessment of "A- pca" (Excellent). It is anticipated that upon receipt of the Net Proceeds, and following exchange into U.S. dollars, a U.S. dollar equivalent of approximately £40 million will initially be retained as cash to assist with the working capital of the Group's business with the balance of the Net Proceeds invested into the Group's target investment portfolio (which will include cash and other liquid assets).

8 LOCK-UP ARRANGEMENTS

Lock-up in relation to the Company

Pursuant to the Placing Agreement, the Company has entered into certain lock-up arrangements with the Banks pursuant to which it has agreed that, subject to the exceptions described below, during the period of 180 days from the date of Admission, it will not, without the prior written consent of the Banks, directly or indirectly, offer, issue, allot, lend, mortgage, assign, charge, pledge, sell or contract to sell or issue, issue options in respect of, or otherwise dispose of, or announce an offering or issue of, any Shares (or any interest therein or in respect thereof) or any other securities exchangeable for or convertible into, or substantially similar to, Shares or enter into any transaction with the same economic effect as, or agree to do, any of the foregoing.

Lock-up in relation to certain Directors and certain members of the Group's management

Each of Neil Eckert, Trevor Carvey, Mark Heintzman, Sir Brian Williamson, Elizabeth Murphy, Malcolm Furbert, Stuart Quinlan, Tristan McDonald and Greg Lunn, who will together hold 990,001 Shares following Admission, has undertaken to the Company and the Banks that, following Admission, he or she will, subject to certain limited exceptions, not sell or otherwise dispose of, or agree to sell or otherwise dispose of, any Shares (or any interest therein) in the capital of the Company held by him or her, respectively, except with the prior written consent of the Banks. These restrictions apply to disposals of such Shares for a period of 365 days from Admission and thereafter the same individuals have agreed, in order to preserve an orderly market, for a period of a further 6 months only to sell such shares through the Banks (or whichever of the Banks continues to be the Company's broker and continues to provide a certain level of service).

9 INVESTOR'S REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

Each investor and, in the case of sub-paragraph (g) below of this Part X – "The Offer", any person confirming agreement to subscribe for and/or purchase New Shares on behalf of an investor or authorising

the Banks to notify an investor's name to the Registrar (as defined below) in connection with the Offer, is deemed to represent, warrant and undertake to each of the Banks, the Registrar and the Company that:

- (a) in agreeing to subscribe for and/or purchase New Shares pursuant to the Offer, the investor is relying on this Prospectus, any supplementary prospectus, and any regulatory announcement issued by the Company on or after the date hereof, and not on any other information or representation concerning the Company, the Shares, or the Offer, such investor agrees that none of the Company, Kinmont, the Banks, the Registrar, nor any of their respective employees, directors, officers, agents, advisers and/or affiliates will have any liability for any such other information or representation; and such investor irrevocably and unconditionally waives any rights it may have in respect of any other information or representation; provided that this paragraph shall not exclude any liability for fraudulent misrepresentation;
- (b) the contents of this Prospectus are exclusively the responsibility of the Company and its directors, and none of Kinmont, the Banks, the Registrar nor any person acting on behalf of any of them nor any of their respective employees, directors, officers, agents, advisers and/or affiliates is responsible for, or shall have any liability for, any information or representation contained in this Prospectus or any information published by or on behalf of the Company, and none of Kinmont, the Banks, the Registrar nor any person acting on behalf of any of them nor any of their respective employees, directors, officers, agents, advisers or affiliates will be liable for any decision by an investor to participate in the Offer based on any information or representation contained in this Prospectus, any supplementary prospectus or otherwise;
- (c) the investor has not relied on the Banks, Kinmont nor any of their respective employees, directors, officers, agents, advisers and/or affiliates in connection with: (i) any investigation in relation to the Company, the Shares or any other matter; (ii) any investigation of the accuracy of any information contained in this Prospectus, any supplementary prospectus or any other document; (iii) the investor's investment decision; or (iv) any other matter;
- (d) the Banks and Kinmont are acting for the Company and no one else in connection with the Offer, and will not be responsible to anyone other than their respective clients for the protections afforded to their respective clients, nor for providing advice in relation to the Offer, the contents of this Prospectus or any transaction, arrangements or other matters referred to herein, or in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement or for the exercise or performance of any of the Banks' rights and obligations under the Placing Agreement, including, without limitation, any right to waive or vary any condition or exercise any termination right contained therein;
- (e) it is a person to whom it is lawful for the offer of New Shares to be made under the laws of the jurisdiction in which the investor is located;
- (f) it is entitled to subscribe for and purchase New Shares under the laws of all relevant jurisdictions which apply to it; it has fully observed such laws and obtained all governmental and other consents which may be required under such laws and complied with all necessary formalities; it has paid all issue, transfer or other taxes due in connection with its subscription for and/or purchase of the New Shares in any jurisdiction; and it has not taken any action or omitted to take any action which will or may result in any of the Company, Kinmont, the Banks, the Registrar and/or any of their respective affiliates, directors, officers, agents, employees and/or advisers acting in breach of the legal and regulatory requirements of any jurisdiction in connection with the Offer or, if applicable, its acceptance of or participation in the Offer;
- (g) in the case of a person who confirms to the Banks on behalf of an investor an agreement to subscribe for and/or purchase New Shares and/or who authorises the Banks to notify the investor's name to the Registrar, that person represents and warrants that it has authority to do so on behalf of the investor;
- (h) the investor is not, and is not applying as nominee or agent for, a person which is, or may be, mentioned in any of sections 67, 70, 93 and 96 of the UK Finance Act 1986 (depository receipts and clearance services);
- (i) it will pay to the Banks (or as they may direct) any amounts due from it in accordance with this Prospectus on the due time and date set out herein; and
- (j) the Company, Kinmont, the Banks and the Registrar will rely upon the truth and accuracy of the foregoing representations, warranties and undertakings.

10 SELLING RESTRICTIONS

The distribution of this Prospectus and the offer of Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions, including those set out in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No action has been or will be taken in any jurisdiction that would permit a public offering of the New Shares, or possession or distribution of this Prospectus or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the New Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisement in connection with the New Shares may be distributed or published in or from any country or jurisdiction except in circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions on the distribution of this Prospectus and the offer of New Shares contained in this Prospectus. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Prospectus does not constitute an offer to subscribe for or purchase any of the New Shares to any person in any jurisdiction to whom it is unlawful to make such offer of solicitation in such jurisdiction.

United States

This Prospectus is not a public offering (within the meaning of the U.S. Securities Act) of securities in the United States. The Shares have not been, and will not be, registered under the U.S. Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act and applicable state or other securities laws. Accordingly, the Company may offer New Shares: (a) in the United States only to persons reasonably believed to be QIBs as defined in Rule 144A pursuant to an exemption from, or in transactions not subject to, the registration requirements under the U.S. Securities Act, and (b) outside the United States in offshore transactions in reliance on Regulation S.

In addition, until 40 days after the commencement of the Offer, any offer or sale of the New Shares within the United States by any dealer (whether or not participating in the Offer) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another available exemption from registration under the U.S. Securities Act.

Purchasers in the United States

The Placing Agreement provides that the Banks may directly, or through their respective United States broker-dealer affiliates, arrange for the offer and resale of New Shares within the United States only to QIBs pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

Each purchaser who acquires the New Shares within the United States, by accepting delivery of this Prospectus and the New Shares, will be deemed to have represented, agreed and acknowledged that it has received a copy of this Prospectus and such other information as it deems necessary to make an investment decision, and that:

- (a) it is (i) a QIB within the meaning of Rule 144A, (ii) acquiring the New Shares for its own account or for the account of one or more QIBs with respect to whom it has the authority to make, and does make, the representations and warranties set forth herein, (iii) acquiring the New Shares for investment purposes, and not with a view to further distribution of such New Shares, and (iv) aware, and each beneficial owner of the New Shares has been advised, that the sale of the New Shares to it is being made in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;
- (b) it understands that the New Shares are being offered and sold in the United States only in transactions not involving any public offering within the meaning of the U.S. Securities Act, and that the New Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, pledged or otherwise transferred except (i) to a person that it and any person acting on its behalf reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, or another exemption

from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, (ii) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, (iii) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 thereunder (if available), or (iv) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States;

- (c) it further (i) understands that the New Shares may not be deposited into any unrestricted depositary receipt facility in respect of the Shares established or maintained by a depositary bank, (ii) acknowledges that the Shares (whether in physical certificated form or in uncertificated form held in CREST) are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, and (iii) understands that no representation is made as to the availability of the exemption from registration provided by Rule 144 for resales of the Shares;
- (d) it understands that the New Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend substantially to the following effect:

THE SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THE SHARES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE SHARES REPRESENTED HEREBY MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITORY RECEIPT FACILITY IN RESPECT OF THE SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITORY BANK. EACH HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THE SHARES REPRESENTED HEREBY FROM SUCH HOLDER OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. EACH HOLDER, BY ITS ACCEPTANCE OF SHARES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS; and

- (e) it represents that if, in the future, it offers, resells, pledges or otherwise transfers such New Shares while they remain "restricted securities" within the meaning of Rule 144, it shall notify such subsequent transferee of the restrictions set out above.

The Company, the Banks and their affiliates and others will rely on the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Purchasers outside the U.S.

Each purchaser who acquires New Shares outside the U.S., by accepting delivery of this Prospectus and the Shares, will be deemed to have represented, agreed and acknowledged each of the following matters:

- (a) The Shares have not been, nor will they be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States.
- (b) It is acquiring such New Shares in an offshore transaction meeting the requirements of Regulation S.
- (c) It is not an affiliate of the Company as defined in Rule 405 under the U.S. Securities Act or a person acting on behalf of such an affiliate.
- (d) The Company, its affiliates and others will rely upon truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such

acknowledgements, representations or agreements deemed to have been made by virtue of its purchase of New Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any New Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

For investors in Canada: This Prospectus may constitute an “offering memorandum” under applicable securities laws in Canada and you may therefore have, depending on your province or territory of residence, remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by you within the time limit prescribed by the securities legislation of your province or territory. You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal advisor.

This Prospectus is being provided to Canadian residents hereby on a confidential basis solely to those entities or individuals who qualify both as “accredited investors” and “permitted clients”, as such terms are defined in National Instrument 45-106 *Prospectus Exemptions* (and, for investors in Ontario, section 73.3 of the *Securities Act (Ontario)*) and National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, respectively.

Upon receipt of this document, each Canadian investor hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the securities described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

Except as otherwise expressly required by applicable law or as agreed to in contract, no representation, warranty or undertaking (express or implied) is made and no responsibility or liability of any kind or nature whatsoever is accepted by the Banks, Kinmont as financial adviser, or any other securities dealer as to the accuracy or completeness of the information contained in this document or any other information provided in connection with the Offer in Canada. Pursuant to the exemption outlined in section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* ("NI 33-105"), the Company, the Banks and Kinmont, as financial adviser, are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the Offer in Canada.

Other overseas territories

Investors should consult their professional advisers as to whether they require any governmental or other consents or need to observe any formalities to enable them to purchase Shares under the Offer.

11 FURTHER INFORMATION

Prospective investors should carefully consider the additional information set out in the other parts of this Prospectus and in particular the Risk Factors set out in Part II – "Risk Factors" of this Prospectus.

PART XI - TAXATION

The following discussion generally summarizes certain of the UK tax consequences of the ownership and disposition of the Shares, and of the Bermuda and U.S. federal income tax consequences of the ownership and disposition of Conduit's shares by U.S. Holders (as defined below). This summary does not purport to be a complete analysis of all of the tax considerations that may be applicable to a decision to acquire, hold or dispose of Shares. In particular, this summary does not purport to be a complete analysis of the tax consequences to the Company, Conduit MIP or Conduit Reinsurance in every jurisdiction in which they may operate, and only considers the position of the Company, Conduit MIP or Conduit Reinsurance in Bermuda. This summary does not purport to address the tax considerations of Shareholders in any jurisdiction other than the UK, Bermuda and the United States or the acquisition of Shares other than in connection with the initial listing of the Company's Shares on the Main Market of the London Stock Exchange. The tax treatment applicable to a prospective investor may vary depending on its particular tax situation or status.

PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES TO THEM OF ACQUIRING, HOLDING AND DISPOSING OF THE COMPANY'S SHARES BASED ON THEIR PARTICULAR CIRCUMSTANCES PRIOR TO MAKING AN INVESTMENT.

1 UNITED KINGDOM RELATED TAXATION OF SHAREHOLDERS

The following statements are intended to apply only as a general guide to certain UK tax considerations, and are based on current UK tax legislation and the current published practice of HM Revenue & Customs ("HMRC") as at the date of this Prospectus (both of which may be subject to change at any time, possibly with retrospective effect). The statements are not exhaustive and relate only to certain limited aspects of the UK tax consequences of holding or disposing of Shares.

The statements below may not apply to certain shareholders in the Company, such as (but not limited to): dealers in securities, insurance companies, collective investment schemes, pension schemes, shareholders who are exempt from UK taxation, shareholders who have (or are deemed to have) acquired their Shares by virtue of an office or employment or shareholders who have acquired their Shares other than for bona fide commercial reasons. Such shareholders may be subject to alternative tax regimes and should therefore seek tax advice specific to their circumstances.

The statements below relate (except where stated otherwise) to certain aspects of the UK taxation treatment of Shareholders who:

- are resident (and, in the case of individuals, domiciled) in the UK for UK tax purposes;
- are beneficial owners of their Shares and dividends paid in respect of them;
- hold less than 5 per cent. of the Shares in the Company; and
- hold their Shares as an investment (otherwise than through an individual savings account or a pension arrangement).

The statements set out in the paragraphs below do not constitute tax or legal advice. Any person who is in any doubt as to their tax position, or who is resident or otherwise subject to taxation in any jurisdiction other than the UK, should consult their own professional advisers immediately.

(a) Dividends

The Company is not required to withhold tax at source when paying a dividend.

A Shareholder's liability to tax in the UK on dividends will depend upon the individual circumstances of the Shareholder.

Individual shareholders resident for tax purposes in the UK receive an annual dividend income tax-free allowance of £2,000 ("Nil Rate Amount") for tax year 2020/2021. Dividend income in excess of the Nil Rate Amount is taxed at the following rates:

- 7.5 per cent. to the extent that the dividend income falls within the basic rate band;
- 32.5 per cent. to the extent that the dividend income falls within the higher rate band; and
- 38.1 per cent. to the extent that the dividend income falls within the additional rate band.

"Dividend income" means UK and non-UK source dividends and certain other distributions in respect of shares.

In calculating the band into which any dividend income above the Nil Rate Amount falls, the individual shareholder's total taxable dividend income for the tax year (including the amount of dividend income within the Nil Rate Amount) will be treated as the highest slice of the individual's income.

Dividends paid to corporate shareholders who are within the charge to UK corporation tax will be subject to corporation tax on dividends unless the dividends fall within an applicable exemption. This is dependent upon the satisfaction of certain conditions set out in Part 9A of the Corporation Tax Act 2009. Whether an exemption applies will depend upon the circumstances (including the size) of the particular shareholder. However, there is no guarantee that such conditions will be satisfied and it will be necessary for shareholders to consider their application in respect of every dividend received. Shareholders within the charge to corporation tax are advised to consult their own advisers to establish whether they qualify for one of the exemptions.

Non-UK resident shareholders should not generally be subject to UK tax on their dividend receipts (whether via withholding or direct assessment) but may be subject to foreign taxation on dividend income under local law. Such shareholders should consult their own advisers concerning their tax liabilities on dividends received.

(b) **Chargeable gains**

Shareholders who are resident in the UK for tax purposes and who dispose of their Shares at a gain will ordinarily be liable to UK taxation on chargeable gains, subject to any available exemptions or reliefs. The gain will be calculated as the difference between the sale proceeds and any allowable costs and expenses, including the original acquisition cost of the Shares.

Individual shareholders will generally be charged at 10 per cent. capital gains tax to the extent that the total chargeable gains and taxable income for the year (after allowable deductions) is less than the upper limit of the income tax basic rate band. To the extent that chargeable gains arising in a tax year exceed the upper limit of the basic rate band when aggregated with taxable income, then capital gains tax will be chargeable at 20 per cent on the amount of that excess. Individual shareholders receive an annual exempt allowance for capital gains tax purposes, which for tax year 2020/2021 provides for the first £12,300 of gains realised to fall outside the scope of tax.

Individual shareholders who are not resident in the UK for tax purposes but who carry on a trade, profession or vocation in the UK through a permanent establishment, branch, agency or fixed place of business in the UK may be liable to UK taxation on chargeable gains on any gain on a disposal of their Shares, if those Shares are or have been held, used or acquired for the purposes of that trade, profession or vocation or for the purposes of that permanent establishment, branch, agency or fixed place of business.

If an individual shareholder ceases to be resident in the UK and subsequently disposes of Shares, in certain circumstances any gain on that disposal may be liable to UK capital gains tax upon that shareholder becoming once again resident in the UK.

Corporate shareholders resident in the UK will be taxed to corporation tax on chargeable gains at 19 per cent. for tax year 2020/2021, subject to any available relief or exemptions.

Non-resident corporate shareholders carrying on a trade in the UK through a branch, agency or permanent establishment with which their investment is connected may be liable to UK taxation on chargeable gains on any gain on the disposal of their Shares.

(c) **Stamp duty and stamp duty reserve tax ("SDRT")**

The following statements are intended as a general and non-exhaustive guide to the current UK stamp duty and SDRT position, and apply regardless of whether or not a holder of New Shares is resident in the UK. They may not apply to certain intermediaries who are not generally liable to stamp duty or SDRT, or to persons connected with depositary arrangements or clearance services, who may be liable at a higher rate.

Issue

No UK stamp duty or SDRT should arise in respect of the issue of the New Shares or Depositary Interests.

Transfer

An agreement to transfer the New Shares will not be subject to SDRT provided that the Company's

share register is kept outside the UK and the New Shares are not paired with shares in a UK company. A conveyance or transfer on sale of the New Shares will not be subject to stamp duty provided that the instrument of transfer is not executed in the UK and does not relate to any property situate, or any matter or thing done, or to be done, in the UK.

Transactions within CREST

No UK SDRT will be payable on the transfer of Depositary Interests within CREST on the basis that the New Shares are (i) issued by a company that is not incorporated in the UK, and (ii) listed on a recognised stock exchange, provided that (a) the Company is not centrally managed and controlled in the UK, and (b) the Company's share register is kept outside of the UK.

(d) **Certain Other UK Tax Considerations**

Transfer of Assets Abroad

Individuals resident in the United Kingdom should note that Chapter 2 of Part 13 of the Income Tax Act 2007, which contains provisions for preventing avoidance of income tax by transactions resulting in the transfer of income to persons (including companies) abroad, may render them liable to taxation in respect of any undistributed income and profits of the Company if one of the purposes of their investment in the Company was the avoidance of a liability to tax.

Transactions in Securities

The attention of UK resident Shareholders is drawn to the provisions of (in the case of a UK resident individual Shareholder) Chapter 1 of Part 13 Income Tax Act 2007 and (in the case of a UK resident corporate Shareholder) Part 15 of the Corporation Tax Act 2010, which give powers to HMRC to cancel tax advantages derived from certain transactions in securities.

Close Company Provisions

The attention of UK resident Shareholders is drawn to the provisions of section 3 of the Taxation of Chargeable Gains Act 1992 under which, in certain circumstances, a portion of capital gains made by the Company can be attributed to UK resident Shareholders who alone or together with associated persons have more than a 25 per cent. interest in the Company. This applies if the non-UK resident company would be a close company, were the company to be resident in the UK for taxation purposes.

2 BERMUDA RELATED TAXATION OF SHAREHOLDERS

At the present time, there is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Company in respect of the Shares. the Company has obtained an assurance from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966 that, in the event that any legislation is enacted in Bermuda imposing any tax computed on profits or income, or computed on any capital asset, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax will not, until March 31, 2035, be applicable to the Company or to any of its operations or to its shares, debentures or other obligations except insofar as such tax applies to persons ordinarily resident in Bermuda or is payable by the Company, Conduit MIP or Conduit Reinsurance in respect of real property owned or leased by it in Bermuda. The same assurance has been obtained with respect to Conduit Reinsurance and Conduit MIP. Given the limited duration of any assurance by the Minister of Finance, neither the Company, Conduit MIP nor Conduit Reinsurance can be certain that it will not be subject to any Bermuda taxes after March 31, 2035. Each of the Company and Conduit Reinsurance pays an annual Bermuda government fee and an insurance license fee, as applicable.

Pursuant to the Payroll Tax Act 1995 and the Payroll Tax Rates Act 1995 of Bermuda (together, the "**Payroll Tax Act**"), an employer is subject to taxation based on an employee's annual actual remuneration up to a maximum of \$900,000 at a rate of 10.25 per cent.. For the purposes of the Payroll Tax Act, any gain obtained by the exercise, assignment or release of any option awarded under any Company option plan will constitute actual remuneration.

3 CERTAIN UNITED STATES FEDERAL TAX RELATED CONSEQUENCES AND TAXATION OF SHAREHOLDERS

The following is a general summary of certain U.S. tax considerations relating to the purchase, ownership and disposition of the New Shares, and is based on current U.S. tax legislation and the current published practice of the IRS as at the date of this Prospectus (both of which may be subject to change at any time,

possibly with retrospective effect). The following summary is also subject to the qualifications set forth below and does not include any factual or accounting matters, determinations or conclusions, including amounts and computations of related person insurance income ("RPII") and amounts of components thereof or facts relating to the Group's business or activities. The tax treatment of a holder of New Shares, or of a person treated as a holder of New Shares for U.S. federal income, state, local or other tax purposes, may vary depending on the holder's particular tax situation. Statements contained herein as to the beliefs, expectations and intentions of the Company and its subsidiaries as to the facts relating to the Group's business and activities and related application and consequences of such tax laws, are those of the Directors of the Group and do not represent the opinions of tax advisors, counsel or any other party. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISERS WITH RESPECT TO THEIR PARTICULAR CIRCUMSTANCES CONCERNING THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES OF OWNING NEW SHARES.

U.S. tax reform commonly referred to as The Tax Cuts and Jobs Act (the "2017 Act") was passed by the U.S. Congress and was signed into law on 22 December 2017, with certain provisions intended to eliminate certain perceived tax advantages of companies (including insurance companies) that have legal domiciles outside the U.S. but have certain U.S. connections and U.S. persons investing in such companies. For example, as discussed in more detail below, the 2017 Act revised the rules applicable to passive foreign investment companies ("PFICs") and controlled foreign corporations ("CFCs"). Although the Directors are unable to predict the ultimate impact of the 2017 Act on the Group's business, shareholders and results of operations, it is possible that the 2017 Act may affect the timing, character and amount of U.S. federal income taxes imposed on certain U.S. shareholders. Further, it is possible that other legislation could be introduced and enacted by the current U.S. Congress or future U.S. Congresses following U.S. elections that could have an adverse impact on the Group or its shareholders. Additionally, tax laws and interpretations regarding whether a company is engaged in a U.S. trade or business or whether a company is a CFC or a PFIC or has RPII are subject to change, possibly on a retroactive basis. There are currently only recently proposed regulations regarding the application of the PFIC rules to an insurance company. Additionally, the regulations regarding RPII have been in proposed form since 1991. New regulations or pronouncements interpreting or clarifying such rules may be forthcoming. The Group cannot be certain if, when or in what form such regulations or pronouncements may be provided and whether such guidance will have a retroactive effect.

(a) ***Taxation of the Group***

The following discussion is a summary of certain U.S. federal income tax considerations relating to the Group's intended operations. A non-U.S. corporation that is engaged in the conduct of a U.S. trade or business will be subject to U.S. tax as described below, unless entitled to the benefits of an applicable tax treaty. Whether business is being conducted in the U.S. is an inherently factual determination. Because the U.S. Internal Revenue Code of 1986, as amended, including any successor or amendatory statutes (the "Code"), regulations and court decisions fail to identify definitively activities that constitute being engaged in a trade or business in the U.S., the Directors cannot be certain that the IRS will not contend successfully that the Company or Conduit Reinsurance are or will be engaged in a trade or business in the U.S. A non-U.S. corporation deemed to be so engaged would be subject to U.S. income tax at regular corporate rates, as well as the branch profits tax, on its income which is treated as effectively connected with the conduct of that trade or business unless the corporation is entitled to relief under the permanent establishment provision of an applicable tax treaty, as discussed below. Such income tax, if imposed, would be based on effectively connected income computed in a manner generally analogous to that applied to the income of a U.S. corporation, except that a non-U.S. corporation is generally entitled to deductions and credits only if it timely files a U.S. federal income tax return. The Group may file protective U.S. federal income tax returns on a timely basis in order to preserve the right to claim income tax deductions and credits if it is ever determined that a member of the Group is subject to U.S. federal income tax. The highest marginal federal income tax rates currently are 21 per cent. for a corporation's effectively connected income and 30 per cent. for the additional "branch profits" tax.

If Conduit Reinsurance is entitled to the benefits under the income tax treaty between Bermuda and the U.S. (the "Bermuda Treaty"), Conduit Reinsurance would not be subject to U.S. income tax on any income found to be effectively connected with a U.S. trade or business unless that trade or business is conducted through a permanent establishment in the U.S. The Directors of the Company and Conduit Reinsurance currently intend to have each of them conduct their respective activities so that they do not have a permanent establishment in the U.S., although the Directors

cannot be certain that this result will be achieved.

An insurance enterprise resident in Bermuda generally will be entitled to the benefits of the Bermuda Treaty if (i) more than 50 per cent. of its shares are owned beneficially, directly or indirectly, by individual residents of the U.S. or Bermuda or U.S. citizens; and (ii) its income is not used in substantial part, directly or indirectly, to make disproportionate distributions to, or to meet certain liabilities of, persons who are neither residents of either the U.S. or Bermuda nor U.S. citizens. No regulations interpreting the Bermuda Treaty have been issued. The Directors cannot be certain that Conduit Reinsurance will be eligible for Bermuda Treaty benefits because of factual and legal uncertainties regarding the residency and citizenship of the Company's shareholders. Accordingly, Directors of Conduit Reinsurance intend to conduct substantially all of its operations outside the U.S. and to limit its U.S. contacts so that Conduit Reinsurance could not be treated as engaged in the conduct of a trade or business in the U.S.

Non-U.S. insurance companies carrying on an insurance business within the U.S. have a certain minimum amount of effectively connected net investment income, determined in accordance with a formula that depends, in part, on the amount of U.S. risk insured or reinsured by such companies. If Conduit Reinsurance is considered to be engaged in the conduct of an insurance business in the U.S. and it is not entitled to the benefits of an income tax treaty with the U.S. in general, the Code could subject a significant portion of Conduit Reinsurance's investment income to U.S. income tax. In addition, while the Bermuda Treaty clearly applies to premium income, it is uncertain whether the Bermuda Treaty applies to other income such as investment income. If Conduit Reinsurance is considered engaged in the conduct of an insurance business in the U.S. and is entitled to the benefits of the Bermuda Treaty in general, but the Bermuda Treaty is interpreted to not apply to investment income, a significant portion of Conduit Reinsurance's investment income could be subject to U.S. income tax.

Non-U.S. corporations not engaged in a trade or business in the U.S. are nonetheless subject to U.S. income tax imposed by withholding on certain "fixed or determinable annual or periodic gains, profits and income" derived from sources within the U.S. (such as dividends and certain interest on investments), subject to exemption under the Code or reduction by applicable treaties. Because, as discussed above, it is uncertain whether the Bermuda Treaty applies to investment income, even if Conduit Reinsurance is entitled to the benefits of the Bermuda Treaty it is unclear whether the Bermuda Treaty would reduce the U.S. withholding rate on U.S.-sourced investment income.

(b)

Taxation of the shareholders

The following summary sets forth certain U.S. federal income tax considerations related to the purchase, ownership and disposition of the New Shares. Unless otherwise stated, this summary deals only with shareholders that are U.S. Persons (as defined below) who hold their New Shares as capital assets within the meaning of section 1221 of the Code. The following discussion is only a discussion of the material U.S. federal income tax matters as described herein and does not purport to address all of the U.S. federal income tax consequences that may be relevant to a particular shareholder in light of such shareholder's specific circumstances. In addition, the following summary does not address the U.S. federal income tax consequences that may be relevant to special classes of shareholders, such as financial institutions, insurance companies, regulated investment companies, real estate investment trusts, dealers or traders in securities, tax exempt organisations, expatriates, partnerships or other pass-through entities (or investors in pass-through entities), persons who are considered with respect to the Company or its subsidiaries as "United States shareholders" for purposes of the CFC rules of the Code (generally, a U.S. Person, as defined below, who owns or is deemed to own 10 per cent. or more of the total combined voting power of all classes of the Company's or its subsidiaries' shares entitled to vote, or 10 per cent. or more of the value of all classes of the Company's or its subsidiaries' shares (that is 10 per cent. U.S. Shareholders)), U.S. accrual method taxpayers that use applicable financial statements (as described in Section 451(b) of the Code) or persons who hold their shares as part of a hedging or conversion transaction or as part of a short-sale or straddle or whose functional currency is other than the U.S. dollar, who may be subject to special rules or treatment under the Code. This discussion is based upon the Code, the Treasury Regulations promulgated thereunder and any relevant administrative rulings or pronouncements or judicial decisions, all as in effect on the date hereof and as currently interpreted, and does not take into account possible changes in such tax laws or interpretations thereof, which may apply retroactively. This discussion does not include any description of the tax laws of any state or local governments within the U.S. or of any non-U.S. government. Persons considering making an investment in the New Shares should

consult their own tax advisers concerning the application of the U.S. federal tax laws to their particular situations as well as any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction, prior to making such investment.

For purposes of this discussion, the term "U.S. Person" means: (i) a citizen or resident of the U.S.; (ii) a corporation, created or organised in or under the laws of the U.S., or organised under the laws of any political subdivision thereof; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust if either (a) a court within the U.S. is able to exercise primary supervision over the administration of such trust and one or more U.S. Persons have the authority to control all substantial decisions of such trust or (b) the trust has a valid election in effect to be treated as a U.S. Person for U.S. federal income tax purposes or (v) any other person or entity that is treated for U.S. federal income tax purposes as if it were one of the foregoing.

If a partnership holds the New Shares, the tax treatment of the partners will generally depend on the status of the partner and the activities of the partnership. If a potential investor is a partner of a partnership owning New Shares, it should consult its tax adviser.

(c) ***Taxation of distributions***

Subject to the discussions below relating to the potential application of the CFC, RPII and PFIC rules, cash distributions, if any, made with respect to the New Shares will constitute dividends for U.S. federal income tax purposes to the extent paid out of current or accumulated earnings and profits of the Company (as computed using U.S. tax principles). Dividends paid by the Company will be eligible for reduced rates of tax as qualified dividend income if the Company is entitled to the benefits of the UK Treaty, provided the Company is not characterised as a PFIC and certain other requirements, including stock holding period requirements, are satisfied. Such dividends will not be eligible for the dividends received deduction. To the extent such distributions exceed the Company's earnings and profits, they will be treated first as a return of the shareholder's basis in their New Shares to the extent thereof, and then as gain from the sale of a capital asset. If earnings and profits are not computed using U.S. tax principles, all distributions should constitute dividends for U.S. federal income tax purposes.

Dividends that exceed certain thresholds in relation to a shareholder's tax basis in the New Shares could be characterised as an "extraordinary dividend" under the Code. A non-corporate holder of the Company's common shares that receives an extraordinary dividend will be required to treat any losses on the sale of the Company's common shares as long-term capital losses to the extent of the extraordinary dividends such shareholder receives that are treated as qualified dividend income.

(d) ***Classification of the Company or its Non-U.S. Subsidiaries as controlled foreign corporations.***

Each 10 per cent. U.S. Shareholder (as defined below) of a non-U.S. corporation that is a CFC at any time during a taxable year that owns shares in the non-U.S. corporation, directly or indirectly through non-U.S. entities, on the last day of the non-U.S. corporation's taxable year on which it is a CFC must include in its gross income for U.S. federal income tax purposes its *pro rata* share of the CFC's "subpart F income" and global intangible low taxed income ("GILTI"), even if the subpart F income or GILTI is not distributed. "Subpart F income" of a non-U.S. insurance corporation typically includes foreign personal holding company income (such as interest, dividends and other types of passive income), as well as insurance and reinsurance income (including underwriting and investment income), and GILTI is generally business income of the CFC (other than Subpart F income and certain other categories of income) reduced by 10 per cent. of the adjusted tax basis of the CFC's depreciable tangible personal property (based on a computation that generally aggregates all of a 10 per cent. U.S. Shareholder's GILTI from its investments in CFCs) that is potentially subject to further reductions depending on the nature of the applicable 10 per cent. U.S. Shareholder. The amount of any Subpart F income inclusion would be limited by such 10 per cent. U.S. Shareholder's share of the CFC current-year earnings and profits as reduced by the 10 per cent. U.S. Shareholder's share, if any, of certain prior-year deficits in earnings and profits, and a 10 per cent. U.S. Shareholder recognizing Subpart F income would increase the basis in its shares by the amount of Subpart F income included in income. Amounts distributed out of previously taxed Subpart F income would be excluded from the 10 per cent. U.S. Shareholder's income, and the 10 per cent. U.S. Shareholder's basis in the shares would be reduced by the amount so excluded. In addition, as discussed below, gain recognised by a 10 per cent. U.S. Shareholder on the sale

of stock of a CFC will be recharacterised as a dividend and taxed as ordinary income rather than as capital gain, to the extent of the 10 per cent. U.S. Shareholder's share of the CFC's earnings and profits. Such dividend income would not be eligible for the reduced rate of tax on qualified dividends.

A non-U.S. corporation is considered a CFC if 10 per cent. U.S. Shareholders own (directly, indirectly through non-U.S. entities or by attribution by application of the constructive ownership rules of section 958(b) of the Code (that is "constructively")) more than 50 per cent. of the total combined voting power of all classes of voting stock of such non-U.S. corporation, or more than 50% of the total value of all stock of such corporation. For purposes of taking into account insurance income, a CFC also includes a non-U.S. corporation in which more than 25 per cent. of the total combined voting power of all classes of stock or more than 25 per cent. of the total value of all stock is owned by 10 per cent. U.S. Shareholders on any day of the taxable year of such corporation, if the gross amount of premiums or other consideration for the reinsurance or the issuing of insurance or annuity contracts (other than certain insurance or reinsurance related to same country risks written by certain insurance companies) exceeds 75 per cent. of the gross amount of all premiums or other consideration in respect of all risks. A "10 per cent. U.S. Shareholder" is a U.S. Person who owns (directly, indirectly through non-U.S. entities or constructively) at least 10 per cent. of the total combined voting power of all classes of stock entitled to vote or 10 per cent. of the value of the non-U.S. corporation.

The Directors believe that because of the anticipated dispersion of the Company's share ownership, no U.S. Person who owns the New Shares of the Company directly or indirectly through one or more non-U.S. entities should be treated as owning (directly, indirectly through non-U.S. entities, or constructively) 10 per cent. or more of the total voting power or value of all classes of shares of the Company or any of its non-U.S. subsidiaries. However, the Company's shares may not be as widely dispersed as the Group believes due to, for example, the application of certain ownership attribution rules, and no assurance may be given that a U.S. Person who owns the Company's shares will not be characterised as a 10 per cent. U.S. Shareholder.

(e) **RPII CFC Provisions**

The following discussion generally is applicable only if neither the 20 per cent. Gross Income Exception (as defined below) nor the 20 per cent. Ownership Exception (as defined below) is not met. The following discussion generally would not apply for any taxable year in which Conduit Reinsurance meets either the 20 per cent. Ownership Exception or the 20 per cent. Gross Income Exception. Although the Directors cannot be certain, the Directors believe that each of the non-U.S. insurance subsidiaries of the Company should meet either the 20 per cent. Ownership Exception or the 20 per cent. Gross Income Exception for each taxable year for the foreseeable future.

RPII is any "insurance income" (as defined below) attributable to policies of insurance or reinsurance with respect to which the person (directly or indirectly) insured is a "**RPII shareholder**" (as defined below) or a "related person" (as defined below) to such RPII shareholder. In general, and subject to certain limitations, "insurance income" is income (including premium and investment income) attributable to the issuing of any insurance or reinsurance contract which would be taxed under the portions of the Code relating to insurance companies if the income were the income of a U.S. insurance company. For purposes of inclusion of the RPII of a non-U.S. insurance subsidiary of the Company in the income of RPII shareholders, unless an exception applies, the term "**RPII shareholder**" means any U.S. Person who owns (directly or indirectly through non-U.S. entities) any amount of the Company's shares. Generally, the term "related person" for this purpose means someone who controls or is controlled by the RPII shareholder or someone who is controlled by the same person or persons which control the RPII shareholder. Control is measured by either more than 50% in value or more than 50% in voting power of stock applying certain constructive ownership principles. A corporation's pension plan is ordinarily not a "related person" with respect to the corporation unless the pension plan owns, directly or indirectly through the application of certain constructive ownership rules, more than 50% measured by vote or value, of the stock of the corporation. Each non-U.S. insurance subsidiary should be treated as CFCs under the RPII provisions if RPII shareholders are treated as owning (directly, indirectly through non-U.S. entities or constructively) 25 per cent. or more of the shares of the Company by vote or value.

(f) **RPII exceptions**

The special RPII rules do not apply to Conduit Reinsurance if (i) direct and indirect insureds and persons related to such insureds, whether or not U.S. Persons, are treated as owning (directly

or indirectly through entities) less than 20 per cent. of the voting power and less than 20 per cent. of the value of the shares of the Company (the "**20% Ownership Exception**"); (ii) RPII, determined on a gross basis, is less than 20 per cent. of the gross insurance income of Conduit Reinsurance for the taxable year (the "**20 per cent. Gross Income Exception**"); (iii) Conduit Reinsurance elects to be taxed on its RPII as if the RPII were effectively connected with the conduct of a U.S. trade or business, and to waive all treaty benefits with respect to RPII and meet certain other requirements; or (iv) Conduit Reinsurance elects to be treated as a U.S. corporation and waives all treaty benefits and meets certain other requirements. Conduit Reinsurance does not intend to make either of these elections. Where none of these exceptions applies to Conduit Reinsurance, each U.S. Person owning (directly or indirectly through non-U.S. entities) any shares in the Company (and therefore, indirectly, Conduit Reinsurance) on the last day of such Company's taxable year will be required to include in its gross income for U.S. federal income tax purposes its share of the RPII of such Company for the portion of the taxable year during which the non-U.S. insurance subsidiary was a CFC under the RPII provisions, determined as if all such RPII were distributed proportionately only to such U.S. Persons at that date, but limited by each such U.S. Person's share of Conduit Reinsurance's current-year earnings and profits as reduced by the U.S. Person's share, if any, of certain prior-year deficits in earnings and profits. Conduit Reinsurance intends to operate in a manner that is intended to ensure that it qualifies for the 20 per cent. Gross Income Exception or 20 per cent. Ownership Exception. However, it is possible that they will not be successful in qualifying under these exceptions.

(g) ***Computation of RPII***

In order to determine how much RPII Conduit Reinsurance has earned in each taxable year it may obtain and rely upon information from its insureds and reinsureds to determine whether any of the insureds, reinsureds or persons related thereto own (directly or indirectly through non-U.S. entities) shares of the Company and are U.S. Persons. Conduit Reinsurance may not be able to determine whether any of their underlying direct or indirect insureds are shareholders or related persons to such shareholders and consequently, may not be able to determine accurately the gross amount of RPII earned by it in a given taxable year. For any year in which the 20% Gross Income Exception and the 20 per cent. Ownership Exception do not apply, the Company may also seek information from its shareholders as to whether beneficial owners of shares at the end of the year are U.S. Persons so that the RPII may be determined and apportioned among such persons; to the extent the Company is unable to determine whether a beneficial owner of shares is a U.S. Person, the Company may assume that such owner is not a U.S. Person, thereby increasing the per share RPII amount for all known RPII shareholders.

If, as expected, for each taxable year Conduit Reinsurance meets the 20 per cent. Gross Income Exception or 20 per cent. Ownership Exception, RPII shareholders will not be required to include RPII in their taxable income. The amount of RPII includable in the income of a RPII shareholder is based upon the net RPII income for the year after deducting related expenses such as losses, loss reserves and operating expenses.

(h) ***Apportionment of RPII to U.S. Holders***

Every RPII shareholder who owns shares on the last day of any taxable year of the Company, in which the 20 per cent. Ownership Exception and the 20 per cent. Gross Income Exception do not apply to Conduit Reinsurance, should expect that for such year it will be required to include in gross income its share of Conduit Reinsurance's RPII for the portion of the taxable year during which it was a CFC under the RPII provisions, whether or not distributed, even though such shareholder may not have owned the shares throughout such period. A RPII shareholder who owns shares during such taxable year but not on the last day of the taxable year is not required to include in gross income any part of the RPII of Conduit Reinsurance.

(i) ***Basis adjustments***

A RPII shareholder's tax basis in its shares will be increased by the amount of any RPII that such shareholder includes in income. The RPII shareholder may exclude from income the amount of any distributions by the Company out of previously taxed RPII income. The RPII shareholder's tax basis in its shares will be reduced by the amount of such distributions that are excluded from income.

(j) ***Uncertainty as to application of RPII***

The RPII provisions have never been interpreted by the courts or the U.S. Treasury Department in

final regulations, and regulations interpreting the RPII provisions of the Code exist only in proposed form. It is not certain whether these regulations will be adopted in their proposed form or what changes or clarifications might ultimately be made thereto or whether any such changes, as well as any interpretation or application of RPII by the IRS, the courts or otherwise, might have retroactive effect. These provisions include the grant of authority to the U.S. Treasury Department to prescribe "such regulations as may be necessary to carry out the purpose of this subsection including ... regulations preventing the avoidance of this subsection through cross insurance arrangements or otherwise". Accordingly, the meaning of the RPII provisions and the application thereof to Conduit Reinsurance is uncertain. In addition, the Directors cannot be certain that the amount of RPII or the amounts of the RPII inclusions for any particular RPII shareholder, if any, will not be subject to adjustment based upon subsequent IRS examination. Any prospective investors considering an investment in the New Shares should consult his tax adviser as to the effects of these uncertainties.

(k) ***Information reporting***

Under certain circumstances, U.S. Persons owning shares in a non-U.S. corporation are required to file IRS Form 5471 with their U.S. federal income tax returns. Generally, information reporting on IRS Form 5471 is required by (i) a person who is treated as a RPII shareholder; (ii) a 10 per cent. U.S. Shareholder of a non-U.S. corporation that is a CFC at any time during any tax year of the non-U.S. corporation and who owned the stock on the last day of that year; and (iii) under certain circumstances, a U.S. Person who acquires stock in a non-U.S. corporation and as a result thereof owns 10% or more of the voting power or value of such non-U.S. corporation, whether or not such non-U.S. corporation is a CFC. The Company will provide to all U.S. Persons registered as shareholders of its shares the relevant information necessary to complete IRS Form 5471 in the event the Company determines this is necessary. Failure to file IRS Form 5471 may result in penalties.

U.S. Persons holding New Shares should consider their possible obligation to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts, with respect to the New Shares. Additionally, such U.S. Persons should consider their possible obligations to annually report certain information with respect to the Form with their U.S. federal income tax returns. Shareholders should consult their tax advisers with respect to these or any other reporting requirement which may apply with respect to their purchase, holding and sale of the New Shares.

Certain Shareholders may be required to file an IRS Form 926 (Return of a U.S. Transferor of Property to a Foreign Corporation) to report a transfer of property, including cash, to the Company. Substantial penalties may be imposed on a Shareholder that fails to comply with this reporting requirement. Each Shareholder is urged to consult with its own tax adviser regarding this reporting obligation.

(l) ***Tax-Exempt shareholders***

Tax-exempt entities will be required to treat certain subpart F insurance income, including RPII, that is includable in income by the tax-exempt entity as unrelated business taxable income. Prospective investors that are tax exempt entities are urged to consult their tax advisers as to the potential impact of the unrelated business taxable income provisions of the Code. A tax-exempt organisation that is treated as a 10 per cent. U.S. Shareholder or a RPII Shareholder also must file IRS Form 5471 in the circumstances described above.

(m) ***Dispositions of the New Shares***

Subject to the discussions below relating to the potential application of the Code section 1248 and PFIC rules, U.S. holders of the New Shares generally should recognise capital gain or loss for U.S. federal income tax purposes on the sale, exchange or other disposition of the New Shares in the same manner as on the sale, exchange or other disposition of any other shares held as capital assets. If the holding period for these shares exceeds one year, any gain will be subject to tax at a current maximum marginal tax rate of 20 per cent. for individuals and 21 per cent. for corporations. Moreover, gain, if any, generally will be a U.S. source gain and generally will constitute "passive category income" for foreign tax credit limitation purposes.

Code section 1248 provides that if a U.S. Person sells or exchanges stock in a non-U.S. corporation and such person owned, directly, indirectly through certain non-U.S. entities or constructively, 10 per cent. or more of the voting power of the corporation at any time during the five-year period ending on the date of disposition when the corporation was a CFC, any gain from

the sale or exchange of the shares will be treated as a dividend to the extent of the CFC's earnings and profits (determined under U.S. federal income tax principles) during the period that the shareholder held the shares and while the corporation was a CFC (with certain adjustments). The Directors believe that because of the anticipated dispersion of the Company's share ownership, no U.S. Person that owns shares directly or through non-U.S. entities in the Company should be treated as owning (directly, indirectly through non-U.S. entities or constructively) 10 per cent. or more of the total voting power of the Company; to the extent this is the case, the application of Code Section 1248 under the regular CFC rules should not apply to dispositions of the New Shares.

A 10 per cent. U.S. Shareholder may in certain circumstances be required to report a disposition of shares of a CFC by attaching IRS Form 5471 to the U.S. federal income tax or information return that it would normally file for the taxable year in which the disposition occurs. In the event this is determined necessary, the Company will provide the relevant information necessary to complete IRS Form 5471.

Code section 1248 in conjunction with the RPII rules also applies to the sale or exchange of shares in a non-U.S. corporation if the non-U.S. corporation would be treated as a CFC for RPII purposes regardless of whether the shareholder is a 10 per cent. U.S. Shareholder or whether the 20 per cent. Gross Income Exception or the 20 per cent. Ownership Exception applies. Existing proposed regulations do not address whether Code section 1248 would apply if a non-U.S. corporation is not a CFC but the non-U.S. corporation has a subsidiary that is a CFC and that would be taxed as an insurance company if it were a domestic corporation. The Directors believe, however, that this application of Code section 1248 under the RPII rules should not apply to dispositions of the New Shares because the Company will not be directly engaged in an insurance business. The Directors cannot be certain, however, that the IRS will not interpret the proposed regulations in a contrary manner or that the U.S. Treasury Department will not amend the proposed regulations to provide that these rules will apply to dispositions of the New Shares. Prospective investors should consult their tax advisers regarding the effects of these rules on a disposition of the New Shares.

(n)

PFIC

In general, a non-U.S. corporation will be a PFIC during a given year if (i) 75 per cent. or more of its gross income constitutes "passive category income" (the "**75 per cent. test**"); or (ii) 50 per cent. or more of its assets produce passive income (the "**50 per cent. test**") and once characterised as a PFIC will generally retain PFIC status for future taxable years with respect to its U.S. shareholders in the taxable year of the initial PFIC characterisation. A non-U.S. corporation generally will not be treated as a PFIC for the first taxable year such corporation has gross income if such corporation is not a PFIC for either of the first two taxable years following the first taxable year (the "**start-up exception**").

If the Company were characterised as a PFIC during a given year, each U.S. Person holding the New Shares would be subject to a penalty tax at the time of the sale at a gain of, or receipt of an "excess distribution" with respect to, their New Shares, unless such person (i) is a 10 per cent. U.S. Shareholder and the Company is a CFC or (ii) made a "qualified electing fund election", or (iii) made a mark to market election. It is uncertain whether the Company would be able to provide its shareholders with the information necessary for a U.S. Person to make the "qualified electing fund" election. In addition, if the Company were considered a PFIC, upon the death of any U.S. individual owning shares, such individual's heirs or estate would not be entitled to a "step-up" in the basis of their New Shares that might otherwise be available under U.S. federal income tax laws. In general, a shareholder receives an "excess distribution" if the amount of the distribution is more than 125 per cent. of the average distribution with respect to the shares during the three preceding taxable years (or shorter period during which the taxpayer held the New Shares). In general, the penalty tax is equivalent to an interest charge on taxes that are deemed due during the period the shareholder owned the New Shares, computed by assuming that the excess distribution or gain (in the case of a sale) with respect to the New Shares was taken in equal portion at the highest applicable tax rate on ordinary income throughout the shareholder's period of ownership. The interest charge is equal to the applicable rate imposed on underpayments of U.S. federal income tax for such period. In addition, a distribution paid by the Company to U.S. shareholders that is characterised as a dividend and is not characterised as an excess distribution would not be eligible for reduced rates of tax as qualified dividend income if the Company were considered a PFIC in the taxable year in which such dividend was paid or in the preceding taxable year. A U.S. Person that is a shareholder in a PFIC may also be subject to additional information reporting

requirements, including the annual filing of IRS Form 8621.

For the above purposes, passive income generally includes interest, dividends, annuities and other investment income. The PFIC rules provide that income derived in the active conduct of an insurance business by a qualifying insurance corporation, as amended by the 2017 Act, is not treated as passive income. The PFIC provisions also contain a look-through rule under which a non-U.S. corporation shall be treated as if it "received directly its proportionate share of the income ..." and as if it "held its proportionate share of the assets ..." of any other corporation in which it owns at least 25 per cent. of the value of the stock ("**the look-through rule**").

Under the look-through rule, the Company should be deemed to own its proportionate share of the assets and to have received its proportionate share of the income of its insurance subsidiaries for purposes of the 75 per cent. test and the 50% test. However, the 2017 Act limits the insurance income exception to a non-U.S. insurance company that is a qualifying insurance corporation that would be taxable as an insurance company if it were a U.S. corporation and maintains insurance liabilities of more than 25 per cent. of such company's assets for a taxable year (or maintains insurance liabilities that at least equal or exceed 10 per cent. of its assets, is predominantly engaged in an insurance business and satisfies a facts and circumstances test that requires a showing that the failure to exceed the 25 per cent. threshold is due to runoff-related or rating-related circumstances) (the "**Reserve Test**"). Based on the business plan of the Company during the period following its start-up, there is a significant risk that the Company may not meet the Reserve Test. Given the start-up nature of Conduit's business, and that insurance liabilities will arise only over the course of the relevant year after business is actually written, no assurance may be given that the Company will not be characterised as a PFIC.

Further, the IRS issued proposed regulations (the "**2019 Proposed Regulations**") intended to clarify the application of the insurance income exception to the classification of a non-U.S. insurer as a PFIC and provide guidance on a range of issues relating to PFICs, including the application of the look-through rule, the treatment of income and assets of certain U.S. insurance subsidiaries for purposes of the look-through rule and the extension of the look-through rule to 25 per cent. or more owned partnerships. The 2019 Proposed Regulations define insurance liabilities for purposes of the Reserve Test, tighten the Reserve Test as well as a statutory cap on insurance liabilities and provide guidance on the runoff-related and rating-related circumstances for purposes of the 10 percent test. These proposed regulations provide that a non-U.S. insurer will qualify for the insurance income exception only if, among other things, the non-U.S. insurers officers and employees perform its substantial managerial and operational activities (taking into account activities of officers and employees of certain related entities in certain cases). The 2019 Proposed Regulations also provide that an active conduct percentage test must be satisfied for the insurance company exception to apply, which test compares the expenses for services of officers and employees of the non-U.S. insurer and certain related entities incurred for the production of premium and certain investment income to all such expenses regardless of the service provider. The 2019 Proposed Regulations also introduced attribution rules that, taken together with other provisions of the regulations, could result in a U.S. Person that directly owns any shares in a non-PFIC being treated as an indirect shareholder of a lower tier PFIC subject to the general PFIC rules described herein. These proposed regulations will not be effective until adopted in final form. As the Company cannot predict the likelihood of finalisation of the 2019 Proposed Regulations or the scope, nature, or impact of these proposed regulations on the Group, should they be formally adopted or enacted or whether Conduit Reinsurance will be able to satisfy the Reserve Test, no assurance may be given that the Company will not be characterised as a PFIC following its start-up phase. If the Company is considered a PFIC, it could have material adverse tax consequences for an investor that is subject to U.S. federal income taxation. Prospective investors should consult their tax advisers as to the effects of the PFIC rules.

U.S. investors are urged to consult with their tax advisers and to consider making a "protective" QEF election with respect to the Company to preserve the possibility of making a retroactive QEF election or, if available, a mark to market election. A U.S. Person that makes a QEF election with respect to a PFIC is currently taxable on its pro rata share of the ordinary earnings and net capital gain of such company during the years it is a PFIC (at ordinary income and capital gain rates, respectively), regardless of whether or not distributions were received. In addition, any of the PFIC's losses for a taxable year will not be available to U.S. Persons and may not be carried back or forward in computing the PFIC's ordinary earnings and net capital gain in other taxable years. A U.S. Person generally increases the basis of its PFIC shares, and the basis of any other property of

the U.S. Person by reason of which such U.S. Person is considered to indirectly own PFIC shares, by amounts included in such U.S. persons' gross income pursuant to the QEF election. Therefore, an electing shareholder will generally increase the basis of its New Shares by amounts included in the shareholder's gross income pursuant to the QEF election. A U.S. Person holding New Shares will be required to file an IRS Form 8621 (which is a form that is required to be filed by holders of equity in a PFIC) for each tax year that it holds New Shares and the Company is characterised as a PFIC, regardless of whether such U.S. Person has a QEF election in effect or receives any excess distribution.

(o) ***Medicare Contribution Tax***

A U.S. Person that is an individual, estate or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a 3.8 per cent. tax on the lesser of (i) the U.S. Person's "net investment income" (or "undistributed net investment income" in the case of estates and trusts) for the relevant taxable year and (ii) the excess of the U.S. Person's modified adjusted gross income for the taxable year over a certain threshold. A U.S. Person's net investment income will generally include its dividend income and its net gains from the disposition of New Shares, unless such dividend income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). Under the proposed regulations, an inclusion of subpart F income by a 10 per cent. U.S. Shareholder will not be treated as a dividend for purposes of calculating this 3.8 per cent. tax on "net investment income". However, actual distributions with respect to such income, which as previously taxed income will not be subject to U.S. federal income tax, will be treated as dividends for purposes of calculating net investment income and this 3.8 per cent. tax.

(p) ***Foreign tax credit***

If U.S. Persons own a majority of the shares of the Company, only a portion of the current income inclusions, if any, under the CFC, RPII and PFIC rules and of dividends paid by the Company (including any gain from the sale of the New Shares that is treated as a dividend under section 1248 of the Code) will be treated as foreign source income for purposes of computing a shareholder's U.S. foreign tax credit limitations. The Company will consider providing shareholders with information regarding the portion of such amounts constituting foreign source income to the extent such information is reasonably available. It is also likely that substantially all of the "subpart F income", RPII and dividends that are foreign source income will constitute "passive category income". Thus, it may not be possible for most shareholders to utilise excess foreign tax credits to reduce U.S. tax on such income.

(q) ***Information reporting and backup withholding on distributions and disposition proceeds***

Information returns may be filed with the IRS in connection with distributions on the New Shares and the proceeds from a sale or other disposition of the New Shares unless the holder of the New Shares establishes an exemption from the information reporting rules. A holder of the New Shares that does not establish such an exemption may be subject to U.S. backup withholding tax on these payments if the holder is not a corporation or non-U.S. Person or fails to provide its taxpayer identification number or otherwise comply with the backup withholding rules. The amount of any backup withholding from a payment to a U.S. Person will be allowed as a credit against the U.S. Person's U.S. federal income tax liability and may entitle the U.S. Person to a refund, provided that the required information is furnished to the IRS.

PART XII - HISTORICAL FINANCIAL INFORMATION RELATING TO THE COMPANY

SECTION A: ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION ON THE COMPANY



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The Directors
Conduit Holdings Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

2 December 2020

Dear Sir or Madam

Conduit Holdings Limited (the “Company”)

Introduction

We report on the financial information set out in Section B of Part XII of the prospectus dated 2 December 2020 of the Company (the “Prospectus”).

Opinion on financial information

In our opinion, the financial information gives, for the purposes of Prospectus, a true and fair view of the state of affairs of the Company as at 6 October 2020 in accordance with International Financial Reporting Standards as adopted by the European Union.

Responsibilities

The directors of the Company are responsible for preparing the financial information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 1.3 of Annex 1 of the Prospectus Delegated Regulation, consenting to its inclusion in the Prospectus.

Basis of preparation

This financial information has been prepared for inclusion in the Prospectus on the basis of the accounting policies set out in note 2 to the financial information. This report is required by item 18.3.1 of Annex 1 of Commission Delegated Regulation (EU) 2019/980 supplementing Regulation

(EU) 2017/1129 of the European Parliament and of the Council (the “Prospectus Delegated Regulation”) and is given for the purpose of complying with that item and for no other purpose.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. We are independent of the Company in accordance with the Financial Reporting Council’s Ethical Standard as applied to Investment Circular Reporting Engagements and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity’s circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Conclusions relating to going concern

We have not identified any material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the ability of the Company to continue as a going concern for a period of at least twelve months from the date of the Prospectus. Accordingly the use by the directors of the Company of the going concern basis of accounting in the preparation of the financial information is appropriate.

Declaration

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f) we are responsible for this report as part of the Prospectus and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex 1 of the Prospectus Delegated Regulation.

Yours faithfully

BDO LLP

BDO LLP
Chartered Accountants

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

SECTION B: HISTORICAL FINANCIAL INFORMATION ON THE COMPANY

Statement of financial position

As at 6 October 2020

U.S. dollars

ASSETS

Total assets

EQUITY AND LIABILITIES

Equity

Called up share capital

Total equity and liabilities

No statement of comprehensive income, statement of cash flows or statement of changes in equity is presented as the Company did not enter into any transactions on the date of its incorporation.

Notes to the Historical Financial Information

1 General information

Conduit Holdings Limited (the “**Company**”) is a newly incorporated company which is domiciled in Bermuda. The registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

2 Basis of preparation and accounting policies

2.1 Basis of preparation

The Company was incorporated on 6 October 2020. The Company was formed as the holding company of newly incorporated commercial entities and does not have any current operations or principal activities, no audited financial statements have been prepared, no payments have been made to Directors and no dividends have been declared or paid since the date of incorporation.

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards and its interpretations as issued by the International Accounting Standards Board as adopted by the European Union (“**IFRS**”).

The Historical Financial Information is presented in U.S. dollars, which is the Company’s functional and presentation currency, and has been prepared under the historical cost convention.

This Historical Financial Information represents the first set of financial statements under IFRS for the Company prepared as at the date of incorporation which is the beginning of the first period presented.

The Company had no operations and therefore no segmental information is presented and that the basic and diluted EPS is nil.

The Company’s accounts and annual report will be drawn up in accordance with IFRS and the Company will adopt further accounting policies under IFRS as applicable as trading operations commence.

2.2 Going concern

This historical financial information relating to the Company has been prepared on a going concern basis, which assumes that the Company will continue to be able to meet its liabilities as they fall due for the foreseeable future. The use of the going concern basis relies on the receipt of the net proceeds from the offer of shares in the Company.

3 Post balance sheet events

Conduit Reinsurance Limited was incorporated on 6 October 2020 and organised on 7 October 2020 in Bermuda. The first share in Conduit Reinsurance Limited was issued to the Company on 7 October 2020.

On 7 October 2020, one share in Conduit Holdings Limited of a nominal value of \$0.01 was issued to Neil Eckert.

The Company also subscribed for 999,999 shares in Conduit Reinsurance Limited on 7 October 2020 and the subscription was unpaid.

Conduit MIP Limited was incorporated on 16 November 2020 and organised on 17 November 2020 in Bermuda. The first share in Conduit MIP Limited of a nominal value of \$1 was issued to the Company on 17 November 2020.

The Company also subscribed for 299 shares in Conduit MIP Limited at a nominal value of \$1 per share and 300 more shares at a nominal value of £1 per share on the same date and the subscription was unpaid.

On 17 November 2020, the Company transferred all of its unpaid shares that it held in Conduit Reinsurance Limited to Conduit MIP Limited.

On 18 November 2020, Conduit MIP Limited received a loan of \$120,000 from Mark Heintzman and paid for its 120,000 subscribed shares in Conduit Reinsurance Limited. On the same date, Conduit Reinsurance Limited paid \$60,000 to the Bermuda Monetary Authority in satisfaction of its annual licence fee. Conduit MIP Limited's 880,000 subscribed shares in Conduit Reinsurance Limited remains unpaid.

On 17 November 2020, Neil Eckert, Trevor Carvey, Mark Heintzman, Stuart Quinlan, Tristan McDonald and Greg Lunn each entered into a Management Promote subscription agreement with Conduit MIP Limited, which provides for their participation in the Management Promote and allows them to subscribe for 85,000 USD MIP shares for \$192,317 and 85,000 GBP MIP shares for £146,161 (translated at £1:\$1.316) in total. Subject to satisfaction of performance conditions, the MIP Shares will be automatically exchanged for Shares of the Company for an aggregate value equivalent to up to 15 per cent. of the excess of the Market Value of the Company over and above the Invested Equity (the "Growth") (7.5 per cent. of the Growth based on calculations in sterling for the GBP MIP Shares and 7.5 per cent. of the Growth based on calculations in U.S. dollars for the USD MIP Shares).

On 18 November 2020, the Company entered into service agreements with its Directors and Senior Managers, pursuant to which aggregate fees and salaries of \$2.95 million per annum are payable.

The Company has also entered into a number of contracts for IPO related services including the Placing Agreement (£28.7 million), the FX Agreement (£2.9 million) and other expenses of the Company in connection with Admission, the Placing and incorporation of the Company (£6.7 million).

PART XIII - CAPITALISATION AND INDEBTEDNESS STATEMENT OF THE COMPANY

The following table shows the consolidated gross indebtedness of the Group as at 31 October 2020 and capitalisation of the Company as at 6 October 2020. The figures for capitalisation have been extracted without material adjustment from the historical financial information on the Company included in Part XII as at 6 October 2020. The indebtedness figures have been extracted from the underlying accounting records of the Group as at 31 October 2020.

(\$'000)	<u>As at 31 October 2020</u> <u>(unaudited)</u>
Total current debt:	
- Guaranteed	-
- Secured	-
- Unguaranteed/unsecured	-
Total non-current debt (excluding current portion of long-term debt):	
- Guaranteed	-
- Secured	-
- Unguaranteed/unsecured	-
Total indebtedness	-
(\$'000)	<u>As at 6 October 2020</u> <u>(unaudited)</u>
Capitalisation:	
- Share capital	-
- Legal reserves	-
- Other reserves	-
Total capitalisation	-

There has been no material change in the Group's capitalisation since 6 October 2020.

The following table shows the Group consolidated net financial indebtedness as at 31 October 2020.

(\$'000)	<u>As at 31 October 2020</u> <u>(unaudited)</u>
Cash	-
Cash equivalents	-
Trading securities	-
Liquidity	-
Current financial receivables	-
Current bank debt	-
Current portion of non-current debt	-
Other current financial debt	-
Non-current financial indebtedness	-
Net financial indebtedness	-

As at 31 October 2020 the Group had no material indirect or contingent indebtedness.

There have been the following material changes in the Group's indebtedness position since 31 October 2020 to 30 November 2020, being the latest practicable date prior to the date of this document: the Group received a loan of \$120,000 from Mark Heintzman and paid \$60,000 to the Bermuda Monetary Authority in satisfaction of the annual licence fee for Conduit Reinsurance Limited. The loan is current and unsecured debt which is repayable on demand.

PART XIV - ADDITIONAL INFORMATION

1 RESPONSIBILITY STATEMENT

The Company and each of the Directors, whose names appear in the section of this Prospectus headed Part V - "Directors, Secretary, Registered and Head Office and Advisers", accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and the Directors, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect the import of such information.

2 THE COMPANY

The Company was incorporated and registered in Bermuda on 6 October 2020 under the Bermuda Companies Act with registration number 55936 as an exempted company limited by shares with the name Conduit Holdings Limited. The principal legislation under which the Company operates and under which the Shares will be issued is the Bermuda Companies Act. The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The registrar of the Company is Computershare Investor Services (Bermuda) Limited of 5 Reid Street, PO Box HM 1475 Hamilton HM FX Bermuda (the "**Registrar**"). The ISIN of the Shares is BMG243851091 and the Company's LEI is 21380085AE62D1BXSF19. The telephone number of the Company is +1 441 276 1000. The Company's website is <https://conduitreinsurance.com>. The contents of this website do not form part of this Prospectus.

The Company's accounting reference date is 31 December. The Company's auditors are KPMG Audit Limited of Crown House, 4 Par-la-Ville Road, Hamilton, Bermuda. KPMG Audit Limited are registered to carry out audit work by the Bermuda Public Accountability Board and the Financial Reporting Council. The Company's first audited accounts will cover the full year period to 31 December 2021.

3 SHARE AND LOAN CAPITAL HISTORY

(a) 6 October 2020 was the incorporation date of the Company and also the date of the most recent balance sheet of the Company and as at that point no Shares were in issue. The below Share was issued on 7 October 2020 pursuant to the incorporation carried out on 6 October 2020.

<i>Date of Issue</i>	<i>Number of Shares</i> <i>Issued</i>	<i>Price (\$)</i>	<i>Nature of issue</i>
7 October 2020	1	\$0.01	Initial Subscription

(b) By a resolution of the Board passed on 1 December 2020 it was resolved conditionally upon Admission on or before 31 December 2020 to allot 164,129,996 New Shares pursuant to the Offer for cash at the Offer Price.

(c) By a resolution of the Board passed on 1 December 2020 it was resolved conditionally upon Admission on or before 31 December 2020 to allot 510,000 Management Subscription Shares at the Offer Price per Share and 600,000 Pre-Funding Shares at the price of 125 pence per Share (as set out in further detail in Section 10 of Part VIII - "Information on the Group") pursuant to the Pre-Funding Agreement.

(d) The Company's issued share capital, at the date of this Prospectus is:

Issued and fully paid

<i>Nominal Value</i>	<i>Number</i>
\$0.01	1

Issued and fully paid

(e) Immediately following Admission, the Company's issued share capital is expected to be:

<i>Nominal Value</i>	<i>Number</i>
\$1,652,399.97	165,239,997

- (f) Save as disclosed in this Section 3 of this Part, no share or loan capital of the Company or any of its subsidiaries is under option or agreed conditionally or unconditionally to be put under option.
- (g) The Shares are not listed or traded on and no application has been or is being made for the admission of the Shares to listing or trading on any other stock exchange or securities market.
- (h) With effect from Admission, all of the Shares will be in registered form and, subject to the Shares being admitted to and accordingly enabled for settlement in CREST, the Shares will be capable of being held in uncertificated form. No temporary documents of title will be issued.
- (i) The Shares are freely transferable and there are no restrictions on transfer, subject to compliance with applicable securities laws.
- (j) 164,129,996 New Shares are being issued pursuant to the Offer at the Offer Price which represents a premium of approximately \$6.68 over their nominal value of \$0.01 each. No expenses are being charged to investors in connection with any subscription for New Shares under the Offer.
- (k) Subject to the Bermuda Companies Act, any Shares issued by the Company for cash must first be offered to existing shareholders in proportion to their holdings of Shares. Both the Bermuda Companies Act and the Listing Rules allow for disapplication of pre-emption rights which may be waived by a special resolution of the shareholders, either generally or specifically, for a maximum period not exceeding five years.
- (l) Each New Share will rank in full for all dividends and distributions declared made or paid after their issue and otherwise *pari passu* in all respects with each existing Share and will have the same rights (including voting and dividend rights and rights on a return of capital) and restrictions as each Existing Share, as set out in the Bye-laws. The New Shares will be denominated in U.S. dollars with a par value per share of \$0.01 and will be priced and traded in sterling.

4 MEMORANDUM OF ASSOCIATION AND BYE-LAWS OF THE COMPANY

- 4.1 The following description of certain provisions of the Company's memorandum of association and Bye-laws does not purport to be complete and is subject to, and qualified by reference to, all of the provisions of the memorandum of association and Bye-laws.

Restrictions on objects

- 4.2 The memorandum of association and Bye-laws contain no restrictions on the Company's principal objects or type of business that may be carried out by the Company.

Share Capital

- 4.3 The Company's authorised share capital consists of 10,000,000,000 Shares, par value \$0.01 per Share. Pursuant to the Bye-laws, subject to the requirements of the London Stock Exchange, the Board is authorised to issue any of the Company's authorised but unissued Shares.

Shares

- 4.4 Save as set out in Section 4.5 of this Part XIV - "Additional Information" below, Shareholders are entitled to one vote per share on all matters submitted to a vote of Shareholders. Subject to preferences that may be applicable to any issued and outstanding preferences shares, Shareholders are entitled such dividends, if any, as may be declared from time to time by the Board out of funds legally available for the dividend payments. The Board is authorised to determine Shareholders' redemption, sinking fund, conversion, exchange, pre-emption and other subscription rights when creating and issuing Shares. In the event of the Company's liquidation, dissolution or winding up, the Shareholders are entitled to share equally and rateably in the Company's assets, if any, remaining after the payment of all debts and liabilities, subject to any liquidation preference on any outstanding preference shares.

Voting rights

- 4.5 In general, and except as provided below, Shareholders have one vote for each Share held by them and are entitled to vote at all meetings of Shareholders. However, if, and so long as, the Shares of a Shareholder in the Company are treated as "controlled shares" (as determined pursuant to section 958 of the Code and Treasury Regulations promulgated thereunder and under section 957 of the Code) of any United States person and such controlled shares constitute 9.5 per cent. or more of the votes conferred by the issued shares of the Company, the voting rights with respect to the controlled shares owned by such United States person shall be limited, in the

aggregate, to a voting power of less than 9.5 per cent., under a formula specified in the Bye-laws. The formula is applied repeatedly until the voting power of all 9.5 per cent. U.S. Shareholders has been reduced to less than 9.5 per cent. In addition, the Board may limit a Shareholder's voting rights when it deems it appropriate to do so to (i) avoid the existence of any 9.5 per cent. U.S. Shareholder; and (ii) avoid certain adverse tax, legal or regulatory consequences to the Company or any of its subsidiaries or any Shareholder or its affiliates. "Controlled shares" includes, among other things, all shares of the Company that such U.S. Person is deemed to own directly, indirectly or constructively (within the meaning of section 958 of the Code and Treasury Regulations promulgated thereunder and under section 957 of the Code). The amount of any reduction of votes that occurs by operation of the above limitations will generally be reallocated proportionately among all other Shareholders of the Company whose shares were not "controlled shares" of the 9.5 per cent. U.S. Shareholder so long as such reallocation does not cause any person to become a 9.5 per cent. US Shareholder. Under these provisions, certain Shareholders may have their voting rights limited, while other Shareholders may have voting rights in excess of one vote per Share. Moreover, these provisions could have the effect of reducing the votes of certain Shareholders who would not otherwise be subject to the 9.5 per cent. limitation by virtue of their direct share ownership. No Shareholder will be in breach of, or have any sanctions imposed on them under, Bye-law 87 as a result of any adjustment in voting power.

4.6 The Company can require any Shareholder to provide such information as the Board may reasonably request for the purpose of determining whether a Shareholder's voting rights are to be adjusted. If any Shareholder fails to respond to this request or submits incomplete or inaccurate information in response to such request, the Board may, in its sole discretion, determine that the Shareholder's shares shall carry no voting rights until otherwise determined by the Board.

Preference Shares

4.7 The Board may if authorised by Shareholders issue one or more series of preference shares having such number of shares, designations, dividend rates, voting rights, conversion or exchange rights, redemption rights, liquidation rights and other powers, preferences and rights. Preference shares, if issued, would have priority over the Shares with respect to dividends and other distributions, including the distribution of the Company's assets upon liquidation.

Variation of rights attaching to shares

4.8 The Bye-laws provide that the rights attaching to any class of shares in the Company may be varied by approval of the Board and holders owning a majority of the issued shares of that class at a separate general meeting of the holders of that class of share.

Transfers of Shares

4.9 Transfers of shares may be effected by an instrument of transfer in writing in the form contemplated by section 11.1 of the Bye-laws, or as near thereto as the circumstances admit, or in such other form as the Board may accept. An instrument of transfer shall be signed by or on behalf of the transferor and (where any share is not fully paid) the transferee. The Directors may, in their absolute discretion and without assigning any reason therefore, decline to register any transfer of any share which is not a fully-paid share. Shares may be transferred without a written instrument if transferred by an appointed agent or otherwise in accordance with the Bermuda Companies Act. Subject to applicable laws and regulations, the Board may implement and/or approve such arrangements as they think fit in relation to the evidencing of title to and transfer of shares in the Company in the form of depositary interests or similar interests. To the extent such arrangements are implemented, no provision of the Bye-laws will apply or have effect to the extent such provision is inconsistent with such arrangements.

Board of directors

4.10 The Bye-laws provide that the Board determines the size of the Board, provided that it shall be at least two and no more than 15 individuals.

Election and removal of Directors

4.11 The election of the Directors will be determined by a majority of the votes cast at the general meeting of Shareholders at which the relevant Directors are to be elected (unless the election would result in more than 15 Directors, in which case the Directors receiving the most votes shall be deemed elected). The Bye-laws require advance notice for Shareholders to nominate a director or present proposals for shareholder action at an annual general meeting of the

Shareholders.

4.12 Under the Bye-laws, a Director may be removed only for cause by the affirmative vote of a majority of the issued shares entitled to vote. Any vacancy created by the removal of a Director at a special general meeting may be filled at that meeting by the election of another Director in his or her place or, in the absence of any such election, by the Board. Any other vacancy, including newly created directorships, may be filled by the Board.

Proceedings of the Board

4.13 The Bye-laws provide that the Company's business shall be managed by or under the direction of the Board. The Board may act by the affirmative vote of a majority of the Directors present at a meeting at which a quorum is present. Two of the Directors then in office shall constitute a quorum. The Board may also act by unanimous written consent.

Interested Directors

4.14 Under Bermuda law and the Bye-laws, as long as a Director discloses a direct or indirect interest in any contract or arrangement with the Company as required by law, such Director is entitled to vote in respect of any such contract or arrangement in which he or she is interested, unless disqualified from doing so by the chairman of the meeting, and such a contract or arrangement will not be voidable solely as a result of the interested Director's participation in its approval.

Director remuneration

4.15 The amount of Director remuneration (excluding any remuneration under or in connection with an executive service contract) shall be determined by the Board, provided that the aggregate amount of Director remuneration shall not exceed the amount per annum, which is set out in the Director remuneration policy adopted by the Board and approved by Shareholders (provided that, from the date of the adoption of the Bye-laws until such policy is approved by Shareholders, aggregate Director remuneration payable by way of fee shall not exceed \$1.3 million per annum.).

Indemnification of Directors and officers

4.16 The Bye-laws provide that the Company shall indemnify its officers and Directors in respect of their actions and omissions, except in respect of their fraud or dishonesty, and that the Company shall advance funds to its officers and Directors for expenses incurred in their defence upon receipt of an undertaking to repay the funds if any allegation of fraud or dishonesty is proved. The Bye-laws provide that the Company and the Shareholders waive all claims or rights of action that they might have, individually or in right of the company, against any of the Directors or officers for any act or failure to act in the performance of such Director's or officer's duties, except in respect of any fraud or dishonesty.

Meetings of Shareholders

4.17 Under the Bye-laws, a special general meeting of Shareholders may be called by the Board or the chairman and must be called upon the request of the Shareholders holding not less than 10 per cent. of the paid-up capital of the Company carrying the right to vote at general meetings of the Shareholders.

4.18 At any general meeting of the Shareholders two or more persons (being Shareholders or proxy holders) present in person at the start of and throughout the meeting shall constitute a quorum for the transaction of business. Unless otherwise required by law or the Bye-laws, shareholder action requires the affirmative vote of the majority of the votes cast at a meeting at which a quorum is present.

Amendment of Memorandum of Association and Bye-laws

4.19 The Bye-laws provide that the Bye-laws may not be rescinded, altered or amended except with the approval of the Board and Shareholders holding a majority of the issued shares entitled to vote. Certain Bye-laws (relating to the appointment and removal of Directors and disclosures of interests in the Company) may also only be amended if approved by 66 per cent. of the Board and by Shareholders holding not less than 66 per cent. of the issued shares entitled to vote.

Dividends and repurchase of shares

4.20 Pursuant to the Bye-laws, the Board has the authority to declare dividends and authorise the repurchase of shares subject to applicable law. Under Bermuda law, a company may not declare or pay a dividend if there are reasonable grounds for believing that the company is, or would

after the payment be, unable to pay its liabilities as they become due or the realisable value of its assets would thereby be less than its liabilities. Under Bermuda law, a company cannot purchase its own shares if there are reasonable grounds for believing that the company is, or after the repurchase would be, unable to pay its liabilities as they become due.

Takeovers and compulsory acquisition rules relating to the Shares

4.21 A Bermuda company may engage in a business combination pursuant to a tender offer, scheme of arrangement, amalgamation, merger or sale of assets. The Company is subject to Bermuda law and the Takeover Code does not apply. Any party intending to acquire all or a substantial part of the issued share capital of the Company will not be obliged to comply with the provisions of the Takeover Code as to announcements, equality of treatment for shareholders as to the value and type of consideration offered, and will not be subjected to the scrutiny and sanctions of the Panel on Takeovers and Mergers. The Bye-laws contain certain takeover protections, although these will not provide the full protections afforded by the Takeover Code.

4.22 The amalgamation or merger of a Bermuda company with another company requires the amalgamation or merger agreement to be approved by the company's board of directors and by its shareholders. Pursuant to the Bermuda Companies Act, unless the Company's Bye-laws provide otherwise, the approval of 75% of the shareholders voting at a meeting is required to approve the amalgamation or merger agreement, and the quorum for such meeting must be two persons holding or representing more than one-third of the issued shares of the company or the class, as the case may be. The Bermuda Companies Act provides that an amalgamation and/or merger must be approved by the Board and by the Shareholders owning a majority of the issued shares. Shareholders who did not vote in favour of the amalgamation or merger may apply to court for an appraisal within one month of notice of the shareholders meeting.

4.23 Under the Bermuda Companies Act, the Company is not required to seek the approval of the Shareholders for the sale of all or substantially all of its assets.

4.24 Under Bermuda law, where an offer is made for shares of a company, and within four months of the offer, the holders of not less than 90 per cent. of the shares not owned by the offeror, its subsidiaries or their nominees accept the offer, the offeror may by notice require the non-tendering shareholders to transfer their shares on the terms of the offer. Dissenting shareholders do not have express appraisal rights but are entitled to seek relief (within one month of the compulsory acquisition notice) from the court, which has the power to make such orders as it thinks fit. Additionally, where one or more parties hold not less than 95% of the shares of a company, such parties may, pursuant to a notice given to the remaining shareholders, acquire the shares of such remaining shareholders. Dissenting shareholders have the right to apply to the court for appraisal of the value of their shares within one month of the compulsory acquisition notice. If a dissenting shareholder is successful in obtaining a higher valuation, that valuation must be paid to all shareholders being squeezed out.

4.25 An acquiring party is generally able to acquire compulsorily the common shares of minority holders by a procedure under the Bermuda Companies Act known as a "scheme of arrangement". A scheme of arrangement could be effected by obtaining the agreement of the Company and of holders of common shares, representing in aggregate a majority in number and at least 75 per cent. in value of the common shareholders present and voting at a court ordered meeting held to consider the scheme of arrangement. The scheme of arrangement must then be sanctioned by the Bermuda Supreme Court. If a scheme of arrangement receives all necessary agreements and sanctions, upon the filing of the court order with the Registrar of Companies in Bermuda, all holders of common shares could be compelled to sell their shares under the terms of the scheme of arrangement.

5 MANDATORY BIDS AND COMPULSORY ACQUISITION RULES RELATING TO THE SHARES

Takeover provisions

5.1 To the extent permitted under the Bermuda Companies Act, the Bye-laws adopt certain of the provisions of the Takeover Code, including provisions dealing with compulsory takeover offers and shareholder treatment along the lines of the General Principles (including, "**Equal Treatment**") and the rules governing substantial acquisitions of shares (each to the extent permitted by Bermuda law), which are to be administered by the Board. Bye-law 87 is to have effect only during such times as the Takeover Code does not apply to the Company. Pursuant to Bye-law 87, a

person must not: (i) acting by himself or with persons determined by the Board to be acting in concert, seek to acquire shares in the Company which carry 30 per cent. or more of the voting rights attributable to the shares in the Company; or (ii) acting by himself or with persons determined by the Board to be acting in concert, hold 30 per cent. but not more than 50 per cent. of the voting rights, and seek to acquire, by himself or with persons determined by the Board to be acting in concert, additional Shares which, taken together with the shares held by the persons determined by the Board to be acting in concert with him, increase his voting rights, except as a result of a "permitted acquisition" (meaning an acquisition either consented to by the Board, or made in compliance with Rule 9 of the Takeover Code as if it applied to the Company (subject to any conditions as the Board may think fit including without limitation compliance with the disclosure requirements contained in the Takeover Code as if it applied to the acquisition), or arising from the repayment of a stock borrowing arrangement); or (iii) effect or purport to effect an acquisition which would breach or not comply with Rules 4, 5, 6 or 11 of the Takeover Code (as amended from time to time), if the Company were subject to the Takeover Code.

5.2 Where the Board has reason to believe that any of such circumstances has taken place, it may take all or any of certain measures: (i) require the person(s) appearing to be interested in the shares of the Company to provide such information as the Board considers appropriate; (ii) have regard to such public filings as may be necessary to determine any of the matters under Bye-law 87; (iii) make any determination under Bye-law 87 as it thinks fit, either after calling for submissions by the relevant person(s) or without calling for any; (iv) determine that the voting rights attached to such shares in breach of the Bye-laws, the "**Excess Shares**", are from a particular time incapable of being exercised for a definite or indefinite period; (v) determine that some or all of the Excess Shares are to be sold; (vi) determine that some or all of the Excess Shares will not carry any right to any dividends or other distributions from a particular time for a definite or indefinite period; and (vii) taking such actions as it thinks fit for the purposes of Bye-law 87, including prescribing rules not inconsistent with Bye-law 87, setting deadlines for the provision of information, drawing adverse inferences where information requested is not provided, making determination or interim determinations, executing documents on behalf of a shareholder, converting any Excess Shares held in uncertificated form into certificated form and vice-versa, paying costs and expenses out of proceeds of sale, and changing any decision or determination or rule previously made.

5.3 The Board has the full authority to determine the application of Bye-law 87, including the deemed application of the whole or any part of the Takeover Code, and such authority shall include all the discretion that the Panel on Takeovers and Mergers in the UK would exercise if the whole or part of the Takeover Code applied. Any resolution or determination made by the Board, any Director or the chairman of any meeting acting in good faith is final and conclusive and is not open to challenge as to its validity or as to any other ground. The Board is not required to give any reason for any decision or determination it makes.

6 DIRECTORS AND SENIOR MANAGEMENT

Details of the relevant expertise, experience and length of service of the Directors and senior management are set out in sections 1 and 2 (respectively) of Part IX - "Directors, Senior Management and Corporate Governance".

7 INFORMATION ON THE DIRECTORS

(a) Details of the names of companies and partnerships (excluding directorships of the Company or of its subsidiaries) of which the Directors and Senior Managers are or have been members of the administrative, management or supervisory bodies or partners at any time in the five years preceding the date of this Prospectus:

<i>Name</i>	<i>Current directorships / partnerships</i>	<i>Past directorships / partnerships</i>
Directors		
Neil Eckert	Incubex Ltd Ebix Inc Boutique Modern Limited Chalvington Management Limited Chalvington Batteries Limited Bellaroma Investments Limited Bishopsgate Solar 1 Limited Seago Yachting Limited Ripe Village Stores Ripe Foods Limited	AMP Energy Services Limited AMP Low Plains Limited Aggregated Micro Power Limited Aggregated Micro Power Holdings Limited Behind The Meter Limited Hull Reserve Power Limited Design Technology and Innovation Limited

<i>Name</i>	<i>Current directorships / partnerships</i>	<i>Past directorships / partnerships</i>
Trevor Carvey	Natural Capital Exchange Limited Wingrove House Limited Whetstone Properties Limited Titan (South West) Limited Cricket Management Limited	Hamilton Corporate Member Limited Hamilton UK Holdings Limited
Mark Heintzman	-	Ironshore Insurance Limited
Sir Brian Williamson	Edenbeg Trust Corporation Limited R.J. Fleming & Co.Limited LIV-EX Limited Bergos Fleming Politeia Incubex Inc	Aggregated Micro Power Holdings Limited Ovenden Nominees Limited MT Capital Management Limited MT Fund Management Limited
Elizabeth Murphy	Bernina Re Ltd.	-
Ken Randall	Accredited Insurance (Europe) Limited Accredited Insurance (Europe) Limited - Overseas Company Accredited Surety and Casualty Company, Inc. GLOBAL Reinsurance Corporation of America Randall & Quilter Investment Holdings Ltd. R&Q Re (Bermuda) Ltd R&Q Reinsurance Company Transport Insurance Company Tradesman Program Managers, LLC Roosevelt Road Ltd Roosevelt Road Re Ltd Heath Development Partnership Heath Yacht Charters LLP Lovellrandall LLC Pangaea Trading Partners LLC Randall & Peel Partnership Randall London Limited Randall London One Limited Randalllovell LLC Renaissance Capital Partners Limited Renaissance Capital Partners LLC RLLR LLC FGIC	Accredited Holding Corporation Armitage International Insurance Company, Ltd. R&Q Beta Company plc BERDA DEVELOPMENTS LIMITED GoldStreet Insurance Company Grafton US Holdings Inc. GLOBAL U.S. Holdings, Incorporated ICDC, Ltd. R&Q Alpha Company plc La Licorne Compagnie de Reassurances SA La Metropole Compagnie Belge d'Assurances SA LBL Acquisitions, LLC LDMS Limited Linco Limited Project Horseshoe Funding Limited Project Weave Funding Limited Randall & Quilter II Holdings Limited Randall & Quilter PS Holdings Inc. Randall & Quilter America Holdings Inc. R&Q Alpha Insurance Company SE R&Q Beta Insurance Company SE Randall & Quilter Bluebird Holdings Inc. R&Q Bermuda (SAC) Limited R&Q Capital No. 6 Limited R&Q Capital No. 7 Limited Coverys Capital No. 2 Limited R&Q Capital No. 4 Limited Coverys Capital No. 3 Limited R & Q Cyprus Ltd R&Q Delta Company Limited R&Q Epsilon Insurance Company SE R&Q Eta Company Limited R&Q Gamma Company Limited R&Q (Gibraltar) Limited R&Q Healthcare Interests LLC Randall & Quilter Healthcare Holdings Inc. R&Q Ireland Company Limited by Guarantee R&Q Ireland Claims Services Limited R&Q Insurance (Europe) Limited RQIH Limited R&Q Liquidity Management Limited RQLM Limited R&Q Munro MA Limited R&Q Oast Limited R&Q Reinsurance Company (UK) Limited R&Q Secretaries Limited Randall & Quilter Underwriting Management Holdings Limited Risk Transfer Underwriting, Inc. Southern Illinois Land Company, Inc. United States Sports Insurance Company, LLC Western Captive Company Designated Activity Company
Malcolm	mBermuda Ltd.	-

Name	Current directorships / partnerships	Past directorships / partnerships
Furbert	Summit Capital Limited	-
Dr. Richard Sandor	American Financial Exchange, LLC Environmental Financial Products, LLC	-
Senior Managers		
Stuart Quinlan	-	-
Greg Lunn	Scribestar Limited FLCBDA Consultancy Limited Marshall Diel & Myers Limited Marshall Services Limited	-
Tristan McDonald	Stakes & Ladders Ltd i-pools (Host) Limited i-pools Limited Squeezeplay Associates LLP Squeezeplay Investments Ltd	-

(b) None of the Directors or Senior Managers:

- (i) has any convictions in relation to fraudulent offences for at least the previous five years; or
- (ii) has been declared bankrupt or been a director or member of the administrative, management or supervisory body of a company or a senior manager of a company at the time of any receivership, administration or liquidation for at least the previous five years; or
- (iii) has been subject to any official public incrimination and/or sanctions by any statutory or regulatory authority (including designated professional bodies) or has ever been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company for at least the previous five years.

8 DIRECTORS', SENIOR MANAGERS' AND OTHERS' INTERESTS

(a) The board of Conduit MIP, upon the approval of the Board, has granted MIP Shares in Conduit MIP which may be redeemed into Shares (subject to vesting and under and in accordance with the terms of the Management Promote set out at Section 8 of Part VIII - "Information on the Group") to the following Directors and Senior Managers prior to Admission:

Director/Senior Manager	Number of USD MIP Shares	Number of GBP MIP Shares	Total MIP Shares
Neil Eckert	45,000	45,000	90,000
Trevor Carvey	30,000	30,000	60,000
Mark Heintzman	3,000	3,000	6,000
Stuart Quinlan	4,000	4,000	8,000
Tristan McDonald	1,500	1,500	3,000
Greg Lunn	1,500	1,500	3,000

(b) The interests (all of which are or will be beneficial unless otherwise stated) of the Directors and Senior Managers in the share capital of the Company are as follows:

Director/Senior Manager	At Present		Following Admission	
	Number of Shares	Percentage of issued share capital (%)	Number of Shares	Percentage of enlarged issued share capital (%)
Neil Eckert	1	100	580,001	0.35%
Trevor Carvey	-	-	180,000	0.11%
Mark Heintzman	-	-	120,000	0.07%
Sir Brian Williamson	-	-	15,000	0.01%
Elizabeth Murphy	-	-	15,000	0.01%
Ken Randall	-	-	-	-
Malcolm Furbert	-	-	8,000	0.005%
Dr. Richard Sandor	-	-	-	-

Stuart Quinlan	-	-	30,000	0.02%
Tristan McDonald	-	-	22,000	0.01%
Greg Lunn	-	-	20,000	0.01%

- (c) In addition to, but separate from, the Offer, each of Neil Eckert, Trevor Carvey, Mark Heintzman, Sir Brian Williamson, Elizabeth Murphy, Malcolm Furbert, Stuart Quinlan, and Tristan McDonald, have agreed, conditional on Admission and the Placing Agreement not having been terminated prior to Admission, to acquire 340,000, 100,000, 20,000, 15,000, 15,000, 8,000, 10,000, and 2,000 Shares respectively (the "**Management Subscription Shares**") for a price per Share equal to the Offer Price (the "**Management Subscription**"). In addition, certain Directors and Senior Managers will subscribe for the Pre-Funding Shares on Admission for a price of 125 pence per Share, as set out in further detail in Section 10 of Part VIII - "Information on the Group". Application is being made for the Admission of the existing one Share, the Management Subscription Shares and the Pre-Funding Shares in addition to the New Shares to be issued in the Offer.
- (d) Save as disclosed in paragraphs 8(a) and (b) above, immediately following Admission, no Director or Senior Manager will have any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company or any of its subsidiary undertakings.
- (e) As at the date of this Prospectus the Company is only aware of the following persons who will be interested, directly or indirectly, in 5 per cent. or more of the issued share capital of the Company immediately following Admission:

Shareholder	Number of Shares	Percentage of enlarged issued share capital (%)
Aviva Investors	25,061,645	15.17%
Fidelity International	16,430,552	9.94%
Odey Asset Management	10,100,000	6.11%
CI Investments	9,119,260	5.52%
Kames Capital	8,614,729	5.21%

- (f) The Company is not aware of any person who, directly or indirectly owns or controls the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.
- (g) There are no potential conflicts of interest between any duties owed by the Directors or the Senior Managers to the Company and their private interests and/or other duties.

9 DIRECTORS' SERVICE AGREEMENTS

- (a) On 18 November 2020, each of Neil Eckert, Trevor Carvey and Mark Heintzman entered into a service agreement with the Company which is conditional upon Admission taking place on or before 31 December 2020. Each of their respective agreements is terminable by either him or the Company on six months' prior written notice. Under their respective agreements, Neil Eckert, Trevor Carvey and Mark Heintzman are each entitled to receive an annual salary of \$530,000, \$800,000 and \$425,000 respectively. In recognition of the work performed by each of Neil Eckert and Trevor Carvey from 31 March 2020 establishing the Company, the Company shall pay a one-off bonus payment of \$357,000 and \$539,000 respectively, to be paid on or before the first monthly instalment of each individuals fixed salary. A similar one-off bonus payment of \$72,000 will be made to Mark Heintzman in respect of his work performed from 1 October 2020 to be paid on or before the first monthly instalment of Mark Heintzman's fixed salary.

Save as set out in paragraph 9(a) above, on Admission there will be no existing or proposed service agreements between the executive Directors and any member of the Group.

- (b) Under the terms of their appointments as non-executive Directors of the Company, Sir Brian Williamson, Elizabeth Murphy, Ken Randall, Malcolm Furbert and Dr. Richard Sandor are entitled to an annual fee of \$130,000, \$115,000, \$130,000, \$105,000 and \$105,000 per annum

respectively.

10 EMPLOYEES

(a) As a start-up the Group has no employment history. The Group anticipates operating with a team of professionals with the requisite skills to write the classes of business the Group intends to target. This team will be made up of the senior management and an underwriting and operational team together with support staff and the Board. The following table sets out the forecast headcount for the end of 2021 by function and location:

		31 December 2021 Number
<i>Bermuda</i>		
	<i>Executive</i>	5
	<i>Underwriting</i>	20
	<i>Risk/Actuarial</i>	5
	<i>HR</i>	1
	<i>Finance</i>	3
	<i>IT</i>	3
	<i>Ops/Legal</i>	4
	<i>Other support</i>	5
<i>London</i>		
	<i>Executive</i>	1
	<i>Head of HR</i>	1
	<i>Marketing and other support</i>	3
TOTAL		51

11 REMUNERATION POLICY

Recruiting, retaining and incentivising executives of the right calibre to successfully execute the Group's business strategy is key to the Company's success.

In this context, the Remuneration Committee has reviewed the Company's approach to remuneration for executive directors and other members of the senior management team to ensure it is aligned to and supportive of the Company build plan and strategy post-listing, while also taking due account of best practice. A summary of the approach to remuneration following Admission is provided below and further details will be provided in the Company's first directors' remuneration report.

The Group's approach to senior executive reward is shaped by the following key principles, where it is intended to deliver:

- Balancing short- and long-term goals - provide a package with an appropriate balance between short- and longer-term performance targets linked to the delivery of the Company's business plan and the generation of sustainable long-term returns for shareholders;
- Shareholder alignment - ensure alignment of the interests of the executive directors, senior management and employees to the long-term interests of shareholders;
- Competitive remuneration - maintain a competitive package in order to attract, retain and motivate high calibre talent to help ensure the Company performs successfully;
- Fairness - take an active interest in the development of good practices to deliver fair remuneration at all levels of the organisation; and
- Performance-focussed compensation - encourage and support a sustainable, high-performance culture in line with the build plan and with the agreed risk profile of the business.

In addition, the Group's policy is tested against the six factors listed in the UK Corporate Governance Code:

- Clarity - the policy will be clearly articulated to shareholders and management;
- Simplicity - the Remuneration Committee is very mindful of the need to avoid overly complex remuneration structures—the executive remuneration policies and practices will be relevant to the continued development of the business, simple to communicate and operate;
- Risk - the remuneration policy is designed to ensure that inappropriate risk-taking is not encouraged and will not be rewarded. This will be achieved via (i) the balanced use of both short- and long-term incentive plans which employ a blend of financial, non-financial and shareholder return targets, (ii) the significant role played by equity in the incentive plans (together with shareholding guidelines) and (iii) malus/ clawback provisions;
- Predictability - the incentive plans will be subject to individual caps, with the share plans also being subject to market standard dilution limits;
- Proportionality - there will be a clear link between individual awards, delivery of strategy and long-term performance. In addition, the significant role played by incentive/'at-risk' pay, together with the structure of the executive directors' service contracts, are designed to ensure that poor performance is not rewarded; and
- Alignment to culture - the Group's executive pay policies will be aligned to the Company's culture.

The information in this Section 11, together with the details of the Management Promote set out in section Section 8 of Part VIII - "Information on the Group", summarises the key components of the executive director and non-executive director remuneration arrangements which will apply from Admission. As set out at Part IX - "Directors, Senior Management and Corporate Governance" above, following Admission, the Company intends to comply voluntarily with aspects of the UK Corporate Governance Code and to report on its compliance or non-compliance with the UK Corporate Governance Code as if it were required to under the Listing Rules. Though there is no requirement in applicable law, the Company intends to offer Shareholders a binding vote on the Company's forward-looking remuneration policy at annual general meetings, in line with the requirement that companies bound by UK law or regulation must put their remuneration policy to a binding Shareholder vote at least once every three years. An overview of the key elements of the directors' remuneration policy that will operate from Admission is provided below.

Base salary

The current Executive Directors' salaries will, on Admission, be \$530,000, \$800,000 and \$425,000 per annum for the Chairman, CEO and CFO respectively. Base salaries will typically be reviewed annually and any increases will take into account increases awarded to the wider workforce, individual performance and market data as appropriate.

Pension and benefits

Executive Directors' pension provision will be aligned to that of the majority of the workforce, at 5% of salary (although Executive Directors may elect to take cash in lieu of pension, subject to compliance with applicable law). Any changes in the workforce pension arrangements may be reflected in Executive Director remuneration. Other market-typical benefits for Executive Directors working in Bermuda may be provided including normal health and welfare benefits, and relocation, travel and housing allowances (including tax payable, if any and if considered appropriate).

Annual bonus

Executive Directors will be eligible to participate in an annual bonus plan for 2020 and onwards. The maximum bonus payable to the Chairman, CEO and CFO will be 300% of salary respectively. 50% of any bonus earned will be payable as a deferred share award of an equivalent value (with the number of shares calculated using the share price at the close of the market on the day that the award is granted) which vests (unless the individual is dismissed for gross misconduct) two years later.

Bonus pay-outs will be determined on the satisfaction of a range of key financial and personal/strategic objectives set annually by the Remuneration Committee. The Remuneration Committee will provide appropriate levels of disclosure on a retrospective basis of the bonus target used in the prior year in the relevant Directors' remuneration report, subject to issues of commercial sensitivity. Discretion to adjust the provisional bonus outturn may be exercised in cases where the Remuneration Committee believes that it would be appropriate to ensure that the amount of any bonus is reflective of the underlying business performance of the Group and/or wider circumstances.

Long Term Incentives

Executive Directors participate in the Management Promote (as summarised in Section 8 of Part VIII - "Information on the Group").

Though no plans are currently intended, the Remuneration Committee reserves the right to adopt any future long-term incentive plans, details of which (if applicable) will be included in the remuneration policy for approval by shareholders at the first annual general meeting of the Company following Admission.

Malus and clawback

Consistent with best practice, malus and clawback provisions will be operated at the discretion of the Remuneration Committee in respect of both the annual bonus and any long-term incentive plan adopted by the Company from time to time, including the Management Promote. The Remuneration Committee will have the discretion to reduce an award (malus) or require repayment of an award (clawback) where it considers that there are exceptional circumstances. Such exceptional circumstances are limited to (i) material misstatement of results, (ii) material breach of any post termination employment covenants, or (iii) fraud or a financial criminal act which affects the Group and carries a custodial sentence during the course of employment. Clawback will apply for a period of three years following vesting/payment of an award.

Share ownership guidelines

Shareholding guidelines will apply that will require the Executive Directors to build and maintain a shareholding in the Company of 300% of salary whilst in post. Where not met at Admission, future bonuses which are paid in Shares and other share awards will accumulate until this requirement is met. In addition, post-cessation shareholding requirements will apply which will require Executive Directors to retain for two years following cessation the lower in value of (i) such number of Shares on cessation that have a market value equal to the shareholding guideline in place at that time (i.e. 300% presently) and (ii) the number of Shares they hold at that time. However, Shares that are acquired by the Executive Director out of their own funds will be excluded from this holding requirement. Also, the Remuneration Committee can relax this requirement in exceptional circumstances and may alter its operation to reflect changing market practice and/or such other matters as the Remuneration Committee considers appropriate.

Recruitment policy

Consistent with best practice, new Executive Directors and senior employees (including those promoted internally) will be offered packages in line with the remuneration policy in force at the time. However, the Company recognises that it may be necessary in some circumstances to provide compensatory awards for amounts forfeited from a previous employer. The Remuneration Committee's intention is to ensure that any such awards will reflect the value and timing of receipt of the incentives they are replacing.

Termination policy

The Company's policy is for Executive Directors to have service agreements which may be terminated by the Company for breach by the executive or with no more than six months' notice from the Company to the Executive Director and six months' notice from the Executive Director to the Company. If notice is served by either party, the Executive Director can continue to receive base salary, benefits and pension for the duration of their notice period during which time the Company may require the individual to continue to fulfil their current duties or may assign a period of garden leave. Service contracts do not contain liquidated damages clauses. The Company may elect to make a payment in lieu of notice equivalent in value to a maximum of six months' base salary and benefits including pension contribution but excluding bonus, payable in monthly instalments, which would be subject to mitigation if alternative employment is taken up during this time. Alternatively, the Remuneration Committee retains discretion to provide this payment as a lump sum. In the event of termination for cause (e.g. gross misconduct) neither notice nor payment in lieu of notice will be given and the Executive Director will cease to perform their services immediately.

In addition, and consistent with market practice, the Company may pay a contribution towards the Executive Director's legal fees for entering into a statutory agreement, may pay a contribution towards fees for outplacement services as part of a negotiated settlement, or may make a payment to settle claims the Executive Director may have. There is no provision for additional compensation on termination following a change of control. Payment may also be made in respect of accrued benefits, including untaken holiday.

Under the Management Promote, summarised in Section 8 of Part VIII - "Information on the Group", the following leaver provisions will apply:

- The default treatment for any awards held by central management (referred to as "**Tier 1**") is that any unvested awards are sold back to the Company at the price at which they were subscribed for and vested awards can be retained by the leaver.

- The default treatment for Tier 1 ("Good Leaver") applies for anything other than gross misconduct, fraud or criminal acts which carry a custodial sentence ("Bad Leaver"). All participants other than Tier 1 will be a "Good Leaver" if they leave due to death, retirement at UK statutory retirement age, retirement through ill health or disability (or if the Remuneration Committee determines otherwise), and will otherwise be a "Bad Leaver".
- For Bad Leavers all awards will be sold back to the Company at the subscription price.

External appointments

The Board recognises the benefit which the Company can obtain if executive directors serve as non-executive directors of other companies. Subject to review in each case, the Board's general policy is that an Executive Director can accept other non-executive directorships of other companies and can retain the fees in respect of such appointment.

Statement of conditions elsewhere in the Company

The Remuneration Committee will consider pay and employment conditions across the Company when reviewing the remuneration of the Executive Directors and other senior employees. In particular, the Remuneration Committee will consider the range of base pay increases across the Group as well as wider workforce remuneration and related policies.

Consideration of Shareholder views

The Remuneration Committee will take the views of Shareholders seriously and these views will be taken into account in shaping remuneration policy and practice. Shareholder views will be considered when evaluating and setting remuneration strategy and the Remuneration Committee commits to consulting with key Shareholders prior to any significant changes to its remuneration policy.

Non-Executive Directors

The independent Non-Executive Directors are appointed by letters of appointment of three years' duration and are subject to annual re-election. Fee levels are set by reference to fees at companies of similar size and complexity. The fees for non-executive directors are determined by the Board as a whole.

The non-executive directors' basic fee is \$75,000, with additional fees payable in respect of membership of Board Committees of \$15,000 per committee and \$25,000 for appointment as Chair of a committee.

12 SHARE PLANS

Management Promote

Details of the Management Promote are set out in full in Section 8 of Part VIII - "Information on the Group".

13 PENSIONS

The Group will operate defined contribution arrangements for the benefit of its employees to the extent required by applicable law and regulation.

14 THE COMPANY AND ITS SUBSIDIARIES

The Company is the holding company of the Group and has the following significant direct and indirect subsidiaries, subsidiary undertakings and other undertakings in which it has an interest held on a long-term basis and which the Company considers are likely to have a significant effect on the assessment of the Company's assets and liabilities, financial position or profits and losses:

Name	Nature of business	Registered office and country of incorporation/ residence	Proportion of share capital held	Issued and paid up share capital
Conduit MIP Limited	Incentive related entity	Bermuda Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda	100* per cent	300 ordinary 1 shares of a nominal value of £1 each 300 ordinary 2 shares of a nominal value of \$1 each 85,000 A1 ordinary shares (GBP MIP Shares) of a nominal value of £0.001 each

Name	Nature of business	Registered office and country of incorporation/residence	Proportion of share capital held	Issued and paid up share capital
Conduit Reinsurance Limited	Reinsurance	Bermuda Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda	100* per cent.	85,000 A2 ordinary shares (USD MIP Shares) of a nominal value of \$0.001 each 1,000,000 shares of a nominal value of \$1 each (unpaid) - 120,000 of such shares were paid up on 18 November 2020 pursuant to the application process for the BMA Class 4 insurer licence - see Section 1 of Part VIII - "Information on the Group" for further detail)

**in accordance with the terms of the Management Promote set out at Section 8 of Part VIII - "Information on the Group" and as set out in detail in Section 8 of this Part, certain executive directors and senior managers have interests in the share capital of Conduit MIP Limited*

15 ARRANGEMENTS RELATING TO THE OFFER

On 2 December 2020, the Company, the Directors and the Banks entered into the Placing Agreement pursuant to which, on the terms and subject to the conditions contained therein:

- the Company has agreed, subject to certain conditions, to issue the New Shares at the Offer Price;
- the Banks have agreed, subject to certain conditions, to use reasonable endeavours to procure subscribers for the New Shares forming part of the Offer at the Offer Price failing which the Banks shall subscribe for such New Shares themselves;
- the obligations of the Company to issue the New Shares forming part of the Offer and the obligations of the Banks to procure subscribers for such Shares are conditional upon certain conditions that are customary for an agreement of this nature; in addition, the Banks have the right, exercisable in certain circumstances, to terminate the Placing Agreement prior to Admission. The termination rights for the Banks in the Placing Agreement are customary for an agreement of this nature;
- the Banks are entitled to be paid by the Company their respective proportion of the Base Fee, with such payment to be made in the form of commission;
- the Company may, at its absolute discretion, pay to the Banks their respective proportion of the Discretionary Fee, with such payment to be made in the form of commission;
- the Company has agreed to pay all costs, charges, fees and expenses in connection with or incidental to the Offer (including any value added tax payable in accordance with the Placing Agreement);
- the Company and the Directors have each given certain customary representations, warranties and undertakings to the Banks, and the Company has given an indemnity to the Banks on customary terms; and
- each of the Company and the Directors has agreed to certain lock-up arrangements; further details of the lock-up arrangements are set out in section 8 of Part X – "The Offer".

If any of the above-mentioned conditions are not satisfied (or waived, where capable of being waived) by, or the Placing Agreement is terminated prior to, Admission, the applications for Admission will be withdrawn from the FCA and the London Stock Exchange and Admission will not occur (and the Offer will not proceed as a result).

16 DILUTION OF SHARE CAPITAL

Pursuant to the Offer, the Company expects to issue 164,129,996 New Shares. Furthermore, in addition to, but separate from the Offer, (i) the Pre-Funding Shares will be issued at a price of 125 pence per new Share (as set out in further detail in Section 10 of Part VIII - "Information on the Group") and (ii) the Management Subscription Shares will be issued pursuant to the Management Subscription. Once such

number of New Shares, the Pre-Funding Shares and the Management Subscription Shares are issued, the existing Shareholder (taking into account the Pre-Funding Shares and the Management Subscription Shares he is issued) will suffer an immediate dilution of 164,659,996 Shares for the one Share he currently owns, which is equivalent to a dilution of 100 per cent.

17 MATERIAL CONTRACTS AND RELATED PARTY TRANSACTIONS

(a) The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by any member of the Group within the two years immediately preceding the publication of this Prospectus and which are or may be material to the Group or have been entered into by any member of the Group at any time and contain a provision under which any member of the Group has any obligation or entitlement which is material to the Group at the date of this Prospectus:

- (i) the Placing Agreement referred to in Section 15 above;
- (ii) an engagement letter between the Company and Kinmont dated 2 December 2020 under which Kinmont has agreed to act in a financial advisory role in relation to the Offer but not as a bookrunner or broker. Pursuant to the engagement letter, Kinmont is entitled to be paid by the Company its proportion of the Base Fee, and the Company may, at its absolute discretion, pay to Kinmont a proportion of the Discretionary Fee;
- (iii) the Depositary Agreement described in Part XV - "CREST and Depositary Interests" of this Prospectus;
- (iv) the Pre-Funding Agreement described in Section 10 of Part VIII - "Information on the Group" of this Prospectus; and
- (v) the agreement dated 1 December 2020 between the Company and Jefferies Financial Services, Inc, pursuant to which an amount equal to £785.0 million of the Net Proceeds will be converted from Pounds Sterling to U.S. dollars (the "FX Agreement").

(b) Save as disclosed in:

- (i) Section 10 of Part VIII - "Information on the Group";
- (ii) Section 12 of Part VII - "Information on the Group";
- (iii) Section 8 of Part XIV - "Additional Information"; and
- (iv) Section 9 of Part XIV - "Additional Information",

of this Prospectus, the Group has not been a party to any related party transaction for the period to the date of this Prospectus.

18 WORKING CAPITAL

The Company is of the opinion that, taking into account the Net Proceeds of the Offer of £782.4 million, the Group has sufficient working capital for its present requirements, that is, for at least the next 12 months from the date of this Prospectus.

19 SIGNIFICANT CHANGE

Save for the loan of \$120,000 from Mark Heintzman and the contingent liabilities assumed by the Company in respect of the fees payable under the Placing Agreement (£28.7 million), the FX Agreement (£2.9 million), the service agreements with its Directors and Senior Managers (aggregate fees and salaries of \$2.95 million per annum) and the other expenses of the Company in connection with Admission, the Placing and incorporation of the Company (£6.7 million) (all of which have caused a significant change in the financial position of the Company due to the Company being a newly established company which has not commenced trading), there has been no significant change in the financial performance or financial position of the Company since 6 October 2020, being the date as at which the historical financial information contained in Section B of Part XII - "Historical Financial Information Relating to the Company" has been prepared.

20 LITIGATION

There are no, nor have there been any, governmental, legal or arbitration proceedings (including such proceedings which are pending or threatened or of which the Company is aware) during the last 12 months prior to the date of this Prospectus which may have, or have had in the recent past, a significant effect on

the Company's and/or the Group's financial position or profitability.

21 CONSENTS

BDO LLP, a member firm of the Institute of Chartered Accountants in England and Wales, has given, and has not withdrawn, its written consent to the inclusion in this document of its accountant's report set out in Section A (Accountant's Report in respect of the Historical Financial Information) of Part XII - "Historical Financial Information Relating to the Company" and has authorised the contents of this report as part of this document for the purposes of Prospectus Regulation Rule 5.3.2R(2)(f) and item 1.3 of Annex 1 of Commission Delegated Regulation (EU) 2019/980.

22 GENERAL

- (a) The total costs (including fees and commissions) (exclusive of recoverable VAT) payable by the Company in connection with the Offer and Admission are approximately £38.3 million.
- (b) The financial information set out in this Prospectus relating to the Group does not constitute statutory accounts within the meaning of section 434 of the Companies Act.
- (c) There are no arrangements in place under which future dividends are to be waived or agreed to be waived.
- (d) The Offer Price is payable in full in cash on acceptance.

23 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the Company's offices at 3rd Floor Power House, 7 Par-La-Ville Road, Hamilton, Bermuda and on the Company's website at <https://conduitreinsurance.com>:

- (a) the memorandum of association of the Company and the Bye-laws of the Company to be adopted conditionally on Admission;
- (b) the BDO LLP accountant's report set out in Section A (Accountant's Report in respect of the Historical Financial Information) of Part XII - "Historical Financial Information Relating to the Company"; and
- (c) the letters of consent referred to in Section 21 above; and
- (d) this Prospectus.

Dated: 2 December 2020

PART XV - CREST AND DEPOSITORY INTERESTS

1 CREST and Depositary Arrangements

The Company has established depositary arrangements to enable investors to settle interests in the Shares through the CREST system. CREST is a paperless settlement system allowing securities to be transferred from one user's CREST account to another without the need to use share certificates or written instruments of transfer. Securities issued by companies incorporated outside the UK, such as the Company, cannot be held or transferred electronically in the CREST system. However, depositary interests allow such securities to be dematerialised and settled electronically through CREST. Where investors choose to settle interests in the Shares through the CREST system, and pursuant to depositary arrangements established by the Company, Computershare Investor Services plc (the "**Depositary**") will hold the Shares and issue dematerialised depositary interests representing the underlying Shares ("**Depositary Interests**").

The Depositary will issue the dematerialised Depositary Interests. The Depositary Interests will be independent securities constituted under English law which may be held and transferred through the CREST system.

The Depositary Interests will be created pursuant to and issued on the terms of a deed poll dated 27 November 2020 and executed by the Depositary in favour of the holders of the Depositary Interests from time to time (the "**Deed Poll**"). Prospective Holders of Depositary Interests should note that they will have no rights against Euroclear UK & Ireland or its subsidiaries in respect of the underlying Shares or the Depositary Interests representing them.

The Shares will be transferred to the Custodian and the Depositary will issue Depositary Interests to participating members and provide the necessary custodial services.

In relation to those Shares held by Shareholders in uncertificated form, although the Company's register of members shows the Custodian as the legal holder of the Shares, the beneficial interest in the Shares remains with the holder of the Depositary Interests, who has the benefit of all the rights attaching to the Shares as if the holder of the Depositary Interests were named on the certificated Share register itself.

Each Depositary Interest will be represented as one Share, for the purposes of determining, for example, in the case of Shares, eligibility for any dividends. The Depositary Interests will have the same ISIN number as the underlying Shares and will not require a separate listing on the Official List. The Depositary Interests can then be traded and settlement will be within the CREST system in the same way as any other CREST securities.

Application has been made for the Depositary Interests to be admitted to CREST with effect from Admission.

2 Deed Poll

In summary, the Deed Poll contains provisions to the following effect, which are binding on the holders of Depositary Interests:

Holders of Depositary Interests warrant, *inter alia*, that Shares held by the Depositary or the Custodian (on behalf of the Depositary) are free and clear of all liens, charges, encumbrances or third party interests and that such transfers or issues are not in contravention of the Company's constitutional documents or any contractual obligation, law or regulation. Each holder of Depositary Interests indemnifies the Depositary for any losses the Depositary incurs as a result of breach of this warranty.

The Depositary and any Custodian must pass on to the holders of Depositary Interests and exercise on behalf of holders of Depositary Interests all rights and entitlements received or to which they are entitled in respect of the underlying Shares which are capable of being passed on or exercised. Rights and entitlements to cash distributions, to information, to make choices and elections and to attend and vote at meetings shall, subject to the Deed Poll, be passed on in the form in which they are received together with amendments and additional information necessary to effect such passing-on, or, as the case may be, exercised in accordance with the Deed Poll.

The Depositary will be entitled to cancel Depositary Interests and withdraw the underlying Shares in certain circumstances including where a holder of Depositary Interest has failed to perform any obligation under the Deed Poll or any other agreement or instrument with respect to the Depositary Interests.

The Deed Poll contains provisions excluding and limiting the Depositary's liability. For example, the Depositary shall not be liable to any holder of Depositary Interests or any other person for liabilities in

connection with the performance or non-performance of obligations under the Deed Poll or otherwise except as may result from its negligence or wilful default or fraud. Furthermore, except in the case of personal injury or death, the Depositary's liability to a holder of Depositary Interests will be limited to the lesser of:

- (a) the value of the Shares and other deposited property properly attributable to the Depositary Interests to which the liability related; and
- (b) that proportion of £5 million which corresponds to the proportion which the amount the Depositary would otherwise be liable to pay to the holder of the Depositary Interest bears to the aggregate of the amounts the Depositary would otherwise be liable to pay to all such holders in respect of the same act, omission or event which gave rise to such liability or, if there are no such amounts, £5 million.

The Depositary is not liable for any losses attributable to or resulting from the Company's negligence or wilful default or fraud of that of the CREST operator.

The Depositary is entitled to charge holders of Depositary Interests fees and expenses for the provision of its services under the Deed Poll.

Each holder of Depositary Interests is liable to indemnify the Depositary and any Custodian (and their agents, officers and employees) against all liabilities arising from or incurred in connection with, or arising from any act related to, the Deed Poll so far as they relate to the property held for the account of Depositary Interests held by that holder, other than those resulting from the wilful default, negligence or fraud of the Depositary, or the Custodian or any agent, if such Custodian or agent is a member of the Depositary's group, or, if not being a member of the same group, the Depositary shall have failed to exercise reasonable care in the appointment and continued use and supervision of such Custodian or agent.

The Depositary may terminate the Deed Poll by giving not less than 30 days' prior notice. During such notice period, holders may cancel their Depositary Interests and withdraw their deposited property and, if any Depositary Interests remain outstanding after termination, the Depositary must as soon as reasonably practicable, among other things, deliver the deposited property in respect of the Depositary Interests to the relevant holder of Depositary Interests or, at its discretion sell all or part of such deposited property. It shall, as soon as reasonably practicable deliver the net proceeds of any such sale, after deducting any sums due to the Depositary, together with any other cash held by it under the Deed Poll pro rata to holders of Depositary Interests in respect of their Depositary Interests.

The Depositary or the Custodian may require from any holder, or former or prospective holder, information as to the capacity in which Depositary Interests are owned or held and the identity of any other person with any interest of any kind in such Depositary Interests or the underlying Shares and holders are bound to provide such information requested. Furthermore, to the extent that the Company's constitutional documents require disclosure to the Company of, or limitations in relation to, beneficial or other ownership of, or interests of any kind whatsoever, in the Shares, the holders of Depositary Interests are to comply with such provisions and with the Company's instructions with respect thereto.

It should also be noted that holders of Depositary Interests may not have the opportunity to exercise all of the rights and entitlements available to holders of Shares in the Company, including, for example, in the case of Shareholders, the ability to vote on a show of hands. In relation to voting, it will be important for holders of Depositary Interests to give prompt instructions to the Depositary or its nominated Custodian, in accordance with any voting arrangements made available to them, to vote the underlying Shares on their behalf or, to the extent possible, to take advantage of any arrangements enabling holders of Depositary Interests to vote such Shares as a proxy of the Depositary or its nominated Custodian.

A copy of the Deed Poll can be obtained on request in writing to the Depositary.

3 Depositary Agreement

The terms of the depositary agreement dated 27 November 2020 between the Company and the Depositary under which the Company appoints the Depositary to constitute and issue from time to time, upon the terms of the Deed Poll, a series of Depositary Interests representing securities issued by the Company and to provide certain other services in connection with such Depositary Interests are summarised below (the "**Depositary Agreement**").

The Depositary agrees that it will perform its obligations with all reasonable skill, diligence and care. The Depositary assumes certain specific obligations, including the obligation to arrange for the Depositary Interests to be admitted to CREST as participating securities and to provide copies of and access to the register of Depositary Interests.

The Depositary will either itself or through its appointed Custodian hold the deposited property on trust (which includes the securities represented by the Depositary Interests) for the benefit of the holders of the Depositary Interests as tenants in common, subject to the terms of the Deed Poll. The Company agrees to provide such assistance, information and documentation to the Depositary as is reasonably required by the Depositary to properly carry out its duties, responsibilities and obligations under the Deed Poll and the Depositary Agreement. In particular, the Company is to supply the Depositary with all documents it sends to its Shareholders so that the Depositary can distribute the same to all holders of Depositary Interests. The Depositary Agreement sets out the procedures to be followed where the Company is to pay or make a dividend or other distribution.

The Company is to indemnify the Depositary for any loss it may suffer as a result of the performance of the Depositary Agreement except to the extent that any losses result from the Depositary's own negligence, fraud, wilful default or breach of the Depositary Agreement. The Depositary is to indemnify the Company for any loss the Company may suffer as a result of or in connection with the Depositary's fraud, negligence, wilful default or breach of the Depositary Agreement save that the aggregate liability of the Depositary to the Company over any 12 month period shall in no circumstances whatsoever exceed twice the amount of the fees payable to the Depositary in any 12 month period in respect of a single claim or in the aggregate.

Subject to earlier termination, the Depositary is appointed for a fixed term of one year and thereafter until terminated by either party giving not less than three months' notice.

In the event of termination, the parties agree to phase out the Depositary's operations in an efficient manner without adverse effect on the members of the Company and the Depositary shall deliver to the Company (or as it may direct) all documents, papers and other records relating to the Depositary Interests which are in its possession and which is the property of the Company.

The Company is to pay certain fees and charges, including a set-up fee and an annual fee, a fee based on the number of Depositary Interests per year and certain CREST related fees. The Depositary is also entitled to recover out of pocket fees and expenses.

PART XVI - DEFINITIONS

Section A

The following definitions apply throughout this Prospectus, unless the context requires otherwise:

"9.5 per cent. U.S. Shareholder"	any "United States person" (as defined in the Code) whose "controlled shares" (as determined pursuant to the Code and the Treasury Regulations promulgated thereunder) constitute 9.5 per cent. or more of the votes conferred by the Company's issued shares
"Admission"	the admission of the Shares to the Official List and to trading on the London Stock Exchange's market for listed securities
"Appointed Representative Arrangement"	following Admission the Group intends to support its access to the UK market by way of basic promotional marketing activities within the terms of an appointed representative arrangement to be entered into between a UK incorporated subsidiary (that is yet to be put in place) and a third party intermediary services business based in the UK and regulated by the FCA as an authorised person
"Auditors"	KPMG Audit Limited of Crown House, 4 Par-la-Ville Road, Hamilton, Bermuda
"Banks"	Jefferies International Limited and Panmure Gordon (UK) Limited
"Base Fee"	2.4 per cent. of an amount equal to the Offer Price multiplied by the aggregate number of New Shares
"Bermuda Companies Act"	the Companies Act 1981 (Bermuda) (as amended)
"BMA"	the Bermuda Monetary Authority
"Board" or "Directors"	the directors of the Company whose names are set out at Part V - "Directors, Secretary, Registered and Head Office and Advisers" of this Prospectus
"Bye-laws"	the bye-laws of the Company (as adopted conditionally on Admission)
"Code"	the Internal Revenue Code of 1986, as amended, of the United States of America
"CREST"	the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which Euroclear UK & Ireland is the operator (as defined in the Uncertificated Securities Regulations 2001)
"Companies Act"	the Companies Act 2006 (as amended)
"Company" or "Conduit"	Conduit Holdings Limited
"Conduit Reinsurance"	Conduit Reinsurance Limited
"Custodian"	the custodian nominated by the Depositary
"Deed Poll"	the deed poll as described at Part XV - "CREST and Depositary Interests"
"Depositary"	Computershare Investor Services plc or any other depositary appointed by the Company from time to time
"Depositary Agreement"	the depositary agreement as described at Part XV - "CREST and Depositary Interests"
"Depositary"	the dematerialised depositary interests in respect of the Shares issued or to be

"Interests"	issued by the Depositary
"Discretionary Fee"	1.1 per cent. of an amount equal to the Offer Price multiplied by the aggregate number of New Shares
"Euroclear UK & Ireland"	Euroclear UK & Ireland Limited, the operator of CREST
"Founders"	Neil Eckert and Trevor Carvey
"FSMA"	the Financial Services and Markets Act 2000, as amended
"Gross Proceeds"	the gross proceeds to be raised by the Company under the Offer, being £820.6 million
"Group"	the Company and its subsidiaries
"KPIs"	key performance indicators
"Listing Rules"	the Listing Rules made by the Financial Conduct Authority under Part VI of the FSMA
"London Stock Exchange"	London Stock Exchange plc
"Management Promote"	the planned share plan of the Company, further details of which are set out in Section 8 of Part VIII - "Information on the Group" of this Prospectus
"Management Subscription"	the conditional subscription of the Management Subscription Shares by certain of the Directors and members of the Group's management, at the Offer Price, which is in addition to, but separate from, the Offer
"Management Subscription Shares"	the 510,000 new Shares to be allotted and issued by the Company, at the Offer Price per Share pursuant to the Management Subscription
"Market Abuse Regulation"	the EU Market Abuse Regulation (2014/596/EU)
"Munich Re"	Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München
"Net Proceeds"	the net proceeds to be raised by the Company under the Offer of £782.4 million (being the Gross Proceeds net of the commissions and other expenses associated with the Offer)
"New Shares"	the 164,129,996 new Shares to be allotted and issued by the Company pursuant to the Offer
"Offer"	the conditional placing of the New Shares by the Company, at the Offer Price pursuant to the Placing Agreement
"Offer Price"	500 pence per New Share
"Official List"	the Official List of the FCA
"FCA"	the UK Financial Conduct Authority
"Placing Agreement"	the placing agreement dated 2 December 2020 and entered into between the Company, the Directors and the Banks, as described in section 15 of Part XIV – "Additional Information" of this Prospectus
"Pre-Funding"	the new Shares to be issued at a price of 125 pence per new Share to the Founders

"Shares"	and certain other individuals as set out in further detail in Section 10 of Part VIII - "Information on the Group" in addition to, but separate from, the Offer
"Prospectus Regulation"	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC
"Prospectus Regulation Rules"	the Prospectus Regulation Rules made by the Financial Conduct Authority under Part VI of the FSMA
"Registrar"	Computershare Investor Services (Bermuda) Limited
"Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
"Reporting Accountants"	BDO LLP of 55 Baker St, London W1U 7EU
"Shares"	common shares of \$0.01 each in the share capital of the Company
"subsidiary"	as defined in sections 1159 and Schedule 6 of the Companies Act
"Takeover Code"	the City Code on Takeovers and Mergers
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"UK Corporate Governance Code"	the UK Corporate Governance Code published by the Financial Reporting Council in July 2018, as amended from time to time
"U.S. Securities Act"	the U.S. Securities Act of 1933, as amended
"VAT"	value added tax or any similar, replacement or additional tax chargeable in the United Kingdom.

Section B Glossary of selected insurance, reinsurance and investment terms

"1-in-100"	a catastrophe event with a 1-in-100 probability of occurring in any given year
"1-in-250"	a catastrophe event with a 1-in-250 probability of occurring in any given year
"A.M. Best"	A.M. Best Rating Services, Inc.
"A.M. Best rating"	A.M. Best's Credit Rating (BCR) is a forward-looking independent and objective opinion regarding an insurer's, issuer's or financial obligation's relative creditworthiness. The opinion represents a comprehensive analysis consisting of a quantitative and qualitative evaluation of balance sheet strength, operating performance, business profile and enterprise risk management or, where appropriate, the specific nature and details of a security. Because a BCR is a forward-looking opinion as of the date it is released, it cannot be considered as a fact or guarantee of future credit quality and therefore cannot be described as accurate or inaccurate. A BCR is a relative measure of risk that implies credit quality and is assigned using a scale with a defined population of categories and notches. Entities or obligations assigned the same BCR symbol developed using the same scale, should not be viewed as completely identical in terms of credit quality. Alternatively, they are alike in category (or notches within a category), but given there is a prescribed progression of categories (and notches) used in assigning the ratings of a much larger population of entities or obligations, the categories (notches) cannot mirror the precise subtleties of risk that are inherent within similarly rated entities or obligations. While a BCR reflects the opinion of A.M. Best of relative creditworthiness, it is not an indicator or predictor of defined

impairment or default probability with respect to any specific insurer, issuer or financial obligation. A BCR is not investment advice, nor should it be construed as a consulting or advisory service, as such; it is not intended to be utilised as a recommendation to purchase, hold or terminate any insurance policy, contract, security or any other financial obligation, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. Users of a BCR should not rely on it in making any investment decision; however, if used, the BCR must be considered as only one factor. Users must make their own evaluation of each investment decision. A BCR opinion is provided on an "as is" basis without any expressed or implied warranty. In addition, a BCR may be changed, suspended or withdrawn at any time for any reason at the sole discretion of AM Best

"Broker"	an intermediary who negotiates contracts of insurance or reinsurance, receiving a commission for placement and other services rendered, between (1) a policyholder and a primary insurer, on behalf of the policyholder, (2) a primary insurer and a reinsurer, on behalf of the primary insurer, or (3) a reinsurer and a retrocessionnaire, on behalf of the reinsurer
"BSCR"	Bermuda Solvency Capital Requirement
"California Quake"	a Californian earthquake catastrophe event
"Capacity"	the percentage of surplus that an insurer or reinsurer is willing or able to place at risk or the dollar amount of exposure it is willing to assume. Capacity may apply to a single risk, a program, a line of business or an entire book of insurance or reinsurance business. Capacity may be constrained by legal restrictions, corporate restrictions, or indirect financial restrictions such as capital adequacy requirements
"Casualty reinsurance"	primarily concerned with the losses caused by injuries to third persons (persons other than the policyholder) and the legal liability imposed on the policyholder resulting therefrom. This includes, but is not limited to, workers' compensation, automobile liability, and general liability
"Cedant"	a ceding insurer or a reinsurer. A ceding insurer is an insurer that writes and issues an original, primary policy to an insured and contractually transfers (cedes) a portion of the risk to a reinsurer. A ceding reinsurer is a reinsurer that transfers (cedes) a portion of the underlying reinsurance to a retrocessionnaire
"Cede"	when a party reinsures its liability to another party, it "cedes" business to the reinsurer and is referred to as the "customer," "ceding party" or "cedant"
"Claim"	a request by an insured or reinsured for indemnification by an insurance or reinsurance company for loss incurred from an insured peril or event
"Combined Ratio"	the ratio of underwriting losses and loss adjustment expenses, acquisition costs and general and administrative expenses to net premiums earned, or equivalently, the sum of the loss ratio, and expense ratio
"Customer"	a party whose liability is reinsured by a reinsurer. Also known as a "cedant" or "ceding company"
"ECR"	enhanced capital requirement. Under the BSCR Model, the reinsurer's minimum required statutory capital and surplus is referred to as the enhanced capital requirement ("ECR"). The ECR is the greater of the calculated BSCR and the minimum solvency margin ("MSM")
"Excess of loss reinsurance"	reinsurance that indemnifies the reinsured against all or a specified portion of losses in excess of a specified dollar or percentage loss ratio amount
"Expense ratio"	a ratio calculated by dividing the sum of general and administrative expenses and ceding commissions, brokerage fees, premium taxes and other direct expenses relating directly to the production of premiums by net premiums earned
"Facultative reinsurance"	in pro rata reinsurance, the reinsurance of part or all of the insurance provided by a single policy, with separate negotiation for each policy cession of insurance—for sharing liability, premium and loss. In excess of loss reinsurance, the reinsurance of each policy, with separate negotiation for each—for indemnity of loss in excess of the reinsured's loss retention. The word "facultative" connotes that both the primary insurer and the reinsurer usually have the faculty or option of accepting or rejecting the individual submission (as distinguished from the obligation to cede and accept,

	to which the parties agree in most treaty reinsurance)
"Financial strength rating"	the opinion of rating agencies regarding the financial ability of an insurance or reinsurance company to meet its financial obligations under its policies
"Florida Wind"	a Florida hurricane catastrophe event
"GWP or Gross Written Premiums"	the total premium written during a given period before deductions for reinsurance and ceding commissions. Includes additional and/or return premiums
"Incurred but not reported (IBNR)"	reserves for estimated loss and loss adjustment expenses that have been incurred by insureds and reinsureds, but not yet reported to the insurer or reinsurer, including unknown future developments on loss and loss adjustment expenses which are known to the insurer or reinsurer
"Loss adjustment expenses"	the expenses of settling claims, including legal and other fees and the portion of general expenses allocated to claim settlement costs. Also known as claim adjustment expenses
"Loss ratio"	a ratio calculated by dividing underwriting losses incurred and loss adjustment expenses by net premiums earned
"Loss reserve development"	the difference between the amount of reserves for losses and loss adjustment expenses initially estimated by an insurer or reinsurer and the amount re-estimated in an evaluation at a later date
"Margin (reinsurance)"	as a pricing factor (along with expenses and losses), the profit the reinsurer expects to earn
"Minimum solvency margin"	the minimum excess unimpaired surplus as a percent of outstanding loss reserve as set by regulators
"MSM"	minimum solvency margin
"Non-admitted insurers"	an insurer not licensed to do business in the jurisdiction in question. Also known as an unauthorised insurer and unlicensed insurer
"peak peril zones"	inured geographic regions with significant risk experiencing a catastrophe event
"Premiums; written, earned, unearned and net"	an insurer not licensed to do business in the jurisdiction in question. Also known as an unauthorised insurer and unlicensed insurer
"Probable maximum loss (PML)"	the anticipated maximum loss that could result from a single given event, as opposed to MFL (Maximum Foreseeable Loss), which would be a similar valuation, but on a worst case basis. Underwriting decisions would typically be influenced by PML evaluations, and the amount of reinsurance ceded on a risk would normally be predicated on the PML valuation
"Property reinsurance"	reinsurance exposures that are exposed to losses from damage or theft to buildings and their contents—money and securities, records, inventory, furniture, machinery, supplies and even intangible assets such as trademarks
"Property terrorism reinsurance"	reinsurance exposures that are exposed to property damage losses, including physical damage, business interruption claims and potentially other sources of loss related to the property damage, arising from acts of terrorism
"Pro-rata reinsurance"	all forms of reinsurance in which the reinsurer shares a proportional part of the original premiums and losses of the reinsured. In proportional reinsurance, the reinsurer generally pays the client a ceding commission. The ceding commission generally is based on the customer's cost of acquiring the business being reinsured (including commissions, premium taxes, assessments and miscellaneous administrative expenses) and also may include a profit component. Frequently referred to as quota share reinsurance
"Quota share reinsurance"	a form of proportional reinsurance in which the reinsurer assumes an agreed percentage of each underlying insurance contract being reinsured
"Reinstatement"	a premium charged for the reinstatement of reinsurance coverage to its full amount following a reinsurance loss payment
"Reserves; claim reserves; loss reserves; loss	liabilities established by insurers and reinsurers to reflect the estimated cost of claims payments and the related expenses that the insurer or reinsurer will ultimately be required to pay in respect of insurance or reinsurance contracts it

adjustment expense reserves	has written. Reserves are established for claims, losses and for loss adjustment expenses, and consist of reserves established with respect to individual reported claims and incurred, but not reported losses
"Retrocession; retrocessional coverage"	a transaction whereby a reinsurer cedes to another reinsurer, commonly referred to as the retrocessionaire, all or part of the reinsurance that the first reinsurer has assumed. Retrocessional reinsurance does not legally discharge the ceding reinsurer from its liability with respect to its obligations to the reinsured
"Return on equity (ROE)"	net income returns on underwriting activities as a percentage of the equity or accrued book value at the start of a given year
"Risk transfer"	the shifting of all or a part of a risk to another party
"Risk-adjusted return"	a concept that refines an investment's return by measuring how much risk is involved in producing that return, which is generally expressed as a number or rating
"Surplus"	the amount by which an insurer's assets exceed its liabilities. It is the equivalent of "owners' equity" in standard accounting terms. The ratio of an insurer's premiums written to its surplus is one of the key measures of its solvency
"Treaty reinsurance"	a form of reinsurance in which the ceding company makes an agreement to cede certain classes of business to a reinsurer. The reinsurer, in turn, agrees to accept all business qualifying under the agreement, known as the "treaty." Under a reinsurance treaty, the ceding company is assured that all of its risks falling within the terms of the treaty will be reinsured in accordance with treaty terms
"Underwriting cycle"	market-wide fluctuations in the prevailing level of insurance and reinsurance premiums. A soft market, i.e., a period of increased competition, depressed premiums and excess capacity, is followed by a hard market—a period of rising premiums and decreased capacity

SCHEDULE 1 - APPENDIX OF CHANGES

Schedule of Changes

The registration document published by the Company on 5 November 2020 (the "**Registration Document**") contained the information required to be included in a registration document for equity securities by Annex 1 of Commission Delegated Regulation (EU) 2019/980 supplementing the Prospectus Regulation (the "**Delegated Prospectus Regulation**"). The Prospectus, which otherwise contains information extracted without material amendment from the Registration Document (except as set out below), also includes information required to be included in a securities note for equity securities as prescribed by Annex 11 of the Delegated Prospectus Regulation and summary information for equity securities as prescribed by Article 7 of the Prospectus Regulation. The Prospectus updates and replaces in whole the Registration Document. Any investor participating in the Offer should invest solely on the basis of the Prospectus, together with any supplement thereto.

This schedule of changes to the Registration Document (the "**Schedule of Changes**") sets out, refers to, or highlights material updates to the Registration Document.

Capitalised terms contained in this Schedule of Changes shall have the meanings given to such terms in the Prospectus unless otherwise defined herein.

Purpose

The purpose of this Schedule of Changes is to highlight material changes made in the Prospectus, as compared with the Registration Document.

Registration Document Changes

- (a) The risk factor entitled "*The Group may not obtain or maintain its desired financial strength rating from A.M. Best*" in the Registration Document has been renamed to "*Conduit Reinsurance may not obtain or maintain its financial strength rating*", and this risk factor has been updated to reflect that Conduit Reinsurance has received a Preliminary Credit Assessment from A.M. Best with a Financial Strength Assessment of "A- pca" (Excellent) and to disclose the impacts on the Group if A.M. Best were unable to confirm a Financial Strength Assessment by 31 January 2021. Please see pages 12 and 13 of the Prospectus.
- (b) A new sentence has been added to the first paragraph in the risk factor entitled "*Currency fluctuations could result in exchange losses and negatively impact the Group's business.*" to reflect the fact that Shares will be traded in Pounds Sterling but the financial results of the business will be reported in U.S. dollars and the functional currency of the business will be the U.S. dollar. Please see pages 20 and 21 of the Prospectus.
- (c) The risk factor entitled "*Failure to obtain or cancellation of Conduit Reinsurance's Bermuda Class 4 insurance licence would have a material adverse effect on its business.*" in the Registration Document has been renamed to "*Cancellation of Conduit Reinsurance's Bermuda Class 4 insurance licence would have a material adverse effect on the business*", and this risk factor has been updated to reflect that Conduit Reinsurance has received its Class 4 insurance licence from the BMA. Please see pages 21 and 22 of the Prospectus.
- (d) A new risk factor entitled "*Each of the Company or Conduit Reinsurance may be subject to UK tax in which case its results of operations could be materially adversely affected*" has been added into Section E of Part II of the Prospectus, describing the effects on the Group of the impact of needing to comply with UK tax regulations. Please see pages 23 and 24 of the Prospectus.
- (e) A new risk factor entitled "*Changes in U.S. tax law could materially affect an investment in the New Shares*" has been added into Section E of Part II of the Prospectus, describing the potential effects of a change in U.S. tax law on the Group. Please see page 24 of the Prospectus.
- (f) A new risk factor entitled "*The Group may be subject to U.S. tax in which case its results of operations could be materially adversely affected*" has been added into Section E of Part II of the Prospectus, describing the effects on the Group of the impact of needing to comply with U.S. tax regulations. Please see page 24 of the Prospectus.
- (g) The information under the Part "Directors, Secretary, Registered and Head Office and Advisers" on pages 22 and 23 of the Registration Document has been updated in the Prospectus to reflect

the details of the Directors of the Company and the advisers to the offer. Please see pages 35 and 36 of the Prospectus.

- (h) The information in Section 1 of Part VIII - "Information on the Group" on page 29 of the Registration Document has been updated in the Prospectus to reflect the fact that Conduit Reinsurance has received its Class 4 insurance licence from the BMA, and that Conduit Reinsurance has received a Preliminary Credit Assessment from A.M. Best with a Financial Strength Assessment of "A- pca" (Excellent). Please see page 44 of the Prospectus.
- (i) The information in Section 1 of Part VIII - "Information on the Group" of the Registration Document has been updated in the Prospectus to reflect the number of reinsurance policies that are expected to be written ahead of 1 January 2021. Please see page 45 of the Prospectus.
- (j) A new section has been added to Section 5 of Part VIII - "Information on the Group", to include the details of the experience of the Non-executive Directors. Please see pages 54 and 56 of the Prospectus.
- (k) The sentence "A number of further key individuals have binding offer letters with the Group which have been entered into conditional on Admission and Conduit Reinsurance's receipt of its targeted A.M. Best financial strength rating of "A-" (Excellent)" has been added to Section 5 of Part VIII - "Information on the Group", to reflect the fact that certain individuals have signed offer letters with the Group. Please see page 56 of the Prospectus.
- (l) Section 8 of Part VIII – "Information on the Group" of the Prospectus has been updated to reflect the fact that the Management Promote arrangements are in place and the Performance Condition under the Management Promote is a compound annual growth rate of ten per cent. rather than the eight per cent. hurdle that appears in the Registration Document. Please see page 58 of the Prospectus.
- (m) A new paragraph entitled "*Management Promote contributions*" has been added to Section 8 of Part VIII – "Information on the Group" of the Prospectus to reflect the subscription by certain Directors and Senior Managers in the Management Promote. Please see page 60 of the Prospectus.
- (n) A new paragraph entitled "*Founder Group contributions*" has been added to Section 10 of Part VIII – "Information on the Group" of the Prospectus to describe the agreement between the Company and the Founder Group, pursuant to which the Founder Group has agreed to fund certain expenses and costs relating to the Offer and the establishment of the Group's business. Please see page 61 of the Prospectus.
- (o) The information in Section 13 of Part VIII - "Information on the Group" on page 48 of the Registration Document has been updated in the Prospectus to reflect the fact that Conduit Reinsurance has received its Class 4 insurance licence from the BMA. Please see page 64 of the Prospectus.
- (p) Sections 1, 2 and 3 of Part VI – "Directors, Senior Management and Corporate Governance" of the Registration Document have been deleted and replaced in their entirety in the Prospectus to reflect the structure of the Board. Please see pages 67 to 74 of the Prospectus.
- (q) Section 5 of Part VI – "Directors, Senior Management and Corporate Governance" of the Registration Document has been deleted and replaced in its entirety in the Prospectus to reflect the Company's expected corporate governance structure following Admission, which reflects the establishment of Board committees and corporate governance arrangements appropriate for a listed company. Please see pages 70 to 74 of the Prospectus.
- (r) A new Section 4 of Part IX – "Directors, Senior Management and Corporate Governance" has been added to the Prospectus. Please see page 74 of the Prospectus.
- (s) The section entitled "*Share and Loan Capital History*" on page 59 of the Registration Document has been updated in the Prospectus, to reflect the Company's expected share capital structure immediately prior to and immediately following Admission and to describe resolutions passed by the shareholders of the Company. Please see pages 100 to 101 of the Prospectus.
- (t) Paragraph 4.7 of Section 4 of Part VIII - "Additional Information" has been updated to reflect a change to the Bye-laws of the Company, which requires Shareholder approval to create preference shares. Please see page 102 of the Prospectus.
- (u) The section entitled "*Information on the Directors and Proposed Director*" on page 64 of the

Registration Document has been amended in the Prospectus to reflect the other directorships held by the Directors and Senior Managers of the Company within the past five years and at the date of this document. Please see pages 105 to 107 of the Prospectus.

- (v) The section entitled "*Directors', Proposed Directors', Senior Managers' and Others' Interests*" on page 65 of the Registration Document has been updated in the Prospectus, to reflect the interests of the Directors and the Senior Managers in the share capital of the Company at the date of this document and immediately following Admission. Please see pages 107 and 108 of the Prospectus.
- (w) The section entitled "*Directors' and Proposed Directors' Service Agreements*" on page 65 of the Registration Document has been updated in the Prospectus to describe the terms of the Service Agreements entered into by the Directors as well as the fees to be paid to the Non-Executive Directors of the Company. Please see page 108 of the Prospectus.
- (x) A new section entitled "*Remuneration Policy*" has been added into the Prospectus, describing the Company's Directors' remuneration policy. Please see pages 109 to 112 of the Prospectus.
- (y) Section 12 of Part XIV – "Additional Information" of the Prospectus has been amended to cross-refer to the disclosure appearing in Section 8 of Part VIII - "Information on the Group". Please see page 112 of the Prospectus.
- (z) The section entitled "*The Company and its Subsidiaries*" on page 68 of the Registration Document has been updated in the Prospectus to reflect the significant subsidiaries of the Company at Admission. Please see pages 112 to 113 of the Prospectus.
- (aa) A new section entitled "*Arrangements relating to the Offer*" has been added into the Prospectus, describing the Placing Agreement. Please see page 113 of the Prospectus.
- (ab) A new section entitled "*Dilution of Share Capital*" has been added into the Prospectus, describing the dilutionary impact of the Offer on the Company's existing share capital. Please see pages 113 to 114 of the Prospectus.
- (ac) Changes have been made to the section entitled "*Material Contracts and Related Party Transactions*" on page 69 of the Registration Document, including the addition of the following new material contracts: (i) Placing Agreement; (ii) the engagement letter entered into with Kinmont Limited; (iii) the Depositary Agreement; (iv) the Pre-Funding Agreement; and (v) the FX Agreement. Please see page 114 of the Prospectus.
- (ad) A new definition of "A.M. Best Rating" has been added at Part XVI - "Definitions" to reflect A.M. Best's own definition of their rating process in publications. Please see pages 121 to 122 of the Prospectus.