

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----	X	
In re:	:	Case No. 22-10260 (LGB)
	:	
ATLAS FINANCIAL HOLDINGS, INC.,	:	Chapter 15
	:	
Debtor in a Foreign Proceeding.	:	
-----	X	

**NOTICE OF (I) FILING OF CHAPTER 15 PETITION AND RELATED CHAPTER 15
DOCUMENTS, SEEKING RECOGNITION OF CAYMAN PROCEEDING AS
FOREIGN PROCEEDING AND (II) HEARING ON RECOGNITION
AND ENFORCEMENT OF THE SCHEME OF ARRANGEMENT**

PLEASE TAKE NOTICE that on March 4, 2022 (the “**Petition Date**”), Atlas Financial Holdings, Inc., as duly appointed foreign representative (in such capacity, the “**Foreign Representative**”) for itself as the debtor (the “**Foreign Debtor**”) in a foreign proceeding, commenced in the Cayman Islands on January 4, 2022, pursuant to section 86 of the Companies Act (2021 Revision) (the “**Companies Act**”) and pending before the Grand Court of the Cayman Islands (the “**Cayman Court**”), Financial Services Division, as Cause No. FSD 3 of 2022, (the “**Cayman Proceeding**”) in connection with its scheme of arrangement (the “**Scheme**”), by and through its undersigned counsel, filed, among other documents, an *Official Form B 401 Chapter 15 Petition for Recognition of a Foreign Proceeding* [ECF No. 1] and the *Verified Petition Under Chapter 15 of the Bankruptcy Code for Recognition of the Cayman Proceeding As a Foreign Proceeding, Enforcement of the Scheme of Arrangement Within the United States and Related Relief* [ECF No. 2] (the “**Verified Petition**,” and together with the Petition, the “**Chapter 15 Petition**”) with the United States Bankruptcy Court for the Southern District of New York (the “**Court**”).

PLEASE TAKE FURTHER NOTICE that the Foreign Representative seeks the entry of an order, recognizing the Cayman Proceeding as a foreign main proceeding (or, in the alternative, as a foreign nonmain proceeding) within the meaning of chapter 15 of the United States Code (the “**Bankruptcy Code**”) and enforcing the Scheme within the territorial jurisdiction of the United States. The Foreign Representative also seeks the entry of an order closing this chapter 15 case upon the filing of a notice of presentment of an order closing the chapter 15 case, which notice of presentment will be filed no earlier than the thirtieth day following the filing of the certificate of service of the Chapter 15 Petition in accordance with Bankruptcy Rule 5009(c).

PLEASE TAKE FURTHER NOTICE that copies of the Chapter 15 Petition and other related filings in this case are also available (i) on the Court’s Electronic Case Filing System, which can be accessed from the Court’s website at <http://ecfnysb.uscourts.gov> (a PACER login and password are required), (ii) on the web page maintained by Donlin Recano & Company Inc. on behalf of the Foreign Representative at <https://www.donlinrecano.com/atlasus> or (iii) upon written request (including by e-mail) to counsel to the Foreign Representative: DLA Piper LLP (US), 1251 Avenue of the Americas, New York, New York 10020, Attn: R. Craig Martin,

craig.martin@us.dlapiper.com, and DLA Piper LLP (US), 444 West Lake Street, Suite 900, Chicago, Illinois 60606, Attn: Oksana Koltko Rosaluk, oksana.koltkorosaluk@us.dlapiper.com.

PLEASE TAKE FURTHER NOTICE that the Court has scheduled a hearing to consider the relief requested in the Chapter 15 Petition for **March 30, 2022, at 10:00 a.m. (ET)** (the “**Hearing**”).

PLEASE TAKE FURTHER NOTICE that in accordance with *General Order M-543*, dated March 20, 2020 (Morris, C.J.), any parties wishing to participate in the Hearing must do so telephonically by making arrangements through CourtSolutions LLC (www.court-solutions.com). Instructions to register for CourtSolutions LLC are attached to *General Order M-543*.¹ Objecting parties are required to telephonically attend the Hearing.

PLEASE TAKE FURTHER NOTICE that in accordance with Rule 2002-4 of the Local Bankruptcy Rules for the Southern District of New York, the Court may order at the Hearing the scheduling of a case management conference to consider the efficient administration of the case.

PLEASE TAKE FURTHER NOTICE that any party in interest wishing to submit a response, answer or objection to the Chapter 15 Petition must do so pursuant to the Bankruptcy Code and the Local and Federal Rules of Bankruptcy Procedure, and such response, answer or objection must (i) be in writing, (ii) set forth in detail the factual and legal bases therefor, (iii) be filed with the Court electronically in accordance with *General Order M-399* (a copy of which may be viewed on the Court’s website at www.nysb.uscourts.gov) and with the Court’s Procedures for the Filing, Signing and Verification of Documents by Electronic Means and (iv) served upon counsel for the Foreign Representative, DLA Piper LLP (US), 1251 Avenue of the Americas, New York, New York 10020, Attn: R. Craig Martin, craig.martin@us.dlapiper.com, and DLA Piper LLP (US), 444 West Lake Street, Suite 900, Chicago, Illinois 60606, Attn: Oksana Koltko Rosaluk, oksana.koltkorosaluk@us.dlapiper.com, so as to be received on or before **5:00 P.M. (ET) on March 23, 2022**, that is seven (7) days prior to the Hearing. A courtesy copy of any objection or response shall also be provided to the Chambers of the Honorable Lisa G. Beckerman, United States Bankruptcy Judge, United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, New York, 10004-1408.

PLEASE TAKE FURTHER NOTICE that all parties in interest opposed to the Chapter 15 Petition or the Foreign Representative’s request for relief must appear telephonically at the Hearing, which may be adjourned from time to time without further notice except for an in-court announcement at the Hearing or a filing on the docket of this case of the date and time to which the Hearing has been adjourned.

PLEASE TAKE FURTHER NOTICE THAT IF NO RESPONSES OR OBJECTIONS ARE RECEIVED IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED BY THE FOREIGN REPRESENTATIVE WITHOUT FURTHER NOTICE OR HEARING.

¹ A copy of the *General Order M-543* can be obtained by visiting: <https://www.nysb.uscourts.gov/news/general-order-m-543-court-operations-under-exigent-circumstances-created-covid-19>

Dated: March 4, 2022
New York, New York

Respectfully submitted,

DLA PIPER LLP (US)

By: /s/ R. Craig Martin

R. Craig Martin, Esq.
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-and-

Oksana Koltko Rosaluk (*pro hac vice* admission pending)
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Fax: (312) 251-5874
Email: oksana.koltkorosaluk@us.dlapiper.com

*Counsel to Atlas Financial Holdings, Inc. as Foreign
Representative*

Exhibit A

(Chapter 15 Petition)

Fill in this information to identify the case:

United States Bankruptcy Court for the:

Southern District of New York

Case number (if known): _____ Chapter 15

☐ Check if this is an amended filing

Official Form 401

Chapter 15 Petition for Recognition of a Foreign Proceeding

12/15

If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write debtor's name and case number (if known).

1. Debtor's name Atlas Financial Holdings, Inc.

2. Debtor's unique identifier

For non-individual debtors:

☐ Federal Employer Identification Number (EIN) ____ - ____ - ____

☒ Other 249791. Describe identifier Cayman Registration No.

For individual debtors:

☐ Social Security number: xxx - xx- ____ - ____

☐ Individual Taxpayer Identification number (ITIN): 9 xx - xx - ____ - ____

☐ Other _____. Describe identifier _____

3. Name of foreign representative(s)

Atlas Financial Holdings, Inc.

4. Foreign proceeding in which appointment of the foreign representative(s) occurred

In the Matter of Atlas Financial Holdings, Inc., Cause No. FSD 3 of 2022 (IKJ) before the Grand Court of Cayman Islands
Scheme of Arrangement under Cayman Islands law pursuant to section 86 of The Companies Act

5. Nature of the foreign proceeding

Check one:

☐ Foreign main proceeding

☐ Foreign nonmain proceeding

☒ Foreign main proceeding, or in the alternative foreign nonmain proceeding

6. Evidence of the foreign proceeding

☒ A certified copy, translated into English, of the decision commencing the foreign proceeding and appointing the foreign representative is attached.

☐ A certificate, translated into English, from the foreign court, affirming the existence of the foreign proceeding and of the appointment of the foreign representative, is attached.

☒ Other evidence of the existence of the foreign proceeding and of the appointment of the foreign representative is described below, and relevant documentation, translated into English, is attached.
See Exhibit A

7. Is this the only foreign proceeding with respect to the debtor known to the foreign representative(s)?

☐ No. (Attach a statement identifying each country in which a foreign proceeding by, regarding, or against the debtor is pending.)

☒ Yes

Debtor Atlas Financial Holdings, Inc. Case number (if known) _____
Name

8. Others entitled to notice

Attach a list containing the names and addresses of:

- (i) all persons or bodies authorized to administer foreign proceedings of the debtor,
- (ii) all parties to litigation pending in the United States in which the debtor is a party at the time of filing of this petition, and
- (iii) all entities against whom provisional relief is being sought under § 1519 of the Bankruptcy Code.

9. Addresses

Country where the debtor has the center of its main interests:

Cayman Islands

Debtor's registered office:

Cricket Square, Hutchins Drive

Number Street

P.O. Box 2681

P.O. Box

KY1-1111, Cayman Islands

City State/Province/Region ZIP/Postal Code

Cayman Islands

Country

Individual debtor's habitual residence:

Address of foreign representative(s):

Number Street

Cricket Square, Hutchins Drive

Number Street

P.O. Box

P.O. Box 2681

P.O. Box

City State/Province/Region ZIP/Postal Code

KY1-1111, Cayman Islands

City State/Province/Region ZIP/Postal Code

Country

Cayman Islands

Country

10. Debtor's website (URL)

https://www.atlas-fin.com/

11. Type of debtor

Check one:

☐ Non-individual (check one):

☒ Corporation. Attach a corporate ownership statement containing the information described in Fed. R. Bankr. P. 7007.1.

☐ Partnership

☐ Other. Specify: _____

☐ Individual

Debtor Atlas Financial Holdings, Inc.
Name

Case number (if known) _____

12. Why is venue proper in this district?

Check one:

- ☒ Debtor's principal place of business or principal assets in the United States are in this district.
- ☐ Debtor does not have a place of business or assets in the United States, but the following action or proceeding in a federal or state court is pending against the debtor in this district:
- _____
- ☐ If neither box is checked, venue is consistent with the interests of justice and the convenience of the parties, having regard to the relief sought by the foreign representative, because:
- _____

13. Signature of foreign representative(s)

I request relief in accordance with chapter 15 of title 11, United States Code.

I am the foreign representative of a debtor in a foreign proceeding, the debtor is eligible for the relief sought in this petition, and I am authorized to file this petition.

I have examined the information in this petition and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct,

X /s/ Scott D. Wollney
Signature of foreign representative

Scott D. Wollney as Chief Executive Officer of Atlas
Financial Holdings, Inc. as Foreign Representative
Printed name

Executed on 03/04/2022
MM / DD / YYYY

X _____
Signature of foreign representative

Printed name

Executed on _____
MM / DD / YYYY

14. Signature of attorney

X /s/ R. Craig Martin
Signature of Attorney for foreign representative

Date 03/04/2022
MM / DD / YYYY

R. Craig Martin
Printed name

DLA Piper LLP (US)
Firm name

1251 Avenue of the Americas, 27th Floor
Number Street

New York
City

NY 10020
State ZIP Code

302-468-5655
Contact phone

craig.martin@us.dlapiper.com
Email address

4701629
Bar number

NY
State

Exhibit A
(Convening Order; Sanction Order)



IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO. FSD 3 OF 2022 (IKJ)

IN THE MATTER OF SECTION 86 OF THE COMPANIES ACT (2021 REVISION)

AND IN THE MATTER OF ATLAS FINANCIAL HOLDINGS, INC

CONVENING ORDER

UPON THE APPLICATION of ATLAS FINANCIAL HOLDINGS, INC (the "Company") by its Summons dated 4 January 2022 seeking orders convening a meeting of certain creditors of the Company (the "**Scheme Meeting**") to consider and, if thought fit, approve a scheme of arrangement pursuant to section 86 of the Companies Act (2021 Revision) (the "**Scheme**"), in the form exhibited to the First Affidavit of Scott Wollney sworn on 4 January 2022 ("**Wollney 1**")

AND UPON HAVING READ the Petition dated 4 January 2022 (the "Petition"), Wollney 1, the Affidavit of R. Craig Martin and the First Affidavit of Kristian Klein

AND UPON considering that the matter is suitable for disposal on the papers and without the need for a hearing

AND UPON the basis that all capitalised terms not otherwise defined in this Order shall have the meaning given to them in the draft Explanatory Statement

IT IS HEREBY DECLARED THAT the relevant class of creditors of the Company affected by the proposed Scheme comprises those persons identified as Scheme Creditors in the Scheme



AND IT IS HEREBY ORDERED THAT

1. The Company be at liberty to convene a single meeting of the Scheme Creditors for the purpose of considering and, if thought fit, approving, with or without modification, the Scheme.
2. The Scheme Meeting shall be held at 10.00am (EST) on 21 February 2022 at the offices of Conyers Dill & Pearman LLP, SIX, Cricket Square, Grand Cayman, Cayman Islands and at a satellite meeting office at the offices of DLA Piper LLP (US), 1251 6th Ave, New York, NY 10020 (or on such other later date and time as may be notified by the Company to the Scheme Creditors), with any adjournment as may be necessary or appropriate.
3. Scheme Creditors may observe the Scheme Meeting via Zoom, by requesting a meeting link forty-eight (48) hours prior to the scheduled Scheme Meeting by emailing atlas@conyers.com, allowing Scheme Creditors to observe the Scheme Meeting and to ask questions (but not to cast their vote).
4. Notice of the Scheme Meeting be in substantially the same form as exhibited at pages 58-61 of Exhibit SDW-1 to Wollney 1 (the "**Notice of Scheme Meeting**").
5. The Company, or a designee of the Company, be at liberty to set a record date of 4pm (EST) on 15 January 2022 (the "**Dispatch Record Date**") for determining the creditors of the Company entitled to receive the Notice of Scheme Meeting.
6. The Company, or a designee of the Company, be at liberty to set a record date of 4pm (EST) on 15 February 2022 (the "**Voting Record Date**") for determining the Scheme Creditors entitled to vote at the Scheme Meeting and in the event that it is necessary to adjourn the Scheme Meeting, to set such record date at a date and time not earlier than 8 hours before the date and time of the adjourned meeting.
7. Notice of the Scheme Meeting shall be given to the Scheme Creditors not less than 21 days' before the Scheme Meeting:



- (a) by placing the Notice of Scheme Meeting on the Company's website immediately after this order for directions is made;
 - (b) by placing the Notice of Scheme Meeting in both the Cayman Islands Gazette and either the Washington Post or New York Times;
 - (c) by publishing the Notice of Scheme Meeting on the Information Agent's website at <https://www.donlinrecano.com/Clients/afh/Index>; and
 - (d) in the manner as set out in the First Affidavit of Kristian Klein.
- 8. The form of Master Proxy and Beneficial Ownership Ballot in substantially the form exhibited to Wollney 1 be approved for use at the Scheme Meeting.
 - 9. The Notice of Scheme Meeting shall also state the website address of the Information Agent to enable Scheme Creditors to access an electronic copy of the Explanatory Statement substantially in the same form as exhibited at pages 1-107 of Exhibit SDW-1 to Wollney 1.
 - 10. The accidental omission to serve any Scheme Creditor with the Notice of Scheme Meeting, or the non-receipt by any Noteholder of the Notice of Scheme Meeting, shall not invalidate the proceedings at the Scheme Meeting.
 - 11. Matthew Stocker, a partner at Conyers Dill & Pearman LLP or, failing him, another representative of Conyers Dill & Pearman LLP be appointed Chairman of the Scheme Meeting ("**Chairman**") on behalf of the Company.
 - 12. The Chairman be at liberty to adjourn the Scheme Meeting in his or her sole discretion.
 - 13. The Chairman be entitled to accept, without further investigation, the signature on any Master Proxy as being the authority of the signatory to cast the votes in

accordance with such proxy.

14. Within seven (7) days of the Scheme Meeting, the Chairman shall report the result of the Court Meeting to this Court in accordance with Order 102, Rule 20(8) of the Cayman Islands Grand Court Rules 1995 (Revised Edition).
15. The Company be appointed as authorised representative to seek relief under Chapter 15 of Title 11 of the United States Bankruptcy Code, and to take such steps arising in connection therewith.
16. The substantive hearing of the Petition at which this Honourable Court will determine whether or not to sanction the Scheme Petition be listed to be heard on 25th February 2022 at 10.00 am (Cayman Islands time).
17. The resolution to be put to the Scheme Creditors at the Scheme Meeting is:

"THAT the Scheme of Arrangement, a copy of which has been tabled at this Scheme Meeting, be approved subject to any modification, addition or condition which the Grand Court of the Cayman Islands may think fit to approve or impose which would not directly or indirectly have a material adverse effect on the rights of the Scheme Creditors."

18. There be liberty to apply generally.

Dated this 25th day of January 2022

Filed this 26th day of January 2022



The Honourable Justice Kawaley
Judge of the Grand Court

IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO. FSD 3 OF 2022 (IKJ)

IN THE MATTER OF SECTION 86 OF THE COMPANIES ACT (2021 REVISION)

AND IN THE MATTER OF ATLAS FINANCIAL HOLDINGS, INC

SANCTION ORDER

UPON HEARING the Petition presented by ATLAS FINANCIAL HOLDINGS, INC (the "**Company**") on 4 January 2022 seeking sanction of a scheme of arrangement

AND UPON HAVING READ the Petition dated 4 January 2022 and the evidence filed in support

AND UPON hearing Counsel for the Petitioner

THIS COURT HEREBY SANCTIONS the Scheme of Arrangement, a copy of which is annexed hereto, pursuant to section 86(2) of the Companies Act (2022 Revision) so as to be binding on the Petitioner and the Scheme Creditors (as defined therein)

AND IT IS HEREBY ORDERED AND DIRECTED AS FOLLOWS:

1. The Petitioner do deliver a sealed copy of this Order to the Registrar of Companies.

Dated this 25th day of February 2022

Filed this 25th day of February 2022



**THE HON. JUSTICE KAWALEY
JUDGE OF THE GRAND COURT**

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

CAUSE NO: FSD 3 of 2022 (IKJ)

IN THE MATTER OF THE COMPANIES ACT (2021 REVISION)

AND

IN THE MATTER OF ATLAS FINANCIAL HOLDINGS, INC.

SCHEME OF ARRANGEMENT
(under section 86 of the Companies Act (2021 Revision))

BETWEEN
ATLAS FINANCIAL HOLDINGS INC.
AND
THE SCHEME CREDITORS
(as defined below)

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1 DEFINITIONS

In this Scheme, the following terms shall, unless the context otherwise requires, have the following meanings:

Advisers	means collectively: (i) DLA Piper (US) LLP; and (ii) Conyers Dill & Pearman LLP
Affiliates	means in relation to any Person, its current and former direct and indirect subsidiaries, subsidiary undertakings, parent companies, holding companies, partners, equity holders, members and managing members and any of their respective Affiliates or any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person
Business Day	means any day on which banks are open for general business in the Cayman Islands and New York
Cayman Court	means the Grand Court of the Cayman Islands
Chapter 15 Order	means the order of the U.S. Bankruptcy Court granting the recognition and enforcement of this Scheme and certain related relief
Chapter 15 Proceedings	means the proceedings commenced by the Issuer by filing the petitions under Chapter 15 of the U.S. Bankruptcy Code seeking recognition and enforcement of this Scheme as a "foreign main proceeding" or a "foreign non main proceeding" as the case may be and certain related relief
Claim	means all and any actions, causes of action, claims, counterclaims, suits, debts, sums of money, accounts, contracts, agreements, promises, contribution, indemnification, damages, judgments, executions, demands or rights whatsoever or howsoever arising, whether present, future, prospective or contingent, known or unknown, whether or not for a fixed or unliquidated amount, whether or not involving the payment of money or the performance of an act or obligation or any failure to perform any obligation or any omission, whether arising at common law, in equity or by statute in or under the laws of the Cayman Islands or New York or under any other law or in any other

	jurisdiction howsoever arising and "Claims" shall be construed accordingly
Clearing Systems	means the Depositary Trust Company and the direct and indirect participants thereof
Companies Act	means the Companies Act (2021 Revision) of the Cayman Islands
Consenting Noteholder(s)	means each Scheme Creditor that is or becomes a party to the Restructuring Support Agreement
Consenting Notes	means all Notes held by a Consenting Noteholder from time to time
Contracts (Rights of Third Parties) Act	means the Contracts (Rights of Third Parties) Act 2014 as applicable in the Cayman Islands
Explanatory Statement	means the explanatory statement in relation to this Scheme pursuant to Order 102, Rule 20(4) of the Cayman Islands Grand Court Rules 1995 (Revised Edition)
Governmental Authority	means any nation or government (including the Cayman Islands and the United States), any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any multilateral or supranational entity
Indenture	means the indenture governed by the laws of the State of New York dated 26 April 2017, as amended or supplemented from time to time, among the Issuer and the Indenture Trustee in its capacity as indenture trustee
Indenture Trustee	means Wilmington Trust of 1100 North Market Street, Wilmington, DE 19890 acting solely in its capacity as indenture trustee
Information Agent	means Donlin, Recano & Company, Inc.
Information Agent Website	means the website set up for Scheme Creditors by the Information Agent at: https://www.donlinrecano.com/Clients/afh/Index
Issuer	means Atlas Financial Holdings, Inc. a Cayman Islands exempted company limited by shares

Liability	means any debt, liability or obligation whatsoever whether it is present, future, prospective or contingent, known or unknown whether or not its amount is fixed or undetermined, whether or not it involves the payment of money or the performance of an act or obligation and whether it arises at common law, in equity or by statute, in or under the laws of the Cayman Islands or New York or in any other jurisdiction, or in any other manner whatsoever and "Liabilities" shall be construed accordingly
Longstop Date	means March 1, 2022, as may be extended in writing by the Issuer and the Requisite Consenting Noteholders in accordance with the Restructuring Support Agreement
New Notes	means US\$25,000,000 in aggregate nominal principal amount of senior unsecured notes issued pursuant to the Second Supplemental Indenture with a coupon of 6.625% per annum if paid in cash and 7.25% if paid in kind (at the Company's option, which option the Company shall have for any interest payments due for the period up to two years after the date of issuance of the New Notes) and with a maturity date of April 27, 2027
Notes	means US\$25,000,000 in aggregate nominal principal amount of senior unsecured notes with a coupon of 6.625% with a final legal maturity date of 26 April 2022 issued pursuant to the terms of the Indenture
Noteholders	means with respect to any Note, the Person that is the registered holder of a beneficial interest in the principal of such Note
Person	means any individual, corporation, company, limited liability company, partnership, joint venture trust, estate, unincorporated association, Governmental Authority or other entity of whatever nature
Personnel	means, in relation to any legal entity, its current and former officers, partners, directors, employees, staff, agents, counsel and other representatives
Protected Parties	means: (i) the Issuer; (ii) the Indenture Trustee; (iii) the Security Agent; and (iv) the Advisers (including their

	Personnel and Affiliates) and each of their predecessors, successors and assigns
Registrar of Companies	means the Registrar of Companies in the Cayman Islands (including any deputy registrar and/or assistant registrar or similar) appointed under the Companies Act
Releasing Parties	means each Scheme Creditor on behalf of itself and each of its predecessors, successors and assigns, the Indenture Trustee and the Issuer
Requisite Consenting Noteholder	as of the date of determination, Consenting Noteholders holding at least thirty percent (30%) of the aggregate principal amount of the Consenting Notes
Restructuring	means (i) any and all steps taken by the Indenture Trustee since 26 April 2017 in connection with the Notes; (ii) the negotiation, execution, performance or implementation of the Restructuring Support Agreement; (iii) the negotiation, execution, performance or implementation of this Scheme; and (iv) the issuance of the New Notes
Restructuring Documents	means the Second Supplemental Indenture, this Scheme (including any ancillary documents to the Scheme) and the Explanatory Statement
Restructuring Effective Date	means (i) the Business Day on which the Issuer gives notice to the Scheme Creditors through the Information Agent Website that the Scheme Conditions have been satisfied; and (ii) the time at which the Sanction Order is filed with the Registrar of Companies
Restructuring Support Agreement	means the restructuring support agreement dated 31 August 2021 by and among the Issuer and each Consenting Noteholder
Sanction Hearing	means the hearing of the Cayman Court, including any adjournment thereof, for the purpose of sanctioning this Scheme
Sanction Order	means the order of the Cayman Court sanctioning this Scheme pursuant to section 86(2) of the Companies Act
Scheme	means this scheme of arrangement between the Company and the Scheme Creditors proposed to be made under section 86 of the Companies Act in its

	present form or with, or subject to, any modification, addition or condition which the Cayman Court may think fit to approve or impose, as appropriate
Scheme Conditions	means those conditions set out in clause 4.1 of this Scheme
Scheme Creditor	means a Noteholder as reflected on the records of the Clearing Systems on the Voting Record Date and "Scheme Creditors" has a corresponding meaning
Scheme Effective Date	means the date on which the Sanction Order for the Scheme has been filed with the Registrar of Companies
Security Agent	means Sheridan Road Partners, LLC of 157 Columbus Avenue, 5th Floor, New York, New York 10023 and its successors and assigns from time to time
Second Supplemental Indenture	means the second supplemental Indenture between the Issuer and the Indenture Trustee in its capacity as indenture trustee as set out in Annex A to this Scheme, as may be further amended or supplemented from time to time
U.S. Bankruptcy Code	means Title 11 of the United States Code, as in effect on the Restructuring Effective Date
U.S. Bankruptcy Court	means the United States Bankruptcy Court for the Southern District of New York
Voting Record Date	means 4pm (EST) on 15 February 2022

2 INTERPRETATION

2.1 In this Scheme, unless the context otherwise requires or otherwise expressly provides for:

- (a) a company is a "subsidiary" of another company, its "holding company", if that other company (i) holds a majority of the voting rights in it; (ii) is a member of it and has the right to appoint or remove a majority of its board of directors; or (iii) is a member of it and controls alone, or pursuant to an agreement with other members, a majority of the voting rights in it, or it is a subsidiary of a company that is itself a subsidiary of that other company;
- (b) references to "clauses" and "annexes" are references to the clauses and annexes of this Scheme;
- (c) references to a statute or statutory provision include the same as subsequently modified,

amended or re-enacted from time to time;

- (d) the singular includes the plural and vice versa and words importing one gender shall include all genders;
- (e) headings are for ease of reference only and shall not affect the interpretation of this Scheme;
- (f) to the extent that there shall be any conflict of inconsistency between the terms of this Scheme and the Explanatory Statement then the terms of this Scheme will prevail;
- (g) references to an agreement, deed or document shall be deemed also to refer to such agreement, deed or document as amended, supplemented, restated, verified, replaced, and/or novated (in whole or in part) from time to time and to any agreement, deed or document executed pursuant thereto;
- (h) references to US\$ are references to the lawful currency of the United States;
- (i) unless otherwise specified, references to times and dates are to times and dates in the Cayman Islands; and
- (j) "including", "includes" and "included" shall be construed without limitation.

3 THE SCHEME EFFECTIVE DATE

3.1 On the Scheme Effective Date:

- (a) the Scheme shall become effective in accordance with its terms and be binding on all Scheme Creditors and the Issuer; and
- (b) the Indenture Trustee is instructed and directed by the Scheme Creditors to execute the Second Supplemental Indenture and deliver the Second Supplemental Indenture into escrow.

4 RESTRUCTURING EFFECTIVE DATE

4.1 The Restructuring Effective Date will occur on the Business Day on which the Issuer gives notice to the Scheme Creditors through the Information Agent Website that the following conditions have been satisfied:

- (a) the Sanction Order has been granted and the Scheme Effective Date has occurred;
 - (b) the Second Supplemental Indenture has been executed and is held in escrow; and
 - (c) the Chapter 15 Order has been entered by the U.S. Bankruptcy Court,
- (each a "**Scheme Condition**").

4.2 On the Restructuring Effective Date the:

(a) Second Supplemental Indenture, as set out in Annex A to this Scheme, will become effective; and

(b) Issuer shall issue the New Notes in exchange for the cancellation of the Notes.

4.3 With effect from the Restructuring Effective Date each Scheme Creditor irrevocably covenants with the Issuer and the Indenture Trustee for the benefit of each of the Protected Parties, to the extent permitted by law, that it will not act other than in accordance with the Second Supplemental Indenture and this Scheme.

5 LONGSTOP DATE

5.1 If the Restructuring Effective Date has not occurred by the Longstop Date, the Issuer may, with the prior written consent of the Requisite Consenting Noteholders, extend the Longstop Date.

5.2 If the Restructuring Effective Date has not occurred by the Longstop Date, as may be extended pursuant to clause 5.1, any Restructuring Documents held in escrow shall be promptly destroyed by or on behalf of the Issuer and shall have no further force or effect.

6 RELEASES AND EXCULPATION

6.1 With effect from the Restructuring Effective Date the Releasing Parties to the fullest extent permitted by law, shall and shall be deemed to completely and forever release, waive, void, acquit, forgive, extinguish and discharge unconditionally each of the Protected Parties from any and all Claims and/or Liabilities arising or resulting from the Protected Parties' involvement in this Scheme and/or the Restructuring, except for Claims and/or Liabilities arising out of:

(a) any fraud, gross negligence or wilful default; and

(b) any material breach by a Protected Party of its express obligations or representations in the Restructuring Support Agreement, this Scheme, the Restructuring Documents or arising from the Chapter 15 Order.

6.2 With effect from the Restructuring Effective Date the Releasing Parties to the fullest extent permitted by law, shall and shall be deemed to completely and forever release and waive any Claim and/or Liability they may have under the Notes.

6.3 The parties to this Scheme may not rescind or vary any term of this clause 6 with respect to a Protected Party without the prior written consent of such Protected Party.

6.4 None of the Releasing Parties shall commence or continue, or instruct, direct or authorize any other person to commence or continue, any proceeding in respect of Claims or Liabilities that have been released in accordance with clause 6.

7 FUTURE LIQUIDATION

This Scheme shall be unaffected by any present or future liquidation of the Issuer (including, for the avoidance of doubt, any provisional liquidation of the Issuer) and shall in those circumstances remain in force according to its terms.

8 APPLICATION TO THE CAYMAN COURT FOR DIRECTIONS

Without prejudice to any rights that the Issuer and the Noteholders might otherwise have in connection with this Scheme or any aspect of it, the Issuer and the Noteholders shall be entitled to make an application to the Cayman Court for directions at any time in connection with any matter arising under or in relation to this Scheme.

9 FOREIGN REPRESENTATIVE

The Issuer shall be appointed and authorised to act as the representative of the Issuer on and in connection with the Chapter 15 Proceedings.

10 MODIFICATION

The Issuer may, at or in connection with the Sanction Hearing with the consent of the Requisite Consenting Noteholders, implement on behalf of all Scheme Creditors any modification of, or addition to, this Scheme and/or the Restructuring Documents or any terms or conditions that the Cayman Court may think fit to approve or impose. However, if such modifications, additions, terms or conditions could reasonably be expected directly or indirectly to have a material adverse effect on the rights or interests of any Scheme Creditor under this Scheme, then the Issuer shall not give such consent without the prior written consent of such affected Scheme Creditor.

11 NOTICES

- 11.1 Any notice or other written communication to be given under or in relation to this Scheme shall be given in writing and shall be deemed to have been duly given if it is given in accordance with the terms of the Indenture.
- 11.2 The accidental omission to send any notice, written communication or other document in accordance with this clause 11, or the non-receipt of any such notice by any Scheme Creditor, shall not affect the provisions of this Scheme.
- 11.3 The Issuer or the Indenture Trustee shall not be responsible for any loss or delay in the transmission of any notice or other documents or payments posted by or to any Scheme Creditors which shall be posted at the risk of such Scheme Creditors.

12 THIRD PARTIES

- 12.1 Subject to clause 12.2, no person who is not a party to this Scheme has any right under the Contracts (Rights of Third Parties) Act 2014 to enforce any of its terms.
- 12.2 The Protected Parties may enforce this Scheme in accordance with the Contracts (Rights of Third Parties) Act 2014.

13 MISCELLANEOUS

If at any time any provision of this Scheme is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of this Scheme shall be affected or

impaired.

14 GOVERNING LAW AND JURISDICTION

- 14.1 This Scheme and any non-contractual obligations arising out of or in connection with this Scheme shall be governed by, and this Scheme shall be construed in accordance with, the laws of Cayman Islands. The Cayman Court shall have exclusive jurisdiction to hear and determine any suit, action or proceeding and to settle any dispute which may arise out of the Explanatory Statement or any provision of this Scheme or its implementation or out of any action taken or omitted to be taken under this Scheme or in connection with the administration of this Scheme. The U.S. Bankruptcy Court shall retain jurisdiction with respect to the enforcement, amendment or modification of the Chapter 15 Proceedings and the Chapter 15 Order.
- 14.2 Each of the Scheme Creditors irrevocably submits to the jurisdiction of the Cayman Court for the purposes of clause 14.1, provided, however, that nothing in this clause 14 shall affect the validity of other provisions determining governing law and jurisdiction as between the Indenture Trustee, the Issuer and any of the Scheme Creditors, whether contained in any contract (which includes, without limitation, the Indenture and the Second Supplemental Indenture) or otherwise.
- 14.3 For the avoidance of doubt, nothing in clause 14.1 shall affect (i) the ability of any Scheme Creditor or the Indenture Trustee to enforce any rights it may have under the Second Supplemental Indenture in accordance with the terms of such documents and (ii) the ability of the Issuer to enter into reorganization, liquidation or restructuring proceedings in any jurisdiction.

SECOND SUPPLEMENTAL INDENTURE

between

ATLAS FINANCIAL HOLDINGS, INC.,
as Issuer,

and

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

6.625%/7.25% Senior Unsecured PIK Toggle Notes due 2027

Dated as of [], 2022

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This SECOND SUPPLEMENTAL INDENTURE, dated as of [], 2022 (this “**Second Supplemental Indenture**”), between Atlas Financial Holdings, Inc., a company limited by shares duly formed under the laws of the Cayman Islands (the “**Company**”), and Wilmington Trust, National Association, as trustee (the “**Trustee**”), supplementing the Indenture, dated as of April 26, 2017 (the “**Base Indenture**”), as supplemented by that First Supplemental Indenture, dated as of April 26, 2017 by and between the Company and the Trustee (the “**First Supplemental Indenture**” and the Base Indenture as supplemented by the First Supplemental Indenture, the “**Original Indenture**”), between the Company and the Trustee.

RECITALS

WHEREAS, the Company executed and delivered the Base Indenture to the Trustee to provide for the future issuance of the Company’s senior debt securities (the “**Securities**”), to be issued from time to time in one or more series as might be determined by the Company under the Base Indenture;

WHEREAS, pursuant to the terms of the Original Indenture, the Company issued a series of Securities known as the 6.625% Senior Unsecured Notes due 2022 (the “**2017 Notes**”), the form and substance of which 2017 Notes and the terms, provisions and conditions thereof are as set forth in the Original Indenture;

WHEREAS, on January [], 2022, the Company commenced a proceeding (the “**Cayman Proceeding**”) before the Grand Court of the Cayman Islands (the “**Cayman Court**”) to obtain the Cayman Court’s sanction of a scheme of arrangement (the “**Scheme**”) pursuant to Part IV of the Cayman Islands Companies Law as modified, amended or re-enacted from time to time;

WHEREAS, on [], 2022, the Cayman Court (i) appointed the Company as the foreign representative for purposes of seeking recognition of the Cayman Proceeding as a foreign main or nonmain proceeding and enforcement of the Scheme in a proceeding under chapter 15 of title 11 of the United States Code (the “**Bankruptcy Code**”; such proceeding, the “**Chapter 15 Proceeding**”) to be commenced in the United States Bankruptcy Court [for the Southern District of New York] (the “**U.S. Bankruptcy Court**”) and (ii) approved the proposed solicitation procedures and materials and the conduct of a meeting of creditors to approve the Scheme (the “**Scheme Meeting**”);

WHEREAS, the Scheme was approved by the requisite majorities in number and value of the Outstanding 2017 Notes at the Scheme Meeting and thereafter was sanctioned by the Cayman Court on [], 2022;

WHEREAS, on [], 2022, the Company in its capacity as the duly appointed foreign representative commenced a Chapter 15 Proceeding under the Bankruptcy Code in the U.S. Bankruptcy Court, and the US Bankruptcy Court issued an order (the “**Recognition Order**”) recognizing the Cayman Proceeding as foreign proceeding and enforcing the Scheme that sanctioned the cancellation of the 2017 Notes and the issuance of the 2027 Notes as set forth in this Second Supplemental Indenture, therefore binding all holders of the Outstanding 2017 Notes to the terms of this Second Supplemental Indenture;

WHEREAS, pursuant to the terms of the Original Indenture and this Second Supplemental Indenture (together, the “**Indenture**”), the Company desires to cancel the 2017 Notes and issue to the holders thereof new notes, which shall hereinafter be referred to as the 6.625%/7.25% Senior Unsecured PIK Toggle Notes due 2027 (the “**2027 Notes**”), the form and substance of such 2027 Notes, and the terms, provisions and conditions thereof to be set forth herein as provided in the Indenture;

WHEREAS, as a result of the foregoing transactions, certain amendments to the Original Indenture are necessary or desirable for the Company and are being set out herein;

WHEREAS, the Company has requested that the Trustee, in respect to the 2027 Notes, execute and deliver this Second Supplemental Indenture in such capacity;

WHEREAS, all requirements necessary to make this Second Supplemental Indenture a valid instrument in accordance with its terms and to make the 2027 Notes, when executed by the Company and authenticated and delivered

by the Trustee, the valid obligations of the Company, have been done and performed, and the execution and delivery of this Second Supplemental Indenture has been duly authorized in all respects; and

NOW THEREFORE, in consideration of the cancellation of the 2017 Notes and the issuance of the 2027 Notes to the holders of the 2017 Notes, and for the purpose of setting forth, as provided in the Indenture, the form and substance of the 2027 Notes, and the terms, provisions and conditions thereof, the parties hereto hereby agree as follows:

ARTICLE I
2027 NOTES

SECTION 1.01 *Definitions.*

Unless the context otherwise requires or unless otherwise set forth herein:

(a) a term not defined herein that is defined in the Original Indenture, has the same meaning when used in this Second Supplemental Indenture;

(b) the definition of any term in this Second Supplemental Indenture that is also defined in the Original Indenture, shall for the purposes of this Second Supplemental Indenture supersede the definition of such term in the Original Indenture;

(c) a term defined anywhere in this Second Supplemental Indenture has the same meaning throughout;

(d) the definition of a term in this Second Supplemental Indenture is not intended to have any effect on the meaning or definition of an identical term that is defined in the Original Indenture insofar as the use or effect of such term in the Original Indenture, as previously defined, is concerned;

(e) the singular includes the plural and *vice versa*;

(f) headings are for convenience of reference only and do not affect interpretation; and

(g) the following terms have the meanings given to them in this Section 1.01(g):

“Affiliate Holder Global Security” means a Global Security bearing the Affiliate Holder Legend.

“Affiliate Holder Legend” means the legend set forth in Section 1.06 of this Second Supplemental Indenture to be placed on certain 2027 Notes as provided in this Second Supplemental Indenture.

“Cash Interest” shall have the meaning given in Section 1.03(b) of this Second Supplemental Indenture.

“Global Security Legend” means the legend set forth in Section 1.06 of this Second Supplemental Indenture to be placed on any Global Security.

“Interest Payment Date” means January 27, April 27, July 27 and October 27 of each year, commencing [] 27, 2022.

“Interest Period” shall mean the period commencing on and including an Interest Payment Date and ending on and including the day immediately preceding the next succeeding Interest Payment Date, with the exception that the first Interest Period shall commence on and include the Original Issue Date and end on and include [] 27, 2022 (the Interest Payment Date for any Interest Period shall be the Interest Payment Date occurring on the day immediately following the last day of such Interest Period).

“**Material Subsidiary**” means a direct or indirect subsidiary of the Company that is an insurance company with statutory surplus of at least \$15,000,000 for the most recently completed fiscal quarter.

“**Non-Affiliate Holder Global Security**” means a Global Security other than an Affiliate Holder Global Security.

“**Original Issue Date**” means [], 2022.

“**PIK Interest**” means payment of interest on the 2027 Notes through an increase in the principal amount of the outstanding 2027 Notes.

“**PIK Interest Note**” shall have the meaning given in Section 1.03(b) of this Second Supplemental Indenture.

“**PIK Notice**” shall have the meaning given in Section 1.03(b) of this Second Supplemental Indenture.

“**PIK Payment**” shall have the meaning given in Section 1.03(b) of this Second Supplemental Indenture.

“**Redemption Date**” means the date fixed for the redemption of the 2027 Notes by or pursuant to the Indenture.

“**Regular Record Date**” means, with respect to each Interest Payment Date, the close of business on the preceding January 12, April 12, July 12 and October 12, as the case may be (whether or not a Business Day).

“**Stated Maturity**” means April 27, 2027.

SECTION 1.02 *Establishment of 2027 Notes.*

(a) In accordance with the Scheme and the Recognition Order, the 2017 Notes, issued and authenticated in accordance with the terms of the Original Indenture, are to be canceled and the holders thereof to be issued the 2027 Notes. The 2027 Notes shall hereinafter be designated as the Company’s 6.625%/7.25% Senior Unsecured PIK Toggle Notes due 2027.

(b) There are to be issued, authenticated and delivered to the holders of the 2017 Notes the 2027 Notes, in the exchange ratio and as further provided in Section 2.01 hereof, initially limited in aggregate principal amount to \$25,000,000 (1,000,000 units of \$25 each), and no further 2027 Notes shall be authenticated and delivered except as provided by Sections 2.04, 3.06, 3.07, 3.10 or 11.04 of the Original Indenture and this Second Supplemental Indenture; *provided, however*, that the aggregate principal amount of the 2027 Notes may be increased in the future with no limit, without the consent of the holders of the 2027 Notes, on the same terms and with the same CUSIP and ISIN numbers as the 2027 Notes, except for the Original Issue Date and, if applicable, the first Interest Payment Date and the initial interest accrual date, *provided* that no Event of Default with respect to the 2027 Notes shall have occurred and be continuing. In connection with any PIK Payment, the Company is entitled to, without the consent of the holders (and without regard to any restrictions or limitations set forth under the Indenture including Section 1.10(d) of this Second Supplemental Indenture) to increase the outstanding principal amount of the 2027 Notes or to issue PIK Interest Notes under this Indenture on the same terms and conditions as the 2027 Notes. Additionally, on the Original Issue Date, the Company is entitled to, without the consent of the holders (and without regard to any restrictions or limitations set forth under the Indenture including Section 1.10(d) of this Second Supplemental Indenture) to increase the outstanding principal amount of the 2027 Notes to capitalize into the outstanding principal amount of the 2027 Notes all or a portion of the amount of any accrued and unpaid interest on the 2017 Notes. The 2027 Notes shall be in fully registered form. At the time of their issuance, \$5,151,675 aggregate principal amount of the 2027 Notes [to be issued to Broadbill Partners] shall bear the Affiliate Holder Legend.

(c) The 2027 Notes shall be issued in the form of one or more Global Securities, registered in the name of the Depository (as defined below) or its nominee. Each Global Security and the Trustee’s Certificate of Authentication thereof, shall be in substantially the form set forth in Exhibit A hereto (including the applicable legend(s) thereon and the “Schedule of Exchanges of Interests in the Global Security” attached thereto). 2027 Notes issued in definitive form shall be substantially in the form of Exhibit A attached hereto (but without the legend thereon and without the “Schedule of Exchanges of Interests in the Global Security” attached thereto). Each Global Security shall represent

such of the outstanding 2027 Notes as shall be specified in the “Schedule of Exchanges of Interests in the Global Security” attached thereto, and each shall provide that it shall represent up to the aggregate principal amount of 2027 Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding 2027 Notes represented thereby may from time to time be reduced or increased, as applicable, to reflect exchanges, redemptions and the payment of PIK Interest as provided in Section 1.03 of this Second Supplemental Indenture or capitalization of all or any portion of any accrued and unpaid interest on the 2017 Notes into principal at the Original Issue Date. Any endorsement of a Global Security to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding 2027 Notes represented thereby shall be made by the Trustee in accordance with written instructions given by the holder thereof as required by Section 3.06 of the Base Indenture, written instructions as required by Section 1.06 hereof or written instructions by the Company in connection with a PIK Payment as described in Section 1.03 of this Second Supplemental Indenture or capitalization of all or a portion of any accrued and unpaid interest on the 2017 Notes into principal at the Original Issue Date. The depository with respect to the 2027 Notes shall be The Depository Trust Company (the “**Depository**”).

(d) Each 2027 Note shall be dated the date of authentication thereof and shall bear interest from the Original Issue Date or from the most recent Interest Payment Date to which interest has been paid or duly provided for.

SECTION 1.03 *Payment of Principal and Interest.*

(a) The principal of the 2027 Notes shall be due at Stated Maturity. The unpaid principal amount of the 2027 Notes shall bear interest at the rates per year described in clause (b) below until paid or duly provided for. Interest shall be paid or compounded quarterly in arrears on each Interest Payment Date, commencing [] 27, 2022, to the Person in whose name the 2027 Notes are registered on the Regular Record Date for such Interest Payment Date, *provided* that interest payable at the Stated Maturity or upon redemption will be paid to the Person to whom principal is payable. Any such interest that is not so punctually paid or duly provided for will forthwith cease to be payable to the holders on such Regular Record Date and may be paid as provided in Section 3.08 of the Original Indenture.

(b) Payments of interest on the 2027 Notes will include interest accrued from the most recent date to which interest has been paid (or the Original Issue Date if no interest has been paid) to, but excluding, the respective Interest Payment Dates. Interest payments for the 2027 Notes shall be computed and paid on the basis of a 360-day year consisting of twelve 30-day months. Interest will be payable as follows: (a) Cash Interest on the 2027 Notes will accrue at a rate of 6.625% per annum and (b) any PIK Interest on the 2027 Notes will accrue at a rate per annum equal to 7.25% per annum. The payment of interest on the 2027 Notes in cash is referred to herein as “**Cash Interest**”; payment of interest on the 2027 Notes through an increase in the principal amount of the outstanding 2027 Notes or through the issuance of PIK Notes as described in the prior sentence is herein referred to as “**PIK Interest**”. The Company has determined to pay PIK Interest on the first Interest Payment Date on [] 27, 2022. In the event that the Company determines to pay PIK Interest for any Interest Period ending thereafter or prior to April 27, 2024, then the Company will deliver a notice (a “**PIK Notice**”) to the Trustee no later than five (5) Business Days prior to the beginning of such Interest Period, which notice will state the total amount of interest to be paid on the Interest Payment Date in respect of such Interest Period and the amount of such interest to be paid as PIK Interest. The Company shall promptly deliver the PIK Notice to the holders or may request the Trustee deliver such notice to the holders on the Company’s behalf (which notice to the holders may be given through the Depository). For the avoidance of doubt, interest on the 2027 Notes in respect of any Interest Period for which a PIK Notice is not delivered following the first Interest Payment Date must be paid entirely as Cash Interest. PIK Interest will be considered paid on the date due if on such date the Trustee has received (i) an Officers’ Certificate, in accordance with Section 2.02 of the Base Indenture, from the Company to increase the balance of any Global Security to reflect such PIK Interest or (ii) PIK Interest Notes duly executed by the Company together with an Officers’ Certificate, in accordance with Section 2.02 of the Base Indenture, of the Company requesting the authentication of such PIK Interest Notes by the Trustee. On any Interest Payment Date on which the Company pays PIK Interest (a “**PIK Payment**”), with respect to a Global Security, the Trustee will increase the principal amount of such Global Security by an amount equal to the PIK Interest payable, rounded down to the nearest whole penny, for the relevant Interest Period on the principal amount of such Global Security, to the credit of the holders on the relevant Regular Record Date and an adjustment will be made on the books and records of the Trustee with respect to such Global Security to reflect such increase. On any Interest Payment Date on which the Company makes a PIK Payment by issuing definitive 2027 Notes (a “**PIK Interest Note**”) under this Indenture having the same terms as the 2027 Notes, the principal amount of any such PIK Interest Note issued to any holder, for the relevant Interest Period as of the relevant Regular Record Date for such Interest Payment Date, will be

rounded down to the nearest whole penny. In connection with the payment of PIK Interest in respect of the 2027 Notes, the Company will, without the consent of holders (and without regard to any restrictions or limitations set forth under Section 1.10(d) of this Second Supplemental Indenture), either increase the outstanding principal amount of the 2027 Notes or issue PIK Interest Notes under this Indenture. PIK Notes will be issued in definitive form solely if the 2027 Notes are in definitive form; any PIK Notes issued in definitive form will be dated as of the applicable Interest Payment Date and will bear interest from and after such date. Following an increase in the principal amount of the outstanding Global Securities as a result of a PIK Payment, the 2027 Notes will bear interest on such increased principal amount from and after the date of such PIK Payment. Interest for the last Interest Period ending at Stated Maturity shall be payable entirely in cash.

(c) In the event that any date on which interest is payable on the 2027 Notes is not a Business Day (including the Redemption Date), then a payment of the interest payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay), except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on the date the payment was originally payable.

(d) The Trustee is hereby designated as Paying Agent for the 2027 Notes and all payments of the principal of and interest due on the 2027 Notes at the Stated Maturity or upon redemption will be made upon surrender of the 2027 Notes at the Corporate Trust Office of the Trustee in the United States.

(e) The principal of and interest due on the 2027 Notes shall be paid in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. Payments of Cash Interest (including interest on any Interest Payment Date) will be made, subject to such surrender where applicable and subject, in the case of a Global Security, to the Trustee's arrangements with the Depositary, at the option of the Company, (i) by check mailed to the address of the Person entitled thereto as such address shall appear in the Debt Security Register, or (ii) by wire transfer at such place and to such account at a banking institution in the United States of America as may be designated in writing to the Trustee at least 15 days prior to the date for payment by the Person entitled thereto.

SECTION 1.04 *Denominations.*

The 2027 Notes may be issued in minimum denominations of \$25, or any integral multiples of \$.01 in excess thereof or in units, each representing \$25.

SECTION 1.05 *Global Securities.*

(a) Except under the limited circumstances described below, 2027 Notes represented by Global Securities will not be exchangeable for, and will not otherwise be issuable as, 2027 Notes in definitive form. The Global Securities described above may not be transferred except by the Depositary to a nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary or to a successor Depositary or its nominee.

(b) Except as otherwise provided in this Second Supplemental Indenture, owners of beneficial interests in such Global Securities will not be considered the holders thereof for any purpose under the Indenture, and no Global Security representing a 2027 Note shall be exchangeable, except for another Global Security of like denomination and to be registered in the name of the Depositary or its nominee or to a successor Depositary or its nominee. The rights of holders of such Global Securities shall be exercised only through the Depositary.

(c) A Global Security shall be exchangeable in whole or, from time to time, in part for 2027 Notes in definitive registered form only as provided in the Indenture. If (i) at any time the Depositary notifies the Company that it is unwilling or unable to continue as Depositary for the 2027 Notes or if at any time the Depositary shall no longer be registered or in good standing as a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation, at such time as the Depositary is required to be so registered and the Depositary so notifies the Company and, in each case, the Company does not appoint a successor Depositary within 90 days after the Company receives such notice or becomes aware of such condition, as the case may be, or (ii) subject to the procedures of the Depositary, the Company in its sole discretion

determines that the 2027 Notes shall be exchangeable for 2027 Notes in definitive registered form and executes and, in each case, delivers to the Security Registrar a written order of the Company providing that the 2027 Notes shall be so exchangeable, the 2027 Notes shall be exchangeable for 2027 Notes in definitive registered form, *provided* that definitive 2027 Notes so issued in exchange for the 2027 Notes shall be in minimum denominations of \$25, or any integral multiples of \$.01 in excess thereof (or in units, each unit representing \$25) and be of like aggregate principal amount and tenor as the portion of the 2027 Notes to be exchanged. Except as provided herein, owners of beneficial interests in the 2027 Notes will not be entitled to have 2027 Notes registered in their names, will not receive or be entitled to physical delivery of 2027 Notes in definitive registered form and will not be considered the holders thereof for any purpose under the Indenture. None of the Company, the Trustee, any Paying Agent, the Security Registrar or any of their agents shall have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the 2027 Notes, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Any Global Security that is exchangeable pursuant to this Section 1.05(c) shall be exchangeable for 2027 Notes registered in such names as the Depositary shall direct.

SECTION 1.06 *Transfer and Exchange.*

(a) *Transfer and Exchange of Beneficial Interests in the Global Securities.* Beneficial interests in any Global Security may be transferred to Persons who take delivery thereof in the form of a beneficial interest in a Global Security. The transfer and exchange of beneficial interests in the Global Securities will be effected through the Depositary, in accordance with the provisions of this Indenture and the rules and procedures of the Depositary that apply to such transfer or exchange. No written orders or instructions shall be required to be delivered to the Security Registrar to effect the transfers described in this Section 1.06(a) except as provided in clause (b) below.

(b) *Transfer and Exchange of Beneficial Interests in an Affiliate Holder Global Security for Beneficial Interests in a Non-Affiliate Holder Global Security or an Affiliate Holder Global Security.* A beneficial interest in any Affiliate Holder Global Security may be exchanged by any Holder thereof for a beneficial interest in a Non-Affiliate Holder Global Security or an Affiliate Holder Global Security or transferred to a Person who takes delivery thereof in the form of a beneficial interest in a Non-Affiliate Holder Global Security or a Affiliate Holder Global Security if the exchange or transfer complies with the requirements of this Section 1.06(b):

(A) the Security Registrar receives the following:

(1) if the holder of such beneficial interest proposes to exchange such beneficial interest for a beneficial interest in a Non-Affiliate Holder Global Security, a certificate from such Holder substantially in the form of Exhibit C hereto; or

(2) if the holder of such beneficial interest proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in a Non-Affiliate Holder Global Security or an Affiliate Holder Global Security, a certificate from such holder in the form of Exhibit B hereto;

and, in each such case set forth in this subparagraph (A), if the Security Registrar so requests or if the applicable procedures of the Depositary so require, an Opinion of Counsel in form reasonably acceptable to the Securities Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and, if applicable, that the restrictions on transfer contained herein and in the Affiliate Holder Legend are no longer required in order to maintain compliance with the Securities Act; or

(B) such transfer is effected pursuant to an automatic exchange in accordance with Section 1.06(c) of this Indenture. If any such transfer is effected at a time when a Non-Affiliate Holder Global Security is not outstanding, the Company shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee shall authenticate one or more Non-Affiliate Global Securities in an aggregate principal amount equal to the aggregate principal amount of beneficial interests so transferred.

Beneficial interests in a Non-Affiliate Holder Global Security cannot be exchanged for, or transferred to, Persons who take delivery thereof in the form of, a beneficial interest in an Affiliate Holder Global Security.

(c) *Automatic Exchange from Affiliate Holder Global Security to Non-Affiliate Holder Global Security.* At the option of the Company and upon compliance with the following procedures, beneficial interests in an Affiliate Holder Global Security shall be exchanged for beneficial interests in a Non-Affiliate Holder Global Security. In order to effect such exchange, the Company shall (i) provide written notice to the Trustee instructing the Trustee to direct the Depositary to transfer the specified amount of the outstanding beneficial interests in the Affiliate Holder Global Security to a Non-Affiliate Holder Global Security and provide the Depositary with all such information as is necessary for the Depositary to appropriately credit and debit the relevant Holder accounts and (ii) provide prior written notice to all Holders of such exchange, which notice must include the date such exchange is proposed to occur, the CUSIP number of the Affiliate Holder Global Security and the CUSIP number of the Non-Affiliate Holder Global Security into which such Holders' beneficial interests will be exchanged. As a condition to any such exchange pursuant to this Section 1.06(c), the Trustee shall be entitled to receive from the Company, and rely upon conclusively without any liability, an Officers' Certificate and an Opinion of Counsel, in form and in substance reasonably satisfactory to the Trustee, to the effect that such transfer of beneficial interests to the Non-Affiliate Holder Global Security shall be effected in compliance with the Securities Act. The Company may request from Holders such information it reasonably determines is required in order to be able to deliver such Officers' Certificate and Opinion of Counsel. Upon such exchange of beneficial interests pursuant to this Section 1.06(c), the Securities Registrar shall reflect on its books and records the date of such transfer and a decrease and increase, respectively, in the principal amount of the Affiliate Holder Global Security and the Non-Affiliate Holder Global Security, respectively, equal to the principal amount of beneficial interests transferred. Following any such transfer pursuant to this Section 1.06(c) of all of the beneficial interests in a Affiliate Holder Global Security, such Affiliate Holder Global Security shall be cancelled.

(d) *Legends.* The following legends will appear on the face of all Global Securities and definitive 2027 Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture.

(i) *Global Security Legend.* Each Global Security will bear a legend in substantially the following form:

“THIS NOTE IS A GLOBAL SECURITY WITHIN THE MEANING OF THE ORIGINAL INDENTURE HEREINAFTER REFERRED TO. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (“DTC”), A NEW YORK CORPORATION, TO ATLAS FINANCIAL HOLDINGS, INC. OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN. THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO THE INDENTURE.

EXCEPT AS OTHERWISE PROVIDED IN SECTION 1.05 OF THE SECOND SUPPLEMENTAL INDENTURE, THIS NOTE MAY BE TRANSFERRED IN WHOLE, BUT NOT IN PART, ONLY TO DTC, TO ANOTHER NOMINEE OF DTC OR TO A SUCCESSOR DEPOSITARY OR TO A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.”

(ii) *Affiliate Holder Legend.* \$5,151,675 principal amount of 2027 Notes will, at the time of their issuance, bear a legend in substantially the following form:

“THIS NOTE (OR ITS PREDECESSOR) EVIDENCED HEREBY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND THE NOTE EVIDENCED HEREBY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THE NOTE EVIDENCED HEREBY IS HEREBY NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY SECTION 1145 OF THE UNITED STATES BANKRUPTCY CODE

OR RULE 144A UNDER THE SECURITIES ACT. THE HOLDER OF THE NOTE EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE COMPANY THAT:

(A) SUCH NOTE MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY:

(i)(a) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (b) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 UNDER THE SECURITIES ACT WITHOUT REGARD TO THE HOLDING PERIOD SPECIFIED IN RULE 144(d), (c) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(a)(1),(2),(3) OR (7) OF THE SECURITIES ACT (AN "INSTITUTIONAL ACCREDITED INVESTOR")) THAT, PRIOR TO SUCH TRANSFER, FURNISHES THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS (THE FORM OF WHICH CAN BE OBTAINED FROM THE TRUSTEE) AND, IF SUCH TRANSFER IS IN RESPECT OF AN AGGREGATE PRINCIPAL AMOUNT OF NOTES LESS THAN \$100,000, AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT, OR (d) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL AND OTHER CERTIFICATIONS AND DOCUMENTS IF THE COMPANY SO REQUESTS),

(ii) TO THE COMPANY, OR

(iii) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT, AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION AND IN EACH CASE SUBJECT TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF THIS NOTE BY THE HOLDER OR BY ANY INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL;

(B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE NOTE EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH IN (A) ABOVE; AND

(C) NOTWITHSTANDING THE FOREGOING, THE COMPANY ACKNOWLEDGES THAT BY VIRTUE OF THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY SECTION 1145 OF THE UNITED STATES BANKRUPTCY CODE, AS APPLIED BY THE UNITED STATES BANKRUPTCY COURT TO THE ISSUANCE OF THE NOTE EVIDENCED HEREBY, THIS NOTE IS NOT A RESTRICTED SECURITY."

(e) *Cancellation of Global Securities.* At such time as all beneficial interests in a particular Global Security have been exchanged for definitive 2027 Notes or a particular Global Security has been redeemed, repurchased or canceled in whole and not in part, each such Global Security shall be returned to or retained and canceled by the Trustee in accordance with Section 3.10 of the Base Indenture.

(f) *General Provisions Relating to Transfers and Exchanges.* In addition to the applicable provisions of the Base Indenture, the following provisions shall apply to the 2027 Notes. The Trustee is hereby designated as Security Registrar for the 2027 Notes. No service charge will be made for any registration of transfer or exchange of 2027 Notes, but payment will be required of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith.

SECTION 1.07 *Defeasance.*

The provisions of Sections 13.01 and 13.02 of the Original Indenture will apply to the 2027 Notes.

SECTION 1.08 *Redemption at the Option of the Company.*

(a) (1) Subject to Article 4 of the Original Indenture, at any time and from time to time on [], 2025, or at any time thereafter, the 2027 Notes will be redeemable at the Company's option, in whole or in part, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued and unpaid interest thereon to, but excluding, the Redemption Date.

(2) Subject to Article 4 of the Original Indenture, on any Interest Payment Date, the 2027 Notes will be redeemable at the Company's option, in whole or in part, at a redemption price equal to 100% of the principal amount to be redeemed in an amount not to exceed the excess of the Outstanding principal amount of the 2027 Notes as of such Interest Payment Date (including, if applicable, any PIK Interest accrued as of such Interest Payment Date) over the original par amount of 2027 Notes Outstanding as of such Interest Payment Date. For avoidance of doubt, the amount which may be redeemed pursuant to the foregoing sentence shall not exceed the amount attributable to PIK Interest added to the principal amount of the then-Outstanding 2027 Notes.

(b) If less than all of the 2027 Notes are to be redeemed, the Trustee shall select the 2027 Notes or portions of the 2027 Notes to be redeemed by such method as the Trustee shall deem fair and appropriate. The Trustee may select for redemption 2027 Notes and portions of 2027 Notes in minimum amounts of \$25 and integral multiples of \$.01 in excess thereof, and shall thereafter promptly notify the Company in writing of the numbers of 2027 Notes to be redeemed in whole or in part; *provided* that if the 2027 Notes are represented by one or more Global Securities, interests in such Global Securities shall be selected for redemption by the Depositary in accordance with its applicable procedures therefor.

SECTION 1.09 *No Sinking Fund.*

The 2027 Notes shall not be entitled to any sinking fund.

SECTION 1.10 *Material Subsidiaries.*

(a) Subject to Section 1.10(c), the Company shall not:

- (i) directly or indirectly, sell, assign, pledge, transfer or otherwise dispose, and shall not permit any of its subsidiaries to, directly or indirectly, sell, pledge, assign, transfer or otherwise dispose of, shares of voting capital stock, or securities convertible into voting stock, or options, warrants or rights to subscribe for or purchase voting capital stock of a Material Subsidiary; or
- (ii) permit a Material Subsidiary to issue, sell or otherwise dispose of any shares of its voting capital stock or securities convertible into its voting capital stock or options, warrants or rights to subscribe for or purchase its voting capital stock, unless the Company will own, directly or indirectly, at least 90% of the issued and outstanding voting stock of the Material Subsidiary after giving effect to such transaction; provided, that this Section 1.10(a)(ii) shall not apply to a transaction subject to the provisions of Article 12 of the Base Indenture).

(b) Subject to Section 1.10(c) below, the Company shall not permit any Material Subsidiary to:

- (i) merge or consolidate with or into any corporation or other Person, unless such Material Subsidiary is the surviving corporation or Person, or unless the Company will own, directly or indirectly, at least 90% of the surviving corporation's issued and outstanding voting stock;
- (ii) lease, sell, assign or transfer all or substantially all of its properties and assets to any corporation or other Person (other than the Company), unless the Company will own, directly or indirectly, at least 90% of the issued and outstanding voting stock of that corporation or other Person; or
- (iii) pay any dividend in a Material Subsidiary's voting capital stock or make any other distribution in its voting capital stock, other than to the Company or its other subsidiaries, unless the Material Subsidiary to which the transaction relates, after obtaining any necessary regulatory approvals, unconditionally guarantees payment of the principal and interest of the 2027 Notes.

(c) Notwithstanding Section 1.10(a) and (b), the Company may agree to any merger or consolidation or sale, lease, assignment, pledge or transfer of securities, properties or assets of or with respect to a Material Subsidiary if: (i) required by law and such lease, sale, assignment or transfer of securities is made to any Person for the purpose of the qualification of such Person to serve as a director; (ii) such lease, sale, assignment or transfer of securities is made

by the Company or any of its subsidiaries acting in a fiduciary capacity for any Person other than the Company or any of its subsidiaries; (iii) made in connection with the consolidation of the Company with or the sale, lease or conveyance of all or substantially all of the assets of the Company to, or merger of the Company with or into, any other Person (which transaction will be subject to the provisions of Article 12 of the Base Indenture); or (iv) it is required as a condition imposed by any law or any rule, regulation or order of any governmental agency or authority to the acquisition by the Company of another entity; provided that in the case of (iv) only, after giving effect to such acquisition, (A) at least 90% of the issued and outstanding voting stock of such entity will be owned, directly or indirectly, by the Company and (B) the Company's consolidated assets will be at least equal to 70% of its consolidated assets prior to the acquisition; provided, that the foregoing shall not prohibit the Company or a Material Subsidiary from pledging any assets to secure borrowings incurred in the ordinary course of business.

(d) Other than that \$3,000,000 Convertible Senior Secured Delayed-Draw Credit Agreement, dated September 1, 2021 entered into by the Company and certain of its subsidiaries which shall remain outstanding, the Company shall not, and it shall not permit any of its subsidiaries to, incur debt for borrowed money, commitments for the extension of debt for borrowed money or other obligations in excess of the greater of (I) \$10,000,000 and (II) 10% of shareholders' equity as reported in the most recent consolidated financial statements of the Company filed with the U.S. Securities and Exchange Commission, in each case in the aggregate, which is secured by any shares of voting stock of a Material Subsidiary (or securities convertible into, or options, warrants or rights to subscribe for or purchase shares of that voting stock) without making effective provision for securing the 2027 Notes equally and ratably with that secured debt; provided, however, that this Section 1.10(d) shall not apply to the extent that the Company continues to own, directly or indirectly, at least 90% of the issued and outstanding voting stock of each Material Subsidiary (treating that encumbrance as a transfer of those shares to the secured party); provided, further, that this Section 1.10(d) shall not apply with respect to any (i) pledge, encumbrance or lien to secure the Company's indebtedness or the indebtedness of a subsidiary as part of the purchase price of such shares of voting stock, or incurred prior to, at the time of or within 120 days after acquisition thereof for the purpose of financing all or any part of the purchase price thereof; (ii) lien for taxes, assessments or other government charges or levies (A) which are not yet due or payable without penalty, (B) which the Company is contesting in good faith by appropriate proceedings so long as the Company has set aside on its books such reserves as shall be required in respect thereof in conformity with generally accepted accounting principles, or (C) which secure obligations of less than \$500,000 in amount; or (iii) lien of any judgment, if that judgment (X) is discharged, or stayed on appeal or otherwise, within 90 days, (Y) is currently being contested in good faith by appropriate proceedings so long as the Company has set aside on its books such reserves as shall be required in respect thereof in conformity with generally accepted accounting principles or (Z) involves claims of less than \$500,000.

ARTICLE II

2027 NOTES ISSUED FOR 2017 NOTES; SATISFACTION AND DISCHARGE OF 2017 NOTES

SECTION 2.01 *2027 Notes Issued for 2017 Notes.*

The 2027 Notes are not being issued for cash consideration, but are being issued to the holders of the 2017 Notes in the exchange ratio and as pursuant to the Scheme approved at the Scheme Meeting, sanctioned by the Cayman Court and given recognition by the U.S. Bankruptcy Court in the Recognition Order.

SECTION 2.02 *Cancellation of 2017 Notes; Satisfaction and Discharge of 2017 Notes.*

The 2017 Notes shall be delivered to the Trustee for cancellation in accordance with Section 13.01(a) of the Base Indenture. The Company shall be deemed to have paid, in the currency required, all sums payable under the Indenture in respect of the 2017 Notes. The 2017 Notes shall be deemed to have been paid and discharged in accordance with the terms of the Indenture.

SECTION 2.03 *Undertaking to Register Certain 2027 Notes.*

The Company shall, as soon as practicable, file a Form S-1 registration statement or a Form S-3 registration statement under the Securities Act covering the 2027 Notes represented by the Affiliate Holder Global Security and shall pursue such registration on a best efforts basis. Upon the successful registration of such 2027 Notes, the Company shall

direct the transfer of the balances on such Affiliate Holder Global Security to a Non-Affiliate Holder Global Security in accordance with Section 1.06(c) hereof.

ARTICLE III
MISCELLANEOUS PROVISIONS

This Second Supplemental Indenture will become effective upon its execution and delivery.

SECTION 3.01 *2027 Notes Unaffected by Other Supplemental Indentures.*

To the extent the terms of the Original Indenture are amended as provided herein, no such amendment shall in any way affect the terms of any such other supplemental indenture or any other series of Securities. This Second Supplemental Indenture shall relate and apply solely to the 2027 Notes.

SECTION 3.02 *Trustee Not Responsible for Recitals.*

The recitals herein contained are made by the Company and not by the Trustee, and the Trustee assumes no responsibility for the correctness thereof. The Trustee makes no representation as to the validity or sufficiency of this Second Supplemental Indenture or the 2027 Notes.

SECTION 3.03 *Ratification and Incorporation of Original Indenture.*

As supplemented hereby, the Original Indenture is in all respects ratified and confirmed, and the Original Indenture and this Second Supplemental Indenture shall be read, taken and construed as one and the same instrument.

SECTION 3.04 *Governing Law.*

This Second Supplemental Indenture shall be deemed to be a contract made under the internal laws of the State of New York, and for all purposes shall be construed in accordance with the laws of said State.

SECTION 3.05 *Separability.*

In case any one or more of the provisions contained in this Second Supplemental Indenture or in the 2027 Notes shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Second Supplemental Indenture or of the 2027 Notes, but this Second Supplemental Indenture and the 2027 Notes shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein or therein.

SECTION 3.06 *Executed in Counterparts.*

This Second Supplemental Indenture may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original; and all of which taken together shall constitute one and the same agreement. The exchange of copies of this Indenture and of signature pages by facsimile or electronic format (e.g., “.pdf” or “.tif”) transmission shall constitute effective execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the original Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or electronic format (e.g., “.pdf” or “.tif”) shall be deemed to be their original signatures for all purposes.

IN WITNESS WHEREOF, the parties hereto have caused this Second Supplemental Indenture to be duly executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

ATLAS FINANCIAL HOLDINGS, INC.,
as Issuer

By: _____

Name:

Title:

WILMINGTON TRUST, NATIONAL
ASSOCIATION,
as Trustee

By: _____

Name:

Title:

EXHIBIT A

(FORM OF 6.625%/7.25% SENIOR UNSECURED PIK TOGGLE NOTES DUE 2027)

[Insert the Global Security Legend, if applicable, pursuant to the provisions of the Indenture]

[Insert the Affiliate Holder Legend, if applicable, pursuant to the provisions of the Indenture]

No. R-[●]

CUSIP No.: []

ISIN No.: []

ATLAS FINANCIAL HOLDINGS, INC.

Global Certificate initially representing
\$25,000,000 aggregate principal amount of
6.625%/7.25% Senior Unsecured PIK Toggle Notes due 2027

Units: 1,000,000

Regular Record Date: With respect to each Interest Payment Date, the close of business on the preceding January 12, April 12, July 12 and October 12, as the case may be (whether or not a Business Day).

Original Issue Date: [], 2022

Stated Maturity: April 27, 2027

Interest Payment Dates: January 27, April 27, July 27 and October 27 of each year, commencing [] 27, 2022

Interest Rate: 6.625%/7.25% per year

Authorized Denomination: \$25, or any integral multiples of \$.01 in excess thereof (each unit representing \$25)

This Global Certificate is in respect of a duly authorized issue of 6.625%/7.25% Senior Unsecured PIK Toggle Notes due 2027 (the “**2027 Notes**”) of Atlas Financial Holdings, Inc., company limited by shares duly formed under the laws of the Cayman Islands (the “**Company**,” which term includes any successor corporation under the Indenture referred to on the reverse hereof). The Company, for value received, hereby promises to pay to Cede & Co., or registered assigns, the amount of principal of the 2027 Notes represented by this Global Certificate on the Stated Maturity shown above, and to pay interest thereon from the Original Issue Date shown above, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, quarterly in arrears on each Interest Payment Date as specified above, commencing [] 27, 2022, and on the Stated Maturity. Interest will be payable as follows: (a) Cash Interest (as defined below) on the 2027 Notes will accrue at a rate of 6.625% per annum and (b) any PIK Interest (as defined below) on the 2027 Notes will accrue at a rate per annum equal to 7.25% per annum and be payable (x) with respect to 2027 Notes represented by one or more Global Securities registered in the name of, or held by, DTC or its nominee on the relevant Regular Record Date (as defined below), by increasing the principal amount of the outstanding Global Security by an amount equal to the amount of PIK Interest for the applicable Interest Period (as defined below) (rounded down to the nearest whole penny) and (y) with respect to 2027 Notes represented by definitive notes, by issuing PIK Notes in definitive form in an aggregate principal amount equal to the amount of PIK Interest for the applicable Interest Period (rounded down to the nearest whole penny), and the Trustee will, at the request of the Company, authenticate and deliver such PIK Notes in definitive form for original issuance to the holders on the relevant Regular Record Date, as shown by the records of the register of holders. The payment of interest on the 2027 Notes in cash is referred to herein as “**Cash Interest**”; payment of interest on the 2027 Notes through an increase in the principal amount of the outstanding 2027 Notes or through the issuance of PIK Notes as described in the prior sentence is herein referred to as “**PIK Interest**”. Following an increase in the principal amount of the outstanding Global Securities as a result of a PIK Payment, the 2027 Notes will bear interest on such increased principal amount from and after the date of such PIK Payment. PIK Notes will be issued in definitive form solely if the 2027 Notes are in definitive form; any PIK Notes issued in definitive form will be dated as of the applicable Interest Payment Date and will bear interest from and after such date. All 2027 Notes issued pursuant to a PIK Payment will mature on the Stated Maturity Date and will be governed by, and subject to the terms, provisions and conditions of, the Indenture and shall have the same rights and benefits as the 2027 Notes issued on the Original Issue Date.

Interest will be paid on the 2027 Notes until the principal hereof is paid or made available for payment and on any overdue principal and on any overdue installment of interest at such rate to the extent permitted by law. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date (other than an Interest Payment Date that is the Stated Maturity or any Redemption Date) will, as provided in the Indenture, be paid to the Person in whose name this 2027 Note is registered at the close of business on the Regular Record Date as specified above next preceding such Interest Payment Date, *provided* that any interest payable at Stated Maturity or on any Redemption Date will be paid to the Person to whom principal is payable. Any such interest that is not so punctually paid or duly provided for will forthwith cease to be payable to the holders on such Regular Record Date and may be paid as provided in Section 3.08 of the Original Indenture.

The Company has determined to pay PIK Interest on the first Interest Payment Date on [] 27, 2022. In the event that the Company determines to pay PIK Interest for any Interest Period ending thereafter or prior to April 27, 2024, the Company will deliver a notice (a “**PIK Notice**”) to the Trustee no later than five (5) Business Days prior to the beginning of such Interest Period, which notice will state the total amount of interest to be paid on the Interest Payment Date in respect of such Interest Period and the amount of such interest to be paid as PIK Interest. The Company shall promptly deliver the PIK Notice to the holders or may request the Trustee deliver such notice to the holders on the Company’s behalf (which notice to the holders may be given through the Depositary). For the avoidance of doubt, interest on the 2027 Notes in respect of any Interest Period following the first Interest Payment Date for which a PIK Notice is not delivered must be paid entirely as Cash Interest. Interest for the last Interest Period ending at Stated Maturity shall be payable entirely in cash. The 2027 Notes will be unsecured obligations of the Company and will rank equally in right of payment with all of the Company’s existing and future unsecured and unsubordinated indebtedness. The 2027 Notes will rank senior to any subordinated indebtedness of the Company.

“Interest Period” shall mean the period commencing on and including an Interest Payment Date and ending on and including the day immediately preceding the next succeeding Interest Payment Date, with the exception that the first Interest Period shall commence on and include the Original Issue Date and end on and include [] 27, 2022 (the Interest Payment Date for any Interest Period shall be the Interest Payment Date occurring on the day immediately following the last day of such Interest Period). Payments of interest on this 2027 Note will include interest accrued to but excluding the respective Interest Payment Dates. Interest payments for this 2027 Note shall be computed and paid on the basis of a 360-day year consisting of twelve 30-day months. In the event that any date on which interest is payable on this 2027 Note is not a Business Day (including the Redemption Date), then payment of the interest payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay), except that, if such Business Day is in the next succeeding calendar year, payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on the date the payment was originally payable.

Payment of the principal of and interest due on this 2027 Note at the Stated Maturity or upon redemption will be made upon surrender of this 2027 Note at the Corporate Trust Office of the Trustee in the United States. The principal of and Cash Interest due on this 2027 Note shall be paid in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. Payment of Cash Interest will be made, subject to such surrender where applicable and subject to the Trustee’s arrangements with the Depositary, at the option of the Company, (i) by check mailed to the address of the Person entitled thereto as such address shall appear in the Debt Security Register, or (ii) by wire transfer at such place and to such account at a banking institution in the United States of America as may be designated in writing to the Trustee at least 15 days prior to the date for payment by the Person entitled thereto.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS 2027 NOTE SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

Unless the certificate of authentication hereon has been executed by the Trustee by manual signature, this 2027 Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

Dated:

ATLAS FINANCIAL HOLDINGS, INC.

By: _____
Name:
Title:

CERTIFICATE OF AUTHENTICATION

This is one of the 2027 Notes referred to in the within mentioned Indenture.

WILMINGTON TRUST, NATIONAL
ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

Dated:

REVERSE OF 2027 NOTE

1. This 2027 Note is one of a duly authorized issue of senior debt securities of the Company (the “**Securities**”) issued under an Indenture dated as of April 26, 2017 (the “**Base Indenture**”), as supplemented by the First Supplemental Indenture, dated as of April 26, 2017 (the “**First Supplemental Indenture**” and as further supplemented by that Second Supplemental Indenture, dated as of [], 2022 by and between the Company and the Trustee (the “**Second Supplemental Indenture**” and the Base Indenture as supplemented by the First Supplemental Indenture and the Second Supplemental Indenture, the “**Indenture**”), between the Company and Wilmington Trust, National Association, as trustee (the “**Trustee**,” which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the holders of the 2027 Notes issued thereunder and of the terms upon which said 2027 Notes are, and are to be, authenticated and delivered. This 2027 Note comprises one of the 6.625%/7.25% Senior Unsecured PIK Toggle Notes due 2027, initially limited in aggregate principal amount of \$25,000,000 (1,000,000 units of \$25 each); *provided, however*, that (subject to the provisions of the Indenture) the aggregate principal amount of the 2027 Notes may be increased in the future with no limit, without the consent of the holders of the 2027 Notes, on the same terms and with the same CUSIP and ISIN numbers as the 2027 Notes, except for the Original Issue Date and, if applicable, the first Interest Payment Date and the initial interest accrual date, *provided* that no Event of Default with respect to the 2027 Notes shall have occurred and be continuing. In connection with any PIK Payment, the Company is entitled to, without the consent of the holders (and without regard to any restrictions or limitations set forth under the Indenture including Section 1.10(d) of this Second Supplemental Indenture) to increase the outstanding principal amount of the 2027 Notes or to issue PIK Interest Notes under this Indenture on the same terms and conditions as the 2027 Notes. Additionally, on the Original Issue Date, the Company is entitled to, without the consent of the holders (and without regard to any restrictions or limitations set forth under the Indenture including Section 1.10(d) of the Second Supplemental Indenture) to increase the outstanding principal amount of the 2027 Notes to capitalize into the outstanding principal amount of the 2027 Notes all or any portion of any accrued and unpaid interest on the 2017 Notes. Capitalized terms used herein for which no definition is provided herein shall have the meanings set forth in the Indenture.

2. This 2027 Note is exchangeable in whole or, from time to time, in part for 2027 Notes in definitive registered form only as provided herein and in the Indenture. If (i) at any time the Depositary notifies the Company that it is unwilling or unable to continue as Depositary for this 2027 Note or if at any time the Depositary shall no longer be registered or in good standing as a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation, at such time as the Depositary is required to be so registered and the Depositary so notifies the Company and, in each case, the Company does not appoint a successor Depositary within 90 days after the Company receives such notice or becomes aware of such condition, as the case may be or (ii) subject to the procedures of the Depositary, the Company in its sole discretion determines that this 2027 Note shall be exchangeable for 2027 Notes in definitive registered form and executes and delivers to the Security Registrar a written order of the Company providing that this 2027 Note shall be so exchangeable, this 2027 Note shall be exchangeable for 2027 Notes in definitive registered form, *provided* that the definitive 2027 Notes so issued in exchange for this 2027 Note shall be in minimum denominations of \$25 and integral multiples of \$.01 in excess thereof (or units, each unit representing \$25) and be of like aggregate principal amount and tenor as the portion of this 2027 Note to be exchanged. Except as provided above or in the Second Supplemental Indenture, owners of beneficial interests in this 2027 Note will not be entitled to have 2027 Notes registered in their names, will not receive or be entitled to physical delivery of 2027 Notes in definitive registered form and will not be considered the holders thereof for any purpose under the Indenture. None of the Company, the Trustee, any Paying Agent nor the Security Registrar shall have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in this 2027 Note, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

3. If an Event of Default with respect to the 2027 Notes shall occur and be continuing, the principal of the 2027 Notes may be declared due and payable in the manner, with the effect and subject to the conditions provided in the Indenture.

4. The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the holders of the Securities under the Indenture at any time by the Company and the Trustee with the consent of the holders of greater than 50% in aggregate principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions

permitting the holders of specified percentages in principal amount of the 2027 Notes at the time Outstanding, on behalf of the holders of all 2027 Notes, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the holder of this 2027 Note shall be conclusive and binding upon such holder and upon all future holders of this 2027 Note and of any 2027 Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not notation of such consent or waiver is made upon this 2027 Note.

5. The Indenture contains provisions for defeasance at any time of (a) the entire indebtedness of the Company pursuant to this 2027 Note and (b) restrictive covenants and the related Events of Default, upon compliance by the Company with certain conditions set forth therein, which provisions apply to this 2027 Note.

6. At any time and from time to time on [], 2025, or at any time thereafter, this 2027 Note will be redeemable at the Company's option, in whole or in part, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued and unpaid interest thereon to, but excluding, such Redemption Date. On any Interest Payment Date, the 2027 Notes will be redeemable at the Company's option, in whole or in part, at a redemption price equal to 100% of the principal amount to be redeemed in an amount not to exceed the excess of the Outstanding principal amount of the 2027 Notes as of such Interest Payment Date (including, if applicable, any PIK Interest accrued as of such Interest Payment Date) over the original par amount of 2027 Notes Outstanding as of such Interest Payment Date. For avoidance of doubt, the amount which may be redeemed pursuant to the foregoing sentence shall not exceed the amount attributable to PIK Interest added to the principal amount of the then-Outstanding 2027 Notes.

7. If less than all of the 2027 Notes are to be redeemed, the Trustee shall select the 2027 Notes or portions of 2027 Notes to be redeemed by such method as the Trustee shall deem fair and appropriate. The Trustee may select for redemption 2027 Notes and portions of 2027 Notes in amounts of \$25 and integral multiples of \$.01 in excess thereof and shall thereafter promptly notify the Company in writing of the numbers of 2027 Notes to be redeemed, in whole or in part; *provided* that if the 2027 Notes are represented by one or more Global Securities, interests in such Global Securities shall be selected for redemption by the Depositary in accordance with its standard procedures therefor.

8. No reference herein to the Indenture and no provision of this 2027 Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest due on this 2027 Note at the time, place and rate, and in the coin or currency, herein prescribed.

9. (a) As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this 2027 Note is registrable in the Security Register, upon surrender of this 2027 Note for registration of transfer at the office or agency of the Company for such purpose, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company or the Security Registrar and duly executed by, the holder hereof or his attorney duly authorized in writing, and thereupon one or more new 2027 Notes, of authorized denominations and of like tenor and for the same aggregate principal amount, will be issued to the designated transferee or transferees. No service charge shall be made for any such exchange or registration of transfer, but the Company will require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

(b) Prior to due presentment of this 2027 Note for registration of transfer, the Company, the Trustee, any Paying Agent and the Security Registrar of the Company or the Trustee may deem and treat the Person in whose name this 2027 Note is registered as the absolute owner hereof for all purposes, whether or not this 2027 Note be overdue and notwithstanding any notice of ownership or writing thereon made by anyone other than the Security Registrar, and neither the Company nor the Trustee nor any Paying Agent nor the Security Registrar shall be affected by notice to the contrary. Except as provided in Section 1.03 of the Second Supplemental Indenture (relating to the accrual of PIK Interest), all payments of the principal of and interest due on this 2027 Note made to or upon the order of the registered holder hereof shall, to the extent of the amount or amounts so paid, effectually satisfy and discharge liability for moneys payable on this 2027 Note.

(c) The 2027 Notes are issuable only in registered form without coupons in minimum denominations of \$25, or any integral multiples of \$.01 in excess thereof (or units, each unit representing \$25). As provided in the Indenture and subject to certain limitations therein set forth, 2027 Notes are exchangeable for a like aggregate principal amount of 2027 Notes of a different authorized denomination, as requested by the holder surrendering the same upon surrender of the 2027 Note or 2027 Notes to be exchanged at the office or agency of the Company.

10. No recourse shall be had for payment of the principal of or interest on this 2027 Note, or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Indenture, against any incorporator, stockholder, officer or director, past, present or future, as such, of the Company or of any predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issuance hereof, expressly waived and released.

11. This 2027 Note shall be deemed to be a contract made under the internal laws of the State of New York, and for all purposes shall be construed in accordance with laws of said State.

12. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the 2027 Notes and the Trustee may use CUSIP numbers in notices of redemption as a convenience to holders. No representation is made as to the accuracy of such numbers either as printed on the 2027 Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

UNIF GIFT MIN ACT - Custodian under
Uniform Gift to Minors Act

(State)

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and
not as tenants in common.

Additional abbreviations may also be used though not on the above list.

FOR VALUE RECEIVED, the undersigned hereby sell(s) and transfer(s) unto

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING POSTAL ZIP CODE OF ASSIGNEE

(please insert Social Security or other identifying number of assignee)

the within 2027 Note and all rights thereunder, hereby irrevocably constituting and appointing

agent to transfer said 2027 Note on the books of the Company, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must
correspond with the name as written upon the face of the
within instrument in every particular without alteration
or enlargement, or any change whatsoever.

Signature Guarantee*: _____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL SECURITY

The initial outstanding principal amount of this Global Security is \$[]. The following exchanges of a part of this Global Security for an interest in another Global Security or for a definitive 2027 Note, or exchanges of a part of another Global or definitive Security for an interest in this Global Security, have been made:

Date of Exchange or Increase	Amount of decrease in Principal Amount	Amount of increase in Principal	Amount of this Global Security	Principal Amount of this Global Security following such decrease or increase	Signature of authorized officer of Trustee or Custodian
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EXHIBIT B

FORM OF CERTIFICATE OF TRANSFER

Atlas Financial Holdings, Inc.
[ADDRESS]

Wilmington Trust Company, National Association
[ADDRESS]

Re: 6.625%/7.25% Senior Unsecured PIK Toggle Notes due 2027

Reference is hereby made to the Indenture, dated as of April 26, 2017, as supplemented by that First Supplemental Indenture, dated as of April 26, 2017 and that Second Supplemental Indenture, dated as of [___], 2022, each by and between Atlas Financial Holdings, Inc. (the “Company”) and the Trustee (the “Indenture”). Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____ (the “Transferor”) owns and proposes to transfer the 2027 Note[s] or interest in such 2027 Note[s] specified in Annex A hereto, in the principal amount of \$_____ in such 2027 Note[s] or interests (the “Transfer”), to _____ (the “Transferee”), as further specified in Annex A hereto.

In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. ☐ CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE AFFILIATE HOLDER GLOBAL SECURITY PURSUANT TO RULE 144A. The Transfer is being effected pursuant to and in accordance with Rule 144A under the United States Securities Act of 1933, as amended (the “Securities Act”), and, accordingly, the Transferor hereby further certifies that the beneficial interest is being transferred to a Person that the Transferor reasonably believes is purchasing the beneficial interest for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a “qualified institutional buyer” within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States.

2. ☐ CHECK AND COMPLETE IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN A GLOBAL SECURITY PURSUANT TO ANY PROVISION OF THE SECURITIES ACT OTHER THAN RULE 144A. The Transfer is being effected in compliance with the transfer restrictions applicable to beneficial interests in an Affiliate Holder Global Security and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any state of the United States, and accordingly the Transferor hereby further certifies that (check one):

(a) ☐ such Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act (without regard to the holding period specified under Rule 144(d)); or

(b) ☐ such Transfer is being effected to the Company or a subsidiary thereof; or

(c) ☐ such Transfer is being effected pursuant to an effective registration statement under the Securities Act and in compliance with the prospectus delivery requirements of the Securities Act; or

(d) ☐ such Transfer is being effected to an Institutional Accredited Investor and pursuant to an exemption from the registration requirements of the Securities Act other than Rule 144A and Rule 144, and the Transferor hereby further certifies that it has not engaged in any general solicitation within the meaning of Regulation D under the Securities Act and the Transfer complies with the transfer restrictions applicable to beneficial

interests in an Affiliate Holder Global Security and the requirements of the exemption claimed, which certification is supported by (1) a certificate executed by the Transferee in the form of Exhibit B-1 to the Indenture and (2) if such Transfer is in respect of a principal amount of 2027 Notes at the time of Transfer of less than \$100,000, an Opinion of Counsel provided by the Transferor or the Transferee (a copy of which the Transferor has attached to this certification), to the effect that such Transfer is in compliance with the Securities Act. Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest will be subject to the restrictions on transfer enumerated in the Affiliate Holder Legend printed on the Affiliate Holder Global Security and in the Indenture and the Securities Act.

3. ☐ CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN A NON-AFFILIATE HOLDER GLOBAL SECURITY.

(a) ☐ CHECK IF TRANSFER IS PURSUANT TO RULE 144. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 to a Person who is not an affiliate (as defined in Rule 144) of the Company under the Securities Act (without regard to the holding period specified under Rule 144(d)) and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Affiliate Holder Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest will no longer be subject to the restrictions on transfer enumerated in the Affiliate Holder Legend printed on the Affiliate Holder Global Security and in the Indenture.

(b) ☐ CHECK IF TRANSFER IS PURSUANT TO OTHER EXEMPTION. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144 to a Person who is not an affiliate (as defined in Rule 144) of the Company and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Affiliate Holder Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest will not be subject to the restrictions on transfer enumerated in the Affiliate Holder Legend printed on the Affiliate Holder Global Security and in the Indenture.

4. ☐ CHECK IF TRANSFEROR IS AN AFFILIATE OF THE COMPANY.

5. ☐ CHECK IF TRANSFEREE IS AN AFFILIATE OF THE COMPANY.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

[Insert Name of Transferor]

By: _____
Name: _____
Title: _____
Dated: _____

ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer its interest in the Affiliate Holder Global Security
2. After the Transfer the Transferee will hold:

[CHECK ONE]

a beneficial interest in the:

- (i) ☐ Affiliate Holder Global Security (CUSIP [_____]), or
- (ii) ☐ Non-Affiliate Holder Global Security (CUSIP [_____]),

in accordance with the terms of the Indenture.

EXHIBIT B-1

FORM OF CERTIFICATE FROM
ACQUIRING INSTITUTIONAL ACCREDITED INVESTOR

Atlas Financial Holdings, Inc.
[ADDRESS]

Wilmington Trust Company, National Association
[ADDRESS]

Re: 6.625%/7.25% Senior Unsecured PIK Toggle Notes due 2027

Reference is hereby made to the Indenture, dated as of April 26, 2017, as supplemented by that First Supplemental Indenture, dated as of April 26, 2017 and that Second Supplemental Indenture, dated as of [___], 2022, each by and between Atlas Financial Holdings, Inc. (the “Company”) and the Trustee (the “Indenture”). Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

In connection with our proposed purchase of \$_____ aggregate principal amount of 2027 Notes, we confirm that:

1. We understand that any subsequent transfer of the 2027 Notes or any interest therein is subject to certain restrictions and conditions set forth in the Indenture and the undersigned agrees to be bound by, and not to resell, pledge or otherwise transfer the 2027 Notes or any interest therein except in compliance with, such restrictions and conditions and the Securities Act of 1933, as amended (the “Securities Act”).

2. We understand that the 2027 Notes have not been registered under the Securities Act, and that the 2027 Notes and any interest therein may not be offered or sold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we should sell the 2027 Notes or any interest therein, we will do so only (A) to the Company, (B) in accordance with Rule 144A under the Securities Act to a “qualified institutional buyer” (as defined therein), (C) to an institutional “accredited investor” (as defined below) that, prior to such transfer, furnishes (or has furnished on its behalf by a U.S. broker-dealer) to you and to the Company a signed letter substantially in the form of this letter and, if such transfer is in respect of a principal amount of 2027 Notes at the time of transfer of less than \$100,000, an Opinion of Counsel in form reasonably acceptable to the Company to the effect that such transfer is in compliance with the Securities Act, (D) pursuant to an effective registration statement under the Securities Act, (E) in accordance with Rule 144 under the Securities Act (without regard to the holding period specified under Rule 144(d)) or (F) in accordance with another exemption from the registration requirements of the Securities Act, and we further agree to provide to any Person purchasing the 2027 Notes from us in a transaction meeting the requirements of clauses (A) through (F) of this paragraph a notice advising such purchaser that resales thereof are restricted as stated herein.

3. We understand that, on any proposed resale of the 2027 Notes or beneficial interest therein, we will be required to furnish to you and the Company such certifications, legal opinions and other information as you and the Company may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that the 2027 Notes purchased by us will bear a legend to the foregoing effect.

4. We are an institutional “accredited investor” (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the 2027 Notes, and we and any accounts for which we are acting are each able to bear the economic risk of our or its investment.

5. We are acquiring the 2027 Notes or beneficial interest therein purchased by us for our own account or for one or more accounts (each of which is an institutional “accredited investor”) as to each of which we exercise sole investment discretion.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

[Insert Name of Accredited Investor]

By: _____
Name: _____
Title: _____
Dated: _____

EXHIBIT C

FORM OF CERTIFICATE OF EXCHANGE

Atlas Financial Holdings, Inc.
[ADDRESS]

Wilmington Trust Company, National Association
[ADDRESS]

Re: 6.625%/7.25% Senior Unsecured PIK Toggle Notes due 2027

Reference is hereby made to the Indenture, dated as of April 26, 2017, as supplemented by that First Supplemental Indenture, dated as of April 26, 2017 and that Second Supplemental Indenture, dated as of [___], 2022, each by and between Atlas Financial Holdings, Inc. (the "Company") and the Trustee (the "Indenture"). Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____ (the "Owner") owns and proposes to exchange the 2027 Note[s] or interest in such 2027 Note[s] specified herein, in the principal amount of \$ _____ in such 2027 Note[s] or interests (the "Exchange"). In connection with the Exchange, the Owner hereby certifies that:

1) EXCHANGE OF BENEFICIAL INTERESTS IN AN AFFILIATE HOLDER GLOBAL SECURITY WITH AN AFFILIATE HOLDER LEGEND FOR BENEFICIAL INTERESTS IN A NON-AFFILIATE HOLDER GLOBAL SECURITY

a) ☐ CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN AN AFFILIATE HOLDER GLOBAL SECURITY WITH AN AFFILIATE HOLDER LEGEND TO BENEFICIAL INTEREST IN A NON-AFFILIATE HOLDER GLOBAL SECURITY. In connection with the Exchange of the Owner's beneficial interest in an Affiliate Holder Global Security with a Affiliate Holder Legend for a beneficial interest in a Non-Affiliate Holder Global Security in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Securities and pursuant to and in accordance with the United States Securities Act of 1933, as amended (the "Securities Act"), (iii) the restrictions on transfer contained in the Indenture and the Affiliate Holder Legend are not required in order to maintain compliance with the Securities Act, (iv) the beneficial interest in a Non-Affiliate Holder Global Security is being acquired in compliance with any applicable blue sky securities laws of any state of the United States and (v) the Owner is not an affiliate (as defined in Rule 144) of the Company.

2) ☐ CHECK IF OWNER IS AN AFFILIATE OF THE COMPANY.

3) ☐ CHECK IF OWNER IS EXCHANGING THIS 2027 NOTE IN CONNECTION WITH AN EXPECTED TRANSFER TO AN AFFILIATE OF THE COMPANY.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company and are dated

[Insert Name of Transferor]

By: _____
Name: _____
Title: _____
Dated: _____

Exhibit B

(Disclosure Required Under 11 U.S.C. § 1515(c) and Rule 1007(a)(4))

R. Craig Martin, Esq.
Britney Frates, Esq.
DLA PIPER LLP (US)
1251 Avenue of the Americas, 27th Floor
New York, New York 10020
Telephone: (212) 335-4500
Fax: (212) 335-4501

Oksana Koltko Rosaluk, Esq. (*pro hac vice* admission
pending)
DLA PIPER LLP (US)
444 West Lake Street, Suite 900
Chicago, IL 60606
Telephone: (312) 368-3974
Fax: (312) 251-5874

*Counsel to Atlas Financial Holdings, Inc.
as Foreign Representative*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----	X	
In re:	:	Case No. 22-____ (____)
	:	
ATLAS FINANCIAL HOLDINGS, INC.,	:	Chapter 15
	:	
Debtor in a Foreign Proceeding.	:	
-----	X	

**STATEMENTS OF FOREIGN REPRESENTATIVE REQUIRED BY
SECTION 1515(C) OF THE BANKRUPTCY CODE AND RULE 1007(A)(4)
OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE**

Atlas Financial Holdings, Inc., as the duly appointed foreign representative (in such capacity, the “**Foreign Representative**”) for itself as the debtor (in such capacity, the “**Foreign Debtor**”) in a foreign proceeding, commenced in the Cayman Islands on January 4, 2022 pursuant to section 86 of the Companies Act (2021 Revision) and pending before the Grand Court of the Cayman Islands, Financial Services Division, as Cause No. FSD 3 of 2022, in connection with its scheme of arrangement (the “**Cayman Proceeding**”), hereby makes the following statements required by section 1515(c) of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rule 1007(a)(4) of the Federal Rules of Bankruptcy Procedure (“**Bankruptcy Rules**”).

A. STATEMENT REQUIRED BY SECTION 1515(c) OF THE BANKRUPTCY CODE

The Foreign Representative submits that other than the Cayman Proceeding, there are no other foreign proceedings concerning the Foreign Debtor.

B. THE AUTHORIZED ADMINISTRATOR OF THE FOREIGN DEBTOR IN THE CAYMAN PROCEEDING

The Foreign Representative submits that the following entity is the only entity authorized to administer the Cayman Proceeding of the Foreign Debtor:

Atlas Financial Holdings, Inc.
Cricket Square, Hutchins Drive
P.O. Box 2681
KY1-1111, Cayman Islands
Cayman Islands

C. PARTIES TO LITIGATION PENDING IN THE UNITED STATES

The Foreign Debtor is a defendant in the following litigation pending in the United States (collectively, the “**Actions**”):

- *Amanda M. Fox v. Emilee B. Shepard, Atlas Financial Holdings, Inc., and American Country Insurance Company*, Case No. CJ-2018-5409 (Okla. Cnty. Dist. Ct. Oct. 3, 2018) (the “**Oklahoma Action**”);
- *Brennan T. Yeater and Theresa L. Johnson v. Gateway Insurance Company and Atlas Financial Holdings, Inc.*, Case No. 19-C-197 (W. Va. Cir. Ct., Monongalia County 2019) (the “**West Virginia Action**”);
- *Chantal Waters v. Darin Christopher Boue, American Service Insurance, Alert Transportation, Inc. and Atlas Financial Holdings, Inc.*, Case No. 20-9843 (La. Civ. Dist. Ct., Parish of New Orleans 2020) (the “**New Orleans Action**”);
- *Gregory Alan Scott d/b/a The Scott Law Firm v. Scott D. Wollney, Joseph R. Shugrue, Paul A. Romano, and Atlas Financial Holdings, Inc.*, Case No. 3:20-CV-2825-M-BH (N.D. Tex. Sept. 11, 2020) (the “**Texas Action**”); and
- *Philip Fryman, et al. v. Atlas Financial Holdings, Inc., Scott D. Wollney, and Paul A. Romano*, Case No. 1:18-cv-01640 (N.D. Ill. Mar. 5, 2018) (the “**Illinois Action**”).

The table below sets forth the parties to the Actions:

The Oklahoma Action	
Party	Notice Address
Amanda M. Fox Plaintiff	Gerald F. Pignato Ryan Whaley 400 North Walnut Avenue Oklahoma City, OK 73104 jerry@ryanwhaley.com

	<p>Monty L. Cain Anthony M. Alfonso Cain Law Office 10415 Greenbriar Place PO Box 892098 Oklahoma City, OK 73189 monty@cainlaw-okc.com anthony@cainlaw-okc.com</p>
<p>Emilee B. Shepard Defendant</p>	<p>John R. Nowakowski Law Office of Paul B. Middleton P.O. Box 258829 Oklahoma City, OK 73125 (405) 235-2600 (405) 235-7637 (Fax)</p>
<p>American Country Insurance Company Defendant</p>	<p>J. Mark McAlester Fenton, Fenton, Smith, Reneau & Moon 211 North Robinson, Suite 800N Oklahoma City, OK 73102 jmmcalester@fwntonlaw.com</p>
<p>Compsource Mutual Ins. Co. Intervenor</p>	<p>Adam W. Christensen Christensen Law, P.L.L.C. 3401 N.W. 63rd Steet, Suite 611 Oklahoma City, OK 73116 (405) 239-2121 (405) 239 1012 (Fax) adam@christensen.law</p>
<p>Oklahoma P&C Guaranty Association Intervenor</p>	<p>Michael W. Ridgeway Odom, Sparks & Jones, PLLC 2500 McGee Drive, Ste. 140 Norman, OK 73072 Ridewaym@odomsparks.com</p>

The West Virginia Action	
Party	Notice Address
<p>Brennan T. Yeater and Theresa L. Johnson Plaintiffs</p>	<p>Michael J. Romano Law Office of Michael J. Romano 128 South Second Street Clarksburg, West Virginia 26301 (304) 624-1100 (304) 326-7800 (Fax)</p> <p>Paul R. Cranston</p>

	Cranston & Edwards, PLLC 1200 Dorsey Avenue, Suite 11 Morgantown, WV 26501 (304) 296-3500
Gateway Insurance Company Defendant	Gregory E. Kennedy Franklin & Prokopik 208 South Queen Street, 2nd Floor Martinsburg, WV 25401 gkennedy@fandpnet.com

The New Orleans Action	
Party	Notice Address
Chantal Waters Plaintiff	Juan A. Lafonta Zoey H. Akin Juan A. Lafonta and Associates 6305 Elysian Fields Ave, Suite 207 New Orleans, LA 70122 jlafonta@lafontaaw.com zakin@lafontalaw.com
Darin Christopher Boue, American Service Insurance and Alert Transportation, Inc. Defendants	Michael Monistere Connick and Connick, L.L.C. 3421 North Causeway Boulevard Suite 408 Metairie, Louisiana 70002 mmonistere@connicklaw.com

The Texas Action	
Party	Notice Address
Gregory Alan Scott d/b/a The Scott Law Firm Plaintiff	Gregory Alan Scott The Scott Law Firm P.O. Box 560664 Dallas, TX 75356 gscott@gscottlaw.com M. Forest Nelson Burt Barr & Associates, L.L.P P.O. Box 223667 Dallas, Texas 75222 (214) 943-0012 (214) 943-0048 (Fax)

	fnelson@bbarr.com
Joseph R. Shugrue and Paul A. Romano Defendants	<p>Rostyslaw J. Smyk Ruberry Stalmack & Garvey, LLC 10 South LaSalle St, Suite 1800 Chicago, IL 60603 (312) 466-8050 Ross.smyk@ruberry-law.com</p> <p>Gregory K. Winslett Quilling, Selander, Lownds, Winslett, and Moser, P.C. 2001 Bryan Street, Suite 1800 Dallas, Texas 75201 (214) 871-2100 gwinslett@qslwm</p>

The Illinois Action	
Party	Notice Address
Philip Fryman and Aram Hovasapyan Lead Plaintiffs	<p>Lionel Z. Glancy Robert V. Prongay Charles H. Linehan Glancy, Prongay & Murray 1925 Century Park East, Suite 2100 Los Angeles, CA 90067 (310) 201-9150 (310) 201-9160 (Fax)</p> <p>Peter E. Cooper John S. Monical Lawrence, Kamin, Saunders & Uhlenhop LLC 300 S. Wacker Drive, Suite 500 Chicago, IL 60606 jmonical@lksu.com pcooper@lksu.com</p>
Paul A. Romano Defendant	<p>John J. Clarke, Jr. DLA Piper 1251 Avenue of the Americas New York, NY 10020 john.clarke@dlapiper.com</p> <p>Kenneth L. Schmetterer DLA Piper 444 W. Lake Street, Suite 900</p>

	Chicago, IL 60606 kenneth.schmetterer@dlapiper.com
--	---

D. ENTITIES AGAINST WHOM PROVISIONAL RELIEF IS SOUGHT

Bankruptcy Rule 1007(a)(4) provides, in relevant part, that “a foreign representative filing a petition for recognition under chapter 15 shall file with the petition . . . unless the court orders otherwise, a list containing the names and addresses of . . . all entities against whom provisional relief is being sought under §1519 of the Code.” FED. R. BANKR. P. 1007(a)(4). The Foreign Representative is not seeking provisional relief at this time because there appears to be no imminent threat to the Foreign Debtor’s assets located in the United States or to the Cayman Proceeding by virtue of actions in the United States. If circumstances change or the Foreign Representative becomes aware of additional facts, the Foreign Representative reserves all rights to seek provisional relief pursuant to section 1519 of the Bankruptcy Code to protect the Foreign Debtor and its assets.

The information provided is based on the review of the Foreign Debtor’s books and records. The Foreign Representative reserves the right to modify or supplement any of the information provided in this statement.

[Declaration Page Follows]

Debtor Name: **Atlas Financial Holdings, Inc.**

United States Bankruptcy Court for the: Southern District of New York

Case number (If known): _____

Official Form 202

Declaration Under Penalty of Perjury for Non-Individual Debtors 12/15

An individual who is authorized to act on behalf of a non-individual debtor, such as a corporation or partnership, must sign and submit this form for the schedules of assets and liabilities, any other document that requires a declaration that is not included in the document, and any amendments of those documents. This form must state the individual's position or relationship to the debtor, the identity of the document, and the date. Bankruptcy Rules 1008 and 9011.

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

Declaration and signature

I am the president, another officer, or an authorized agent of the corporation; a member or an authorized agent of the partnership; or another individual serving as a representative of the debtor in this case.

I have examined the information in the documents checked below and I have a reasonable belief that the information is true and correct:

- ☐ *Schedule A/B: Assets—Real and Personal Property (Official Form 206A/B)*
- ☐ *Schedule D: Creditors Who Have Claims Secured by Property (Official Form 206D)*
- ☐ *Schedule E/F: Creditors Who Have Unsecured Claims (Official Form 206E/F)*
- ☐ *Schedule G: Executory Contracts and Unexpired Leases (Official Form 206G)*
- ☐ *Schedule H: Codebtors (Official Form 206H)*
- ☐ *Summary of Assets and Liabilities for Non-Individuals (Official Form 206Sum)*
- ☐ *Amended Schedule _____*
- ☐ *Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders (Official Form 204) U*
- ☒ **Other document that requires a declaration: Statements of Foreign Representative Required by Section 1515(c) of the Bankruptcy Code and Rule 1007(a)(4) of the Federal Rules of Bankruptcy Procedure**

I declare under penalty of perjury that the foregoing is true and correct.

Executed on March 4, 2022

*/s/ Scott D. Wollney

Signature of individual signing on behalf of debtor

Scott D. Wollney

Printed name

Chief Executive Officer of Foreign Representative

Position or relationship to debtor

Exhibit C

(Corporate Ownership Statement Under Bankruptcy Rules 1007(a)(4) and 7007.1)

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Britney Frates, Esq.
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Fax: (312) 251-5874

*Counsel to Atlas Financial Holdings, Inc.
as Foreign Representative*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----	X	
In re:	:	Case No. 22-____ (____)
	:	
ATLAS FINANCIAL HOLDINGS, INC.,	:	Chapter 15
	:	
Debtor in a Foreign Proceeding.	:	
-----	X	

**CORPORATE OWNERSHIP STATEMENT UNDER
FEDERAL RULES OF BANKRUPTCY PROCEDURE 1007(A)(4)
AND 7007.1 AND LOCAL BANKRUPTCY RULE 1007-3**

Atlas Financial Holdings, Inc., as the duly appointed foreign representative (in such capacity, the “**Foreign Representative**”) for itself as the debtor (in such capacity, the “**Foreign Debtor**”) in a foreign proceeding, commenced in the Cayman Islands on January 4, 2022 pursuant to section 86 of the Companies Act (2021 Revision) and pending before the Grand Court of the Cayman Islands, Financial Services Division, as Cause No. FSD 3 of 2022, in connection with its scheme of arrangement, hereby certifies, in accordance with Rules 1007(a)(4) and 7007.1 of the Federal Rules of Bankruptcy Procedure and Local Rule 1007-3 of the Local Rules for the United States Bankruptcy Court for the Southern District of New York, that the following entities hold 10% or more of the outstanding shares of the Foreign Debtor:

Shareholder / Member name	% shares
Broadbill Investment Partners, LLC	17% ¹
American Financial Group, Inc.	13.9% ²

[Declaration Page Follows]

¹ This information is reported on the Schedule 13G jointly filed with the Securities and Exchange Commission (“SEC”), on September 22, 2021, by Broadbill Investment Partners, LLC, Broadbill Partners GP, LLC, JKJ Capital Advisors, LLC, Broadbill Partners II, LP, Broadbill Credit Arbitrage, LLC and JKJ Special Situations Fund, LP. As of September 22, 2021, the Schedule 13G reports consolidated shares of the Foreign Debtor totaling 17%, held by Broadbill Partners II, LP, Broadbill Credit Arbitrage, LLC and JKJ Special Situations Fund, LP (collectively, the “**Broadbill Shareholders**”). Broadbill Partners GP, LLC is the general partner of Broadbill Partners II, LP and has voting and investment discretion with respect to voting securities held by Broadbill Partners II, LP. JKJ Capital Advisors, LLC is the general partner of JKJ Special Situations Fund, LP and has voting and investment discretion with respect to voting securities held by JKJ Special Situations Fund, LP. Broadbill Investment Partners, LLC is the investment manager of the Broadbill Shareholders and may be deemed to share dispositive power and voting power over the shares owned by the Broadbill Shareholders. Therefore, Broadbill Partners GP, LLC, JKJ Capital Advisors, LLC and Broadbill Investment Partners, LLC may be deemed to share beneficial ownership of the shares held directly by the Broadbill Shareholders.

² This information is reported on the Schedule 13G filed with the SEC by American Financial Group, Inc., on January 20, 2022.

Debtor Name: **Atlas Financial Holdings, Inc.**

United States Bankruptcy Court for the: Southern District of New York

Case number (If known): _____

Official Form 202

Declaration Under Penalty of Perjury for Non-Individual Debtors

12/15

An individual who is authorized to act on behalf of a non-individual debtor, such as a corporation or partnership, must sign and submit this form for the schedules of assets and liabilities, any other document that requires a declaration that is not included in the document, and any amendments of those documents. This form must state the individual's position or relationship to the debtor, the identity of the document, and the date. Bankruptcy Rules 1008 and 9011.

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

Declaration and signature

I am the president, another officer, or an authorized agent of the corporation; a member or an authorized agent of the partnership; or another individual serving as a representative of the debtor in this case.

I have examined the information in the documents checked below and I have a reasonable belief that the information is true and correct:

- ☐ *Schedule A/B: Assets--Real and Personal Property (Official Form 206A/B)*
- ☐ *Schedule D: Creditors Who Have Claims Secured by Property (Official Form 206D)*
- ☐ *Schedule E/F: Creditors Who Have Unsecured Claims (Official Form 206E/F)*
- ☐ *Schedule G: Executory Contracts and Unexpired Leases (Official Form 206G)*
- ☐ *Schedule H: Codebtors (Official Form 206H)*
- ☐ *Summary of Assets and Liabilities for Non-Individuals (Official Form 206Sum)*
- ☐ *Amended Schedule _____*
- ☐ *Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders (Official Form 204) U*

☒ **Other document that requires a declaration: Corporate Ownership Statement of Foreign Representative Required by Federal Rules of Bankruptcy Procedure 1007(a)(4) and 7007.1.**

I declare under penalty of perjury that the foregoing is true and correct.

Executed on March 4, 2022

*/s/ Scott D. Wollney
Signature of individual signing on behalf of debtor

Scott D. Wollney
Printed name

Chief Executive Officer of Foreign Representative
Position or relationship to debtor

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*Counsel to Atlas Financial Holdings, Inc.
as Foreign Representative*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----	X	
In re:	:	Case No. 22-10260 (LGB)
	:	
ATLAS FINANCIAL HOLDINGS, INC.,	:	Chapter 15
	:	
Debtor in a Foreign Proceeding.	:	
-----	X	

**VERIFIED PETITION UNDER CHAPTER 15 OF THE
BANKRUPTCY CODE FOR RECOGNITION OF CAYMAN PROCEEDING
AS A FOREIGN PROCEEDING, ENFORCEMENT OF THE SCHEME OF
ARRANGEMENT WITHIN THE UNITED STATES AND RELATED RELIEF**

Atlas Financial Holdings, Inc., as the duly appointed foreign representative (in such capacity, the “**Foreign Representative**”) for itself as the debtor (the “**Foreign Debtor**” or “**Atlas Holdings**”) in a foreign proceeding, commenced in the Cayman Islands on January 4, 2022, pursuant to section 86 of the Companies Act (2021 Revision) (the “**Companies Act**”) and pending before the Grand Court of the Cayman Islands (the “**Cayman Court**”), Financial Services Division, as Cause No. FSD 3 of 2022, (the “**Cayman Proceeding**”) in connection with its scheme of arrangement (the “**Scheme**”), by and through its undersigned counsel, submits this *Verified Petition Under Chapter 15 of the Bankruptcy Code for Recognition of Cayman Proceeding as a Foreign Proceeding, Enforcement of the Scheme of Arrangement Within the United States and Related Relief* (the “**Verified Petition**”) in furtherance of *Official Form B 401 Chapter 15 Petition for Recognition of a Foreign Proceeding* [ECF No. 1] (the “**Petition**” and together with the

Verified Petition, the “**Chapter 15 Petition**”) filed today. In support of the Chapter 15 Petition, the Foreign Representative has filed the *Memorandum of Law in Support of Verified Petition of the Foreign Representative for Recognition of Cayman Proceeding As Foreign Proceeding, Enforcement of Scheme of Arrangement Within the United States, Approval of the Procedure Governing Closing of This Chapter 15 Case and Related Relief* (the “**Memorandum of Law**”) as well as the *Declaration of R. Craig Martin Regarding Determination of Foreign Law* (the “**Martin Declaration**”) and the *Declaration of Foreign Expert in Support of Verified Petition Under Chapter 15 for Order and Final Decree Granting Recognition of Foreign Proceeding and Enforcement of the Scheme of Arrangement Within the United States* (the “**Milne Declaration**”), both of which are incorporated in this Verified Petition by reference.

The Foreign Representative petitions this Court as follows:

PRELIMINARY STATEMENT

1. This Verified Petition represents the culmination of over nine months of planning, preparation, negotiations and implementation of a highly consensual and widely supported restructuring (the “**Note Restructuring**”) of the 6.625% senior unsecured notes due 2022 with par value of \$25 and in aggregate nominal principal amount of \$25,000,000 (the “**Notes**”), issued under an Indenture, dated April 26, 2017 (as amended by the First Supplemental Indenture of same date, the “**Indenture**”), executed by and between the Foreign Debtor as the “**Issuer**” and Wilmington Trust, National Association, as trustee (the “**Trustee**”). The Note Restructuring, which will extend the stated maturity of the Notes and implement certain temporary safeguards for the Foreign Debtor’s liquidity, is being executed on the terms of and in accordance with that certain Restructuring Support Agreement (as amended, the “**RSA**”) executed by the holders of over 57% of the aggregate principal amount of the Notes (collectively, the “**Consenting Noteholders**”).

2. This Verified Petition is the last key step in this Note Restructuring as it follows the Cayman Court’s sanctioning of the Scheme that received overwhelming support of the holders of the Notes (the “**Noteholders**”)¹—an aggregate amount of 718,703 Notes out of 1,000,000 Notes participated in voting (representing \$17,967,575 million in aggregate nominal principal amount of the Notes out of \$25,000,000 million), of which 91.83% in number and 99.34% in value voted in favor of the Scheme. The recognition of the Cayman Proceeding and enforcement of the Scheme and the Scheme Releases in the United States, as requested in this Verified Petition, is necessary to protect the Foreign Debtor from irreparable harm it could suffer if the Scheme was undermined. If the Scheme is not given permanent effect in the United States, there is a risk that Noteholders who are not subject to the jurisdiction of the Cayman Court could bring proceedings in the United States to seek payment of principal and interest against the Foreign Debtor on account of the Notes compromised under the Scheme. For that reason, the grant of the relief requested is also a condition precedent to the Restructuring Effective Date under the RSA (which must occur on or before April 15, 2022). Therefore, the relief requested in this Verified Petition is critical to maximize value for all of the Noteholders and strategically position the Foreign Debtor for continued recovery and future success in the highly specialized commercial automobile insurance sector.

JURISDICTION AND VENUE

3. This Court has jurisdiction over this case under sections 157 and 1334 of title 28 of the United States Code, section 1501 of title 11 of the United States Code (the “**Bankruptcy Code**”) and the *Amended Standing Order of Reference of the United States District Court for the*

¹ The holders of the Notes are comprised of approximately 250 nonobjecting beneficial owners (“**NOBOs**”) collectively holding approximately 396,395 of the 1,000,000 outstanding Notes, with the remaining Notes held by beneficial owners in “street name” (through a broker or custodian registered with The Depository Trust Company).

Southern District of New York, dated January 31, 2012, Reference M-431. *In re Standing Order of Reference Re: Title 11*, 12 Misc. 00032 (S.D.N.Y. Jan. 31, 2012) (Preska, C.J.). This is a core proceeding under section 157(b)(2)(P) of title 28 of the United States Code.

4. Venue is proper in this Court under section 1410 of title 28 of the United States Code because the Foreign Debtor has assets in this District due to its ownership interest in a \$35,000 advance security retainer on deposit with DLA Piper LLP (US), held in a Citibank N.A. bank account in New York. (*See* Martin Decl. ¶ 4). In addition, the Foreign Debtor has contract rights under its New York governed Indenture and an indirect ownership interest in its main operating subsidiary that is formed under the laws of the State of New York.

5. The Foreign Representative has properly commenced this case under sections 1504 and 1515 of the Bankruptcy Code. The statutory predicates for the relief requested in this Verified Petition are sections 101(23)-(24), 105(a), 350, 1145, 1502, 1504, 1507, 1509, 1510, 1512, 1515-17 and 1520-22 of the Bankruptcy Code, rule 5009(c) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and rule 5009-2 of the Local Bankruptcy Rules for the Southern District of New York (the “**Local Rules**”).

BACKGROUND

A. THE FOREIGN DEBTOR’S BUSINESS AND OPERATIONS

6. The Foreign Debtor is a Cayman Islands incorporated and registered entity. It is a financial service holding company for a number of direct and indirect subsidiaries that operate in the commercial automobile insurance sector in the United States, with a highly specialized market orientation and focus on insurance for the “light” commercial automobile sector, including taxi cabs, limousine/livery, business auto, and historically non-emergency paratransit, as a technology- and analytics-driven managing general agency.

7. Atlas Holdings was initially formed as JJR VI, a Canadian capital pool company, on December 21, 2009, under the laws of Ontario, Canada. A year later, on December 31, 2010, following certain reverse merger transactions, JJR VI filed a Certificate of Registration by Way of Continuation in the Cayman Islands to re-domesticate as a Cayman Islands company and changed its name to Atlas Financial Holdings, Inc. When it reincorporated in the Cayman Islands in 2010 (from Canada), Atlas Holdings provided various notices of its reincorporation, including in the public filings with the Securities and Exchange Commission (“SEC”). Around that time, Atlas Holdings retained its Cayman Islands counsel Conyers Dill & Pearman LLP, which has regularly represented Atlas Holdings for over a decade now. Atlas Holdings has a bank account in the Cayman Islands from which it pays certain of its operating expenses. Atlas Holdings also often holds its board meetings in the Cayman Islands, and, having obtained support for the Note Restructuring, it has held all its regular and special board meetings in the Cayman Islands, which, since onset of the COVID-19 pandemic, have been organized by its local Cayman counsel virtually. The Foreign Debtor also maintains its books and records in the Cayman Islands. Its public filings with the SEC as well as the prospectus provided in connection with the issuance of the Notes disclosed that Atlas Holdings is a Cayman Islands company and explained the related indemnification and tax consequences resulting from Atlas Holdings’ place of reformation.

8. Atlas Holdings has no business operations of its own. The business is carried out through its non-insurance company non-debtor subsidiaries: Anchor Group Management, Inc. (“AGMI”), UBI Holdings Inc. (“**UBI Holdings**”) and UBI Holdings’ wholly owned subsidiaries, optOn Digital IP Inc. and optOn Insurance Agency Inc. (“**optOn**”). Their specialized infrastructure is designed to leverage analytics, expertise and technology to efficiently provide insurance solutions for independent contractors, owner-operators and other smaller accounts.

AGMI is currently the primary operating subsidiary that also employs all employees within the group.

9. Prior to 2019, the core business of Atlas Holdings' subsidiaries was the underwriting of commercial automobile insurance policies, focusing on the "light" commercial automobile sector, through its insurance subsidiaries, American Country Insurance Company ("**American Country**"), American Service Insurance Company, Inc. ("**American Service**") and Gateway Insurance Company ("**Gateway**" and together with American Country and American Service, the "**ASI Pool Companies**") and Global Liberty Insurance Company of New York ("**Global Liberty**" and together with the ASI Pool Companies, the "**Insurance Subsidiaries**"), along with AGMI.

10. In 2019, Atlas Holdings implemented a strategic repositioning following challenges related to certain regulations with respect to the Insurance Subsidiaries, shifting their primary business to a managing general agency ("**MGA**") strategy, with an emphasis on related infrastructure reorganization and the impact on results. The MGA business is a specialized type of insurance agency focusing on performing certain functions, in which specialized underwriting expertise is required, on behalf of external insurance and reinsurance companies. The MGA business is primarily operated through AGMI.

11. Following the strategic repositioning, MGA has continued to expand its platform through partnerships with external partners. AGMI distributes the group's insurance products through a network of independent retail agents and actively wrote insurance in 29 U.S. States and the District of Columbia in 2021. Its agent force currently includes more than 420 contracted retail producers. Further, AGMI is evaluating alternatives to re-launch its fully digital proprietary optOn

platform, which provides micro-duration usage based commercial auto coverage for transportation network company drivers as well as other independent contractors in the gig economy space.

B. THE FOREIGN DEBTOR'S CAPITAL STRUCTURE

12. As a holding company, Atlas Holdings derives cash from its subsidiaries generally in the form of upstream transfers from its subsidiaries. In turn, Atlas Holdings' subsidiaries primarily fund their obligations through fee income and commission revenue generated by the production of insurance premiums for third-party entities for which AGMI acts as a general agency.

13. In February 2013, Atlas Holdings completed its initial public offering. Following its subsequent public offering in May 2014, the Foreign Debtor used a portion of the net proceeds to support the acquisition of Anchor Holdings Group, Inc. and its affiliated entities in March 2015, a privately owned insurance holding company, and its wholly owned subsidiary, Global Liberty Insurance Company of New York ("**Global Liberty**"), along with its affiliated underwriting and premium finance companies, AGMI, Plainview Premium Finance Company, Inc. and its wholly owned subsidiary, Plainview Premium Finance Company of California, Inc. from an unaffiliated third party.

14. On May 1, 2015, American Insurance Acquisition, Inc. ("**AIAI**"), a wholly owned direct subsidiary of Atlas Holdings, entered into subordinated surplus debentures ("**Surplus Notes**") with the ASI Pool Companies that had a maturity date of April 30, 2020. These Surplus Notes are subject to various terms and conditions as set forth by the Illinois Department of Insurance and require prior written approval for the payment of interest and/or a reduction in principal. AIAI stopped accruing the interest receivable when the Illinois Department of Insurance determined that interest would not be paid due to the financial situation of the ASI Pool

Companies. These Surplus Notes could be used at some point by AIAI to offset future amounts payable due to the estates of the ASI Pool Companies related to intercompany obligations, including a mortgage note related to real estate owned by AIAI, due to the estates of the ASI Pool Companies that are in liquidation.

15. In April 2017, Atlas Holdings offered and issued \$25,000,000 in aggregate nominal principal amount of 6.625% senior unsecured notes due 2022 (referenced above as the “Notes”). The proceeds received from the issuance of the Notes were used, in part, to repay \$19.4 million in outstanding indebtedness under Atlas Holdings’ secured credit facility with Fifth Third Bank (which was subsequently terminated). Under the terms of the Indenture, interest on the Notes is payable quarterly. The Indenture contains typical covenants that, among other things, limit: (i) the ability of Atlas Holdings to merge or consolidate, or lease, sell, assign or transfer all or substantially all of its assets; (ii) the ability of Atlas Holdings to sell or otherwise dispose of the equity securities of certain of its subsidiaries; (iii) the ability of certain of Atlas Holdings’ subsidiaries to issue equity securities; (iv) the ability of Atlas Holdings to permit certain of its subsidiaries to merge or consolidate, or lease, sell, assign or transfer all or substantially all of their respective assets; and (v) the ability of Atlas Holdings and its subsidiaries to incur debt secured by equity securities of certain of its subsidiaries. The Notes rank senior in right of payment to any of Atlas Holdings’ existing and future indebtedness that is by its terms expressly subordinated or junior in right of payment to the Notes. The Notes also rank equally in right of payment to all of Atlas Holdings’ existing and future senior indebtedness but will be effectively subordinated to any secured indebtedness to the extent of the value of the collateral securing such secured indebtedness. In addition, the Notes are structurally subordinated to the indebtedness and other obligations of Atlas Holdings’ subsidiaries.

16. In September 2021, Atlas Holdings and certain of its subsidiaries (the “**Borrowers**”), entered into a Convertible Senior Secured Delayed-Draw Credit Agreement (the “**Credit Agreement**”), agented by Sheridan Road Partners, LLC, with Consenting Noteholders as (defined below) named therein as lenders (the “**Lenders**”), under which the Lenders made available to Atlas Holdings a term loan facility in the aggregate principal amount of up to \$3,000,000 (the “**Term Loans**”). The Credit Agreement provides for an initial advance of \$2 million in Term Loans upon the satisfaction by Atlas Holdings of certain initial funding conditions and additional delayed draw advances of up to \$1 million within 18 months of closing, in each case, subject to the terms and conditions set forth in the Credit Agreement. The Borrowers may use the proceeds of the Term Loans for payments of certain agreed upon permitted expenditures, which include expenses expected to be incurred in connection with the Note Restructuring. Interest will accrue on the funded Term Loans at 12% per annum and may be paid, at the Borrowers’ option, in cash or in kind; provided, that upon the occurrence and during the continuance of an event of default, the interest rate will be increased to 14% per annum and will be payable only in cash. The term of the Term Loan facility is 24 months. The injection of short-term capital through the Credit Agreement—\$1 million of which is conditioned on the completion of the Note Restructuring—provides financial support to Atlas Holdings, enabling it to focus existing resources on the growth of the MGA platform as the COVID-19 pandemic abates.

17. As a set-up fee for the Term Loan facility, 2,750,000 Ordinary Shares were issued to the Lenders upon execution of the Credit Agreement, and up to an additional 2,250,000 Ordinary Shares may be issued in connection with the delayed draws, if utilized. The outstanding principal balance of the Term Loans can be converted at any time into ordinary voting common shares, at the applicable Lender’s discretion, at a rate of \$0.35 per share, except that paid-in-kind interest

included in the amount presented by a Lender for conversion may, at the Borrowers' discretion, be paid in cash or converted into ordinary shares at the same rate.

18. In October 2021, Atlas Holdings received \$500,000 as its first draw of the initial advance of \$2 million under the Credit Agreement. On January 1, 2022, Atlas Holdings and the Lenders agreed to an amendment of the Credit Agreement, providing, among other things, for a waiver of requirements of Atlas Holdings to satisfy certain special conditions with respect to the making of the remaining initial Term Loan. Thereafter, Atlas Holdings received the remaining \$1,500,000 as its second draw of the initial Term Loan. The Term Loan funds will provide Atlas Holdings with the financial support needed to effectuate the Note Restructuring, as finalized and effectuated through this chapter 15 case.

C. EVENTS LEADING TO THE CAYMAN PROCEEDING

19. In 2019, Atlas Holdings recorded on its consolidated balance sheet a significant increase in liabilities for unpaid insurance claims based on independent actuarial work undertaken on behalf of the operating subsidiaries. This adverse development resulted in a lack of capital required to continue to operate the Insurance Subsidiaries in the normal course. The ASI Pool Companies were placed into rehabilitation under the statutory control of the Illinois Department of Insurance during the second half of 2019 and were subsequently placed into liquidation. In October 2019, the ASI Pool Companies were deconsolidated from Atlas Holdings' consolidated financial statements, as a result of these actions. Other regulatory actions were taken in certain states, including restriction, suspension or revocation of certain state licenses and certificates of authority held by the ASI Pool Companies preceding and following the initiation of rehabilitation.

20. As a result, Atlas Holdings worked with external professional advisors to undertake a formal strategic evaluation of its subsidiaries' businesses. Atlas Holdings decided to make a

strategic shift to MGA and determined that winding down the Insurance Subsidiaries was appropriate. Working with the applicable regulators, AIAI (defined below) cooperated to facilitate a sale of the stock, charters and state licenses of the ASI Pool Companies to a third-party through liquidation proceedings with the proceeds benefiting the consolidated estate of the ASI Pool Companies in liquidation. In accordance with the applicable regulatory scheme, AIAI retains the final equity claim against the consolidated estate, to the extent any recovery exists in the future. Over an approximately eighteen-month period, AGMI supported the wind-down of these subsidiaries. Atlas Holdings, however, continued to face liquidity constraints throughout 2019.

21. During the fourth quarter of 2019, Atlas Holdings began actively pursuing the potential sale of Global Liberty, and as a result, Global Liberty was classified as a discontinued operation as of October 1, 2019. While Atlas Holdings continued to pursue plans to sell Global Liberty, pending certain regulatory and other matters that would need to occur prior to such sale during the quarter, Global Liberty was ultimately placed in liquidation by the New York Department of Financial Services in October 2021.

22. In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. With social distancing measures being implemented at the federal, state and local level, Atlas Holdings enacted a robust business continuity plan. Notwithstanding, the impact of the COVID-19 pandemic on its subsidiaries' target market was significant, resulting in serious additional consequences on its profitability and a direct impact on its ability to generate new business. The lasting and significant impact of COVID-19 on the target market—with non-emergency paratransit down approximately 30% and taxi and livery down a staggering 90% for much of the pandemic in virtually all major areas of the United States—ultimately substantially exacerbated Atlas Holdings' liquidity constraints. In an attempt to remedy the impact of the

COVID-19 pandemic and ‘right-size’ the business as part of the ongoing transition to the MGA strategy, Atlas Holdings’ subsidiaries implemented certain cost-saving initiatives, including reducing the size of its business volume and staffing throughout 2020.

23. In September 2020, Atlas Holdings announced that it was informed its shares would be suspended from the NASDAQ Stock Market due to delinquencies in filing its 10-K, failure to regain compliance with the SEC’s minimum bid price requirements and failure to hold the annual general meeting of shareholders in 2019. Atlas Holdings began trading under the symbol “AFHIF” and its ordinary common shares were listed on the OTC Markets System. Thereafter, on November 6, 2020, its shares were delisted from the NASDAQ stock market.

24. In April 2021, Atlas Holdings transitioned the assets related to one of its subsidiaries’ corporate headquarters from long-lived asset as held and used to long-lived assets held for sale. An independent third party is actively marketing the sale of the corporate headquarters including the land, building, building improvements and contents including furniture and fixtures. This property remains held for sale.

25. Despite these efforts to ease the financial stress, the culmination of incremental challenges consequently resulted in Atlas Holdings being both cash flow and balance sheet insolvent. Due to liquidity constraints, on August 26, 2021, an Event of Default (as defined in the Indenture) occurred under the terms of the Notes. Atlas Holdings did not pay the quarterly interest in the aggregate amount of \$414,062.50 that was due and payable on July 26, 2021. The 30-day grace period provided for such payment under the Indenture expired when the overdue amount was not paid on or before August 25, 2021. Currently, \$25,000,000 in principal, and approximately \$1,389,409.69 in accrued but unpaid interest as of this date, is outstanding under the Indenture.

26. Given its liquidity and other financial challenges, Atlas Holdings' ability to realize opportunities for growth and value creation coming out of a broader post-pandemic economic recovery is dependent on its ability to refinance or otherwise satisfy the Notes as well as other financial liabilities. Without a restructuring, Atlas Holdings will, in all likelihood, enter a liquidation process, which would be value-destructive for all stakeholders.

D. RESTRUCTURING SUPPORT AGREEMENT

27. Atlas Holdings retained Conyers Dill & Pearman, its long-standing Cayman Islands counsel, to advise on restructuring alternatives. Upon consultations with Cayman counsel and its other professionals, Atlas Holdings ultimately determined that the most value accretive path for the Noteholders was to commence a scheme under Cayman Islands law, followed by a chapter 15 recognition proceeding in the United States, most notably to extend the maturity of the Notes and obtain the flexibility to pay the quarterly interest "in kind."²

28. Atlas Holdings, with advice and assistance from its Cayman Islands counsel Conyers Dill & Pearman LLP and also DLA Piper LLP (US), conducted extensive negotiations with the Noteholders, including the largest Noteholders, over the terms of the Note Restructuring. Atlas Holdings also proactively engaged in dialogue with the Trustee (through their respective counsel).

29. Atlas Holdings expeditiously secured the support of the majority of the Noteholders (at that time, representing approximately 53% of the outstanding Notes) of its decision to delay interest payments and restructure the Notes through a formal proceeding. In late August 2021,

² Kurt Lageschulte, a director on the Foreign Debtor's Board of Directors, is the portfolio manager of investment funds which collectively hold significant positions in the Notes, the Foreign Debtor's ordinary shares and are lenders under the Credit Agreement. Each of such investment funds is also a party to the RSA. Given Mr. Lageschulte's affiliation, he disclosed such interests to the board and recused himself from voting on matters concerning the Foreign Debtor's restructuring.

certain Consenting Noteholders communicated to Atlas Holdings and the Trustee their commitment to not accelerate, enforce or collect any sum payable under the Indenture or otherwise against the Company. Thereafter, on August 31, 2021, approximately 48% of the outstanding Notes entered into the RSA and then an additional 9% of the outstanding Notes acceded to the RSA for a grand total of over 57%, with several accessions coming through after the commencement of the Cayman Proceeding.³ The RSA memorialized the agreed-upon terms of the Note Restructuring. When Atlas Holdings approached its largest Noteholders regarding the contemplated restructuring, their expectations were that any such restructuring would take place in the Cayman Islands, which is reflected in the RSA.

30. Each Consenting Noteholder is fully supportive of the proposed Note Restructuring and has agreed, as reflected in the RSA, to, among other things, (i) work in good faith with Atlas Holdings and its advisors to implement the Note Restructuring as soon as possible in a manner consistent with the terms of the RSA; (ii) support the Note Restructuring and vote and exercise any powers or rights available to it in favor of any matter requiring approval to the extent necessary to implement the Note Restructuring; (iii) not take, direct, encourage, assist or support (or procure that any other person takes, directs, encourages, assist or supports) any action which would, or would reasonably be expected to, breach or be inconsistent with the RSA or the Note Restructuring, or delay, impede or prevent the implementation or consummation thereof; (iv) oppose any party or person from taking certain enumerated “Restricted Actions”; (v) negotiate in good faith and use commercially reasonable efforts to execute and implement the definitive

³ After the effective date of the RSA, each of the additional 9% of outstanding Notes acceded to the RSA (the “**Additional Consenting Noteholders**”) by executing the form Additional Consenting Noteholder Accession Letter (the “**Accession Letter**”) annexed to the RSA. Under Paragraph 2 of the Accession Letter, the Additional Consenting Noteholders agreed to be bound by and to comply with all of the terms of the RSA with effect from the date of the Accession Letter and, as of the date of the Accession Letter, shall be a “Consenting Noteholder” and a “Party” for all purposes of the RSA.

restructuring documents to which it is required to be a party and coordinate its activities with the other parties (to the extent practicable and subject to the terms of the RSA) in respect of all matters concerning the implementation and consummation of the RSA; and (vi) cooperate with and assist Atlas Holdings in obtaining additional support for the Note Restructuring from Atlas Holdings' stakeholders. The RSA allows other holders of the Notes to accede to the RSA and become Consenting Noteholders, and as previously mentioned, certain Additional Consenting Note Holders did accede to the RSA in accordance with its terms.

31. The RSA may be terminated upon the occurrence of certain events set forth in the RSA, including if the Note Restructuring is not effectuated by the Longstop Date (as defined below), April 15, 2022.

a. The Undertaking from the Trustee

32. To ensure the Note Restructuring proceeded smoothly and expeditiously, before the Foreign Debtor commenced the Cayman Proceeding, the Consenting Noteholders also issued a letter of direction to the Trustee, directing the Trustee to execute and deliver to the Foreign Debtor for filing with the Cayman Court an undertaking that the Trustee will not object to the Scheme and the Second Supplemental Indenture, unless directed to do so by the holders of a majority in the aggregate principal amount of the Notes, provided (a) the Cayman Court enters a final non-appealable order approving the Scheme, (b) the Foreign Representative commences this chapter 15 proceeding, and (c) this Court enters a final non-appealable order recognizing the Cayman Proceeding and enforcing the Scheme in the United States, (the “**Undertaking**”). The Trustee provided such Undertaking on January 3, 2022, enabling the Foreign Debtor to smoothly launch the Scheme.

*b. The Salient Terms of the Note Restructuring*⁴

33. The Note Restructuring contemplates that the new unsecured notes due April 27, 2027, with the identical par value of \$25.00 per note and nominal aggregate principal amount of \$25,000,000 million, would be issued in a one-for-one exchange for the cancellation of the Notes, pursuant to the terms of the Second Supplemental Indenture (the “**New Notes**”) (*See* Petition Exh. A). The accrued but unpaid interest on the Notes, calculated as of the date the New Notes are issued, will effectively be added onto the principal of the New Notes. The interest rate on the New Notes would be either the same at 6.625%, if paid in cash, or 7.25%, if paid in kind (at the Company’s option, which option the Company shall have for any interest payments coming due for the period up to two years after the date of issuance of the New Notes). Additionally, the Company will have the option to redeem the New Notes after three years at the principal amount to be redeemed, plus any accrued but unpaid interest, with no penalty. The Second Supplemental Indenture also includes a redemption option for Atlas Holdings to redeem accrued and unpaid interest in excess of the then-outstanding par amount of the New Notes. Other than this new redemption provision, the covenants relating to the New Notes are substantially the same as the covenants relating to the Notes.

34. The Foreign Representative is advised that the New Notes are expected to be freely transferable under section 1145(a) of the Bankruptcy Code without the need of registration under section 5 of the Securities Act of 1933, and such issuance are expected to be deemed as “public offering” under section 1145(c) of the Bankruptcy Code, except that certain Noteholders that are considered “affiliates” of the Foreign Debtor under section 1145(b) of the Bankruptcy Court will be subject certain restrictions on resale. The Foreign Debtor expects that the Note Restructuring

⁴ The above summary of the terms of the Note Restructuring is qualified in its entirety by the reference to the Second Supplemental Indenture.

will enable it to satisfy its obligations under the New Notes and create value for all of its stakeholders.

c. The Contemplated Effectuation of the Note Restructuring

35. The RSA contemplates that the Note Restructuring will be effectuated through (i) a scheme of arrangement in respect of the Notes under section 86 of Part IV of the Companies Act (2021 Revision) of the Cayman Islands and (ii) a recognition proceeding with respect to the Scheme under chapter 15 of the Bankruptcy Code. The RSA currently requires that the Note Restructuring be completed by April 15, 2022,⁵ with the forbearance period running concurrently (the “**Longstop Date**”).

36. The restructuring effective date will occur on the business day on which the Foreign Debtor gives notice to the Scheme Creditors that the following conditions have been satisfied (the “**Restructuring Effective Date**”): (i) the Sanction Order has been granted and the Scheme effective date has occurred, (ii) the Second Supplemental Indenture has been executed and (iii) the U.S. Bankruptcy Court has entered an final, non-appealable order recognizing the Cayman Proceeding as a foreign proceeding and enforcing the Scheme within the territorial jurisdiction of the United States. On the Restructuring Effect Date, the Second Supplemental Indenture will become effective, and the Foreign Debtor will issue the New Notes in a one-for-one exchange for the cancellation of the Notes. The efficient and timely occurrence of the Restructuring Effective Date is crucial to the Foreign Debtor’s liquidity and value for the benefit of the Noteholders.

⁵ As noted in the Scheme, March 1, 2022, was initially the Longstop Date, which was thereafter extended through and including April 15, 2022, by that certain amendment to the RSA executed on February 28, 2022, in accordance with the terms of the RSA.

E. THE CAYMAN PROCEEDING

37. On January 4, 2022, the Foreign Debtor, in accordance with the terms of the RSA, applied to the Cayman Court for permission to convene a single scheme meeting on the basis that the Noteholders, as the only Scheme Creditors, should constitute a single class of creditors for the purpose of voting on the Scheme. The application to the Cayman Court was accompanied by, among other documents, an Explanatory Statement, the Scheme, the Affidavit of Scott D. Wollney, (in his capacity as the Chief Executive Officer of the Foreign Debtor), the First Affidavit of Kristian Klein (a representative of Donlin, Recano & Company, Inc. as the Foreign Debtor's information and noticing agent) and Affidavit of R. Craig Martin.

38. On January 6, 2022, the Foreign Debtor issued a practice statement letter (the **"Practice Statement Letter"**) to all Noteholders, among other things, notifying them of the proposed Scheme, the Foreign Debtor's application to the Cayman Court for permission to convene a meeting for the purpose of voting on the Scheme (the **"Scheme Meeting"**) and the composition of the single class of creditors to vote on the Scheme.

39. According to the Foreign Debtor's Cayman counsel, the rights of Scheme Creditors are the same, or not so dissimilar so as to make it impossible for them to consult together with a view to their common interest because: (i) the Scheme Creditors' rights arise under the Indenture in respect of a single class of the Notes with identical rights to payment and security interests; (ii) the rights of all Scheme Creditors are impacted in the same way; (iii) the Scheme Creditors' current claims against the Foreign Debtor rank *pari passu* amongst each other; and (iv) voting and attendance at the Scheme Meeting opportunities were afforded to each Scheme Creditor.

40. On January 26, 2022 the Cayman Court entered a convening order (the **"Convening Order"**) on the papers, (i) authorizing the Foreign Debtor to convene a single Scheme Meeting for

the purpose of considering and, through a majority vote, approving, with or without modification, the Scheme, (ii) approving the notice of the Scheme Meeting (the “**Notice of Scheme Meeting**”), (iii) setting January 15, 2022, as the “Dispatch Record Date” for determining the creditors of the Foreign Debtor entitled to receive the Notice of Scheme Meeting, (iv) setting February 15, 2022, as the “Voting Record Date” for determining the Scheme Creditors entitled to vote at the Scheme Meeting, (iv) approving the notice procedures and the solicitation materials (namely, the Master Proxy and Beneficial Ownership Ballot), (vi) appointing the chairman of the Scheme Meeting and (vii) scheduling the hearing to determine whether or not to sanction the Scheme (the “**Sanction Hearing**”) for February 25, 2022.

41. The Scheme Meeting was held on February 21, 2022, in the Cayman Islands at the offices of Conyers Dill & Pearman LLP.⁶ In accordance with the Scheme voting procedures, Scheme Creditors were permitted to vote in person in the Cayman Islands or by proxy. All votes were cast by proxy and no proxies were objected to. The Trustee is not a Scheme Creditor for the purpose of the Scheme and, therefore, did not vote at the Scheme Meeting. The chairman of the Scheme Meeting read certain documents into the record, namely the proposed resolutions to approve the Scheme of arrangement. Scheme Creditors were afforded the opportunity to raise any questions, objections or issues related to the Scheme at the Scheme meeting, however, given the tremendous show of support, no such questions, objections or issues were raised. On the basis of the proxies received, it was declared on the record that the Scheme was approved by the requisite majority of Scheme Creditors.

⁶ Given the COVID-19 pandemic, Scheme Creditors were also afforded the convenience of observing the Scheme Meeting via Zoom and in person via a satellite location in New York. However, Scheme Creditors were only permitted to vote in person in the Cayman Islands.

42. Following the Scheme Meeting, the chairman of the Scheme Meeting reported to the Cayman Court that the Scheme was overwhelmingly supported by the Noteholders, with 91.83% in number and 99.34% in value voting in favor of the Scheme. Significantly, 101 beneficial owners of the Notes participated in the voting process (91.83% of them in number voted in support of the Scheme), casting an aggregate amount of 718,703 Notes (out of 1,000,000), of which 713,923 voted in favor of the Scheme (representing 99.34% acceptance by value). The Sanction Hearing was held on February 25, 2022. The Cayman Court held the Sanction Hearing to determine whether to sanction the Scheme on February 25, 2022, ultimately entering an order sanctioning the Scheme (the “**Sanction Order**”), which was filed with the Cayman Islands Registrar of Companies the same day.

43. Importantly, prior to and as the Cayman Proceeding progressed, the Foreign Debtor provided ample information to all of the Noteholders, including all information required to be disclosed under Cayman Islands law. The Foreign Debtor frequently published material developments on its restructuring website, its company website and with the applicable regulatory authorities. Specifically, two days after commencing the Cayman Proceeding, the Foreign Debtor distributed the Practice Statement Letter; upon entry of the Convening Order, the Foreign Debtor distributed the Scheme and Explanatory Statement to the Noteholders on January 26 and effected a notice by publication in the New York Times on January 28. The Explanatory Statement contains, among other provisions, a detailed overview of the Foreign Debtor’s operations, capital structure, corporate organization, current financial position and forecast, market outlook, material agreements applicable to the Scheme and the detailed terms of the Scheme, including description of the claims against the Foreign Debtor, as well as the proposed treatment of such claims, and the risk factors that may arise in connection with the Scheme.

44. The Scheme contains certain irrevocable waivers and releases by the Releasing Parties, consisting of “each Scheme Creditor on behalf of itself and each of its predecessors, successors and assigns, the Trustee and the Issuer” (the “**Scheme Releases**”). Specifically, Clause 6.2 of the Scheme provides that “[u]pon the Restructuring Effective Date [,] the Releasing Parties to the fullest extent permitted by law, shall and shall be deemed to completely and forever release and waive any Claim and/or Liability they may have under the Notes.” (*See* Petition, Exh. A.) Clause 6.4 further provides that “[n]one of the Releasing Parties shall commence or continue, or instruct, direct or authorize any other person to commence or continue, any proceeding in respect of Claims or Liabilities that have been released in accordance with clause 6 [of the Scheme].” (*Id.*)

45. As is discussed in the Milne Declaration, the Scheme also includes certain releases and exculpations for the benefit of the “Protected Parties,” which parties are limited to “(i) the Issuer [Atlas Holdings]; (ii) the Trustee; (iii) the Security Agent; and (iv) the Advisers (including their Personnel and Affiliates) and each of their predecessors, successors and assigns.” The Scheme Releases are further limited to Claims and Liabilities (as those terms are defined in the Scheme) arising or resulting from the Protected Parties’ involvement in the Note Restructuring and the Scheme, subject to further exclusion of Claims and Liabilities arising out of any fraud, gross negligence, willful default or any material breach by a Protected Party of its express obligations or representations in the RSA and the Scheme, among other related documents as set forth in the Scheme. The Scheme Releases are necessary to prevent parties from undermining the purpose of the Scheme and the authority of the Cayman Court.

F. THE CHAPTER 15 CASE

46. As previously mentioned, following an overwhelming vote of support by the Noteholders, the Cayman Court sanctioned the Scheme on February 25, 2022. However, the

orders of the Cayman Court are territorially limited. Recognition of the Cayman Proceeding and enforcement of the Scheme in the United States is imperative to the Cayman Proceeding's success and the restructuring of the Foreign Debtor because the Scheme must be binding and enforceable in the United States, so that the Noteholders are precluded from taking any actions in the United States that may frustrate the Note Restructuring sanctioned in the Cayman Proceeding. For that reason, the RSA contemplates that the Note Restructuring will be effectuated through both the Cayman Scheme and a chapter 15 proceeding, as one of the key conditions precedent to the effectiveness of the Note Restructuring. The RSA further requires that the Note Restructuring be fully completed by the Longstop Date. This chapter 11 case is the final key step in effectuating the Note Restructuring.

RELIEF REQUESTED

47. Based on the foregoing, the Memorandum of Law, the Martin Declaration and the Milne Declaration offered in support of the Chapter 15 Petition, together with the materials attached to them, the Foreign Representative seeks entry of a final order, substantially in the form attached to this Verified Petition as **Exhibit A** (the “**Proposed Recognition and Enforcement Order**”), granting the following relief:

- a. Finding that the Foreign Debtor is eligible to be a debtor under the Bankruptcy Code;
- b. Recognizing the Cayman Proceeding as a “foreign main proceeding” in accordance with sections 101(23), 1502(4), 1517 and 1520 of the Bankruptcy Code;
- c. Recognizing the Foreign Representative as the Foreign Debtor’s “foreign representative” as defined in section 101(24) of the Bankruptcy Code;
- d. The Scheme, as approved by the Sanction Order, should be fully enforced within the territorial jurisdiction of the United States under sections 1507 and 1521(a) of the Bankruptcy Code, permanently enjoining all parties from commencing or taking any action inconsistent with the Scheme and the

Sanction Order within the territorial jurisdiction of the United States with respect to claims compromised under the Scheme;

- e. Declaring that the issuance of the New Notes under the Scheme is exempt from registration and be deemed a “public offering” under section 1145 of the Bankruptcy Code;
- f. Waiving the 14-day stay of effectiveness of the Recognition and Enforcement Order;
- g. Authorizing the Foreign Representative to seek entry of a final order substantially in the form annexed hereto as **Exhibit B** (the “**Proposed Case Closing Order**”), to close this chapter 15 case upon notice of presentment and deeming this Verified Petition to be the final report required to be filed by the Foreign Representative under Bankruptcy Rule 5009(c); and
- h. Granting such other relief as may be necessary and appropriate, including entry of a final decree after entry of the order granting the relief requested.

BASIS FOR RELIEF

48. For the reasons set forth in this Verified Petition, and as more fully set forth in the Memorandum of Law in support hereof, the Court should enter the Proposed Recognition and Enforcement Order as the Foreign Representative has met the standards for obtaining the relief requested in this Verified Petition and otherwise satisfied the statutory requirements for recognition of the Cayman Proceeding as the foreign main proceeding, enforcement of the Scheme within the territorial jurisdiction of the United States and related relief under chapter 15 of the Bankruptcy Code.

a. The Foreign Debtor is eligible to be a debtor under the Bankruptcy Code.

49. As a threshold matter, section 109(a) of the Bankruptcy Code states that “only a person that resides or has a domicile, a place of business, or property in the United States . . . may be a debtor under this title.” 11 U.S.C. § 109(a). Section 109 is satisfied even when the foreign debtor has a nominal amount of property in the United States. Here, the Foreign Debtor is eligible to be a debtor under section 109(a) because it has a U.S.-based bank account with Fifth Third Bank

and \$35,000 retainer in a New-York-based bank account; it is also the Issuer of the Notes under the Indenture that is governed by New York law and owns a number of U.S.-based subsidiaries.

b. The Cayman Proceeding is a “foreign main proceeding” in accordance with sections 101(23), 1502(4), 1517 and 1520 of the Bankruptcy Code.

50. Section 1517(a) of the Bankruptcy Code directs the Court to enter a final order, after notice and hearing, recognizing a foreign proceeding if (i) such proceeding is a foreign main proceeding or a foreign non-main proceeding, (ii) the foreign representative applying for recognition is a person or body and (iii) the application for recognition was properly filed in accordance with section 1515 of the Bankruptcy Code. *See* 11 U.S.C. § 1517(a). Section 1517(b) further provides that a proceeding shall be recognized as a foreign main proceeding if it is pending in the country where the debtor has the center of its main interests and as a foreign nonmain proceeding if the foreign debtor has an establishment where the foreign proceeding is pending.

51. The Foreign Representative submits that the Court should recognize the Cayman Proceeding as a foreign main proceeding under section 1517 of the Bankruptcy Code because the Cayman Proceeding is a “foreign main proceeding” within the meaning of section 1502 of the Bankruptcy code. The Cayman Proceeding is a “foreign proceeding” within the meaning of section 101(23) of the Bankruptcy Code because the Cayman Proceeding is a judicial proceeding conducted in the Cayman Islands under the law related to insolvency or debt adjustment, and the assets and affairs of the Foreign Debtor are subject to supervision by the Cayman Court for the purpose of reorganization.

52. Additionally, the Cayman Proceeding is a “main” proceeding because section 1516(c) of the Bankruptcy Code presumes that the Foreign Debtor’s center of main interests is in the Cayman Islands where the Foreign Debtor is formed and has its registered office and where the Cayman Court has taken jurisdiction over the Cayman Proceeding. The Foreign

Representative submits that, should any party come forward to attempt to rebut the presumption, then the evidence at the recognition hearing would nonetheless demonstrate that the Foreign Debtor's center of main interest is in the Cayman Islands for the reasons stated in paragraph 31 of the Memorandum of Law.

53. Further, the Foreign Representative submits that, being a "corporation," the Foreign Representative is a "person" as defined in subsection 101(41) of the Bankruptcy Code. Finally, the Chapter 15 Petition meets the requirements of section 1515 of the Bankruptcy Code because it is accompanied by a certified copy of the Convening Order, commencing the Cayman Proceeding and appointing the Foreign Representative, and all required statements and documents, in English, in accordance with sections 1007(a)(4) and 1515 of the Bankruptcy Code.

54. In addition to all of the conditions to the entry of an order recognizing the Cayman Proceeding as a foreign main proceeding under the Bankruptcy Code have been satisfied, recognition of the Cayman Proceeding is not manifestly contrary to the public policy of the United States under section 1506. Based on the foregoing, the Foreign Representative petitions the Court for entry of an order, recognizing the Cayman Proceeding as a "main" proceeding. In the alternative, the Cayman Proceeding may be considered a non-main proceeding for the reasons stated in paragraphs 32-34 of the Memorandum of Law. Irrespective of whether the Court determines the Cayman Proceeding is a main or non-main proceeding, the Court should grant the relief requested.

c. The Foreign Representative is the Foreign Debtor's "foreign representative" as defined in section 101(24) of the Bankruptcy Code.

55. Section 101(24) of the Bankruptcy Code defines the term "foreign representative" as "a person or body, including a person or body appointed on an interim basis, authorized in a foreign proceeding to administer the reorganization or the liquidation of the debtor's assets or

affairs or to act as a representative of such foreign proceeding.” 11 U.S.C. § 101(24). Being a “corporation,” the Foreign Representative is a “person” as defined in subsection 101(41) of the Bankruptcy Code. In accordance with subsection 101(24) of the Bankruptcy Code, the Cayman Court expressly appointed the Foreign Representative “as authorized representative [of the Foreign Debtor] to seek relief under Chapter 15 of Title 11 of the United States Bankruptcy Code, and to take such steps arising in connection therewith.” (*See* Petition, Exh. A Convening Order.)

- d. The Scheme, as approved by the Sanction Order, should be fully enforced within the territorial jurisdiction of the United States under sections 1507 and 1521(a) of the Bankruptcy Code, permanently enjoining all parties from commencing or taking any action inconsistent with the Scheme and the Sanction Order within the territorial jurisdiction of the United States with respect to claims compromised under the Scheme.*

56. Upon recognition of a foreign proceeding, whether main or nonmain, the Court has the power to provide additional assistance to a foreign representative under the Bankruptcy Code or other laws of the United States, consistent with the principles of comity. *See* 11 U.S.C. §§ 1507 and 1521. Here, the Scheme, sanctioned by the Cayman Court, represents the culmination of the collective efforts of the Foreign Representative and the Consenting Noteholders to achieve a settlement arrangement that will restructure the Notes as well as overwhelming support of the Noteholders through their vote at the Scheme Meeting. Accordingly, the Foreign Representative seeks full enforcement of the Scheme, as approved by the Sanction Order, including Section 6 containing the Scheme Releases, within the territorial jurisdiction of the United States to ensure that the Scheme is applied consistently across the two relevant jurisdictions, furthering the very goals of international cooperation and assistance to foreign courts and principles of comity.

57. While this Court may subject such additional assistance to “conditions it considers appropriate,” it must also ensure that “the interests of the creditors and other interested entities, including the debtor, are sufficiently protected.” 11 U.S.C. § 1522. As described in the Milne

Declaration, the Cayman Proceeding provided processes and procedures that ensured fundamental fairness to the Scheme Creditors, including ample information and detailed voting instructions, ultimately leading to overwhelming participation and support by the Scheme Creditors. The Court's entry of the relief and additional assistance requested in this Verified Petition will (i) facilitate just treatment of holders of claims affected by the Scheme (i.e., the Noteholders) against the Foreign Debtor's property as all Noteholders will be treated alike upon the Scheme enforcement in the United States will preserve the Foreign Debtor's going concern, (ii) will not prejudice or inconvenience the Noteholders as no processing of claims is taking place in the Cayman Islands and reissuance of New Notes will occur automatically in a book-entry form, and (iii) will provide equitable treatment to all Noteholders.

58. Fair and efficient administration of the Foreign Debtor's Note Restructuring requires that all Noteholders be bound by the terms of the Scheme and the Sanction Order in the United States. The Scheme Releases are necessary to prevent parties from undermining the purpose of the Scheme and the authority of the Cayman Court. Indeed, if the Court declines to enforce the Scheme Releases in Clause 6 of the Scheme, then the significant minority of the Noteholders that voted against or did not participated in the Scheme could seek to obtain judgment in the United States against the Foreign Debtor, which outcome would prejudice all other Noteholders and would be detrimental to the Foreign Debtor's nine-month-long reorganization efforts, preventing the fair and efficient administration of the Note Restructuring contemplated in the Scheme and approved by the Cayman Court. Accordingly, principles of comity support enforcement of the Scheme and the Scheme Releases.

59. Therefore, the Foreign Representative submits that this Court should enforce the Scheme within the territorial jurisdiction of the United States and grant a permanent injunction

commensurate with the Scheme Releases binding in the Cayman Islands. Absent a permanent injunction, the Foreign Representative believes irreparable harm may exist if there is a risk of disruption to the orderly and fair distribution of assets through dissenting or nonparticipating Noteholder actions affected by the Scheme to the detriment of other creditors.

e. The issuance of the New Notes under the Scheme is exempt from registration under section 1145 of the Bankruptcy Code.

60. The Foreign Representative petitions that this Court declare that the New Notes to be issued under the Scheme are exempt from registration under section 5 of the Securities Act of 1933 and their issuance is considered as “public offering,” in each case under section 1145 of the Bankruptcy Code, subject to certain limitations pertaining to “affiliates.” Section 1145 relief is warranted here because the issuance of the New Notes under the Scheme satisfies each requirement of section 1145 as the New Notes are being: (i) issued under the Scheme that is the functional equivalent of a chapter 11 plan; (ii) issued by the Foreign Debtor; (iii) offered in a one-for-one exchange for and in satisfaction of their Notes that give rise to claims against the Foreign Debtor; and (iv) issued subject to detailed disclosures regarding the Foreign Debtor’s operations, capital structure, corporate organization, current financial position and forecast, market outlook, material agreements applicable to the Scheme and the detailed terms of the Scheme and accompanied by the form Second Supplemental Indenture.

f. Waiver of the 14-day stay of effectiveness of the Recognition and Enforcement Order is warranted.

61. Given the that the Cayman Proceeding is fully administered and April 15, 2022, is the rapidly approaching Longstop Date under the RSA, the Foreign Representative submits that the terms and conditions of the Proposed Recognition and Enforcement Order should be made immediately effective and enforceable upon its entry, notwithstanding the 14-day stay of effectiveness imposed by operation of Bankruptcy Rules 1018 and 7062. A waiver of the stay is

critical in these circumstances to allow the Foreign Debtor to proceed immediately with consummation of the Scheme, namely execution of ancillary closing documents in connection with Second Supplemental Indenture in coordination with the Trustee and procurement of CUSIPs, which process typically requires between ten and fourteen days, with cooperation from the DTC. Failure to waive the 14-day stay of effectiveness of the Proposed Recognition and Enforcement Order would likely delay the implementation of the Scheme past the Longstop Date, which would result in irreparable harm to the Foreign Debtor.

- g. *The Verified Petition should be deemed the final report required to be filed under Bankruptcy Rule 5009(c) and the Foreign Representative should seek entry of an order closing this chapter 15 case upon notice of presentment to be filed no earlier than the thirtieth day following the filing of the certificate of service of the Chapter 15 Petition in accordance with Bankruptcy Rule 5009(c).*

62. The Foreign Representative requests authorization to seek entry of the Proposed Case Closing Order by filing a notice of presentment with the Court. Section 1517(d) of the Bankruptcy Code provides that “[a] case under this chapter may be closed in the manner prescribed under section 350.”¹¹ U.S.C. § 1517(d). Under section 350 of the Bankruptcy Code, a bankruptcy case may be closed “after an estate is fully administered.”¹¹ U.S.C. § 350(a). Bankruptcy Rule 5009(c) further provides that a foreign representative shall “file a final report when the purpose of the representative’s appearance in the court is complete.” Local Rule 5009-2 further provides that a case may be closed upon the presumption of full administration, without the need for further relief of the Court.

63. The Foreign Representative submits that this Verified Petition describes the activities that the Foreign Representative took or needs to take in order to fully administer this chapter 15 case. Upon the occurrence of the Restructuring Effective Date, the Foreign Representative will file a notice of presentment with the Court advising all parties in interest in

this chapter 15 case that the Proposed Recognition and Enforcement Order has been entered and has become final and non-appealable and that the Restructuring Effective Date has occurred and requesting to close this chapter 15 case; provided that such notice of presentment will be filed no earlier than the thirtieth day following the filing of the certificate of service of the Chapter 15 Petition in accordance with Bankruptcy Rule 5009(c).Accordingly, the Foreign Representative respectfully requests that this Court authorize it to submit the Proposed Case Closing Order upon the Restructuring Effective Date by filing a notice of presentment and that such Proposed Case Closing Order be entered by the Court without further notice or hearing.

CONCLUSION

WHEREFORE, for the reasons set forth in this Verified Petition and the Memorandum of Law the Foreign Representative respectfully requests that this Court: (i) enter the Proposed Recognition and Enforcement Order, (ii) waive the fourteen-day stay of effectiveness of the Proposed Recognition and Enforcement Order, (iii) authorize the Foreign Representative to seek entry of the Proposed Case Closing Order to close this chapter 15 case upon filing and service of a notice of presentment to be filed no earlier than the thirtieth day following the filing of the certificate of service of the Chapter 15 Petition in accordance with Bankruptcy Rule 5009(c), and (iv) grant such other and further relief as this court deems necessary and appropriate.

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Dated: March 4, 2022
New York, New York

Respectfully submitted,

DLA PIPER LLP (US)

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-and-

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*Counsel to Atlas Financial Holdings, Inc. as Foreign
Representative*

VERIFICATION

I, Scott D. Wollney, pursuant to 28 U.S.C. § 1764, hereby declare under penalty of perjury under the laws of the United States that: (i) Atlas Financial Holdings, Inc. is the authorized foreign representative of the Foreign Debtor with respect to the Cayman Proceeding; (ii) I am the Chief Executive Officer of Atlas Financial Holdings, Inc. and, in that capacity, have full authority to verify the *Verified Petition Under Chapter 15 of the Bankruptcy Code for Recognition of the Cayman Proceeding as a Foreign Proceeding, Enforcement of the Scheme of Arrangement Within the United States and Related Relief* (the “**Verified Petition**”) on behalf of the Foreign Debtor; and (iii) I have read the Verified Petition and believe that the factual allegations contained in it are true and accurate to the best of my knowledge, information and belief.

Dated: March 4, 2022

/s/ Scott D. Wollney

Scott D. Wollney as Chief Executive Officer of
Atlas Financial Holdings, Inc. as Foreign Representative

Exhibit A

(Proposed Recognition and Enforcement Order)

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----	X	
In re:	:	Case No. 22-10260 (LGB)
	:	
ATLAS FINANCIAL HOLDINGS, INC.,	:	Chapter 15
	:	
Debtor in a Foreign Proceeding.	:	
-----	X	

**ORDER (I) RECOGNIZING CAYMAN PROCEEDING AS A FOREIGN MAIN
PROCEEDING (II) ENFORCING THE SCHEME OF ARRANGEMENT
WITHIN THE UNITED STATES AND (III) GRANTING RELATED RELIEF**

Upon consideration of the *Official Form B 401 Chapter 15 Petition for Recognition of a Foreign Proceeding* [ECF No. 1] (the “**Petition**”) and *Verified Petition Under Chapter 15 of the Bankruptcy Code for Recognition of Cayman Proceeding As Foreign Proceeding, Enforcement of the Scheme of Arrangement Within the United States and Related Relief* [ECF No. 2] (the “**Verified Petition**,”¹ and together with the *Petition*, the “**Chapter 15 Petition**”) filed by Atlas Financial Holdings, Inc., as the duly appointed foreign representative (in such capacity, the “**Foreign Representative**”) for itself as the debtor (the “**Foreign Debtor**”) in a foreign proceeding, commenced in the Cayman Islands on January 4, 2022, pursuant to section 86 of the Companies Act (2021 Revision) (the “**Companies Act**”) and pending before the Grand Court of the Cayman Islands (the “**Cayman Court**”), Financial Services Division, as Cause No. FSD 3 of 2022, (the “**Cayman Proceeding**”) in connection with its scheme of arrangement (the “**Scheme**”), as well as upon consideration of (i) the *Memorandum of Law in Support of Verified Petition of the Foreign Representative for Recognition of Cayman Proceeding As Foreign Proceeding, Enforcement of Scheme of Arrangement Within the United States, Approval of the Procedure Governing Closing of This Chapter 15 Case and Related Relief* [ECF No. •] (the “**Memorandum of Law**”), (ii) the

¹ Capitalized terms used but not defined in this Order have the meanings given to them in the Verified Petition.

Declaration of R. Craig Martin Regarding Determination of Foreign Law [ECF No. •]; and (iii) the *Declaration of Foreign Expert in Support of Verified Petition Under Chapter 15 for Order and Final Decree Granting Recognition of Foreign Proceeding and Enforcement of the Scheme of Arrangement Within the United States* [ECF No. •] in support of the Chapter 15 Petition, and after due and sufficient notice of and hearing on the Verified Petition,

THE COURT FINDS AND CONCLUDES AS FOLLOWS:²

A. This Court has jurisdiction over this matter under 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference of the United States District Court for the Southern District of New York*, dated January 31, 2012, Reference M-431. *In re Standing Order of Reference Re: Title 11*, 12 Misc. 00032 (S.D.N.Y. Jan. 31, 2012) (Preska, C.J.).

B. This is a core proceeding under 28 U.S.C. § 157(b)(2)(P).

C. Venue is proper in this District under 28 U.S.C. § 1410.

D. Due and sufficient notice of the Chapter 15 Petition and the hearing thereon was given, which notice is adequate for all purposes, and no other or further notice need be given.

E. This chapter 15 case was properly commenced in accordance with 11 U.S.C. § 1504.

F. The Chapter 15 Petition meets all requirements of 11 U.S.C. § 1515.

G. The Foreign Representative is a “person” within the meaning of 11 U.S.C. § 101(41) and 1517(a)(2) and is the duly appointed “foreign representative” of the Foreign Debtor within the meaning of 11 U.S.C. § 101(24).

² The findings and conclusions set forth in this Order constitute the Court’s findings of fact and conclusions of law under Bankruptcy Rule 7052, made applicable to this proceeding under Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

H. The Foreign Debtor is eligible for chapter 15 relief under 11 U.S.C. §§ 109(a) and 1501(c).

I. The Cayman Proceeding is a “foreign proceeding” under 11 U.S.C. § 101(23).

J. The Cayman Proceeding is pending in the Cayman Islands, which is the location of the Foreign Debtor’s “center of main interests,” and, therefore, the Cayman Proceeding is a “foreign main proceeding” within the meaning of 11 U.S.C. § 1502(4).

K. The Cayman Proceeding is entitled to recognition as a “foreign main proceeding” because it meets the requirements of 11 U.S.C. § 1517.

L. Recognition of the Cayman Proceeding as a foreign main proceeding is not contrary to the public policy of the United States.

M. The Foreign Representative and the Foreign Debtor are automatically entitled to the relief available under 11 U.S.C. § 1520.

N. The Foreign Representative and the Foreign Debtor are entitled to the additional assistance and discretionary relief requested in the Verified Petition, as applicable, under 11 U.S.C. §§ 1507 and 1521, including application of the exemption provided for under 11 U.S.C. § 1145. The relief requested in the Verified Petition and granted in this Order will not cause undue hardship or inconvenience to any party in interest. To the extent any hardship or inconvenience may result to such parties, it is outweighed by the benefits of the requested relief to the Foreign Debtor, its creditors and other parties in interest.

O. The Scheme has been approved and sanctioned in the Cayman Proceeding, cancelling the Notes, permitting the issuance of New Notes and providing for releases of certain claims as set forth in detail in the Scheme, in each case on the terms set forth in the Scheme.

P. The cancellation of the Notes, the issuance of the New Notes, in exchange of the Notes and on a one-for-one basis, is an essential element of the Scheme and is in the best interests of the Foreign Debtor, its creditors, including those affected by the Scheme, and all other parties in interest. The New Notes will be issued under the Scheme in exchange for and in full and final settlement of claims against the Foreign Debtor and the terms and conditions of the New Notes are fair and reasonable and were fully disclosed to parties in interest. The issuance of the New Notes satisfies the requirements for exemption under 11 U.S.C. § 1145 and is deemed to be a “public offering” as set forth in 11 U.S.C. § 1145(c).

Q. The relief granted in this Order will, in accordance with 11 U.S.C. § 1507(b), reasonably assure: (i) the just treatment of all holders of claims against or interests affected by the Scheme in the Foreign Debtor’s property; (ii) the protection of claim holders in the United States against prejudice and inconvenience in the processing of claims in the Cayman Proceeding; (iii) the prevention of preferential or fraudulent dispositions of property of the Foreign Debtor; and (iv) the distribution of proceeds of the Foreign Debtor’s property substantially in accordance with the order prescribed by title 11 of the United States Code.

R. The relief granted in this Order is necessary and appropriate to effectuate the purpose of chapter 15 of title 11 of the United States Code and to protect the assets of the Foreign Debtor and the interests of its creditors, is consistent with the public policy of the United States and furthers international comity. Absent such relief, the Cayman Proceeding and the Foreign Debtor’s efforts may be thwarted by the actions of individual creditors that are Scheme creditors, which would frustrate delay and ultimately jeopardize the implementation of the Note Restructuring sanctioned by the Grand Court.

S. All creditors and other parties in interest, including the Foreign Debtor, are sufficiently protected in the relief granted in this Order in compliance with section 11 U.S.C. § 1522(a).

T. The relief granted in this Order is necessary and the injunction contained in this order (i) is within the Court's jurisdiction to grant, (ii) is essential to the success and objectives of the Cayman Proceeding and the Scheme and (iii) confers material benefits on, and is in the best interests of, the Foreign Debtor, its creditors and all other parties in interest.

U. As a matter of comity, it is appropriate to assist in the enforcement of the terms of the Scheme as set forth in this Order.

NOW, THEREFORE, IT IS HEREBY ORDERED:

1. The Verified Petition is GRANTED as provided in this Order.
2. To the extent any objections, responses or reservations of rights were filed to the relief requested in the Chapter 15 Petition, and not otherwise withdrawn, such objections, responses and reservations of rights are hereby overruled.
3. The Cayman Proceeding is hereby recognized as a foreign main proceeding in accordance with 11 U.S.C. § 1517 and is given its full force and effect.
4. The Foreign Representative is recognized as the "foreign representative" as defined in 11 U.S.C. § 101(24) in respect of the Cayman Proceeding.
5. All relief automatically afforded to foreign main proceedings under 11 U.S.C. § 1520 is hereby granted.
6. The Scheme and the Sanction Order are hereby recognized, granted comity and given full force and effect within the territorial jurisdiction of the United States on a final basis and are binding and enforceable, in accordance with the terms of the Scheme and the Sanction

Order, on the following parties (the “**Affected Parties**”): the Foreign Debtor, all of the Scheme Creditors and each of their respective heirs, successors, assigns, trustees, subsidiaries, affiliates, officers, directors, agents, employees, representatives, attorneys, beneficiaries, guardians and similar officers or any persons claiming through the right of any such persons or entities, whether or not such creditor voted for or against, consented to be bound by or participated in the Scheme, and Wilmington Trust, National Association, (“**Wilmington Trust**”) as indenture trustee and any successor thereof; *provided, however*, that the foregoing shall not enjoin any party from bringing an action to enforce the terms of the Scheme, the Sanction Order or any document, instrument or agreement executed to implement the Scheme.

7. As of the Restructuring Effective Date (as that term is defined in the Scheme), and except as otherwise provided in this Order, all Affected Parties are permanently enjoined and restrained from taking any actions inconsistent with the Scheme or interfering with the enforcement and implementation of the Scheme, including, without limitation, commencing, continuing or enforcing any action or legal proceeding based on claims, liabilities and causes of actions released in the Scheme, as set forth in the Scheme.

8. Nothing in this Order shall enjoin a police or regulatory act of a governmental unit, including a criminal action or proceeding, as contemplated by 11 U.S.C. § 1521(d).

9. The administration or realization of all or part of the assets of the Foreign Debtor within the territorial jurisdiction of the United States is entrusted in the Foreign Representative.

10. Pursuant to 11 U.S.C. § 1145, the New Notes issued under, and in accordance with, the Scheme shall be exempt from registration under section 5 of the Securities Act of 1933, as amended, and any applicable state or local securities laws, and such issuance shall be deemed a “public offering” under 11 U.S.C. § 1145(c). The New Notes shall be freely tradeable by the

recipients thereof, subject to (a) the provisions of 11 U.S.C. § 1145(b) relating to the definition of an underwriter in section 2(a)(11) of the Securities Act; (b) compliance with the rules and regulations of the Securities and Exchange Commission, if any, applicable at the time of any future transfer of the New Notes; (c) the restrictions, if any, on the transferability of the New Notes set forth in the Foreign Debtor's organizational documents; and (d) applicable regulatory approval, if any.

11. Wilmington Trust, in its capacity as indenture trustee for the Notes, is authorized to cancel the Notes as may be required, and the Foreign Debtor is directed to provide reasonable cooperation for the completion of such actions.

12. As a condition precedent to the cancellation of the Notes, the Foreign Debtor shall: (i) pay the reasonable and documented fees, costs and expenses of Wilmington Trust (including Wilmington Trust's attorneys' fees, costs and expenses) incurred in its capacity as indenture trustee in connection with the Cayman Proceeding, this chapter 15 case and in connection with the implementation of the transactions provided for in the Scheme and this Order, in cash on or before the Restructuring Effective Date; and (ii) reimburse Wilmington Trust for any future fees, costs and expenses that it incurs (including Wilmington Trust's attorneys' fees, costs and expenses) in connection with the implementation of the Scheme and this Order when and as would be required by the Indenture.

13. Wilmington Trust, in its capacity as indenture trustee, is authorized to deliver the New Notes and any other related documentation to be distributed by the Foreign Debtor, and take all other actions reasonable and necessary to ensure that creditors receive such distributions, all as provided for in the Scheme.

14. The Verified Petition satisfies the requirements of Bankruptcy Rule 5009(c), and, therefore, the Foreign Representative's obligation to submit a final report in connection with the closure of this chapter 15 case has been fulfilled. Upon the Restructuring Effective Date, the Foreign Representative is authorized to seek entry of the order closing this chapter 15 case by filing and serving a notice of presentment.

15. The Foreign Representative shall serve this Order pursuant to paragraph 5 of the *Order (I) Scheduling Hearing on (A) the Chapter 15 Petition and Recognition of Cayman Proceeding As Foreign Proceeding, (B) Enforcement of the Scheme of Arrangement Within the United States and (C) Procedure Governing Closing of This Chapter 15 Case, (II) Specifying Form And Manner Of Service Of Notice And (III) Granting Related Relief* [ECF No. •].

16. Notwithstanding any provision to the contrary including, but not limited to, Bankruptcy Rules 1018 and 7062, (a) this Order shall be final, non-appealable and effective immediately and enforceable upon its entry; (b) the Foreign Representative is not subject to any stay in the implementation, enforcement or realization of the relief granted in this Order; and (c) the Foreign Representative is authorized and empowered, and may in its discretion and without further delay, take any action and perform any act necessary to implement and effectuate the terms of this Order.

17. This Order is without prejudice to the Foreign Representative requesting any additional relief in this chapter 15 case.

18. This Court shall retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to the Chapter 15 Petition, relief requested therein, the implementation, enforcement or modification of this Order and any requests for additional relief.

Dated: _____, 2022
New York, New York

HONORABLE LISA G. BECKERMAN
UNITED STATES BANKRUPTCY JUDGE

Exhibit B

(Proposed Case Closing Order)

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

----- X
In re: : Case No. 22-10260 (LGB)
: :
ATLAS FINANCIAL HOLDINGS, INC., : Chapter 15
: :
Debtor in a Foreign Proceeding. :
----- X

ORDER CLOSING CHAPTER 15 CASE

Upon consideration of the *Official Form B 401 Chapter 15 Petition for Recognition of a Foreign Proceeding* [ECF No. 1] (the “**Petition**”) and the *Verified Petition Under Chapter 15 of the Bankruptcy Code for Recognition of the Cayman Proceeding As a Foreign Proceeding, Enforcement of the Scheme of Arrangement Within the United States and Related Relief* [ECF No. 2] (the “**Verified Petition**,” and together with the Petition, the “**Chapter 15 Petition**”) and the *Memorandum of Law in Support of Verified Petition of the Foreign Representative for Recognition of Cayman Proceeding As Foreign Proceeding, Enforcement of Scheme of Arrangement Within the United States, Approval of the Procedure Governing Closing of This Chapter 15 Case and Related Relief* [ECF No. •] (the “**Memorandum of Law**” and together with the Verified Petition, the “**Final Report**”),¹ among others; upon entry by this Court of the *Order Recognizing the Cayman Proceeding As a Foreign Proceeding, Enforcing the Scheme of Arrangement Within the United States and Granting Related Relief* [ECF No. •] (the “**Recognition and Enforcement Order**”), granting the Foreign Representative, among other relief, the authority to close this chapter 15 case upon the filing and service of a notice of presentment; and the Foreign Representative having filed such notice of presentment stating that the Restructuring Effective Date has occurred; and the Recognition and Enforcement Order being a final, non-appealable order not subject to a stay; and a

¹ Capitalized terms used but not defined in this Order have the meanings given to them in the Verified Petition.

hearing having been held to consider the relief requested in the Verified Petition; and it appearing that the relief requested in the Verified Petition is in the best interests of the Foreign Debtor and other parties in interest in this chapter 15 case; and after due deliberation and sufficient cause appearing therefor,

THIS COURT FINDS AND CONCLUDES THAT:

A. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference of the United States District Court for the Southern District of New York*, dated January 31, 2012, Reference M-431. *In re Standing Order of Reference Re: Title 11*, 12 Misc. 00032 (S.D.N.Y. Jan. 31, 2012) (Preska, C.J.).

B. This is a core proceeding under 28 U.S.C. §§ 157(b)(2)(P).

C. Venue is proper in this District pursuant to 28 U.S.C. § 1410.

D. The Verified Petition and the Memorandum of Law, collectively referred in this Order as the “Final Report,” satisfy the requirement of Rule 5009(c) of the Federal Rules of Bankruptcy Procedure (“**Bankruptcy Rules**”).

E. Due and sufficient notice of the Final Report was given, which notice is adequate for all purposes, and no other or further notice need be given.

F. The Restructuring Effective Date occurred on April __, 2022.

G. Thirty (30) days have passed since the Foreign Representative filed its certificate of service in respect of the Final Report, and no objections have been filed.

H. This chapter 15 case has been fully administered.

IT IS HEREBY ORDERED:

1. In accordance with sections 350(a) and 1517(d) of the Bankruptcy Code, Bankruptcy Rule 5009(c) and Local Rule 5009-2(a), this chapter 15 case styled *In re Atlas*

Financial Holdings, Inc., Case No. 22-____() is closed effective immediately as of the date of entry of this Order. The Clerk of the Court is hereby respectfully directed to close the above-captioned case.

2. This Order is without prejudice to the right of the Foreign Debtor or Foreign Representative to seek an order reopening this chapter 15 case under section 350(b) of the Bankruptcy Code or Local Rule 5009-2(a).

3. All orders entered by this Court in this chapter 15 case, including the Recognition and Enforcement Order, shall continue in full force and effect and survive entry of this Order.

4. This Court shall retain jurisdiction with respect to the implementation, enforcement, amendment or modification of this Order, the Recognition and Enforcement Order and any other request for additional relief in or related to the chapter 15 case.

Dated: _____, 2022
New York, New York

HONORABLE LISA G. BECKERMAN
UNITED STATES BANKRUPTCY JUDGE