



Important Notice
The Depository Trust Company

B #:	12666-19
Date:	January 23, 2020
To:	All Participants
Category:	Underwriting
From:	Nicole Tercovich, Director Underwriting Department
Attention:	Managing Partner/Officer; Cashier, Operations, Data Processing, and Underwriting Managers
Subject:	Section 3 (c) (7) restrictions and insurance regulatory considerations for owners of Leo Re Ltd. (“ Leo Re ”), acting in respect of its segregated account designated as the “ Leo Re Segregated Account 2020-1 ” (Leo Re acting on behalf of the Leo Re Segregated Account 2020-1, the “ Issuer ”)

- (A) CUSIP Number(s): (i) 526238 AA8 and (ii) 526238 AB6
- (B) Security Description: \$630,000 Series 2020-1 Class A Participating Notes due March 22, 2024 and \$399,370,000 Series 2020-1 Class B Participating Notes due March 22, 2024
- (C) Offer Amount: (i) \$ 630,000 and (ii) \$ 399,370,000
- (D) Initial Purchaser: Deutsche Bank Securities Inc.
- (E) Paying Agent: The Bank of New York Mellon, London Branch
- (F) Closing Date: December 19, 2019

Special Instructions:

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**Refer to the attachments for important instructions from the Issuer.
Leo Re acting in respect of the Leo Re Segregated Account 2020-1
CUSIP Numbers: (i) 526238 AA8 and (ii) 526238 AB6**

Re: (the “Securities”).

The Issuer and the Initial Purchasers referred to above are putting Participants on notice that they are required to follow these purchase and transfer restrictions with regard to the above referenced Securities.

i. The purchaser is purchasing the Series 2020-1 Notes (or a beneficial or an economic interest therein) for its own account or for a beneficial owner for which such person is acting as fiduciary or agent with complete investment discretion and with authority to bind such other person (the purchaser, and each such beneficial owner, collectively, the “**Purchaser**”), and not with a view to any public resale or distribution thereof.

ii. The Purchaser understands and acknowledges that the Series 2020-1 Notes (and any beneficial or economic interest therein) have not been registered under the Securities Act or any other applicable securities law, and may not be offered, sold or otherwise transferred except pursuant to an exemption from registration. Notwithstanding the availability of an exemption from the registration requirements under the Securities Act, the Series 2020-1 Notes may not be resold or transferred except to a “qualified institutional buyer” (“**Qualified Institutional Buyer**”) (within the meaning of Rule 144A under the Securities Act) pursuant to Rule 144A that, in the case of a Purchaser that is a U.S. Person (as defined in Rule 902(k) under the Securities Act, which term includes also, for all purposes hereof, anyone purchasing within the U.S. or who is not a U.S. Person solely by reason of Rule 902(k)(1)(viii)(B) or Rule 902(k)(2)(i) under the Securities Act), is also a “qualified purchaser” (as defined in Section 2(a)(51) of the Investment Company Act) (“**Qualified Purchaser**”) in reliance on the exception from the registration thereunder provided by Section 3(c)(7) and is a resident of, and purchasing in, a Permitted U.S. Jurisdiction or a Permitted Non- U.S. Jurisdiction..

iii. The Purchaser is (a) a Qualified Institutional Buyer (or, solely in connection with the initial offering of the Series 2020-1 Class A Notes, a person that (i) is not a U.S. Person and (ii) has been approved by the Issuer and the Initial Purchaser prior to the issuance of the Series 2020-1 Class A Notes), (b) if a U.S. Person, a Qualified Purchaser and (c) a resident of, and purchasing in, and will hold the Series 2020-1 Notes (or a beneficial or an economic interest therein) in, a Permitted U.S. Jurisdiction or a Permitted Non-U.S. Jurisdiction, and is aware (and any other person for whom such Purchaser is purchasing is aware) that any sale of the Series 2020-1 Class A Notes (or a beneficial or an economic interest therein) to it will be made in reliance on Rule 144A (or, solely in connection with the initial offering of the Series 2020-1 Class A Notes, in a sale to a person that (i) is not a U.S. Person and (ii) has been approved by the Issuer and the Initial Purchaser prior to the issuance of the Series 2020-1 Class A Notes, pursuant to another exemption

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from registration under the Securities Act), or in connection with the initial offering of the Series 2020-1 Class B Notes (or a beneficial interest therein), any sale of the Series 2020-1 Class B Notes (or a beneficial interest therein) to it will be made in reliance on Section 4(a)(2) of the Securities Act, and any sale or exchange of the Series 2020-1 Notes will be made in reliance on the exception from registration provided in Section 3(c)(7) of the Investment Company Act and such acquisition will be for its own account or for the account of another Qualified Institutional Buyer (or, solely in connection with the initial offering of the Series 2020-1 Class A Notes, a person that (i) is not a U.S. Person and (ii) has been approved by the Issuer and the Initial Purchaser prior to the issuance of the Series 2020-1 Class A Notes) and Qualified Purchaser (if a U.S. Person) who is also aware that the sale of Series 2020-1 Class A Notes (or a beneficial or an economic interest therein) to it is being made in reliance on Rule 144A (or, solely in connection with the initial offering of the Series 2020-1 Class A Notes, in a sale to a person that (i) is not a U.S. Person and (ii) has been approved by the Issuer and the Initial Purchaser prior to the issuance of the Series 2020-1 Class A Notes, pursuant to another exemption from registration under the Securities Act) or in connection with the initial offering of the Series 2020-1 Class B Notes (or a beneficial interest therein), the sale of Series 2020-1 Class B Notes (or a beneficial interest therein) is being made in reliance on Section 4(a)(2), and, if a U.S. Person, the exception from registration provided in Section 3(c)(7) of the Investment Company Act.

iv. If the Purchaser is not a U.S. Person, the Purchaser is not acquiring, and will not at any time hold, the Series 2020-1 Notes (or a beneficial or an economic interest therein) for the account or benefit, directly or indirectly, of any U.S. Person that is not a Qualified Purchaser.

v. The Purchaser (if a U.S. Person) is not a broker-dealer which owns and invests on a discretionary basis less than \$25,000,000 in securities of issuers unaffiliated with such broker-dealer.

vi. The Purchaser (if a U.S. Person) is not a participant-directed employee plan, such as a 401(k) plan, or a trust holding the assets of such plan, unless the investment decisions with respect to such plan are made solely by the fiduciary, trustee or sponsor of such plan.

vii. The Purchaser and each account for which it is purchasing or otherwise acquiring the Series 2020-1 Notes (or beneficial or economic interests therein), will purchase, hold or transfer at least \$250,000 of the Series 2020-1 Notes (or beneficial or economic interests therein).

viii. The Purchaser was not formed, reformed, recapitalized or operated for the specific purpose of investing in the Series 2020-1 Notes and/or other securities of the Issuer.

ix. If the Purchaser is an investment company excepted from the Investment Company Act pursuant to Section 3(c)(1) or Section 3(c)(7) thereof (or a foreign investment company under Section 7(d) thereof relying on Section 3(c)(1) or 3(c)(7) with

respect to its holders that are U.S. Persons) and was formed on or before April 30, 1996, it has received the consent of its beneficial owners who acquired their interests on or before April 30, 1996, with respect to its treatment as a Qualified Purchaser in the manner required by Section 2(a)(51)(C) of the Investment Company Act and the rules promulgated thereunder.

x. The Purchaser is not a partnership, common trust fund, corporation, special trust, pension fund or retirement plan, or other entity, in which the partners, beneficiaries, beneficial owners, participants, shareholders or other equity owners, as the case may be, that are U.S. Persons, may designate the particular investment to be made, or the allocation thereof, unless each such partner, beneficiary, beneficial owner, participant, shareholder or other equity owner that is a U.S. Person is both a Qualified Institutional Buyer and a Qualified Purchaser.

xi. The Purchaser has not invested more than 40% of its assets in the Series 2020-1 Notes (or beneficial or economic interests therein) and/or other securities of the Issuer after giving effect to the purchase of the Series 2020-1 Notes (or beneficial or economic interests therein).

xii. The Purchaser agrees that the Issuer shall be entitled to require any holder of the Series 2020-1 Notes (or a beneficial or an economic interest therein) that is determined not to have been both a Qualified Institutional Buyer (or, solely in connection with the initial offering of the Series 2020-1 Class A Notes, a person that (i) is not a U.S. Person and (ii) has been approved by the Issuer and the Initial Purchaser prior to the issuance of the Series 2020-1 Class A Notes) and, if the Purchaser is a U.S. Person or the beneficial owner of the Purchaser is a U.S. Person, a Qualified Purchaser (and to have met the other requirements set forth in paragraphs (i) through (xvii) of this “Representations of Purchasers”) at the time of acquisition of such Series 2020-1 Notes (or such beneficial or economic interest) to sell such Series 2020-1 Notes (or such beneficial or economic interest) in accordance with the provisions described below.

xiii. The Purchaser understands that the Issuer may receive a list of the participants from DTC or any other depository holding beneficial interests in the Series 2020-1 Notes.

xiv. The Purchaser and each person for which it is acting understands that any sale or transfer to a person that does not comply with the requirements set forth in paragraphs (i) through (xvii) of this “Representations of Purchasers” relating to the requirements for Qualified Purchasers and Qualified Institutional Buyers will be considered to be void and of no effect.

xv. The Purchaser and each person for which it is acting understands that it shall not exchange, transfer, assign, pledge or otherwise dispose of the Series 2020-1 Notes or any portion thereof without first obtaining and providing to the Issuer a letter agreement of the relevant transferee with representations substantially similar in form as the representations in this “Representations of Purchasers.” The Purchaser further agrees that any such exchange, transfer, assignment, pledge or other disposition made without first

providing the Issuer with such letter agreement of the relevant transferee will be considered to be void and of no effect.

xvi. The Purchaser is either a Pre-Approved Transferee or has received the written consent of the Board of Directors of Leo Re to purchase the Series 2020-1 Notes (such consent not to be unreasonably withheld and such consent to be deemed to have been given for the initial sale of the Series 2020-1 Class A Notes from the Initial Purchaser to a Purchaser or the exchange by the Issuer of Series 2020- 1 Class B Notes for Series 2019-1 Notes).

xvii. The Purchaser will provide notice of the transfer restrictions on the Series 2020-1 Notes to any subsequent transferees and agrees not to act as a swap counterparty or other type of intermediary whereby any other party will acquire a beneficial or an economic interest in the Series 2020-1 Notes acquired or reoffer, resell, pledge or otherwise transfer the Series 2020-1 Notes (or any beneficial or economic interests therein), to any person except to a person that (x) meets all of the requirements in paragraphs (i) through this paragraph (xvi) of this “Representations of Purchasers” and (y) agrees not to subsequently transfer the Series 2020-1 Notes or any beneficial or economic interest therein except in accordance with these transfer restrictions.

xviii. The Purchaser agrees that, notwithstanding anything to the contrary, all obligations of and any claims against the Issuer hereunder shall be extinguished and shall not thereafter revive in the event that, at any time, all of the Noteholder Collateral is exhausted (and there are no further claims that may be asserted by the Issuer with respect to contractual obligations of third parties to the Issuer arising from contracts entered into in connection with the Series 2020-1 Notes). The Purchaser further agrees, by purchasing Series 2020-1 Notes or beneficial or economic interests therein, that no claim may be brought against the Issuer, Leo Re or its directors, officers, employees, agent, administrators or shareholders for any shortfall in the Noteholder Collateral. The Purchaser agrees that it shall only have recourse to the Noteholder Collateral for satisfaction of the Issuer’s obligations hereunder. The proceeds of issuance of Leo Re’s share capital (\$1.00) and any proceeds earned thereon shall not form part of the assets available to satisfy the Issuer’s obligations.

xix. The Purchaser acknowledges that Leo Re is a segregated accounts company under the SAC Act and agrees that its rights and obligations under the Indenture are subject to the provisions of the SAC Act. The Purchaser further acknowledges and recognizes the applicability, validity and enforceability of the SAC Act and the terms contained therein and in particular that the Issuer’s liability and obligations under the Indenture are limited to the assets linked to the Issuer and not the other assets of Leo Re. Notwithstanding anything to the contrary contained herein, the Purchaser agrees and acknowledges that there shall only be recourse to the assets linked to the Issuer and that (except where all relevant parties, including the Issuer, may expressly agree otherwise, and in accordance with the provisions of Section 17A of the SAC Act) in the event of the exhaustion of the assets linked to the Issuer and not the other assets of Leo Re, there shall be no recourse by any party to the assets which are linked to any other segregated account (as that term is

defined in the SAC Act) established by Leo Re or to the general account of Leo Re and that there is no obligation whatsoever for Leo Re to use any of its property or assets, other than the assets linked to the Issuer, to satisfy any claim in the event of the exhaustion of the assets linked to the Issuer.

xx. The Purchaser hereby covenants and agrees that it will not at any time institute or join in the commencement of any bankruptcy, reorganization, insolvency, liquidation proceeding, or similar proceeding (including under Part IV A of the Bermuda Conveyancing Act 1983) under any U.S. federal or state or non-U.S. law, with respect to Leo Re at any time, or with respect to the Issuer until one (1) year (or, if longer, the applicable preference period or transaction avoidance period then in effect under any applicable bankruptcy or similar law) and one (1) day after the Stated Maturity Date.

The Issuer and the Indenture Trustee may require a holder of the Series 2020-1 Notes (or any owner of a beneficial or an economic interest therein) to provide them with an opinion of counsel addressed to and satisfactory to each of them to the effect that a proposed reoffer, resale, exchange, pledge or other transfer will not require the Issuer to register as an investment company under the Investment Company Act.

If any person acquiring a Series 2020-1 Note (or a beneficial or an economic interest therein) is not a Qualified Institutional Buyer (or, solely in connection with the initial offering of the Series 2020- 1 Class A Notes, a person that (i) is not a U.S. Person and (ii) has been approved by the Issuer and the Initial Purchaser prior to the issuance of the Series 2020-1 Class A Notes) and, in the case of a U.S. person, a Qualified Purchaser (meeting the requirements for Qualified Purchasers set forth in this section headed “Representations of Purchasers”) at the time of acquisition thereof, such acquisition will be regarded as null and void and of no effect. Any person who holds any interest in the Series 2020-1 Notes, who does not reside in and hold such interest in a Permitted U.S. Jurisdiction or a Permitted Non-U.S. Jurisdiction, or was not a Qualified Institutional Buyer (or, solely in connection with the initial offering of the Series 2020-1 Class A Notes, a person that (i) is not a U.S. Person and (ii) has been approved by the Issuer and the Initial Purchaser prior to the issuance of the Series 2020-1 Class A Notes) and, if a U.S. person, also a Qualified Purchaser at the time of the acquisition of an interest in the Series 2020-1 Notes, may be forced to transfer or sell such interest to a person who meets the requirements set forth in this section headed “Representations of Purchasers” within thirty (30) calendar days after notice of the sale requirement is given. If such holder (or beneficial or economic owner) fails to effect the sale within such thirty (30) calendar day period, the Issuer has the right to sell the Series 2020-1 Notes (or such beneficial or economic interest) to a Purchaser selected by the Issuer who meets the requirements set forth in this section headed “Representations of Purchasers” on such terms as the Issuer may choose as provided in the Indenture. The Issuer may select the Purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Series 2020-1 Notes, and selling the Series 2020-1 Notes to the highest such bidder. However, the Issuer may select a Purchaser by any other means determined by it in its sole discretion.

The Issuer is putting DTC participants on notice that the above-referenced Securities are “risk-linked securities” the ownership of which, as set forth in the original offering documents for such securities, is limited to investors in jurisdictions identified in the Offering Circular as “Permitted U.S. Jurisdictions” or “Permitted Non-U.S. Jurisdictions.”

Each Purchaser of the above-referenced Securities is responsible for determining for itself whether it has the legal power, authority and right to purchase such securities or whether such purchase would subject it to the jurisdiction of any insurance or other regulatory authority. Neither the issuer nor any other person involved in the original offering of the securities expresses any view as to an investor’s legal power, authority or right to purchase such securities or whether such purchase would subject it to the jurisdiction of any insurance or other regulatory authority. Investors are urged to consult their own legal advisors as to such matters.

The ownership considerations referred to above are identified by the notation “RLS” or “GRLS” in the DTC descriptor for the security and in DTC’s Reference Directory.

The restrictions on transfer required by the Issuer (outlined above) related to the Investment Company Act will be reflected under the notation “3c7” in DTC’s User Manuals and in upcoming editions of DTC’s Reference Directory.